



COCHIN MINERALS AND RUTILE LIMITED

AN ISO 9001:2008 COMPANY

**ANNUAL REPORT
2009-2010**

COCHIN MINERALS AND RUTILE LIMITED

BOARD OF DIRECTORS

Shri. R.K. Garg	-	Chairman
Shri. Mathew M. Cherian	-	Vice Chairman
Shri. A.J. Pai	-	Director
Shri. G.R. Warriar	-	Director
Shri. Venu Nallur	-	Director
Smt. Jaya S.Kartha	-	Director
Smt. Jolly Cherian	-	Director
Shri. Saran S. Kartha	-	Executive Director
Shri. S.N. Sasidharan Kartha	-	Managing Director

AUDITORS

M/s. Lazar & George,
Chartered Accountants,
Aluva.

LEGAL ADVISORS

M/s. Matthai & Matthai,
Advocates,
Ernakulam.

BANKERS

1. Bank of Baroda, Aluva.
2. State Bank of India, Aluva.
3. Industrial Development Bank of India Limited, Cochin

REGISTRARS & SHARE TRANSFER AGENTS

M/s SKDC Consultants Ltd.
Kanapathy Towers
3rd Floor, 1391/A, Sathy Road,
Ganapathy, Coimbatore - 641 006
Ph: 0422-6549995, 2539835, 2539836
Fax: 0422-2539837
E-mail: info@skdc-consultants.com

REGISTERED OFFICE

P.B.No. 73, VIII/224, Market Road,
Aluva - 683 101.

FACTORY

Edayar Industrial Development Area,
Muppathadom P.O.,
Aluva - 683 110.

NOTICE TO THE SHAREHOLDERS

Notice is hereby given that the 21st Annual General Meeting of Cochin Minerals and Rutile Limited will be held on Saturday, the 18th September 2010 at 2.15 P.M. at the Priyadarshini Municipal Town Hall, Thottakkattukara, Aluva, Ernakulam District, Kerala to transact the following business:

AS ORDINARY BUSINESS

1. Adoption of Accounts

To receive, consider and adopt the audited accounts of the Company for the financial year ended 31st March 2010 together with Directors' Report and Auditors' Report, thereon.

2. Declaration of Dividend

To consider and if thought fit to pass with or without modification, the following resolution as an ordinary resolution.

“Resolved that pursuant to the recommendation of the Board of Directors, a dividend at the rate of Rs.1.50 (One Rupee Fifty Paise Only) per equity share of Rs.10/- paid up be and is hereby declared out of the current profits for the year ended 31st March 2010 and the same be paid to the equity shareholders whose name appear in the Register of Members as on the date of book closure on 9th September 2010”.

3. Appointment of Directors

To appoint Directors in place of Shri. Mathew M Cherian, Shri. A. J Pai and Smt. Jaya S Kartha who retire by rotation and being eligible have offered themselves for reappointment and in this connection :

To consider and if thought fit, to pass with or without modification, the following resolutions as ordinary resolutions.

- (a) “RESOLVED that the retiring Director, Shri. Mathew M Cherian be and is hereby reappointed as Director of the Company subject to retirement by rotation.”
- (b) “RESOLVED that the retiring Director, Shri. A.J. Pai be and is hereby reappointed as Director of the Company subject to retirement by rotation.”
- (c) “RESOLVED that the retiring Director, Smt. Jaya S Kartha be and is hereby reappointed as Director of the Company subject to retirement by rotation.”

4. Appointment of Auditors

To appoint the Auditors and to fix their remuneration and in this connection to pass, with or without modification, the following resolution as an ordinary resolution.

“RESOLVED that pursuant to the provisions of Section 224 and other applicable provisions, if any, of the Companies Act, 1956, M/s. Lazar & George, Chartered Accountants, Aluva be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting of the Company to the conclusion of the next Annual General Meeting, on a remuneration to be mutually agreed upon between the Board of Directors of the Company and the Auditors.”

By Order of the Board

Sd/-

S.N. Sasidharan Kartha,
Managing Director.

Place : Aluva
Date : 26.07.2010

Notes:

1. **A member entitled to attend and vote at the Annual General Meeting may appoint a proxy to attend and vote on a poll on his behalf. Such a proxy need not be a member of the Company. The proxy in order to be valid should be duly completed, signed and stamped and the same must be received at the Registered office of the Company not less than 48 hours before the commencement of the meeting.**
2. The Share Transfer Books and Register of members of the Company shall remain closed from 9th September 2010 to 18th September 2010 (both days inclusive).
3. Members are requested to bring their copies of the Report and Accounts to the meeting. Members are also requested to bring the attendance slip with them duly filled in and hand over the same at the entrance of the meeting venue.
4. Members holding physical shares are requested to intimate any change in address to the Company. Members who hold dematerialised shares are requested to notify any change in their particulars like change in address, bank account particulars to their respective Depository participants immediately.
5. In terms of section 205 (c) of the Companies Act, dividend amounts that have remained unclaimed/unpaid for a period of 7 years from the date they became due for payment shall be credited to the Investor Education and Protection Fund of the Central Government and no claim shall lie against the fund. The particulars of unclaimed/unpaid dividends declared from financial year 2006-2007 are given below:

Financial Year Ended 31 st March	Date of Declaration	Last Date for claiming dividend
2007	24.09.2007	23.09.2014
2008	22.09.2008	21.09.2015
2009	14.09.2009	13.09.2016

6. Corporate Members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of Board resolution authorizing the representative to attend and vote at the meeting on their behalf.
7. With respect to payment of dividend the company provides the facility of Electronic Clearing Service (ECS) to the shareholders of the company. Shareholders holding shares in the physical form, who wish to avail ECS facility, may authorize the company with their ECS mandate in the prescribed form (enclosed) or can be obtained from our Registrars and Share Transfer Agents, M/s S K D C Consultants Ltd., Coimbatore on request. Requests for payment of dividend through ECS for the year 2009-2010 should be lodged with M/s S K D C Consultants Limited on or before 9th September, 2010.

Additional Information in respect of directors reappointed are appended hereunder

Shri. Mathew M Cherian

Shri. Mathew M Cherian, an NRI Businessman is the co-founder and has been the Vice-Chairman of Cochin Minerals and Rutile Limited from its inception. A Diploma holder in Hotel Management from the Institute of Hotel Management & Catering, Bombay, Mr. Cherian is engaged in Hotels, Restaurants, export, import and international trade. His dynamic leadership quality and business acumen have enabled the company to scale new heights in overall performance. Shri. Mathew M Cherian is the Managing Director of Sach Exports Pvt. Ltd and Director of Kerala Rare Earths and Minerals Limited.

Shri. A J Pai

Shri. A.J. Pai, a fellow member of the Institute of Chartered Accountants of India, has been in the service of KSIDC Ltd for about 25 years and retired in the year 2003 as its Executive Director. He was on your Company's Board, as KSIDC nominee from 2000 to 2004 and since then as an independent director. Presently, he also holds Directorship in Seven other Companies viz. M/s Pigments India Limited, (Chairman) M/s Kerala Industrial Revitalization Board, M/s. Lakeshore Hospital and Research Centre Limited, M/s Lulu International Shopping Mall Private Limited, M/s Line Properties Private Ltd., Sri Asoka Textiles Ltd. and M/s Lulu Hyper Market Pvt. Ltd. He is a member of the Audit Committee and Remuneration Committee of Cochin Minerals and Rutile Limited.

Smt. Jaya S Kartha

Smt. Jaya S. Kartha, a Post Graduate, is the wife of Shri. S. N. Sasidharan Kartha, Managing Director. She is also the promoter of the Company and is the director of M/s Empower India Capital Investments Pvt. Ltd. and have considerable experience in business.

DIRECTORS' REPORT

Your Directors are pleased to present the 21st Annual Report of your Company along with audited statements of accounts for the year ended 31st March 2010.

<u>FINANCIAL HIGHLIGHTS</u>		
	Rs. in Lakhs	
	2010	2009
Sales and Other Income	11204.13	12442.06
Profit before Interest & Depreciation	1487.92	1571.64
Interest	245.52	285.22
Depreciation	344.08	332.96
Net Profit for the year	898.32	953.46
Provision for Tax	322.26	366.00
Fringe Benefit Tax	-	16.25
Deferred tax asset (liability)	(13.14)	66.76
Profit after tax	589.20	504.45
Appropriations		
Proposed Dividend	117.45	117.45
Dividend Tax	19.96	19.96
Transfer to General Reserves	29.46	25.22
Balance Carried Forward	422.33	341.82

DIVIDEND

Your Directors are pleased to recommend a dividend on the equity shares at Rs. 1.50 per share of Rs. 10/- each for the financial year ended 31st March, 2010.

OPERATIONS

a) Production

The production of Synthetic Rutile during the year under review was 34200.000 MT as compared to 34602.776 MT in the previous year. Ferric Chloride production during the year was 12629.000 MT, as compared to 11743.000 MT in the previous year. Ferrous Chloride production during the year was 54859.640 MT as against 51400.000 MT in the previous year.

The production of Ferric Chloride and Ferrous Chloride during the year recorded increase of 7.54 per cent and 6.73 per cent respectively as compared to the previous year.

b) Sales

Your company could sell 32358.700 MT of Synthetic Rutile during the year as compared to last year's sales of 35460.556 MT due to market recession. Ferric Chloride sales amounted to 12189.670 MT during the year compared to 11751.435 MT last year showing an increase of

3.74 per cent. Ferrous Chloride sales this year comes to 53090.375 MT, as against 50394.100 MT in the previous year showing an increase of 5.35 per cent.

c) Foreign Exchange

Your company earned export income of USD 176,99,076.12 equivalent to Rs. 8348.01 lakhs, compared to USD 222,87,748.00 (FOB) equivalent to Rs. 9669.55 lakhs in the previous year. The utilisation of Foreign Exchange during the year was USD 1425975.05 , JPY 560000.00, SGD 76.00, EURO 2600, UK£ 635.80, AED 7837.25 equivalent to Rs.65260454/- compared to USD 823840.42 equivalent to Rs. 36724749/- in the previous year. The increase in foreign exchange utilization during the year was due to import of ilmenite owing to its short supply in the domestic market.

Statement in Form 'C' is given in the Annexure - I.

d) Profit

Your company earned a profit of Rs. 1487.92 lakhs before interest, depreciation and tax and a net profit of Rs. 589.20 lakhs after tax during the year as compared to Rs. 1571.64 lakhs and Rs. 504.45 lakhs respectively in previous year.

MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis of the Working Results for the year are given as Annexure – III.

