



COCHIN MINERALS AND RUTILE LIMITED

AN ISO 9001:2008 COMPANY

**ANNUAL REPORT
2011-2012**

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. T.P. Thomaskutty	- Director
Smt. Jaya S.Kartha	- Director
Shri. Nabil Mathew Cherian	- Director
Shri. Saran S. Kartha	- Joint Managing Director
Shri. S.N. Sasidharan Kartha	- Managing Director

AUDITOR

Saghesh Kumar K A,
Chartered Accountant
Aluva.

M/s Mathai & Mathai,
Advocates,
Ernakulam

LEGAL ADVISORS

M/s Menon & Pai,
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 S.K.D.C Consultants Limited,
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 23rd Annual General Meeting of Cochin Minerals and Rutile Limited will be held on Friday, the 6th July, 2012 at 9.30 A.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 2012 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. 12 (Rupees Twelve 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 2012 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 27th June, 2012".

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 Auditor

To appoint the Auditor 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, Mr. Saghesh Kumar K A, Chartered Accountant, Aluva be and is hereby appointed as Auditor 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 Auditor."

AS SPECIAL BUSINESS

5. Re-appointment of Managing Director

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

"Resolved that pursuant to the provisions of Sections 198, 268, 269 and 309 read with schedule XIII and other applicable provisions, if any, of the Companies Act 1956, including any statutory notifications or re-enactments thereof for the time being in force, the consent of the Company be and is hereby accorded for the appointment of Sri. S.N. Sasidharan Kartha as Managing Director of the Company to hold office for a period of 5 (Five) years effective from 1st April, 2013, on the following terms and conditions.

- i. Subject to the provisions of Sections 198 and 309 of the Companies Act 1956 read with Section I of Part II of Schedule XIII to the said Act, in financial years where profits are adequate, the Company may pay a remuneration by way of salary, perquisites, dearness allowance, commission and other allowances together not exceeding 5 (five) percent of the net profits of the Company and,
- ii. in financial years where the Company has no profits or the profits are inadequate, the Company may pay remuneration by way of salary, perquisite, dearness allowance and other allowances, as minimum remuneration not exceeding the limits specified in Part II, Section II 1(A) of Schedule XIII to the Companies Act 1956 or any statutory modifications or re-enactments thereof for the time being in force."

By Order of the Board

Sd/-

S.N. Sasidharan Kartha,
Managing Director.

Place : Aluva
Date : 05.05.2012

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 27th June 2012 to 6th July, 2012 (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
2010	18.09.2010	17.09.2017
2011	26.08.2011	25.08.2018

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. Members desirous of obtaining any specific information/clarification concerning the accounts/working of the company are requested to address their queries to the Company Secretary, so as to reach at least 3 days before the meeting to enable the company to make the information available at the meeting, to the best extent possible.
8. 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 with their ECS mandate in the prescribed form (enclosed) or can be obtained from our Share Transfer Agents, M/s S K D C Consultants Ltd., Coimbatore on request. Requests for payment of dividend through ECS for the year 2011-2012 should be lodged with M/s S K D C Consultants Limited on or before 25th June, 2012.

Explanatory Statement pursuant to Section 173 (2) of the Companies Act 1956

Item 5

The present Managing Director Shri. S.N. Sasidharan Kartha was appointed for a period of 5 years with effect from 1st April 2008 on the terms and conditions approved by the shareholders in their meeting held on 24th September 2007. The five years tenure will expire on 31st March 2013. The Board of Directors has taken on record the resolution passed by the remuneration Committee to re-appoint Shri. S.N. Sasidharan Kartha for a further period of 5 years effective from 01.04.2013, subject to approval of the shareholders in the A.G.M on such remuneration and terms as set out in the relevant resolution.

As per Schedule XIII to the Companies Act 1956, the remuneration payable to managerial personnel requires approval of shareholders in general meeting. The resolution set out under item 5 of the notice is recommended for approval. This may also be treated as a memorandum issued pursuant to the provisions of Section 302 of the Companies Act 1956. None of the Directors, except Shri. S.N. Sasidharan Kartha the appointee, Smt. Jaya. S. Kartha, being his wife and Mr. Saran S Kartha, being his son are concerned or interested in the resolution.

Additional information in respect of Directors appointed/ re-appointed**Shri. S.N. Sasidharan Kartha.**

Shri. S.N. Sasidharan Kartha is the founder and has been the Managing Director of the Company ever since its incorporation in 1989. Under his able and dynamic leadership, CMRL's performance scaled new heights and earned several accolades. The turn-over of the Company in 1993, the first year after the initial public issue was only Rs.178 Lakhs. Today it is about Rs.239 Crores. The assets of the Company in the same period increased to Rs.6633 lakhs from 1674 lakhs.

The company was awarded the outstanding Export Award for the year 1997 by the Prime Minister of India, Best Export Award by KSIDC in 1998, the Export Excellence Award and Certificate for 2001 from Development Commissioner Cochin Special Economic Zone and the Award for Excellence in Export Performance from Government of India, Ministry of Commerce, for 2005. M/s. Toho Titanium Corporation and M/s Sumitomo Titanium Corporation, the Japanese Buyers of Synthetic Rutile have given the Company their "Certificate of Appreciation" considering the Company's product and service quality. The Company received Industrial Excellence Award 2006 instituted by Kerala Industrial Protection Forum for achievement of business success and outstanding export performance. The company also bagged the prestigious Quality Crown award in the Golden category instituted by Business Initiative Directions (BID), Madrid, Spain in 2009. The company bagged the Award for implementing pollution control measures from Government of Kerala for the 5th consecutive year - Excellence Award for 3 years 2010, 2009 and 2008 and certificate of merit for securing 1st place among the medium scale Industries in the preceding 2 years.

The company also secured Excellence Award for safety for the year 2011, instituted by the Department of Factories and Boilers, Government of Kerala. The company bagged the Kerala State Safety Award consecutively for the fourth year for outstanding performance in industrial safety, health and welfare of employees.

The 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. The company's products Ferric Chloride and Ferrous Chloride got N S F/ANSI Standard 60 certification for drinking water treatment chemicals from M/s N S F International, the only Organisation designated as a collaborating centre by the World Health Organisation (W H O) for both food safety and drinking water safety and treatment.

Shri. Kartha is not only an industrialist, he is also a visionary, a philanthropist and a social, cultural and environmental wizard- a self made man of common sense and distinct individual traits and styles. He is also recipient of various awards and certificates from several social, cultural and semi-government organizations. Some of the important awards received by him are noted below:-

1. Akshaya Award from Akshaya Pustaka Nidhi in 1999
2. Man of Vision Award instituted by Pravasi Bharati, Kerala in 2008, which he shared with then CMD of Air India.
3. Shri. Kartha was conferred with an award in 2008 by H H Patriarch of Antioch, the head of Jacobite Syrian church in recognition of his yeoman service to the society.
4. C P Mammu Memorial Vyavasaya Ratna Award in 2011
5. Excellence Award for outstanding Entrepreneurship instituted by Kerala State Industrial Development Corporation (KSIDC), Trivandrum in 2011 on the occasion of their Golden jubilee.

Shri. S.N. Sasidharan Kartha is the Chairman of M/s Sach Exports Pvt. Ltd, C.M.D of M/s Empower India Capital Investments Pvt. Ltd., Managing Director of Kerala Rare Earths and Minerals Limited

and Director of Zirconium Chemicals (P) Ltd. He is a member of the share transfer and Investors Grievance committee of the Board of CMRL.