DIRECTORS

As per the provisions of the Companies Act, 1956, your directors Shri. Mathew M Cherian, Shri. A J Pai and Smt. Jaya S Kartha retire by rotation at the Annual General Meeting and being eligible, have offered themselves for reappointment.

CORPORATE GOVERNANCE

Your company has complied with all the conditions of corporate governance regulations, as contained in the revised clause 49 of the listing agreement. The corporate governance report and the certificate from the auditors regarding the compliances are annexed to this report as Annexure II and IV.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements under Section 217 (2AA) of the Companies Act, 1956, it is hereby confirmed,

- i) That in the preparation of the Annual accounts for the year ended 31st March 2010, the applicable accounting standards have been followed.
- ii) That the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit/loss of the Company for the year under review.
- iii) That the Directors had taken proper and sufficient care for the maintenance of

adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding against fraud and other irregularities.

- iv) That the Directors had prepared the accounts for the year ended 31st March 2010 on a going concern basis.

ISO CERTIFICATION

Your Company continues to be ISO 9001 : 2008 certified by the prestigious agency, Bureau Veritas Quality International, with accreditation from UKAS London, ANSI-RAB, USA and NABCB, India.

AWARDS

Your directors are pleased to report that your Company bagged the Award for implementing pollution control measures from Govt. of Kerala for the 4th consecutive year – “Excellence Award” for years 2009 and 2008 and certificate of merit for securing 1st place among the medium scale industries in the preceeding 2 years.

Your company had bagged the FIRST PRIZE in the safety awards instituted by the Department of Factories and Boilers, Government of Kerala for the year 2009 for outstanding performance in industrial safety. The company had also won the certificate of excellence in Industrial safety for the year 2008 from the State Government.

During the year 2009, your company received International Quality Crown Golden Award 2009 from Business Initiative Directions, Madrid, Spain in recognition of the outstanding commitment to the quality and excellence. The selection procedure of the award is equal to that of Deming Award in Japan, Malcolm Baldrige awards in U.S.A and EFQM in Europe.

AUDITORS

M/s. Lazar & George, Chartered Accountants, Aluva who were appointed as Auditors of the Company for the year under review, retire at the Annual General Meeting and being eligible, offer themselves for reappointment.

STATUTORY APPROVALS & LICENCES

The Company has renewed all statutory approvals and licences from various Departments/ Authorities for carrying on its normal business. The licenced capacity of Synthetic Rutile production now stands at 45,000 MT per annum.

INDUSTRIAL RELATIONS

The Labour - Management relations have been cordial and a long term agreement with Trade Unions of the Employees, valid till 2011 is in force. The employee morale is quite high as can be observed from the performance.

ENERGY CONSERVATION

The statements in Form A for Energy Conservation and Form B on Technology absorption are given in the Annexure - I. Improved practices and installation of additional equipment have resulted in better quality of product and improved efficiency.

PARTICULARS OF EMPLOYEES

No employee in the service of the Company draws annual remuneration of Rs. 24,00,000 or more per year or Rs. 2,00,000 or more per month for any part of the reporting year requiring disclosure as per Section 217 (2A) of the Companies Act, 1956.

FIXED DEPOSITS

The Company has not accepted any deposit during the year within the meaning of Section 58A of the Companies Act 1956 and the rules made there under.

DEMATERIALISATION

The shares of your Company are compulsorily dematerialised for trading. The ISIN number of the shares is INE105D01013.

LISTING

The shares of your Company are listed in Bombay Stock Exchange Ltd., Mumbai and the listing fees as required has already been paid upto and including the year 2010-2011.

ACKNOWLEDGEMENTS

Your Directors wish to place on record their deep sense of gratitude to the Banks and Financial Institutions, Central and State Government Departments and local authorities for their co-operation and support. Your directors are also grateful to the customers, suppliers and business associates for their co-operation. Your directors also like to place on record their appreciation of the valuable contributions put in by the employees of the company at all levels. Finally, your directors are deeply grateful to the members for their continued confidence and faith in the management of the company.

Place: Aluva,
Date : 26.07.2010

For and on behalf of the Board,
Sd/-
R.K. Garg,
Chairman.

Annexure -I to the Directors' Report.

Statement containing particulars, pursuant to Companies (disclosure of particulars in the report of Board of Directors) Rules 1988 and forming part of the Directors Report.

A. CONSERVATION OF ENERGY

Energy Conservation is an on-going activity and it is being closely monitored to a specific programme of reduction

FORMA

(See Rule 2)

Form for Disclosure of Particulars with respect to Conservation of Energy.

A. Power and fuel consumption**1. Electricity**

(a) Purchased		Current Year	Previous Year
Unit		48,52,693 KWH	51,55,549 KWH
Total Amount		Rs. 1,79,93,627.68	Rs. 2,32,06,979.00
Rate/Unit		Rs.3/KWH + Rs. 270/KVA + 0.10/KWH + Surcharge @0.025 Ps per KWH or part thereof	Rs.3/KWH + Rs. 270/KVA + 0.10/KWH + Surcharge @0.025 Ps per KWH or part thereof
(b) Own generation			
Through diesel Generator			
Units		71,510.80 KWH	2,90,359 KWH
Units per ltr.) of diesel oil)		3.26 units/ltr	3.50 units/ltr
Cost/unit		Rs. 11.65 /unit	Rs. 10.60/unit
Through steam turbine/ Generator Units		Nil	Nil
Units per ltr. of fuel oil/gas	}	Nil	Nil
Cost/units	}		
2. Coal (specify quality and where used)	}	(1) Low ash coal- in kiln for reduction. (2) Indian coal- gassifier (3) Indonesian coal – Boiler	
Total cost	}	Rs. 3,28,83,828.00	Rs. 3,30,28,738.00
Average rate	}	Rs. 4,316.89	Rs. 5,464.50
3. Furnace Oil			
Quantity (k.ltrs.)		4013.027 KL	4585.326 KL
Total amount		Rs. 9,62,89,968.88	Rs. 10,79,26,617.00
4. Others/internal generation (please give details)			
Quantity	}		
Total cost	}	Nil	Nil
Rate/unit	}		

B. Consumption per unit of production

	Standards (if any)	Current Year	Previous Year
		1	2
Particulars of Energy			
Electricity		144.53 Units	156.22 Units
Furnace Oil		117.00 Ltrs.	132.51 Ltrs
Coal		0.205 MT	0.175MT

B. TECHNOLOGY ABSORPTION

FORM B
(See rule 2)**FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO
TECHNOLOGY.****Research and Development (R & D)**

- | | |
|--|--|
| 1. Specific areas in which R&D carried out by the Company. | (a) Studies and plant level trials for usage of Ferric Chloride and Ferrous Chloride in effluent treatment and sewage treatment. |
| | (b) Studies on utilization of ETP sludge in bricks and tile manufacture. |
| 2. Benefits derived as a result | (a) Resulted in increased sale of byproducts |
| | (b) Established the process for use of CMRL E T P sludge – Iron Hydroxide (Cemox) for usage for Bricks and Tile Industry based on study by National Institute of Interdisciplinary Science and Technology (NIIST), with whom the CMRL have signed a memorandum of understanding. |
| 3. Future plan of action | (a) R & D studies to be continued for crystallisation of Ferrous Chloride and manganese removal to cater to specific markets. |
| | (b) R & D work to be continued for usage of Ferrous and Ferric Chloride for use in sewage treatment, with specific objective of odour removal and BOD reduction. |
| | (c) Direct chlorination of ilmenite to produce Synthetic Rutile with recycle of chlorine from ferrous/ferric chloride |
| | (d) Preparation of Iron Oxide Pigment and Ferrite Grade Oxide from Ferrous Chloride |
| 4. Expenditure on R & D | : |
| (a) Capital | : Rs. 98.65 lakhs |
| (b) Revenue | : Rs. 45.23 lakhs |
| Total | : <u>Rs. 143.88 lakhs</u> |
| (c) Total R & D expenditure as a }
Percentage of total turnover } | : 1.29 |

Technology absorption, adaptation and Innovation.

1. Efforts, in brief, made towards technology Absorption, adaptation and innovation. :
- a) Studies continue to improve equipment life, reduce wastage and consistent production of high quality Synthetic Rutile at maximum efficiency.
 - b) Inplant studies improved the efficiency of COD and Colour removal of textile process-house effluents and odour reduction of sewage treatment plant effluents using Ferric and Ferrous Chloride.
 - c) ETP sludge converted to cemox clay is partially substituting clay in Brick and Tile Industry.
2. Benefits derived as a result of the above efforts, eg. product improvement, cost reduction, product development, import substitution etc. :
- a) Higher productivity with consistent high purity of product.
 - b) Higher off-take of Ferrous Chloride and cemox clay.
 - c) Development of market for Ferrous Chloride and cemox clay leading to cost reduction for effluent treatment.
3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year) following information may be furnished. :
- (a) Technology imported } N.A.
 - (b) Year of import } }
 - (c) Has technology been fully absorbed } }
 - (d) If not fully absorbed, areas where this } N.A.
 - has not taken place, reasons therefore and } }
 - future plans of action. } }

FORM C**Foreign Exchange Earnings and Outgo**

(1) Foreign Exchange Earnings (FOB Value of export)	US\$ 1,76,99,076.12
(2) Foreign Exchange Outgo	
on Revenue Account	US\$ 9,83,916.71
on Capital Account	<u>US\$ 4,56,265.29</u>
	US\$ 14,40,182.00
Net Earnings	<u><u>US\$ 1,62,58,894.12</u></u>

CORPORATE GOVERNANCE REPORT
ANNEXURE II TO THE DIRECTORS' REPORT

1. Company Philosophy :

Cochin Minerals and Rutile Limited have always focused on good Corporate Governance practices as it believes that a strong corporate governance policy is indispensable to healthy growth of business and long term value creation for the company's stake holders. Good corporate governance provides an appropriate framework for the Board and the Management to carry out the objectives that are in the interests of the Company and the shareholders. The company endeavours to enhance and protect the long term interest of all its stake holders. The company is in full compliance with all the corporate governance requirements of the guidelines on corporate governance stipulated under clause 49 of the listing agreement with the Stock Exchange.

2. Board of Directors :

(i) Composition :

The company has a non-executive and independent chairman. Out of the total strength of 9 members of the Board, 7 are non-executive and 4 are independent. The composition of the Board is in conformity with the Governance requirements, which stipulate that 50 per cent of the Board should comprise non-executive directors and, if the Chairman is non-executive, 1/3rd of the Board should be independent.

The names and categories of the Directors on the Board, their attendance at Board Meetings and Annual General Meeting, number of directorships in other companies and total committee membership/chairmanship are given in Table 'A'.

TABLE – A – Board of Directors - Details						
Name	Position	Board Meetings held during the year	Board Meetings attended	LastAGM attended or not	Directorship in other Companies	Total Memberships committee
Shri. R.K. Garg	Chairman, Non-Executive, Independent	5	5	Yes	2	2
Shri. Mathew.M.Chерian	Vice Chairman, Non-Executive	5	-	No	2	-
Shri.S.N.Sasidharan Kartha	Managing Director, Executive	5	5	Yes	4	1
Dr. A. Besant C Raj	Non-Executive Independent	5	1	NO	-	-
Shri. A.J. Pai	Non-Executive Independent	5	5	Yes	7	3
Shri. Venu Nallur	Non-Executive Independent (KSIDC Nominee)	5	4	Yes	3	-
Shri. G.R. Warriar	Non-Executive Independent	5	5	Yes	2	2
Smt. Jaya.S.Kartha	Non-Executive	5	5	Yes	1	-
Smt. Jolly Cherian	Non-Executive	5	-	No	-	-
Shri. Saran S Kartha	Executive Director	5	4	Yes	-	-

Changes in the Board of Directors :

Dr. A Besant C Raj ceased to be a Director of the company on resignation, with effect from 28th July, 2009.

Shri. Saran S Kartha was appointed as Executive Director of the company with effect from 01.10.2009.

ii) Meetings :

5 (five) meetings of the Board were held during the year ended 31st March 2010. These were on 27th May 2009, 28th July 2009, 14th September 2009, 28th October, 2009, and 23rd January 2010. The gap between any two meetings did not exceed four months.

iii) Attendance :

Attendance of each Director at the Board Meetings and last Annual General Meeting are given in Table "A".

IV) Statements as mandated by clause 49:-

a) Apart from receiving directors sitting fees and commission as per rules, the non-executive directors do not have any material pecuniary relationship or transactions with the company or its promoters.

b) Except Mr. S N Sasidharan Kartha and Mrs. Jaya S Kartha (husband and Wife), Mr. Mathew M Cherian and Mrs. Jolly Cherian (husband and wife), Mr. Saran S Kartha (Son of Mr. S N Sasidharan Kartha and Mrs. Jaya S Kartha), none of the directors of the company is related inter-se.

c) None of the independent directors is below the age of 21 years.

d) None of the directors of the company is a member of more than 10 committees or chairman of more than 5 committees across all companies.

V) Share holding in the company by non-executive directors as on 31/03/2010 were as follows:

	Director		Shares Held
1.	Mr. Mathew M Cherian	-	923150
2.	Mrs. Jaya S Kartha	-	386740
3.	Mrs. Jolly Cherian	-	295223
4.	Mr. R K Garg	-	2500
5.	Mr. G R Warriar	-	750

3. Code of Conduct under corporate governance regulations:

The company has adopted a code of conduct for its Board members and senior management personnel, in compliance of the corporate governance guidelines. The code is applicable to all Board members and senior management personnel, who have affirmed their compliance with the code during the year ended 31st March 2010. The declaration by the Managing Director (CEO) as regards compliance with the code is annexed.

4. Code of conduct under insider trading regulations:

The company has adopted a code of conduct for its Board members and designated employees in compliance of the SEBI (Insider Trading) regulations. The company has obtained prescribed undertakings from all directors and designated employees as regards compliance with the code.

5. Secretarial Standards and audit:

Though not mandatory, the company voluntarily adheres to the secretarial standards issued by the Institute of Company Secretaries of India on important corporate practices such as Board Meetings, General Meetings, payment of dividend, maintenance of registers and records, minutes of meetings, transmission of shares, passing of resolutions by circulation and

Board's report. The company has also undergone secretarial audit by an independent Company Secretary in whole time practice.

6. Audit Committee :

The Audit Committee of the company during the year consisted of 3 non – executive and independent Directors, two of them having expert knowledge in Finance and Accounts. The terms of reference of the committee included the following :

- (i) Reviewing financial statements before submission to the Board.
- (ii) Reviewing quarterly working results and limited review reports of the auditors.
- (iii) Reviewing audited financial accounts and audit report before submission to the Board.
- (iv) Reviewing accounting policies and practices.
- (v) Recommending appointment of Auditors and fixing their remuneration.
- (vi) Discussion with internal auditors regarding nature, scope and findings of audit.
- (vii) Reviewing internal control and internal audit systems and their compliance thereof.

The audit committee is empowered to seek information from any employee, if necessary. No employee is denied access to the audit committee.

The audit committee met four times during the year 27th May 2009, 28th July 2009, 28th October 2009 and 23rd January 2010. The attendance record is given in “Table – B”. The Company Secretary of the Company is the secretary of the Committee.

Table B – Audit Committee Attendance

Names of Member Directors	No: of meetings held	Meeting attended
Shri. R.K. Garg (Chairman)	4	4
Shri.A.J. Pai	4	4
Dr. A. Besant C Raj	4	1
Shri. G R Warriar	4	2

Reconstitution of Audit Committee

The Audit committee was reconstituted by the Board at the Board Meeting held on 28/07/2009 by appointing Shri. G R Warriar , an independent director as member in place of Dr. A Besant C Raj, who had resigned.

7. Remuneration Committee :

The Remuneration committee was reconstituted at the Board Meeting held on 28/07/2009 by appointing Shri. G R Warriar , an independent Director as member in place of Dr. A Besant C Raj who had resigned. The remuneration committee also consists of other two non- executive and independent Directors – Mr. R. K. Garg (Chairman), Mr. A. J. Pai. The remuneration committee is vested with all the necessary powers and authority to determine and recommend the remuneration payable to the executive directors. At present, the Company has two Executive Directors ie. Mr. S N Sasidharan Kartha, the Managing Director, and Mr. Saran S Kartha, Executive Director. The Managing Director is paid the minimum remuneration as per schedule XIII or 5% of the net profits of the Company, whichever is higher. No other perquisite, incentives or stock options are payable to him. Mr. Saran S Kartha, Executive Director is paid remuneration, not exceeding the limits specified in Part II, Section III(A) of Schedule XIII to the companies' Act, 1956, or any other statutory modifications or enactments thereof for the time being in force. The non-executive Directors were paid one per cent commission on net profit of the company. The remuneration committee met once during the year on 28.07.2009. Details of remuneration paid to directors during the year are given in “Table – C”.

TABLE – C – Remuneration to Directors

Name	Sitting Fees	Salary/ Commission	Contribution to PF	Total
Shri. R.K. Garg	95000.00	25857.00		120857.00
Shri. Mathew.M.Chcrian	-	120857.00	-	120857.00
Shri. S.N. Sasidharan Kartha	-	4300000.00	180000.00	4480000.00
Dr. A. Besant.C.Raj	20000.00			20000.00
Shri. A.J. Pai	95000.00	25857.00		120857.00
Shri. Venu Nallur	60000.00	60857.00		120857.00
Shri. G.R. Warriar	85000.00	35857.00		120857.00
Smt. Jaya.S.Kartha	75000.00	45858.00		120858.00
Smt. Jolly Chcrian	-	120857.00		120857.00
Shri. Saran S Kartha	30000.00	900000.00	108000.00	1038000.00
	460000.00	5636000.00	288000.00	6384000.00

8. Investor Grievance/ Share Transfer Committee :

The Board of Directors of the Company has constituted an Investors Grievance and Share Transfer Committee. The Committee under the Chairmanship of a non-executive Director Shri. G. R. Warriar, looks into share transfers and redressal of Share holders' complaints. Shri. Suresh Kumar P, General Manager (Finance) & Company Secretary has been designated as the Compliance Officer. The Company during the year received 21 complaints/grievance from investors and all of them were resolved during the year. There was no Share holder complaint remaining unresolved as on 31st March 2010. The Company's shares are compulsorily traded in demat form. However, the Share Transfer committee met at frequent intervals 32 times during the year. There were no pending transfers as on 31st March 2010.

9. Share Transfer System :

a) The shares, in physical form received for transfer are processed and transfers effected generally within a period of 10 days from the date of receipt, provided the documents are valid and complete in all respects. Physical shares for demat are received by the Registrars & Transfer Agents and processed within the stipulated time. The authority for approving share transfers are delegated to the Investor Grievance and share transfer committee.

Transfer of dematerialized shares is effected through the depositories, with no involvement of the company.

b) REGISTRARS/SHARE TRANSFER AGENTS

The **address of share transfer agents** has been **changed** and new address is given below:

M/s SKDC Consultants Ltd.,
Kanamathy Towers,
3rd Floor,
1391/A-1, Sathy Road,
Ganapathy,
Coimbatore – 641 006
Ph: 0422- 6549995, 2539835, 2539836
Fax: 0422-2539837
E-mail: info@skdc-consultants.com

10. General Body Meetings :

- (a) Location and time of last 3 Annual General Meetings are given below.

Year	Location	Date	Time
2006 - 07	Aluva, Kerala	24.09.2007	9.30 AM
2007 - 08	Aluva, Kerala	22.09.2008	10.30 AM
2008 - 09	Aluva, Kerala	14.09.2009	9.30 AM

- (b) Special resolution/s passed in the last 3 Annual General Meetings
 2006 - 07- NIL
 2007 - 08 - NIL
 2008 - 09 (I) for payment of remuneration to Executive Director
 (II) for payment of commission to non-Executive Directors

- (c) Postal Ballot :

No resolution was put through postal ballot during last year. None of the business proposed in the ensuing AGM require passing a special resolution through postal ballot

11. Disclosures.

- a) Disclosure of materially significant related party transactions that may have potential conflict with the interests of the company.

No transaction of material nature has been entered into by the company with its promoters, directors, the management, subsidiaries or relatives etc. that may have potential conflict with the interests of the company.

- b) **Disclosure of non-compliance**

There were no instances of non-compliance and no penalty or strictures imposed on the company by the stock exchanges or SEBI or any statutory authority on any matter related to capital markets, during the last three years.

- c) **Non – mandatory requirements**

The company has fulfilled the following non-mandatory requirements as presented in Annexure ID to clause 49 of the listing agreement.

- i) The company has constituted a remuneration committee.
 ii) The company continue in a regime of unqualified statutory financial statements.
 iii) The company ensures that independent directors of the company have the requisite qualification and experience which would be of use to the Company.