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 27 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 12 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., M/s Lulu Hyper Market Pvt. Ltd, Lulu Flight Kitchen (P) Ltd., Lulu Convention and Exhibition Center Pvt. Ltd., Space Travels Private Limited, L H Entertainment Company Pvt. Ltd., and Mantle Systems & Technologies 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 one of the promoters of the Company and is a director of M/s Empower India Capital Investments Pvt. Ltd. and has considerable experience in business.

Important Communication to Members

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that the service of notice /documents including Annual Report can be sent by e-mail to its members.

All those shareholders who have not yet registered their e-mail ids or holding shares in physical form are requested to immediately register their e-mail ids with NSDL/CDSL and/our RTA at info@skdc-consultants.com along with your Folio Number and Number of shares/client id and DP id.

DIRECTORS' REPORT

Your Directors are pleased to present the 23rd Annual Report of your Company along with audited statements of accounts for the year ended 31st March 2012.

FINANCIAL HIGHLIGHTS		
	₹ in Lakhs	
	Year ended 31 st March 2012	Year ended 31 st March 2011
Sales and Other Income	24083.73	13220.67
Profit before Interest & Depreciation	9115.11	1276.10
Interest	260.59	234.79
Depreciation	291.83	316.53
Net Profit for the year	8562.68	724.78
Provision for Tax	2866.65	254.05
Deferred tax asset (liability)	(12.16)	(13.92)
Profit after tax	5708.19	484.65
Appropriations		
Proposed Dividend	939.60	137.02
Dividend Tax	152.42	22.76
Transfer to General Reserves	1141.64	36.35
Balance Carried Forward	3474.53	288.52

DIVIDEND

Your Directors are pleased to recommend a dividend on the equity shares at 120% (Rs.12 per share) including 100 per cent (Rs. 10 per share) special dividend for the financial year ended 31st March, 2012.

OPERATIONS**a) Production**

The production of Synthetic Rutile during the year under review was 28000MT as compared to 36175.000 MT in the previous year. Ferric Chloride production during the year was 16720 MT, as compared to 15069 MT in the previous year. Ferrous Chloride production during the year was 42686.900 MT as against 39197 MT in the previous year. The production of Iron Hydroxide (Cemox) during the year was 35416 MT as against 46020 MT in the previous year.

The main reason for decrease in production of Synthetic Rutile is short supply of main raw material, ilmenite from the domestic as well as in international market.

b) Sales

Your company could sell 28083.450 MT of Synthetic Rutile during the year as compared to last year's sales of 37121.530 MT. The decrease in sales was due to low level of production during the year as already explained. Ferric Chloride sales amounted to 16594.140 MT during the year as compared to 15914.620 MT last year showing an increase of 4.27 per cent. Ferrous Chloride sales this year amounted to 42719.936 MT (including export of 1464 MT) as against 42348.145 MT (export sales 44.300 MT) in the previous year. Iron Hydroxide (Cemox) sales was 10588.845 MT as compared to 12018.430 MT in the previous year.

c) Foreign Exchange

Your company earned export income of US\$430,95,394.90 equivalent to Rs.210,17,99,853/- compared to US\$218,38,968(FOB) equivalent to Rs. 9949.76 lakhs in the previous year. The utilization of Foreign Exchange during the year was US\$ 1757018.88, UK£218, AED300, JPY1,55,400 equivalent to Rs. 8,29,58,775/- compared to US\$10,97,111 UK£600, AED9730 equivalent to Rs.485.49 lakhs in the previous year. The increase in foreign exchange (statement in Form C is given in the Annexure - I) utilization during the year was due to import of Lime due to short supply of high quality lime in the domestic market.

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

d) Profit

Your company earned a profit of Rs. 9115.11 lakhs before interest, depreciation and tax and a net profit of Rs. 5708.19 lakhs after tax during the year as compared to Rs. 1276.10 lakhs and Rs. 484.65 lakhs respectively in previous year. **The profit during the year has been at all time high.**

The main factors for the increase in profitability are higher sales realization and depreciation of Rupee during the year.

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.

Smt. Jolly Cherian ceased to be a Director of the company with effect from 26.08.2011 and Shri. Nabil Mathew Cherian was appointed as a Director of the company with effect from 26.08.2011.

Mr. Venu Nallur nominated to the Board by K S I D C ceased to be a director with effect from 17.12.2011 on withdrawal of nomination and Shri. T P Thomaskutty, Executive Director, Kerala State Industrial Development Corporation Limited was nominated to the Board as KSIDC Nominee on the same date.

MANAGEMENT DISCUSSION AND ANALYSIS

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

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 2012, 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 2012 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.

NSF Certification

Your company's products, Ferric Chloride and Ferrous Chloride have got NSF/ANSI Standard 60 certification for drinking water treatment chemicals from M/s NSF International, the only organization designated as a Collaborating Center by the World Health Organization (WHO) for both food safety and drinking water safety and treatment.

The afore-said products of your company are the only NSF(National Sanitation Foundation) certified in Asia. While in the case of Ferrous Chloride, our Company is one among the 8 companies in the world who got certified by NSF International and in the case of Ferric Chloride, we are among the 39 companies certified by them.

AWARDS

Your Directors are pleased to report that your company bagged the Award for implementing pollution control measures from Government of Kerala for the 5th consecutive year - "Excellence Award for 3 years 2010, 2009 and 2008 and certificate of merit for securing 1st place among the medium scale industries in the preceding 2 years.

The company during the year has secured Excellence Award for safety instituted by the Department of Factories and Boilers, Government of Kerala. The company bagged the Kerala State safety Award consecutively for the fourth year for outstanding performance in industrial safety, health and welfare of employees.

AUDITORS

Mr. Saghesh Kumar K A, Chartered Accountant, Aluva who was appointed as Auditor of the Company for the year under review, retire at the Annual General Meeting and being eligible, has offered to be reappointed at the Annual General Meeting.

STATUTORY APPROVALS & LICENCES

The Company has renewed all statutory approvals and licences from various Departments/ Authorities for carrying on its normal business. The licenced and installed 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 for four years was signed during the year. 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 upgradation are given in the Annexure - I. Improved practices 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.

LISTINGS

The shares of your Company are listed with Bombay Stock Exchange Ltd. The listing fee as required has already been paid upto and including the year 2012-2013.

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 contribution 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.

For and on behalf of the Board,

Sd/-

R.K.Garg,
Chairman.

Place: Aluva,

Date : 05.05.2012

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.

FORM A

(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	46,52,425 KWH	51,92,528 KWH
Total Amount	Rs. 1,76,15,634.00	Rs. 1,96,46,724.00
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	99,038 KWH	88,899.00KWH
Units per ltr.) of diesel oil)	3.17 units/ltr	3.38 units/ltr
Cost/unit	₹ 15.36 /unit	₹ 12.48/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 & Boiler	
		(3) Indonesian coal - Boiler	
(a) Indonesian Coal - 9365.332 MT			
(b) Indian Coal - 219.398 MT			
(c) Pet. Coke - 581.696 MT			
Total - 10,166.426 MT			
Total cost)	₹ 51,737,298.68	₹ 45,375,498.00
Average rate)	₹ 5,089.04	₹ 4,659.88
3. Furnace Oil			
Quantity (k.ltrs.)		2960.240 KL	3812.038 KL
Total amount		₹ 108,155,920.52	₹ 101,874,524.43
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
Particulars of Energy		1	2
Electricity		169.52 Units	145.99 Units
Furnace Oil		105.72 Ltrs.	105.00 Ltrs
Coal		0.363 MT	0.298 MT

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 successful plant level trials for usage of Ferrous Hydroxide and Ferrous Chloride in Rayon grade pulp plant effluent treatment. Use of FeCl ₂ for studies on sewage treatment and desalination plant for making potable water. |
| | | (b) | Studies on utilization of Iron Hydroxide cake (Cemox) for manufacture of Iron oxide granules for water purification. |
| | | (c) | Lab scale process developed for manganese removal from Ferric Chloride solution. |
| | | (d) | Lab scale production of Ferrite grade Iron Oxide from FeCl ₂ . |
| 2 | Benefits derived as a result of the above R&D | | Resulted in increased sale of byproducts, Ferrous Chloride and Ferric Chloride |
| 3 | Future plan of action | (a) | Pilot plant level studies for crystallisation of Ferrous Chloride. |
| | | (b) | R & D work to be continued for usage of Ferrous and Ferric Chloride for use in water treatment as substitute to Alum. |
| | | (c) | Nano Titanium Dioxide manufacturing pilot plant scale production and market developments. |
| | | (d) | Pilot plant scale manufacture of Iron Oxide Pigment and Ferrite Grade Oxide from Ferrous Chloride. |
| | | (e) | Development of processes for preparation of Ferro Titanium, Titania Slag and Pig Iron based on Electric Arc Furnace- Technology using Rutile, Ilmenite etc. |
| 4. | Expenditure on R & D | : | : |
| | (a) Capital | : | ₹ 05.76 lakhs |
| | (b) Revenue | : | ₹ 56.83 lakhs |
| | Total | : | ₹ 62.59 lakhs |
| | (c) Total R & D expenditure as a Percentage of total turnover } | : | 0.26% |

Technology absorption, adaptation and Innovation.

- | | | |
|---|---|---|
| 1 | Efforts, in brief, made towards technology absorption, adaptation and innovation. | Plant scale trials and process standardization using Ilmenite from different sources for Synthetic Rutile Production. |
| 2 | Benefits derived as a result of the above efforts, eg. Product improvement, cost reduction, product development, import substitution etc. | Ilmenite from different sources could be used to maintain regular operation in plant. |
| 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. | : N.A. |
| | (a) Technology imported | } |
| | (b) Year of import | } |
| | (c) Has technology been fully absorbed | } |
| | (d) If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action. | } N.A. |

FORM C**Foreign Exchange Earnings and Outgo**

(1) Foreign Exchange Earnings (FOB Value of export)	US\$ 4,309,5394.90
(2) Foreign Exchange Outgo	
on Revenue Account US\$ 9,57,776.83	
on Capital Account <u>US\$ 8,01,540.00</u>	
	US\$ 17,59,316.83
Net Earnings	<u><u>US\$ 4,13,36,078.07</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 endeavors to enhance and protect the long term interest of all its stake holders keeping in mind corporate social responsibility. 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, $\frac{1}{3}^{rd}$ 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	Last AGM attended or not	Directorship in other Companies	Total committee Memberships
Shri. R.K. Garg	Chairman, Non-Executive, Independent	6	6	Yes	2	2
Shri. Mathew M. Cherian	Vice Chairman, Non-Executive	6	5	Yes	2	-
Shri. S.N. Sasiharan Kartha	Managing Director, Executive	6	6	Yes	4	2
Shri. A.J. Pai	Non-Executive Independent	6	6	Yes	12	2
Shri. Venu Nallur	Non-Executive Independent (KSIDC Nominee)	6	4	Yes	3	-
Shri. T.P. Thomas Kutty	Non-Executive Independent (KSIDC Nominee)	6	-	NO	3	-

Shri. G.R. Warrior	Non-Executive Independent	6	6	Yes	2	4
Smt. Jaya S. Kartha	Non-Executive	6	6	Yes	1	-
Smt. Jolly Cherian	Non-Executive	6	3	No	-	-
Shri. Saran S Kartha	Executive Director	6	6	Yes	-	-
Shri. Nabel Mathew Cherian	Non-Executive	6	3	Yes	-	-

Changes in the Board of Directors :

- i) Smt. Jolly Cherian ceased to be a Director of the company with effect from 26.08.2011 and Shri. Nabel Mathew Cherian was appointed as a Director of the company with effect from 26.08.2011.
- 2) Shri. Venu Nallur, Nominee Director of K S I D C ceased to be a Director of the Company with effect from 17.12.2011 on withdrawal of nomination by K S I D C and Shri. T P Thomaskutty, Executive Director, K S I D C was appointed as Nominee Director of K S I D C in his place from the same date.

ii) Meetings :

6 (six) meetings of the Board were held during the year ended 31st March 2012. These were on 28th May 2011, 8th July 2011, 25th July 2011, 26th August, 2011, 28th October, 2011 and 7th February 2012. 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 Mr. Nabel Mathew Cherian (Son of Mr. Mathew M Cherian) 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 31/03/2012 were as follows:

	Director	Shares Held
1.	Mr. Mathew M Cherian	923150
2.	Mrs. Jaya S Kartha	386740
3.	Mr. Nabel Mathew Cherian	100000
4.	Mr. R K Garg	2500
5.	Mr. G R Warrior	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 2012. 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 28th May 2011, 25th July 2011, 28th October 2011 and 7th February 2012. 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
Shri. G R Warriar	4	4

7. **Remuneration Committee:**

The remuneration committee of the Company consists of three non-executive and independent Directors - Mr. R. K. Garg (Chairman), Mr. A. J. Pai and Mr. G R Warriar. 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 only two Executive Directors i.e. Mr. S N Sasidharan Kartha, the Managing Director and Mr. Saran S Kartha, Executive Director/Joint Managing 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, Joint Managing 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. No other perquisite, incentives or stock options are payable to him. The non-executive Directors are paid one per cent commission on net profit of the company. There was no requirement for the remuneration committee to meet during the year as there was no change in the terms of remuneration to the executive directors. Details of remuneration paid to directors during the year are given in "Table - C".

TABLE - C - Remuneration to Directors (Amount in ₹)

Name	Sitting Fees	Salary/ Commission	Contribution to PF	Total
Shri. R.K. Garg	110000	1222929	-	1332929
Shri. Mathew.M.Chcrian	75000	1222928	-	1297928
Shri. S.N. Sasidharan Kartha	-	42622800	180000	42802800
Shri. A.J. Pai	110000	1222929	-	1332929
Shri. Venu Nallur	60000	868746	-	928746
Shri. T P Thomaskutty	-	354182	-	354182
Shri. G.R. Warriar	110000	1222929	-	1332929
Smt. Jaya.S.Kartha	90000	1222929	-	1312929
Smt. Jolly Chcrian	45000	491175	-	536175
Shri. Saran S Kartha	-	1800000	216000	2016000
Shri. Nabel Mathew Chcrian	45000	731753	-	776753
	645000	52983300	396000	54024300

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 16 complaints/grievances from investors and all of them were resolved during the year. There was no Share holder complaint remaining unresolved as on 31st March 2012. The Company's shares are compulsorily traded in demat form. However, the Share Transfer committee met at frequent intervals 25 times during the year. There were no pending transfers as on 31st March 2012.