12. Means of Communication.

The quarterly, half yearly and annual working results of the company are published in newspapers like Financial Express and Kerala Kaumudi. The management Discussion and Analysis is included as a part of the annual report for the year ended 31st March 2010

13. General Shareholder Information.

Annual General Meeting	18 th September 2010 at 2.15 p.m. Priyadarshini Municipal Town Hall, Thottakkattukara, Aluva, Ernakulam, Kerala.
Financial Year	Year ended 31 st March 2010
Book Closure Date	09.09.2010 to 18.09.2010 (both days inclusive)
Dividend	15 (Fifteen) percent

Listing	The shares of the company are listed at Bombay Stock Exchange Ltd. Listing Fees to the Exchange for the year 2010-11 has already been paid.
Stock Code	COCHRDM513353
Demat ISIN	INE 105D01013

14. Market Price Data

The High/Low prices of the company's share at the Bombay Stock Exchange Ltd. during each month of the Financial year 2009 – 2010 are given below:

<u>Month</u>		<u>Months' High</u> Rs.	<u>Months' Low</u> Rs.
April	2009	33.50	26.25
May	2009	52.50	30.10
June	2009	54.20	37.70
July	2009	56.05	37.95
August	2009	69.95	50.60
September	2009	67.10	58.10
October	2009	65.00	53.00
November	2009	61.00	49.45
December	2009	63.15	57.85
January	2010	72.60	63.65
February	2010	74.85	67.15
March	2010	71.75	65.80

15. Distribution of Shareholding as on 31st March 2010.**a) Category-wise Distribution**

Category	Percentage
Promoters	54.97
Banks/FIS/mutual funds	1.07
NRIs	0.73
Private Corporate Bodies	2.39
Others	40.84
Total	100.00

b) Value-wise Distribution

1	2	3	4	5
Value (Rs)	No. of Holders	%	Amount	%
Upto 5000	10522	93.49	13658400	17.44
5001 10000	396	3.52	3393460	4.33
10001 20000	151	1.34	2324530	2.97
20001 30000	69	0.61	1800450	2.30
30001 40000	22	0.20	797630	1.02
40001 50000	23	0.20	1101800	1.41
50001 100000	26	0.23	2036170	2.60
100001 And Above	46	0.41	53187560	67.93
Total	11255	100	78300000	100

15. Dematerialisation of Shares and Liquidity.

51.23 percent of the company's paid-up capital is held in demat form as on 31st March 2010. Trading in the shares of the company is permitted only in demat form for all investors. The company has signed agreements with National Securities Depository Limited and Central Depository Services (India) Limited to offer depository services for the company. The shares of the company are regularly traded at the Bombay Stock Exchange Ltd. and has good liquidity.

16. Outstanding GDR/ADR/Warrants/Convertible instruments and their impact on equity.

Not applicable to the company.

17. Plant Locations.

Edayar Industrial Development Area,
Muppathadom P.O.
Binanipuram,
Kerala – 683110
Tel. – 0484 - 2532186

18. Address for Correspondence.

Cochin Minerals and Rutile Limited,
P.B. No. 73, VIII/224,
Market Road,
Aluva – 683 101,
Kerala.
Tel : 0484 – 2626789
Fax : 0484 - 2625674
E-mail : sachexim@vsnl.com

Annexure-III Management Discussion and Analysis

Cochin Minerals and Rutile Limited is a 100 percent Export Oriented unit in the Mineral Processing sector with manufacturing, marketing and research capabilities. The Company's products and their applications are :

a) Main Product

The main product is synthetic Rutile which finds application as raw material for the Titanium pigment and titanium sponge/metal industry. The annual licensed and installed capacity is 45000MT.

b) By-Products

The following are the by-products.

- i) Ferric Chloride which has applications as an etching agent and in Effluent Treatment.
- ii) Ferrous Chloride which is mainly used in effluent treatment.
- iii) Iron Hydroxide (Cemox) used for brick and tile making.

Raw Materials

The main raw materials of your company are Ilmenite and Hydrochloric Acid. Both these items are indigenously available.

Operational Performance

The operational performance highlights for the year 2009-2010 are given below:

	<u>2009-2010</u>	<u>2008-09</u>
Synthetic Rutile Production (MT)	34200.000	34602.776
Sales (MT)	32358.700	35460.556
Gross Revenue (Rs. lakhs)	11204.13	12442.06
Net Profit (Rs. lakhs)	589.20	504.45

The Company could also make substantial improvement in marketing the 2 by-products viz. Ferric Chloride and Ferrous Chloride during the year. The sales turnover in respect of Ferric Chloride increased from 709.37 lakhs in the previous year to Rs. 776.28 lakhs this year and of Ferrous Chloride from Rs. 40.45 lakhs to Rs. 44.21 lakhs.

Outlook

There has been improvement in the global demand and price scenario for Synthetic Rutile and your company's order book for the year 2010-2011 is full. There is also growing demand noticed for Ferric Chloride in the sea water desalination plant in Gulf countries and for Ferrous chloride in sewage treatment plants in African Countries. Barring unforeseen circumstances, your company should be able to maintain satisfactory performance in the current fiscal i.e. 2010-2011. Your Directors are, however, concerned about two factors that can adversely affect the profitability viz. the shortage in availability and resultant price escalation of Ilmenite, Hydrochloric Acid and other inputs

Alternate Technology Project

Non availability at economic rates of the required quantity of ilmenite coupled with the global economic slow down has forced your directors to decide to put on hold the implementation of the project, even though the technology transfer agreement with Regional Research Laboratory is signed and a detailed project report has been prepared. The expenditure so far incurred comes to Rs. 497.04 lakhs.

Debottle-necking Scheme

The company has implemented about 28% of the scheme incurring a capex of Rs. 457.26 lakhs. The remaining part is expected to be implemented in the current fiscal i.e. 2010-2011.

Backward Integration

The backward integration project of your company, for Beach Sand Separation and Ilmenite production which was proposed to be implemented jointly with Indian Rare Earths Limited and Kerala State Industrial Development Corporation Limited, could not make any progress during the year, as the State Government has not yet given its clearance. However, the progress of this project depends on the decision of the State Government. Your company has not made any investment in the project during the year.

Risks, Concerns and Strength

The risk factors, as far as your company is concerned, are the unpredictable situation in the availability and price of Ilmenite and Hydrochloric Acid, the major and critical raw materials of your company. The volatile nature of cost and foreign exchange fluctuations are also of concern.

The major strength of your company is that its products are of highest International Standards and are well accepted by the buyers. Your company continues to be certified ISO 9001 : 2008 by the prestigious agency Bureau Veritas Quality International, with accreditation from UKAS London, ANSI-RAB, USA and NABCB, India.

Skilled and dedicated work force is another strength of your company.

Health, Safety and environment

The company gives high priority to issues concerning health, safety and environment.

Health - The company aims to provide comprehensive health services covering preventive, promotive and curative health care to all the employees. Apart from being covered by comprehensive group health insurance scheme, the employees are also entitled to full medical reimbursements under the employees medical beneficiary scheme of the company.

Safety - Safety of persons overrides all other considerations. This vision drives the company continuously to look for ways to break new barriers in safety management for the benefit of all. Safety awareness programmes are regularly conducted for the employees.

Environment - The company aims to maintain a clean and pollution free environment. Environment impact assessment and qualitative risk analysis are conducted for all new/major expansion or diversification projects and all necessary safeguard measures are incorporated as part of the project. The effluent treatment plants, air emission abatement units, water treatment / disposal facilities etc are maintained at better than statutory standards. The company complies with all pollution control and environment protection regulations. The company also undertakes various environment protection programmes such as tree planting, water conservation measures, water purification and energy saving initiatives etc.

The company's by-product Ferric Chloride is now widely and successfully used in water purification and effluent treatment. Another by-product cemox clay helps in reducing the ecological problems by helping to reduce clay mining.

Corporate social responsibility

The company's corporate social responsibility (CSR) philosophy revolves around its firm belief in the principles of symbiotic relationship with the local communities, recognising that the ultimate purpose of business is to serve human needs. With this vision, the company undertakes a wide

range of activities to improve the living conditions of the communities living around the company. Some of the activities are:

- extending educational and medical facilities to the needy and schools in surrounding area.
- financially aiding and conducting community marriages, free eye camps and medical check up camps targeting the under privileged.
- assistances to orphanages , cultural and social events.
- supply of medical equipments to needy hospitals.
- formation of and assistance to the social welfare forum of the employees of the company which undertake a series of social welfare activities.

Awards and Recognitions

(a) Excellence Award

The company, during the year has won the "Excellence Award"- for pollution control measures, from the Kerala State Pollution Control Board for the second time. The company bagged the First Prize in the preceeding two years also for implementing effective pollution control measures.

(b) Safety Award

The company had bagged the First Prize in the safety awards instituted by the Department of Factories and Boilers, Government of Kerala for the year 2009 for outstanding performance in industrial safety. The company had also won the certificate of excellence in industrial safety for 2008 also from the State Government.

(c) International Quality Crown Award

Your company had also received during the year 2009, International Quality Crown Golden Award, 2009 from Business Initiative Directions, Madrid, Spain in recognition of the outstanding commitment to quality and excellence.

Internal Control Systems and its Adequacy

Your company maintains formal internal control systems and procedures which are continuously and strictly enforced. These have been designed to provide reasonable assurance with regard to providing reliable financial information, compliance with applicable statutes, safeguarding assets and ensuring adherence to Company's corporate policies. These systems and procedures, which are routinely tested and certified by your company's statutory and internal auditors and reviewed by the audit committee, are found to be adequate and effective.

Human Resources

Your company values its human resources as the greatest asset and maintains harmonious industrial relations. A long term agreement with the workers is in force. Not a single man-hour was lost during the year due to industrial relation problems. The employee strength of your company as on 31st March 2010 was 380.

ANNEXURE-IV

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the members of Cochin Minerals and Rutile Limited

We have examined the compliance of conditions of Corporate Governance by Cochin Minerals and Rutile Limited for the year ended on 31st March, 2010 as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchange.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementations thereof adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we state that no investor grievances were pending for a period of one month against the Company as per the records maintained by the Shareholders/Investor's Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For LAZAR & GEORGE
CHARTERED ACCOUNTANTS
Sd/-
K.A. SAGHESH KUMAR
Partner

ALUVA,
19.07.2010

Declaration regarding compliance by Board Members and Senior Management Personnel with the Company's Code of Conduct in terms of Clause 49 of the Listing Agreement

This is to confirm that the company has adopted a code of conduct for its Board Members and Senior Management Personnel and that the company has in respect of the Financial Year ended 31st March 2010 received Affirmations from the Board Members and Sr. Management Personnel as regards compliance with the code, as applicable to them.