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 Registrar & 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) REGISTRAR AND TRANSFER AGENTS

M/s. SKDC Consultants Ltd.,

Kanapathy Towers,

3rd Floor,

1391/A-1, Sathy Road,

Ganapathy,

Coimbatore - 641 006

Ph: (0422) - 6549995, 2539835-836

Fax : 91 422 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
2008-09	Aluva, Kerala	14.09.2009	9.30 AM
2009-10	Aluva, Kerala	18.09.2010	2.15 PM
2010-11	Aluva, Kerala	26.08.2011	10.00AM

- (b) Special resolution/s passed in the last 3 Annual General Meetings

2008-09 (I) for payment of remuneration to Executive Director

(II) for payment of commission to non-Executive Directors

2009-2010 - NIL

2010-2011 - NIL

- (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 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) **Compliance of Clause 5A**

The company have no share certificate which have remained unclaimed by the shareholders.

d) **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 continues 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 2012.

13. **General Shareholder Information.**

Annual General Meeting

6th July 2012 at 9.30 A.M.

Priyadarshini Municipal Town Hall, Thottakkattukara, Aluva, Ernakulam, Kerala.

Financial Year

Year ended 31st March 2012

Book Closure Date

27.06.2012 to 6.07.2012 (both days inclusive)

Dividend

120 percent (Rs. 12/- per share)

Listing

The shares of the company are listed at Bombay Stock Exchange. Listing Fees to the exchange for the year 2012-13 has already been paid.

Stock Code

COCHRDM513353

Demat ISIN

INE I05D01013

14. **Market Price Data**

The High/Low prices of the company's share at the Mumbai Stock Exchange during each month of the Financial year 2011 - 2012 are given below:

Month		Months' High ₹	Months' Low ₹
April	2011	54.40	51.35
May	2011	54.75	48.25
June	2011	55.45	50.75
July	2011	72.50	51.00
August	2011	67.30	54.15
September	2011	71.15	59.65
October	2011	93.50	62.55
November	2011	140.35	101.15
December	2011	133.55	97.00
January	2012	137.00	99.85

February	2012	187.20	134.80
March	2012	209.70	173.85

15. **Distribution of Shareholding as on 31st March 2012.**

a) **Category-wise Distribution**

Category	Percentage
Promoters	54.97
Banks/FIS/mutual funds	0.11
NRLs	0.61
Private Corporate Bodies	5.63
Others	38.68
Total	100.00

b) **Value-wise Distribution**

1	2	3	4	5
Value (₹)	No. of Holders	%	Amount	%
Upto 5000	10454	94.58	11805580	15.08
5001 10000	309	2.80	2570820	3.28
10001 20000	119	1.08	1847900	2.36
20001 30000	56	0.51	1413150	1.80
30001 40000	24	0.22	869380	1.11
40001 50000	18	0.16	852580	1.09
50001 100000	25	0.23	1951540	2.49
100001 And Above	48	0.42	56989050	72.79
Total	11053	100	78300000	100

16. **Dematerialisation of Shares and Liquidity.**

53.10 percent of the company's paid-up capital is held in demat form as on 31st March 2012. 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 and has good liquidity.

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

Not applicable to the company.

18. **Plant Locations.**

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

19. **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 : suchexim@vsnl.com, cmrllexim@dataone.in

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 is an effective coagulant for drinking water and Effluent Treatment.
- ii) Ferrous Chloride is coagulant for drinking water and effluent treatment.
- iii) Iron Hydroxide (Cemox) clay used for brick and tile making.

Raw Materials

The main raw materials of your company are Ilmenite and Hydrochloric Acid.

While Hydrochloric Acid is indigenously available, we have to arrange supply of ilmenite from domestic and international market.

However, in the current year, the company is facing a major challenge in the procurement of the raw material, ilmenite. The supply from the domestic market is quite restricted. In the international market also the supply position is not good and the prices are highly volatile. Your company is making all efforts to procure the material from various sources.

As another step taken by the company in respect of ensuring long term availability of raw material (ilmenite), the company has applied for lease of mining areas in the offshore region for which bids have been invited by the Indian Bureau of Mines and we have been granted exploration licence for six blocks covering a total area of 504 sq Kms. Since then, a few parties have approached various High Courts against the procedure adopted by I B M in grant of exploration licence and Hon'ble High Court of Andhra Pradesh had issued interim order stating that if any steps are taken for grant of exploration licence, the same shall be subject to further orders by this Court. We are awaiting for the clearance from the Courts to go ahead with further activities.

Operational Performance

The operational performance highlights for the year 2011-2012 are given below:

	<u>2011-2012</u>	<u>2010-2011</u>
Synthetic Rutile (Beneficiated Ilmenite)		
Production (MT)	28000.000	36175.000
Sales (MT)	28083.450	37121.530
Gross Revenue (Rs. lakhs)	24069.63	13220.67
Net Profit (Rs. lakhs)	5708.19	484.65

The production during the year has come down mainly due to the short supply of Ilmenite. Moreover the lower quality of imported ilmenite has resulted in low yield of Synthetic Rutile. However in view of higher sales realization, the financial performance has been much better.

The Company could make improvement in marketing the main by-products viz. Ferric Chloride and Ferrous Chloride during the year. The sales turn over in respect of Ferric Chloride increased from

1005.90 lakhs in the previous year to Rs. 1193.62 lakhs this year and of Ferrous Chloride from Rs. 46.35 lakhs to Rs. 145.64 lakhs.

Outlook

Although there is demand for the main product viz. Synthetic Rutile, the scenario in respect of supply of main raw material Ilmenite from domestic sources remain uncertain. Supply from outside sources in terms of required quantity and quality is also uncertain and prices remain volatile. However the company is making all efforts to maintain maximum level of production. Your Directors are concerned about the shortage in availability and resultant price escalation of Ilmenite.

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 to mining lease. 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 may also have impact.

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. The Company also received certification from NSF International for its products Ferric Chloride, Ferrous Chloride and Ferrous chloride with hydrated Titania catalyst, that these products conform to NSF/ANSI standard 60 for drinking water treatment.

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 third consecutive year. The company bagged the First prize in the preceeding two years also for implementing effective pollution control measures.

(b) Safety Award

The company during the year has secured Excellence Award for safety instituted by the Department of Factories and Boilers, Government of Kerala. The company bagged the Kerala State safety Award consecutively for the fourth year for outstanding performance in industrial safety, health and welfare of employees.

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 Trade Unions of employees for a period of four years, was signed during November, 2011. 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 2012 was 364.

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, 2012 as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

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 implementation 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.

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.

Sd/-

K.A.SAGHESH KUMAR. B.com., F.C.A.
CHARTERED ACCOUNTANT
Membership No. 211340

A L U V A,
05.05.2012.

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 2012 received Affirmations from the Board Members and Senior Management Personnel as regards compliance with the code, as applicable to them.

A L U V A,
05.05.2012

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, 2012 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, 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2012 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, 2012;
 - (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.

Sd/-

K.A.SAGHESH KUMAR, B.com., F.C.A.
CHARTERED ACCOUNTANT
Membership No. 211340

ALUVA,
05.05.2012.

**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 has 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 given 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 there under 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 2012 for a period of more than six months from the date of becoming payable.

- b) According to the intimation and Explanation given to us, and the books 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 institutions 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. The company has not taken any new term loan during the year.
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.