ALUVA,
19.07.2010

Sd/-
S N Sasidharan Kartha
Managing Director

AUDITORS' REPORT**TO THE MEMBERS OF 'COCHIN MINERALS AND RUTILE LIMITED'**

We have audited the attached Balance Sheet of "COCHIN MINERALS AND RUTILE LIMITED", as at 31st March, 2010 and also the Profit and Loss Account and the Cash flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of sub section (4A) of Section 227 of 'The Companies Act, 1956' and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
2. Further to our comments in the Annexure referred to in paragraph (1) above, we report that:
 - (a) We have 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 appears from our examination of those books;
 - (c) The Balance Sheet, Profit and Loss Account and Cash Flow statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow statement dealt with by this report comply with the accounting standards referred to in sub section (3C) of section 211 of the Companies Act, 1956;
 - (e) On the basis of written representations received from the directors, as on 31st March, 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said Accounts, read together with the accounting policies and Notes thereon give the information required by the Companies Act, 1956, in the manner so required, and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010;
 - (ii) in the case of the Profit and Loss Account, of the Profit, of the Company for the year ended on that date; and
 - (iii) in the case of the Cash Flow statement, of the Cash Flows of the Company for the year ended on that date.

For LAZAR & GEORGE
CHARTERED ACCOUNTANTS

Sd/-

K.A. Saghesh Kumar
Partner

A L U V A,
15.05.2010

**ANNEXURE TO AUDITORS' REPORT REFERRED TO IN PARAGRAPH 1
OF OUR REPORT OF EVEN DATE**

1. In respect of Fixed Assets
 - a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
 - b) The fixed assets have been physically verified by the management during the year in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the company and nature of its assets. No material discrepancies were noticed on such physical verification.
 - c) In our opinion, the company has not disposed of substantial part of fixed assets during the year and the going concern status of the company has not been affected.
2. In respect of inventories
 - a) As explained to us, inventories have been physically verified by the management at regular intervals during the year. In our opinion, the frequency of such verification is reasonable.
 - b) In our opinion, the procedure of physical verification of Inventory followed by the management is reasonable and adequate in relation to the size of the company and the nature of its business
 - c) The company has maintained proper records of Inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventory as compared to book records.
3. The company has not granted or taken any loan, secured or unsecured from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act. Therefore, clause 4 (iii)(a), (iii)(b), 4 (iii)(c) & 4 (iii)(d) of the companies (Auditors Report) order 2003 are not applicable to the company.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchase of inventory, fixed assets and also for the sale of goods and services. During the course of our audit, no major weakness have been observed in the internal control system.
5. In respect of Transaction covered under section 301 of the Companies Act, 1956
 - a) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangement, that needed to be entered into the register maintained in pursuance of section 301 of the Companies Act, 1956 have been so entered.
 - b) In our opinion the transaction made in pursuance of contracts or arrangement entered in the register maintained under section 301 of the Companies Act, have been made at prices which are reasonable having regard to the prevailing market price.
6. In our opinion and according to the information and explanations to us the company has not accepted any deposits from the public therefore provisions of 58A and 58AA of the Companies Act, 1956 and rules thereunder are not applicable to the company.
7. In our opinion the company has an adequate internal audit system, commensurate with the size and nature of its business.

8. As informed to us the Central Government has not prescribed the maintenance of cost records by the company under section 209(i)(d) of the Companies Act, 1956.
9. In respect of statutory dues
 - a) According to the information and explanations given to us, and the book and records examined by us, there are no undisputed statutory dues including provident fund, investor education and protection fund, employees state insurance, income tax, sales tax, wealth tax, customs duty, excise duty cess and other statutory dues and have been generally regularly deposited with the appropriate authorities. According to information and explanations given to us no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March 2010 for a period more than six months from the date of becoming payable.
 - b) According to the intimation and Explanation given to us, and the book and records examined by us, there are no disputed statutory dues of sales tax, income tax service tax customs duty, wealth tax, excise duty and Cess.
10. The Company has no accumulated losses at the end of this financial year and has not incurred cash losses during this financial year or in the immediately preceding financial year.
11. According to information and explanations given to us, the Company has not defaulted in repayment of dues to financial institution or banks.
12. In our opinion and according to the information and explanations given to us, no loans and advances have been granted by the Company on the basis of Security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a Chit Fund or a Nidhi/Mutual Benefit Fund/Society. Therefore Clause 4 (xiii) of the Companies (Auditor's Report) Order 2003 is not applicable to the Company.
14. The Company is not dealing or trading in shares, securities, debentures and other investment.
15. According to the information and explanations given to us and the records examined by us, the Company has not given any guarantee for loan taken by others from banks or financial institutions.
16. In our opinion and according to the information and explanation given to us, the term loans were used for the purposes for which these loans were raised .
17. On the basis of an overall examination of the Balance Sheet and cash Flow of the Company and the information and explanation given to us, we report that the Company has not utilised any funds raised on short term basis for long term investment.
18. The Company has not made any preferential allotment of shares to parties or companies covered in the Register under Section 301 of the Act.
19. The Company has not issued any debenture. Therefore, Clause 4 (xix) of the Companies (Audit Report) Order 2003 is not applicable to the Company.
20. The Company has not raised any money through a Public Issue during the year.
21. In our opinion and according to the information and explanation given to us, no fraud on or by the Company has been noticed or reported during the year, that causes the financial statements to be materially misstated.

For LAZAR & GEORGE
CHARTERED ACCOUNTANTS

Sd/-

K.A Saghesh Kumar

Partner

ALUVA,
15.05.2010

BALANCE SHEET AS AT 31.03.2010**(Rs. in Thousands)**

	Schedule No.	As at 31.03.2010	As at 31.03.2009
I SOURCES OF FUNDS			
(1) Shareholders' funds			
(a) Share Capital	1	78,300.00	78,300.00
(b) Reserves and Surplus			
(i) Reserves	2	17,750.75	14,804.73
(ii) Surplus in Profit and Loss Account		213,001.94	170,768.55
(2) Deferred Tax Liability		7,203.70	8,518.42
(3) Loan funds			
(a) Secured Loans	3	201,625.89	296,489.33
(b) Unsecured Loans	4	90,329.38	49,753.77
TOTAL		608,211.66	618,634.80
II APPLICATION OF FUNDS			
(1) Fixed Assets			
(a) Gross Block	5	586,359.38	559,555.99
(b) Less Depreciation		352,796.19	319,109.62
(c) Net Block		233,563.19	240,446.37
(d) Capital Work in Progress		50,794.86	49,476.73
(2) Investments	6	138,386.04	138,386.04
(3) Current Assets, loans and advances :			
(a) Inventories	7	125,161.49	63,450.01
(b) Sundry Debtors		57,150.87	76,760.38
(c) Cash and Bank Balances		44,087.24	98,771.31
(d) Loans and Advances		44,557.05	45,103.43
Less : Current Liabilities & Provisions	8		
(a) Liabilities		69,390.53	68,057.63
(b) Provisions		16,098.55	25,701.84
Net Current Assets		185,467.57	190,325.66
TOTAL		608,211.66	618,634.80

Place : Aluva
15.05.2010As per Annexed Report of even date
For **LAZAR & GEORGE**
Chartered Accountants
Sd/-
Saghesh Kumar K. A.
PartnerSd/-
R.K. Garg
ChairmanSd/-
S.N. Sasidharan Kartha
Managing DirectorSd/-
G.R. Warriar
DirectorSd/-
A.J. Pai
DirectorSd/-
Venu Nallur
DirectorSd/-
Jaya S. Kartha
DirectorSd/-
Saran S. Kartha
Executive DirectorSd/-
Suresh Kumar P.
General Manager (Finance) &
Company Secretary

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2010

(Rs. in Thousands)

	Schedule No.	For the year ended 31.03.2010	For the year Ended 31.03.2009
INCOME			
Sales	9	1,118,742.86	1,236,488.71
Other Income	10	1,670.56	7,717.21
Stock Differential	11	46,098.96	(18,846.37)
		<u>1,166,512.38</u>	<u>1,225,359.55</u>
EXPENDITURE			
Raw Material Consumed	12	512,228.60	497,640.62
Power, Fuel, Water, Chemicals, Stores & Spares and Packing Materials Consumed	13	263,270.27	280,253.91
Payments to Employees	14	90,269.42	87,133.31
Repairs and Maintenance	15	25,803.77	25,343.90
Excise Duty and Sales Tax Paid		32,222.35	28,786.09
Foreign Exchange Loss net of premium		5,788.26	68,790.29
Administrative Expenses	16	25,530.80	21,647.77
Selling and Distribution Expenses	17	62,295.85	58,272.59
		<u>1,017,409.32</u>	<u>1,067,868.48</u>
PROFIT BEFORE INTEREST AND DEPRECIATION		149,103.06	157,491.07
Less:			
Depreciation	5	34,408.46	33,296.43
Interest	18	24,551.98	28,522.38
Provision for Bad Debts		310.87	326.72
NET PROFIT/(LOSS) FOR THE PERIOD		89,831.75	95,345.54
Provision for Taxation		32,226.00	36,600.00
Deferred Tax Liability written off		(1,314.72)	6,675.64
Fringe Benefit Tax			1,625.00
NET PROFIT AFTER TAXES		58,920.47	50,444.90
Add: NET PROFIT AS PER PREVIOUS BALANCE SHEET		1,70,768.55	1,36,586.96
BALANCE IN PROFIT AND LOSS ACCOUNT		<u>2,29,689.02</u>	<u>1,87,031.86</u>

Place : Aluva
15.05.2010

As per Annexed Report of even date
For **LAZAR & GEORGE**
Chartered Accountants

Sd/-
R.K. Garg
Chairman

Sd/-
S.N. Sasidharan Kartha
Managing Director

Sd/-
G.R. Warriar
Director

Sd/-
A.J. Pai
Director

Sd/-
Saghesh Kumar K. A.
Partner

Sd/-
Venu Nallur
Director

Sd/-
Jaya S. Kartha
Director

Sd/-
Saran S. Kartha
Executive Director

Sd/-
Suresh Kumar P.
General Manager (Finance) &
Company Secretary

PROFIT AND LOSS APPROPRIATION ACCOUNT FOR THE YEAR ENDED 31.03.2010

	As on 31.03.2010	(Rs. in Thousands) As on 31.03.2009
Balance in P&L Account		
1 As per Last Balance Sheet	1,70,768.55	136,586.96
2 Profit for the year	58,920.47	50,444.90
	2,29,689.02	187,031.86
Less: Proposed Dividend(15%)	11,745.00	11,745.00
Dividend Tax	1,996.06	1,996.06
Transfer to General Reserve (5 %)	2,946.02	2,522.25
Balance in Profit & Loss Account	2,13,001.94	170,768.55