ALUVA,
05.05.2012.

Sd/-
K.A.SAGHESH KUMAR. B.com., F.C.A.
CHARTERED ACCOUNTANT
Membership No. 211340

BALANCE SHEET AS AT 31st March 2012

Particulars	Note No.	As at	
		31.03.2012 (₹)	31.03.2011 (₹)
I EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share Capital	2	78,300,000.00	78,300,000.00
(b) Reserves and Surplus	3	724,856,258.81	263,239,536.84
(2) Non-Current Liabilities			
(a) Long Term Borrowings	4	59,514,399.82	95,181,471.82
(b) Deferred Tax Liabilities (Net)	5	4,595,268.00	5,811,170.00
(c) Other Long Term Liabilities	6	31,785,409.00	68,789,620.00
(b) Long Term provisions	7	4,466,182.00	2,816,269.00
(3) Current Liabilities			
(a) Short Term Borrowings	8	48,746,825.87	18,967,589.35
(b) Trade Payables	9	57,208,158.88	56,052,691.78
(c) Other Current Liabilities	10	90,285,141.42	55,021,453.36
(d) Short Term Provisions	11	152,148,993.00	16,835,587.24
TOTAL		1,251,906,636.80	661,015,389.39
II ASSETS			
1) Non- Current Assets			
a) Fixed Assets	12		
i) Tangible Assets		200,877,354.41	219,281,518.62
ii) Capital Work in Progress		51,624,399.73	51,624,399.73
b) Non Current Investments	13	138,386,041.00	138,386,041.00
c) Long-Term Loans and advances	14	27,942,518.00	23,171,063.00
2) Current Assets			
b) Inventories	15	239,106,383.36	94,293,681.57
c) Trade Receivables	16	52,346,474.76	79,961,257.30
d) Cash and cash equivalents	17	470,064,205.76	22,158,722.76
e) Short-Term Loans and advances	18	71,559,259.78	32,138,705.41
TOTAL		1,251,906,636.80	661,015,389.39
Significant Accounting Policies	1		

See accompanying notes forming part of financial statements

Place : Aluva

05.05.2012

As per Annexed Report of even date

Sd/-

K.A.SAGHESH KUMAR, B.com., F.C.A.
CHARTERED ACCOUNTANT
Membership No. 211340Sd/-
R.K. Garg
ChairmanSd/-
Mathew M Cherian
Vice-ChairmanSd/-
S.N. Sasidharan Kartha
Managing DirectorSd/-
Saran S. Kartha
Joint Managing
DirectorSd/-
G.R. Warrior
DirectorSd/-
A.J. Pai
DirectorSd/-
T P Thomaskutty
DirectorSd/-
Jaya S. Kartha
DirectorSd/-
Nabiel Mathew Cherian
DirectorSd/-
Suresh Kumar P.
General Manager (Finance) &
Company Secretary

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st March 2012

Particulars	Note No.	As at	
		31.03.2012 (₹)	31.03.2011(₹)
I Revenue From operations (Gross)	19	2,391,971,655.00	1,320,031,633.00
Less : Excise Duty		34,377,746.00	39,699,105.00
Revenue From operations (Net)		2,357,593,909.00	1,280,332,528.00
II Other Income	20	16,401,528.30	2,035,540.14
III Total Revenue (I + II)		2,373,995,437.30	1,282,368,068.14
IV Expenses			
Cost of materials consumed	21	857,279,677.83	634,112,567.30
Change in inventories of finished goods and Work in Progress	22	(9,842,273.00)	9,168,892.00
Other Direct Manufacturing Expenses	23	302,165,220.28	288,801,846.76
Employee Benefits expenses	24	169,624,956.00	101,652,784.38
Finance Cost	25	26,059,237.00	23,479,467.95
Depreciation and amortisation expenses		29,182,915.51	31,653,354.32
Other Expenses	26	143,257,222.71	121,021,521.71
Total Expenses		1,517,726,956.33	1,209,890,434.42
V Profit Before Exceptional item and Tax (III - IV)		856,268,480.97	72,477,633.72
VI Exceptional Item		Nil	Nil
VII Profit Before Tax (V + VI)		856,268,480.97	72,477,633.72
VIII Less : Tax Expenses			
1) Current Tax		286,665,000.00	25,405,000.00
2) Deferred Tax		(1,215,902.00)	(1,392,526.00)
IX Profit for the Year (VII - VIII)		570,819,382.97	48,465,159.72
X Earnings Per Share (of Rs.10/- each)			
a) Basic		72.90	6.18
b) Diluted		72.90	6.18

Significant Accounting Policies

1

See accompanying notes forming part of financial statements

Place : Aluva
05.05.2012

As per Annexed Report of even date
Sd/-

K.A.SAGHESH KUMAR, B.com., F.C.A.
CHARTERED ACCOUNTANT
Membership No. 211340

Sd/-
R.K. Garg
Chairman

Sd/-
Mathew M Cherian
Vice-Chairman

Sd/-
S.N. Susidharan Kartha
Managing Director

Sd/-
Saran S. Kartha
Joint Managing-
Director

Sd/-
G.R. Warrior
Director

Sd/-
A.J. Pai
Director

Sd/-
T P Thomaskutty
Director

Sd/-
Jaya S. Kartha
Director

Sd/-
Nabiel Mathew Cherian
Director

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

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2012

Particulars	For the year ended 31 st March 2012	For the year ended 31 st March 2011
A. Cash flow from operating activities:	(₹)	(₹)
Net profit/(loss) before tax and extraordinary items	856,268,480.97	72,477,633.72
Adjustments for:		
Depreciation	29,182,915.51	31,653,354.32
Interest	26,007,034.00	23,462,256.95
Dividend received	(99,000.00)	(90,000.00)
Profit/(loss) on sale of vehicle	(211,151.30)	(279,188.14)
Interest income	(6,898,358.00)	(368,649.00)
Exchange rate difference in BOB EEFC	(2,937,178.00)	(4,901.00)
Operating profit before working capital changes	901,312,743.18	126,850,506.85
Adjustments for :		
(Increase)/decrease in trade and other receivables	(11,805,771.83)	(22,194,313.51)
(Increase)/decrease in long term loans and advances	(4,771,455.00)	(11,368,795.00)
(Increase)/decrease inventories	(144,812,701.79)	30,867,812.89
Increase/(decrease) in trade payables & other liabilities	38,186,274.16	(154,328.14)
Changes in working capital	(123,203,654.46)	(2,849,623.76)
Cash generated from operations	778,109,088.72	124,000,883.09
Income tax paid	(244,575,941.24)	(24,547,726.76)
Net cash generated from operating activities	533,533,147.48	99,453,156.33
B. Cash flow from investing activities:		
Purchase of fixed assets	(10,846,207.00)	(18,689,531.00)
Sale of fixed assets	278,607.00	767,500.00
Dividend	99,000.00	90,000.00
Interest on deposits	6,898,358.00	368,649.00
(Increase)/Decrease in Bank Balances considered as cash and cash equivalent	(117,357.00)	(150,568.00)
Net cash generated/(used) in investing activities	(3,687,599.00)	(17,613,950.00)
C. Cash flow from financing activities		
Repayment of unsecured loan from customer	(37,004,211.00)	(21,539,756.00)
Proceeds from long term borrowing	(35,667,072.00)	(17,818,128.18)
Proceeds from working capital borrowing	29,779,236.52	(29,096,306.20)
Interest paid	(26,124,240.00)	(23,828,606.95)

Particulars	For the year ended 31 st March 2012 (₹)	For the year ended 31 st March 2011 (₹)
Dividend paid including dividend distribution tax	(15,978,314.00)	(13,741,063.00)
Unclaimed Dividend paid	(519,515.00)	(448,521.00)
Net cash generated/(used) in financing activities	(85,514,115.48)	(106,472,381.33)
Net change in cash and cash equivalents	444,331,433.00	(24,633,175.00)
Opening cash equivalents	19,458,967.76	44,087,241.76
Closing cash and cash equivalents	463,790,400.76	19,454,066.76
Exchange rate difference	2,937,178.00	4,901.00
Cash and cash equivalents as at 31.3.2012	466,727,578.76	19,458,967.76
Reconciliation of Cash and Cash Equivalents with the Balance Sheet:		
Cash and Cash equivalents as per Balance Sheet (Refer Note: 17)	470,064,205.76	22,158,722.76
Less: Bank balances not considered as Cash and cash equivalents as defined in AS-3 Cash Flow Statements		
---Margin Money accounts for Bank Guarantee	(650,625.00)	(533,268.00)
---Unpaid Dividend account	(2,686,002.00)	(2,166,487.00)
Net Cash and cash equivalents (as defined in AS-3 Cash flow statement included in Note 17	466,727,578.76	19,458,967.76

Place : Aluva
05.05.2012

As per Annexed Report of even date

Sd/-
K.A.SAGHESH KUMAR, B.com., F.C.A.
CHARTERED ACCOUNTANT
Membership No. 211340

Sd/-
R.K. Garg
Chairman

Sd/-
Mathew M Cherian
Vice-Chairman

Sd/-
S.N. Sasidharan Kartha
Managing Director

Sd/-
Saran S. Kartha
Joint Managing-
Director

Sd/-
G.R. Warrior
Director

Sd/-
A.J. Pai
Director

Sd/-
T P Thomaskutty
Director

Sd/-
Jaya S. Kartha
Director

Sd/-
Nabiel Mathew Cherian
Director

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

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) **Use of estimates**
The preparation of financial statements is in conformity with the generally accepted accounting principles which require estimates and assumptions to be made that affect the reported amount of assets and liabilities and the disclosures relating to contingent assets and liabilities as on the date of financial statements and the reported amount of revenues and expenses during the reporting period. The management believes that the estimates used in the preparation of financial statements are prudent and reasonable. Actual results could differ from these estimates.
- c) **Fixed Assets and Depreciation**
- 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.
 - 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.
- d) **Investments**
Long Term investments are stated at cost. Earnings on investments are accounted on accrual basis, except dividend on shares.
- e) **Inventories**
- 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.
 - Finished goods have been valued at the lower of cost (weighted average) or net realisable value.
- f) **Impairment of Assets**
The company determines whether there is any indication of impairment of the carrying amount of its assets. The recoverable amount of such assets are estimated, if any indication exists and impairment loss is recognized wherever the carrying amount of the assets exceeds its recoverable amount.
- g) **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.

Monetary assets and liabilities denominated in foreign currency are restated at the rates of exchange gain/loss is suitably dealt with in the Profit and Loss Account.

h) 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

i) 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.

j) Research and Development Expenses

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

k) Taxation

Provision for current tax is made on the basis of assessable Income under the Income tax Act 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.

l) 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.

m) Provisions, contingent liabilities and contingent assets.

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the Notes. Contingent assets are neither recognized nor disclosed in the financial statements

NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	As at 31.03.2012 (₹)	As at 31.03.2011 (₹)
2. Share Capital		
AUTHORISED		
1,00,00,000 (P.Y. 10000000) Equity Shares of ₹ 10/- each	100,00,000.00	100,00,000.00
ISSUED, SUBSCRIBED AND FULLY PAID UP		
78,30,000 (P.Y. 78,30,000) Equity Shares of ₹ 10/- each	78,30,000.00	78,30,000.00
	78,30,000.00	78,30,000.00
a) Reconciliation of Number of Shares		
Shares outstanding as at 1st April 2011/1 st April 2010	7,830,000.00	7,830,000.00
Shares outstanding as at 31st March 2012/31 st March 2011	7,830,000.00	7,830,000.00
b) List of shareholders holding more than 5% of the total number of shares issued by the Company:		

Name of the shareholder	31 March 2012		31 March 2011	
	No. of Shares	% Holding	No. of Shares	% Holding
1. S.N Sasidharan Kartha	1,169,400	14.93	1,169,400	14.93
2. Mathew M Cherian	9,23,150	11.79	9,23,150	11.79
3. Kerala State Industrial Development Corporation Ltd	1,050,000	13.41	1,050,000	13.41

The Company has issued only one class of equity shares having a face value of Rs. 10/- per share. Each holder of equity share is entitled to one vote per share. The Company declares dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the Annual General Meeting.

Particulars	As at 31.03.2012 (₹)	As at 31.03.2011 (₹)
3. Reserves and Surplus		
a) Capital Reserves	44,300.00	44,300.00
— Profit on re-issue of forfeited shares		
Investment Subsidy		
Subsidy received from State Government	1,500,000.00	1,500,000.00
b) General Reserve		
Opening Balance	19,841,341.68	16,206,454.68
Add: Transfer from surplus in the statement of Profit and Loss	114,163,877.00	3,634,887.00
	134,005,218.68	19,841,341.68

NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	As at 31.03.2012 (₹)	As at 31.03.2011 (₹)
c) Surplus in Statement of Profit and Loss		
Opening Balance	241,853,895.16	213,001,936.44
Add: Profit for the year	570,819,382.97	48,465,159.72
	812,673,278.13	261,467,096.16
Less: Appropriations		
– Transfer to General Reserves	114,163,877.00	3,634,887.00
– Proposed Dividend- Rate per share ₹ 12 (P Y ₹ 1.75 per share)	93,960,000.00	13,702,500.00
– Corporate Dividend Tax	15,242,661.00	2,275,814.00
Closing Balance	589,306,740.13	241,853,895.16
Total	724,856,258.81	263,239,536.84
4. Long Term Borrowings		
a). IDBI Term Loan	36,998,800.00	67,499,200.00
b) Bank of Baroda Term Loan	22,515,599.82	27,682,271.82
	59,514,399.82	95,181,471.82

Sl.No.	Particulars	Non- Current Portion (₹)		Current Maturities (₹)	
		31st March 2012	31st March 2011	31st March 2012	31st March 2011
a	Term Loans (Indian Rupee Loan from Banks(Secured))	59,514,399.82	95,181,471.82	35,667,072.00	33,818,128.18
		59,514,399.82	95,181,471.82	35,667,072.00	33,818,128.18

TERMS OF REPAYMENT OF INDIAN RUPEE TERM LOANS

Name of Bank	IDBI	IDBI	BOB
Type of Loan	Term loan	Term loan	Term loan
Loan Account No.	COCMAR0508011	137673200000064	0562060001072
Amount sanctioned/availed (₹)	60,000,000.00	92,500,000.00	31,000,000.00
Sanction date	6/6/2007	12/1/2009	19/02/2009
Current interest rate	14.00%	14.25%	13.50%
Total no. of instalments	60	60	72
No. of Instalments paid	48	24	8
No. of balance instalments to be paid	12	36	64
Amount of instalment	1,000,000.00	1,541,700.00	430,556.00
Repayment Type	Monthly	Monthly	Monthly
Interest payment type	Monthly	Monthly	Monthly

Indian Rupee Term Loan from Institutions are secured by:

1 Primary Security:

a) IDBI Term Loan Account Nos. COCMAR0508011 and 137673200000064- (i) First charge by way of equitable mortgage of 21.35 Acres of land in Survey Nos. 92/4A, 92/4B, 97/1A part, 97/1B1, 1B2, 1B3, 97/2B2, 97/3-1, 97/3-2 part, 98/1A part, 98/1B part.