SCHEDULE -1

	As on 31.03.2010	(Rs. in Thousands) As on 31.03.2009
<u>Authorised</u>		
1,00,00,000 Equity Shares of Rs. 10/- each	1,00,000.00	1,00,000.00
<u>Issued and Subscribed</u>		
78,30,000 Equity Shares of Rs.10/- each fully called up	78,300.00	78,300.00
	78,300.00	78,300.00

SCHEDULE -2

	As on 31.03.2010	(Rs. in Thousands) As on 31.03.2009
RESERVES AND SURPLUS		
Capital Reserve	44.30	44.30
Investment Subsidy - State	1,500.00	1,500.00
General Reserve	16,206.45	13,260.43
	17,750.75	14,804.73

SCHEDULE -3

	As on 31.03.2010	(Rs. in Thousands) As on 31.03.2009
SECURED LOANS		
a) IDBI - IDBI Term Loan	1,38,400.00	1,27,000.00
b) KSIDC - KSIDC Term Loan	162.00	15,179.40
c) Bank of Baroda, Aluva Bank of Baroda Term Loan	15,000.00	-
d) Cash Credit from Bank of Baroda, Aluva against hypothecation of raw materials, stock in process and finished goods, Stores, Spares & Consumables	48,063.89	154,309.93
	201,625.89	296,489.33

SCHEDULE -4

	As on 31.03.2010	(Rs. in Thousands) As on 31.03.2009
UNSECURED LOANS		
TRADE ADVANCE		
Advance received from Sumitomo Corpn.	90,329.38	49,753.77
	90,329.38	49,753.77

SCHEDULE 5		FIXED ASSETS										(Rs. in Thousands)	
Sl. No.	ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK			
		At Cost As on 1st April 2009	Additions during 1.4.09-31.03.10	Deductions during 1.4.09-31.03.10	Gross Block as at 31st March 2010	As on 1st April 2009	Deductions during 1.4.09-31.03.10	Depreciation for the period 1.4.09-31.03.10	Depreciation as on 31st March 2010	Net Fixed Assets as on 31st March 2010	Net Fixed Assets as on 31st March 2009		
1	Land & Develp.	20,434.69	3,841.70	-	24,276.39	-	-	-	-	24,276.39	20,434.69		
2	Buildings	87,425.44	-	-	87,425.44	45,758.89	4,166.65	49,925.54	49,925.54	37,499.90	41,666.55		
3	Plant & Machinery	4,16,688.68	21,633.39	-	4,38,322.07	2,49,725.30	27,579.22	2,77,304.52	2,77,304.52	1,61,017.55	1,66,963.38		
4	Furniture, Office Equipments & other Assets	15,661.44	1537.36	-	17,198.80	10,724.80	983.01	11,707.81	11,707.81	5,490.99	4,936.63		
5	Vehicles & material handling equipments	19,345.75	735.85	944.92	19,136.68	12,900.62	1,679.59	13,858.32	13,858.32	5,278.36	6,445.12		
	Total	5,59,556.00	27,748.30	944.92	5,86,359.38	3,19,109.61	34,408.47	3,52,796.19	3,52,796.19	2,33,563.19	2,40,446.37		
	Previous Year	4,46,708.83	1,13,992.25	1,145.09	5,59,555.99	2,86,857.98	33,296.43	3,19,109.62	3,19,109.62	2,40,446.37	1,59,850.85		

SCHEDULE-6

INVESTMENTS	As on 31.03.2010	(Rs. in Thousands) As on 31.03.2009
<u>A) Quoted</u>		
Non-trade, Fully Paid 6,000 Nos.of Equity Shares of Bank of Baroda @ Rs.85/- each (Market value Rs.642.90 per share)	510.00	510.00
(Market value 31.03.09 Rs.234.55 per share)		
<u>B) Unquoted</u>		
Investment in KEIL - Share Capital	1750.00	1750.00
Investment in Kerala Rare Earths and Minerals Limited		
i) Share Capital	100.00	100.00
ii) Share Application Money pending allotment	136,026.04	136,026.04
	138,386.04	138,386.04

SCHEDULE - 7

CURRENT ASSETS, LOANS AND ADVANCES	As on 31.03.2010	(Rs. in Thousands) As on 31.03.2009
CURRENT ASSETS		
A. <u>INVENTORIES</u>		
(At cost as certified by the Management)		
a) Stores, Spares & Packing Materials	13,697.99	12,061.33
Fuel and Chemicals	3,870.39	3,238.62
Finished Goods	49,442.62	2,060.31
Raw Materials	57,091.23	43,747.15
Work in Progress	1,059.26	2,342.60
	125,161.49	63,450.01
b) <u>Sundry Debtors (Unsecured, Considered Good)</u>		
a) Debtors outstanding for a period exceeding 6 months	725.39	316.13
b) Other debts	56,425.48	76,444.25
	57,150.87	76,760.38
c) <u>Cash and Bank Balances</u>		
Cash on hand	138.15	156.16
<u>Bank Balance</u>		
a) With scheduled banks on call accounts	41,843.79	81,162.52
b) With scheduled banks on unpaid dividend account	1,717.97	1,550.33
c) With scheduled banks on deposit account	387.33	15,902.30
	44,087.24	98,771.31

B. LOANS AND ADVANCES		
a) Advances recoverable in cash or in kind or for value to be received	34,331.97	25,686.70
b) Input Tax Credit and CST, receivable	5,872.97	13,319.32
c) Cenvat Credit receivable	3,449.26	5,131.77
d) Entry Tax	-	1.26
e) Income Tax Advance	549.95	358.52
f) Interest Suspense	352.90	605.86
	<u>44,557.05</u>	<u>45,103.43</u>

SCHEDULE - 8

(Rs. in Thousands)

CURRENT LIABILITIES AND PROVISIONS

	As on 31.03.2010	As on 31.03.2009
A Current Liabilities		
1) Sundry Creditors	52,814.41	53,356.24
2) Advance from Customers	564.24	273.10
3) Other Liabilities	15,385.64	14,428.29
4) Interest Accrued But not due	626.24	-
	<u>69,390.53</u>	<u>68,057.63</u>
B Provisions		
1) Proposed Dividend	11,745.00	11,745.00
2) Dividend Tax	1,996.06	1,996.06
3) Provision for Taxation	-	9,463.00
4) Provision for Annual Leave Encashment	2,357.49	2,497.78
	<u>16,098.55</u>	<u>25,701.84</u>

SCHEDULE-9**SALES**

(Rs. in Thousands)

	For the year ended 31.03.2010		For the year ended 31.03.2009	
	Quantity (in MT)	Value (in Rs.)	Quantity (in MT)	Value (in Rs.)
Synthetic Rutile	32,358.700	1,036,415.54	35,460.556	1,159,081.46
Ferric Chloride	12,189.670	77,627.52	11,751.435	70,936.98
Ferrous Chloride	53,090.375	4,421.10	50,394.100	4,044.74
Synthetic Rutile Low Grade	-	-	111.830	2,425.53
Iron Hydroxide (Cemox)	5,159.505	278.70	-	-
		<u>1,118,742.86</u>		<u>1,236,488.71</u>

SCHEDULE – 10

OTHER INCOME	(Rs. in Thousands)	
	As on 31.03.2010	As on 31.03.2009
Interest on Deposit	354.83	1,543.05
Sales on Ilmenite Tailings/used oil(scrap)	310.38	1,063.82
Dividend on BOB Share	54.00	48.00
Profit/Loss on sale of vehicle	212.97	167.20
Quality Bonus from Ishihara Techno Corpn	738.38	230.92
Exchange Difference in Sales realisation	-	2,363.94
Exchange Difference in BOB EEFC	-	2,178.16
Exchange Difference in Trade Advance repayment	-	122.12
	1,670.56	7,717.21

SCHEDULE - 11

STOCK DIFFERENTIAL	(Rs. in Thousands)	
	As on 31.03.2010	As on 31.03.2009
<u>Opening Stock</u>		
Finished Goods	2,060.32	21,225.15
Work in Progress	2,342.60	2,024.14
	4,402.92	23,249.29
<u>Less : Closing Stock</u>		
Finished Goods	49,442.62	2,060.31
Work in Progress	1059.26	2,342.61
	50,501.88	4,402.92
Stock Differential Increase/(Decrease)	46,098.96	(18,846.37)

BREAK UP OF OPENING AND CLOSING STOCK OF FINISHED GOODS

	OPENING STOCK		CLOSING STOCK	
	Quantity (in MT)	Value (Rs.)	Quantity (in MT)	Value (Rs.)
Synthetic Rutile	52.390	1,418.96	1,893.690	47,923.37
	(910.170)	(20,694.54)	(52.390)	(1,418.96)
Ferric Chloride	564.565	596.54	1,003.895	1,156.75
	(573.000)	(513.32)	(564.565)	(596.54)
Ferrous Chloride	1,492.285	44.81	3,261.550	109.85
	(486.385)	(17.29)	(1,492.285)	(44.81)
Iron Hydroxide (Cemox)	-	-	10,133.495	252.65
		2,060.31		49,442.62
		(21,225.15)		(2,060.31)

SCHEDULE - 12

	(Rs. in Thousands)	
	As on 31.03.2010	As on 31.03.2009
RAW MATERIALS CONSUMED		
Opening Stock	43,747.15	27,954.83
Add: Purchases	525,572.68	513,432.93
	<u>569,319.83</u>	<u>541,387.76</u>
Less : Closing Stock	57,091.23	43,747.14
	<u>512,228.60</u>	<u>497,640.62</u>

PARTICULARS OF MAJOR RAW MATERIALS AND FUEL CONSUMED

	Quantity (in MT)	Value (Rs.)
Ilmenite	61,338.19	355,226.65
	(60,534.891)	(305,730.27)
Coke & Coal	8,837.621	38,151.01
	(7,068.114)	(38,623.71)
Hydrochloric Acid	78,560.50	113,183.51
	(82,595.00)	(147,703.12)
Chlorine	1,206.00	5,667.43
	(1,126.700)	(5,583.52)
		<u>512,228.60</u>
		<u>(497,640.62)</u>
Fuel		
Furnace Oil (Kilo Litres)	4,013.027	96,289.97
	(4,585.326)	(107,926.62)
Diesel (Kilo Litres)	238.214	8,191.73
	(249.561)	(8,415.99)
		<u>104,481.70</u>
		<u>(116,342.61)</u>

(Figures in brackets indicate previous year's figures)

SCHEDULE - 13**CONSUMPTION OF POWER, FUEL, WATER, STORES, SPARES AND PACKING MATERIALS**

	(Rs. in Thousands)	
	As on 31.03.2010	As on 31.03.2009
Power and Water	18,803.89	24,136.16
Fuel	104,481.70	116,342.60
Chemicals (ETP)& Sludge handling	91,610.20	90,371.83
Stores, Spares, consumables and Packing Materials	48,374.48	49,403.32
	<u>263,270.27</u>	<u>280,253.91</u>

SCHEDULE - 17**(Rs. in Thousands)****SELLING AND DISTRIBUTION EXPENSES**

	As on 31.03.2010	As on 31.03.2009
1. Shipping transportation and freight clearing and forwarding, including Terminal Handling Charges	40,998.16	37,057.44
2. Sales Commission	8,232.81	8,066.13
3. Sales Promotion Expenses	13,064.88	13,149.02
	<u>62,295.85</u>	<u>58,272.59</u>

SCHEDULE - 18**(Rs. in Thousands)****INTEREST AND FINANCE CHARGES**

	As on 31.03.2010	As on 31.03.2009
1. Interest on Term Loans	15,531.95	12,623.35
2. Interest on Cash Credit/Packing Credit	3,528.84	7,872.12
3. Bank Charges	4,442.08	6,653.15
4. Interest on Trade Advance	1,049.11	1,373.76
	<u>24,551.98</u>	<u>28,522.38</u>

SCHEDULE - 19

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS ATTACHED TO AND FORMING PART OF THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH 2010.

1. Significant Accounting Policies
 - a) Accounting Convention

The financial statements are prepared under historical cost convention and in accordance with the relevant accounting standards, except where stated otherwise. Revenues are recognised and expenses accounted on their accrual with necessary provisions for all known liabilities and losses, unless otherwise stated.
 - b) Fixed Assets and Depreciation
 - i) Fixed Assets are stated at cost of acquisition less accumulated depreciation. Cost of self constructed fixed assets comprise those costs that relate directly to the specific assets and those that are attributable to the construction activity in general and can be allocated to the specific asset. Financing Costs relating to borrowed funds attributable to construction or acquisition of fixed assets for the period up to the completion of construction or acquisition are capitalised.
 - ii) Depreciation on fixed assets has been determined in the manner and at the rates

specified in the schedule XIV of the Companies Act, 1956, on the written down value method.

c) Investments

Investments are stated at cost. Earnings on investments are accounted on accrual basis, except dividend on shares.

d) Inventories

- i) The stock of raw materials, works in process and consumable stores have been valued at cost. Here cost means in the case of raw materials and consumable stores weighted average cost and for work in process technically estimated cost.
- ii) Finished goods have been valued at the lower of cost (weighted average) or net realisable value.

e) Foreign Currency Transactions

Transactions in foreign currency are accounted at the exchange rates prevailing on the date of transaction. Payments made in foreign currency are converted at the rate prevailing on the date of remittance. Gain/loss arising out of fluctuation is accounted for on realisation.

f) Retirement and Other Benefits

Retirement benefits are accounted for on accrual basis.

The company's liability towards gratuity of employees is covered by a group gratuity policy with the Life Insurance Corporation of India and the premium is charged to the profit and loss account. The accrued liability is actuarially assessed and intimated by the Life Insurance Corporation of India annually.

The company contributes to Employees Provident Fund Scheme maintained by the Central Government.

Provision for leave encashment as per Company rules is made on the basis of actuarial valuation.

Short term employee benefits are charged off in the year in which the related service is rendered

g) Revenue Recognition

Sales are recognised on despatch of goods from factory/ware house. Sales include Excise duty and Sales tax and are net off discount.

Dividend income on investments is accounted for when the right to receive the payment is established.

Interest income is recognised on a time proportionate basis considering the amount outstanding and rate applicable.

h) Research and Development Expenses

Revenue expenditure on Research and Development are charged to Profit and Loss account in the year in which the same are incurred.

i) Taxation

Provision for current tax is made on the basis of assessable Income under the Income tax 1961. Deferred tax resulting from Timing Difference between book profit and taxable profit is accounted on the basis of the rules & laws that have been enacted or substantially enacted as on the balance sheet date.

j) Borrowing Cost

Borrowing Costs are charged to Profit and Loss account except in cases where the borrowing costs are directly attributable to the acquisition, construction, production of qualifying asset. The qualifying asset is one that necessarily takes substantial time to get ready for intended use.

2. Notes on Accounts

a) Term Loans from financial Institutions are secured by paripassu charge by way of hypothecation of all the Company's immovable properties such as land, building, plant and machinery etc. and movables (Save and except inventories of all nature book debts and other current assets which form part of the primary security towards the working capital advances in the ordinary course of the business) including movable machinery, machinery spares, tools & accessories, present and future and second charge on the Company's stocks of raw-materials, consumable stores, book debts and such other movables. The Managing Director, Mr. S.N. Sasidharan Kartha and Vice Chairman, Mr. Mathew .M. Cherian have personally guaranteed the whole amount of such loans.

b) Cash Credit/Packing Credit advances from Bank of Baroda are secured by a second charge on the fixed assets and first charge on all the Company's stock of raw-materials, consumable stores, finished goods, work in progress, debtors etc. both present and future and guaranteed personally by the Managing Director, Mr. S. N. Sasidharan Kartha and Vice Chairman, Mr. Mathew M Cherian.

c) Contingent Liabilities not provided for

i) Bank Guarantees issued on behalf of the Company by Bank of Baroda outstanding as on 31/03/2010 is Rs.15,30,385/- (Rs. 1, 10,33,139/- as on 31/03 2009) for which the Company has given counter guarantee.

ii) Bills discounted not maturing on:

31/03/2010	-	Rs.5,80,42,871.30
31/03/2009	-	Rs.4,69,15,859.00

d) Managerial Remuneration

a) Remuneration to Managing Director

	31/03/2010	31/03/2009
	(Rs)	(Rs)
Salary	Rs.43,00,000.00	Rs.45,76,000.00
PF Contribution	Rs. 1,80,000.00	Rs. 1,80,000.00
Total	Rs.44,80,000.00	Rs.47,56,000.00

b) Remuneration to Executive Director

	31/03/2010	31/03/2009
	(Rs)	(Rs)
Salary	Rs.9,00,000.00	-
PF Contribution	Rs.1,08,000.00	-
Total	Rs.10,08,000.00	-

e) Previous year's figures have been regrouped wherever necessary so as to be in conformity with the current year's layout.				
f) Details pursuant to clause 4C of Part II of Schedule VI to the Companies Act, 1956.				
			For the Year ended 31/03/2010	For the year ended 31/03/2009
Synthetic Rutile	MT	Licensed Capacity	45000.000	45000.000
		Installed Capacity	45000.000	45000.000
		Actual Production	34200.000	34602.776
Ferric Chloride	MT	Licensed Capacity	24000.000	24000.000
		(90% Solid)	(90% Solid)	(90% Solid)
		Installed Capacity	25000.000	25000.000
		(40% Soln.)	(40% Soln.)	(40% Soln.)
		Actual Production	12629.000	11,743.00
		(40% Soln.)	(40% Soln.)	(40% Soln.)
Recovered Titanium Dioxide	MT	Licensed Capacity	1000.000	1000.000
		Installed Capacity	1000.000	1000.000
		Actual Production	0.000	0.000
Ferrous Chloride	MT	Licensed Capacity	72000.000	72000.000
		Installed Capacity	72000.000	72000.000
		Actual Production	54859.640	51400.000
Iron Hydroxide (Cemox)	MT	Licensed Capacity	18000.00	-
		Installed Capacity	18000.00	-
		Actual Production	15293.000	-
g) Earnings in Foreign Currency			For the Year ended 31.03.2010	For the year ended 31.03.2009
		Export of Goods } calculated on } FOB Basis }	Indian Rs. 83,48,00,748.00 US\$ (1,76,99,076.12)	96,69,55,254.00 (2,22,87,748.00)
h) (i) CIF Value of Imports			For the Year ended 31.03.2010	For the Year ended 31.03.2009
		Capital } Goods }	Indian Rs. 2,98,511.00 JPY (5,60,000.00)	- -
		Consumables	Indian Rs. - US\$ -	1,92,26,763.00 (4,20,486.50)
		Raw Materials	Indian Rs. 4,45,07,810.00 US\$ (9,52,650.05)	- -
(ii) Expenditure in Foreign Currency			For the Year ended 31.03.2010	For the Year ended 31.03.2009
		a) Foreign } Travel } (Directors)}	Indian Rs. 1,31,202.00 SGD (76.00) AED (7,837.25)	- - -
			(including loss on exchange rate variation)	

b)	Other Expenses	Indian Rs.	2,86,624.00	21,81,471.00
		US\$	(1194.00)	(47264.88)
		EURO	(2600.00)	-
		UK £	(635.80)	-
c)	Trade advance	Indian Rs.	2,00,36,307.00	1,53,16,515.00
	Repayment	US \$	(4,72,131.10)	(3,56,089.04)
	(Principal and Interest)			

- i) Excise Duty payable on Stock of Finished Goods Rs.15,09,141.00/- (previous year Rs.1,77,664.00) is provided for and included in the value of stock of finished goods.
- j) Outstanding Dues as on 31.03.2010
- | | | |
|----|--|-------------------|
| a) | Outstanding dues to SSI Units | Rs.1,14,841.00 |
| b) | Outstanding dues to other than SSI Units | Rs.5,26,99,572.50 |
| c) | SSI Units to whom the Company owed a sum for more than thirty days | Nil |
- k) Details of related Party Disclosures.

Sl: No:	Name of the related party	Transaction Value (Rs in 000's)	Nature of transaction	Relationship
1	Sach Exports Pvt. Ltd.	3773.26 (4,537.82)	Supply of goods ie. Rawmaterial, Packing material and cement on cash basis.	Key mgmt: personnel

- l) Unpaid dividend amounts for 2006-07 Rs.4,55,784/- and 2007-08 Rs.5,73,914/- and 2008-09 Rs. 6,88,268/- are deposited in separate accounts with the company's bank and are included in other liabilities.
- m) There was no loans and advances in the nature of loans given to subsidiaries and associates etc.
- n) There was no investment by any loanee in the shares of the company.
- o) Details of Auditors' Remuneration.

	2009-10 (Rs)	2008-09 (Rs)
Statutory Audit	60,000.00	27,500.00
Tax Audit	15,000.00	7,500.00
Total	75,000.00	35,000.00

- p) In the opinion of the management, all the Current Assets, Loans and Advances have a value on realisation in ordinary course of business at least equal to the amount at which these are stated.

q) Earnings per Share :
(AS – 20)

	2009-10 (Rs)	2008-09 (Rs)
Profit after tax as per profit and Loss Account.	Rs.5,89,20,470.13	Rs. 5,04,44,899.86
Weighted averaged number of Equity share outstanding.	78,30,000.00	78,30,000.00
Earnings per share.	7.52	6.44

Place : Aluva
15.05.2010

As per Annexed Report of even date
For **LAZAR & GEORGE**
Chartered Accountants

Sd/-
R.K. Garg
Chairman

Sd/-
S.N. Sasidharan Kartha
Managing Director

Sd/-
G.R. Warriar
Director

Sd/-
A.J. Pai
Director

Sd/-
Sagshesh Kumar K. A.
Partner

Sd/-
Venu Nallur
Director

Sd/-
Jaya S. Kartha
Director

Sd/-
Saran S. Kartha
Executive Director

Sd/-
Suresh Kumar P.
General Manager (Finance) &
Company Secretary

Balance sheet abstract and Company's general business profile as required in Part IV of Schedule VI of the Companies Act, 1956

Balance sheet abstract and Company's general business profile as required in Part IV of Schedule VI of the Companies Act, 1956 is appended herein below:

I. Registration Details	:	Registration No. 05452 of 1989 State Code No. 09 Balance Sheet Date 31.03.2010
II. Capital raised during the year		Rs. (in Thousands)
Public issue		Nil
Rights issue		Nil
Bonus issue		Nil
Private placement		Nil
III. Position of mobilisation & deployment of Funds		
Total liabilities		608211.66
Total assets		608211.66
Sources of funds		
Paid up capital		78300.00
Reserves & Surplus		230752.69
Secured loans		201625.89

Unsecured loans	90329.38
Deferred Tax Liability	7203.70

Application of funds

Net fixed assets	284358.05
Investments	138386.04
Net current assets	185467.56
Miscellaneous expenditure	Nil
Accumulated losses	Nil

IV. Performance of the Company

Turnover/other income	1120413.42
Total expenditure	10,30,581.67
Profit/(loss) before tax	89,831.75
Profit/(loss) after tax	58920.47
Earnings per share in Rs.	7.52
Dividend rate %	15%

**V. Generic names of four principal product of the Company
(as per monetary terms)**

Item Code No. (ITC Code)	Product Description
26.14	Beneficiated Ilmenite (Synthetic Rutile)
28.27	Ferric Chloride
28.23	Recovered TitaniumDioxide
28.27	Ferrous Chloride
28.21	Iron Hydroxide (Cemox)

Place : Aluva
15.05.2010

As per Annexed Report of even date
For **LAZAR & GEORGE**
Chartered Accountants

Sd/-
R.K. Garg
Chairman

Sd/-
S.N. Sasidharan Kartha
Managing Director

Sd/-
G.R. Warriar
Director

Sd/-
A.J. Pai
Director

Sd/-
Saghesh Kumar K. A.
Partner

Sd/-
Venu Nallur
Director

Sd/-
Jaya S. Kartha
Director

Sd/-
Saran S. Kartha
Executive Director

Sd/-
Suresh Kumar P.
General Manager (Finance) &
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2010

	(Rs. in Thousands)	
	2009-2010	2008-2009
A. Cash Flow From Operating Activities:		
Net Profit/(Loss) Before Tax And Extraordinary Items	89,831.75	95,345.54
Adjustments For:		
Add: Depreciation	34,408.46	33,296.43
Interest Expense	24,551.98	28,522.39
Bad Debts	310.87	326.72
Less: Dividend	54.00	48.00
Profit/(Loss) On Sale Of Vehicle	212.97	167.20
Interest Income On:		
Deposit	354.83	1,543.05
Bond		
Exchange Rate Difference In Bob EEFC	(629.39)	2,178.16
Operating Profit Before Working Capital Changes	149110.65	153,554.67
Adjustments For :		
(Increase)/Decrease In Trade And Other Receivables	20,036.45	(52,654.74)
(Increase)/Decrease Inventories	(61,711.48)	8,964.62
Increase/(Decrease) In Trade Payables	(105,679.66)	37,988.26
Cash Generated From Operations	1755.96	147,852.81
Interest On Income Tax Refund		
Cash Flow Before Extra Ordinary Items	1755.96	147,852.81
Cash Flow After Extra Ordinary Item	1755.96	147,852.81
Interest Paid (Excluding Interest On Term Loans)	(7,970.92)	(14,525.27)
Income Tax Paid	(41,880.43)	(32,069.61)
Net Cash Generated From Operating Activities	(48095.39)	101257.93
B. Cash Flow From Investing Activities:		
Purchase Of Fixed Assets	(29,066.45)	(64,182.09)
Sale Of Fixed Assets	436.00	267.50
Purchase Of Investments	-	-
Sale Of Investments	-	-
Dividend	54.00	48.00
Interest On Investments :		
Deposit	354.83	1,543.05
Net Cash Generated/(Used) In Investing Activities	(28221.62)	(62323.54)
C. Cash Flow From Financing Activities		
Unsecured Loans	59,562.50	52,762.50
Proceeds From Issue Of Share Capital		-
Proceeds From Long Term Borrowings:	47500.00	60000.00
Unsecured Loans (Directors)		-

From Financial Institutions (IDBI, UTI)		
Accrued Interest		-
Repayment Of Unsecured Loan From Customer	(18,986.90)	(13,942.76)
Repayment Of Long Term Borrowings		
Financial Institutions	(36,117.39)	(34,596.07)
Interest On Delayed Payment On Share Final Call		
Dividend Paid	(13741.06)	(10992.85)
Interest Paid On Term Loan	(15,954.82)	(13,997.11)
Net Cash Generated/(Used) In Financing Activities	22262.33	39233.71
Net Increase/(Decrease) In Cash And Cash Equivalents	(54054.68)	78168.09
Cash And Cash Equivalents as at 1.4.2009	98,771.31	18,425.06
Less Adjustment For Prior Period Item		
Adjusted Cash And Cash Equivalents as at 01.04.2009	98,771.31	18,425.06
Adjusted Cash And Cash Equivalents as at 31.3.2010	44716.63	96593.15
Exchange Rate Loss	(629.39)	2178.16
Cash And Cash Equivalents as at 31.3.2010	44087.24	98771.31

Notes:

A. Profit/(Loss) as per Profit & Loss Account	89831.75	95345.54
Add: Preliminary expenses written off	-	-
	89831.75	95345.54

B. Cash and cash equivalent at the end of the period include Term Deposit of Rs.3,87,330.00 (31st March 2009 Rs.15,902,325.00) kept with Bank of Baroda, Aluva, as margin for Bank guarantees issued in favour of the Company. This amount is not easily available.

Place : Aluva
15.05.2010

Sd/-
R.K. Garg
Chairman

Sd/-
S.N. Sasidharan Kartha
Managing Director

Sd/-
G.R. Warriar
Director

Sd/-
A.J. Pai
Director

As per Annexed Report of even date
For **LAZAR & GEORGE**
Chartered Accountants
Sd/-
Saghesh Kumar K. A.
Partner

Sd/-
Venu Nallur
Director

Sd/-
Jaya S. Kartha
Director

Sd/-
Saran S. Kartha
Executive Director

Sd/-
Suresh Kumar P.
General Manager (Finance) &
Company Secretary

To
M/s. S.K.D.C Consultants Ltd.,
Kanapathy Towers, 3rd Floor, 1391/A-1, Sathy Road,
Ganapathy, Coimbatore – 641 006

Unit: COCHIN MINERALS AND RUTILE LIMITED
ELECTRONIC CLEARING SERVICE (CREDIT CLEARING)

1. Particulars of the shareholder

- a) Regd. Folio No. : _____
b) Name of the first Regd. Holder (in block letters) : _____

2. Particulars of the Bank

- a) Name of your Bank : _____
b) Address of the Branch : _____
c) Account No. (as appearing in the Cheque Book) : _____
d) Ledger Folio No. (if any) of the bank account : _____

- e) Account Type (Savings Account, Current Account or Cash Credit) : PLEASE TICK RELEVANT BOX
- | | | |
|---------|---------|-------------|
| SAVINGS | CURRENT | CASH CREDIT |
|---------|---------|-------------|

- f) Nine Digit code number of the bank and branch appearing on the MICR cheque issued by the bank (Please attach a photocopy of a cheque for verifying the accuracy of the code number) :
- | | | | | | |
|--|--|--|--|--|--|
| | | | | | |
|--|--|--|--|--|--|

DECLARATION

I, hereby declare that the particulars given above are correct and complete. If the transaction is delayed or not effective at all for reasons of incomplete or incorrect information, I would not hold the Company responsible.

(Signature of the first Regd. Holder)
as per specimen signature with the Company

Place: _____ Name: _____

Date: _____ Address: _____

_____ Pin Code _____

- Note: 1. Please send the form to the address mentioned above.
2. ECS Mode of payment is valid only for payments upto Rs.5,00,000/-
3. In case the scheme does not meet with the desired response or due to any other operational reasons it is found to be unviable, the Company reserves the right to pay dividend by issue of warrants.



COCHIN MINERALS AND RUTILE LIMITED

P.B. NO.73, VIII/224, MARKET ROAD,

ALUVA

FORM OF PROXY

Folio No./DP-ID No

No. of Shares held

I/We

of

being a member/members of the above named Company hereby appoint

of

or failing him

of

as my/our proxy to vote for me/us on my/our behalf at the 21st Annual General Meeting of the Company to be held on Saturday, the 18th day of September, 2010 at 2.15 P.M. and at any adjournment thereof.

Signed this..... day of..... 2010.

Signature
across the stamp

Re. 1
R. Stamp

Note:- This instrument of proxy shall be deposited at the Registered Office of the Company not less than 48 (Forty Eight) hours before the time of holding the meeting.

COCHIN MINERALS AND RUTILE LIMITED

P.B. NO.73, VIII/224, MARKET ROAD,

ALUVA

ATTENDANCE SLIP

Please complete this attendance slip before you come to the meeting and hand it over at the entrance of the Meeting Hall

1. Name of Share Holder
(In Block Letters)
2. Member's Register Folio/D.P-ID Number
3. Name of Proxy (in Block Letters)
(To be filled in if the proxy attends instead of Member)
4. No. of shares held

I hereby record my presence at the Twenty First Annual General Meeting at the **Priyadarshini Municipal Town Hall** at Thottakkattukara, Aluva, Ernakulam District, on Saturday, the 18th day of September, 2010 at 2.15 P.M.

Member's/proxy's Signature