NOTES FORMING PART OF FINANCIAL STATEMENTS

- 95/4 Part, 95/6 Part, 95/7 part, 96/1-1, 96/1-2, 96/2, 96/3A part, 96/3B part, 96/4 Part, 96/5-1 part, 97/1B-3 part, 97/2A-1 part, 98/1A Part, 132/11-A, 132/12, 132/13, 95/3 part, 95/5 part, 97/3 part 135/3B, 135/2B, 135/2A, 135/1 at Parur Taluk, Kadungallur Village together with 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 advance in the ordinary course of business) including movable machinery, machinery spares, tools and accessories present and future.
- ii) Second charge on the Company's stocks of raw-materials, consumable stores, book debts and such other movables.
- iii) Personal guarantee of Mr. S.N. Sasidharan Kartha, the Managing Director, and Mr. Mathew M. Cherian Vice Chairman,
- b) Indian Rupee Term Loan from Bank of Baroda Account No 05620600010728 is secured by - (i) Paripassu first charge by way of equitable mortgage of 21.35 Acres of land in Survey Nos. 92/4A, 92/4B, 97/1A part, 97/1B1, 1B2, 1B3, 97/2B2, 97/3-1, 97/3-2 part, 98/1A part, 98/1B part, 95/4 Part, 95/6 Part, 95/7 part, 96/1-1, 96/1-2, 96/2, 96/3A part, 96/3B part, 96/4 Part, 96/5-1 part, 97/1B-3 part, 97/2A-1 part, 98/1A Part, 132/11-A, 132/12, 132/13, 95/3 part, 95/5 part, 97/3 part 135/3B, 135/2B, 135/2A, 135/1 at Parur Taluk, Kadungallur Village together with building, plant and machinery 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 advance in the ordinary course of business) including movable machinery, machinery spares, tools and accessories present and future.
- (ii) Personal guarantee of Mr. S.N. Sasidharan Kartha, the Managing Director.

NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	As on 31st March 2012 (₹)	As on 31st March 2011 (₹)
5. Deferred Tax Liabilities (Net)		
a. Deferred Tax Liabilities		
- Depreciation on fixed assets	4,595,268.00	5,811,170.00
Net Deferred Tax Liabilities	4,595,268.00	5,811,170.00
6. Other Long Term Liabilities		
Trade advance received from Sumitomo Corpn	31,785,409.00	68,789,620.00
7. Other Long Term Provisions --		
Provision for Employee Benefits		
- Provision for A.L Encashment	4,466,182.00	2,816,269.00
8. Short Term Borrowings		
Cash credit from Bank of Baroda, Aluva against hypothecation of raw materials, stock in process and finished goods and stores spares consumables	48,746,825.87	18,967,589.35

NOTES FORMING PART OF FINANCIAL STATEMENTS

I. Terms of repayment of Packing Credits:

PC from Banks is repayable on demand and carries interest @ 11.5% (Current Rate)

Cash Credit/Packing Credit advances from Bank of Baroda are secured by:

- First charge on all the Company's stock of raw-materials, consumable stores, finished goods, work in progress, debtors etc. both present and future.
- Second charge by way of equitable mortgage of 21.35 Acres of land in Survey Nos.92/4A, 92/4B, 97/1A part, 97/1B1, 1B2, 1B3, 97/2B2, 97/3-1, 97/3-2 part, 98/1A part, 98/1B part, 95/4 Part, 95/6 Part, 95/7 part, 96/1-1, 96/1-2, 96/2, 96/3A part, 96/3B part, 96/4 Part, 96/5-1 part, 97/1B-3 part, 97/2A-1 part, 98/1A Part, 132/11-A, 132/12, 132/13, 95/3 part, 95/5 part, 97/3 part 135/3B, 135/2B, 135/2A, 135/1 at Parur Taluk, Kadungalur Village together with building, plant and machinery and movables including movable machinery, machinery spares, tools and accessories present and future.
- Personal Guarantee of Shri. S N Sasidharan Kartha, Managing Director.

Particulars	As at 31.03.2012 (₹)	As at 31.03.2011 (₹)
9. Trade Payables	57,208,158.88	56,052,691.78
10. Other Current Liabilities		
Unpaid Dividend*	2,686,002.00	2,166,487.00
Other Payables	87,599,139.42	52,854,966.36
Total	90,285,141.42	55,021,453.36
*This amount represents warrants issued to shareholders which remained unrepresented as on 31 st March 2012		
Other Payables pertains to		
i) Statutory liabilities	11,624,216.00	2,224,099.00
ii) Creditors for capital goods	4,879,855.00	3,827,975.00
iii) Current maturity of long term borrowing	35,667,072.00	33,818,128.18
iv) Others	35,427,996.42	12,984,764.18
II. Short Term Provisions		
Provision for Taxation (Net of Advance Tax of ₹24,37,18,668/-) (P.Y. ₹ 24,547,726.76)	42,946,332.00	857,273.24
Proposed Dividend	93,960,000.00	13,702,500.00
Tax on proposed dividend	15,242,661.00	2,275,814.00
Total	152,148,993.00	16,835,587.24

NOTES FORMING PART OF FINANCIAL STATEMENTS

12 Fixed Assets

(₹)

Sl. No	ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		At cost as on 1 st April 2011	Additions 2011-12	Deductions 2011-12	Gross Block as on 31 st March 2012	As on 1 st April 2011	Deductions 2011-12	Depreciation 2011-12	Depreciation as on 31 st March 2012	NetFixed/Assets as on 31 st March 2012	NetFixed/Assets as on 31 st Mar 2011
1	Land & Develp	24,276,394.00			24,276,394.00					24,276,394.00	24,276,394.00
2	Buildings	91,769,342.04	18,171.00		91,887,513.04	57,248,437.82	3,803,123.19	57,551,560.92		34,235,952.12	38,000,994.22
3	Plant & Machinery	449,041,678.39	576,574.00		449,618,252.39	302,415,934.69	22,533,336.47	334,949,271.16		124,670,981.23	146,637,143.70
4	Furniture, Office Equipments & other Assets	18,366,667.85	1,018,412.00		19,385,079.85	12,796,388.44	1,514,393.91	14,310,681.35		4,974,398.50	5,470,279.42
5	Vehicles & material Handling Equipps.	18,538,416.30	9,233,059.00	1,406,600.00	26,704,865.30	13,612,219.02	1,232,163.02	15,865,237.74		12,219,628.56	4,866,197.28
	Total	617,974,498.58	10,846,207.00	1,406,600.00	631,674,185.58	392,632,979.97	29,182,915.59	410,794,751.67		240,871,254.41	219,281,518.62
	Previous year	596,159,300.58	17,339,993.00	2,384,875.00	601,914,498.58	352,796,188.78	31,653,354.32	382,674,976.56		219,281,518.62	213,363,191.80

NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	As on	As on
	31st March 2012 (₹)	31st March 2011 (₹)
13 Non Current Investments		
Investment in Equity instruments of other entities		
6000 (P.Y 6000) Equity shares of Rs. 10/ each of Bank of Baroda	510,000.00	510,000.00
Investment in KEIL - Share Capital	1,750,000.00	1,750,000.00
Investment in Kerala Rare Earths and Minerals Ltd		
i) Share Capital	100,000.00	100,000.00
ii) Share application money pending allotment	136,026,041.00	136,026,041.00
Total	138,386,041.00	138,386,041.00
Aggregate Cost of quoted investments	510,000.00	510,000.00
Aggregate market value of quoted investments	4,776,900.00	5,778,900.00
Aggregate value of unquoted investments	1,850,000.00	1,850,000.00
14 Long Term Loans and Advances		
(Unsecured, considered good)		
(a) Capital advances	23,416,667.00	20,066,667.00
(b) Deposits with others	4,525,851.00	3,104,396.00
Total	27,942,518.00	23,171,063.00
15. Inventories (at lower of cost or net realisable value)		
Raw Materials and chemicals	161,821,034.82	30,119,197.73
Finished goods	38,569,705.00	26,786,866.00
Stores Spares Consumables and packing materials	21,052,493.00	19,869,362.00
Work in Progress	12,605,557.00	14,546,123.00
Others - Fuel etc	5,057,593.54	2,972,132.84
Total	239,106,383.36	94,293,681.57
16. Trade Receivables		
Unsecured, considered good *	52,346,474.76	79,961,257.30
	52,346,474.76	79,961,257.30
* Includes an amount of ₹ 1013/- (P.Y ₹ 905,793.30) outstanding for a period exceeding from the date they are due for payment		
17. Cash and Cash Equivalents		
Cash on hand	562,552.37	554,941.37
Balance with Banks		
— Call Accounts	126,065,026.39	18,404,026.39
— Unpaid Dividend a/c	2,686,002.00	2,166,487.00
— Deposit Account	340,100,000.00	500,000.00
Other Bank Balances:		

NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	As on 31st March 2012 (₹)	As on 31st March 2011 (₹)
-Margin money accounts for Bank guarantee	650,625.00	533,268.00
	470,064,205.76	22,158,722.76
Of the above, the balances that meet the definition of Cash and cash equivalents as per AS -3 Cash Flow Statement is :	466,727,578.76	19,458,967.76
18 Short Term Loans and Advances (Unsecured, considered good)		
a) Advances to related parties		
b) Others		
i) Advances recoverable in cash or in kind or for value to be received	33,944,025.00	12,346,733.73
ii) Deposits	1,588,600.00	4,349,792.00
iii) KVAT Credit & CST receivable	22,264,755.99	9,092,343.89
iiii) Balance with central Excise Authorities	9,945,704.79	6,183,975.79
iv) Income Tax Advance	165,860.00	165,860.00
v) Interest receivable	3,650,314.00	-
Total	71,559,259.78	32,138,705.41
19. Revenue from operations		
Manufactured goods		
Synthetic Rutile	2,257,900,183.00	1,214,535,634.00
Ferric Chloride	119,361,647.00	100,589,912.00
Ferrous Chloride	14,564,116.00	4,635,158.00
Iron Hydroxide	125,061.00	230,779.00
Others	20,648.00	40,150.00
Total - Sale of Manufactured goods	2,391,971,655.00	1,320,031,633.00
20. Other Income		
Interest on Deposits	6,898,358.00	368,649.00
Sales on Ilmenite tailings	284,794.00	395,210.00
Dividend on BOB Shares	99,000.00	90,000.00
Exchange rate difference in sales realization	5,530,225.00	-
Exchange rate difference in EEFC account	2,937,178.00	-
Profit/Loss on sale of vehicle	211,151.30	279,188.14
Quality Bonus - Ishihara Techno Corpn	440,822.00	902,493.00
Total	16,401,528.30	2,035,540.14
21. Cost of Material Consumed		
Material consumed comprises of		
Ilmenite	644,866,936.37	402,746,803.36

NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	As on 31st March 2012 (₹)	As on 31st March 2011 (₹)
Coke & Coal	51,737,298.68	49,673,272.26
HCl	151,470,605.66	172,418,303.08
Chlorine	9,204,837.12	9,274,188.60
Total	857,279,677.83	634,112,567.30
22. Change in Inventories of finished goods and work in progress		
Opening Stock		
Work-in-Progress	26,786,866.00	49,442,617.00
Finished goods	14,546,123.00	1,059,264.00
Total	41,332,989.00	50,501,881.00
Closing Stock		
Work-in-Progress	12,605,557.00	14,546,123.00
Finished goods	38,569,705.00	26,786,866.00
Total	51,175,262.00	41,332,989.00
Increase in inventories of Finished goods and work in progress - Total	(9,842,273.00)	9,168,892.00
23. Other Direct Manufacturing Expenses		
Power and water	18,239,388.00	20,413,579.00
Fuel	120,446,170.78	112,771,428.28
Chemicals and Sludge Handling charges	99,677,257.00	97,028,850.00
Stores spares, consumables and packing materials	63,802,404.50	58,587,989.48
Total	302,165,220.28	288,801,846.76
24. Employee Benefit Expenses		
Salaries Wages and Bonus	141,773,878.00	78,814,766.00
Contribution to provident and other funds	11,285,541.00	9,592,926.00
Staff Welfare Expenses	16,565,537.00	13,245,092.38
Total	169,624,956.00	101,652,784.38
25. Finance Cost		
Interest Expenses	26,007,034.00	23,462,256.95
Other Borrowing costs	52,203.00	17,211.00
Total	26,059,237.00	23,479,467.95
26. Other Expenses		
Repairs and Maintenance - Machinery	21,339,655.00	18,844,689.00
Repairs and Maintenance - Building	4,097,954.96	2,867,830.00

NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	As on	
	31st March 2012 (₹)	31st March 2011 (₹)
Repairs and Maintenance -Others	7,773,650.00	6,549,187.00
Laboratory and factory General Expenses	854,105.00	805,993.00
Insurance	1,729,623.00	1,963,693.00
Rates and Taxes	1,181,492.00	863,804.76
Postage, Telephone Telex	957,220.00	898,692.00
Printing and stationery	878,456.00	786,712.00
Rent	-	15,000.00
Travelling expenses	2,447,879.49	2,295,878.42
Auditors Remuneration	-	-
-- Statutory Audit	75,000.00	60,000.00
--- Tax Audit	25,000.00	15,000.00
Commission to Directors	8,560,500.00	722,000.00
Sitting fees	645,000.00	465,000.00
Legal and Professional charges	6,207,745.00	2,906,945.00
NSF Certification expenses	627,857.00	-
AGM Expenses	1,491,117.00	1,546,074.00
Stock Exchange Listing fee	25,000.00	15,000.00
Share Transfer Expenses	222,322.00	212,590.00
Subscription and contribution	443,898.00	225,888.50
Research and Development Expenses	120,000.00	320,000.00
Other welfare Expenses	4,098,969.00	2,582,051.00
Advertisement Expenses	1,963,319.00	1,284,863.00
ISO Expenses	45,910.00	-
Shipping, transportation and freight clearing and forwarding including Terminal Handling charges	56,294,155.26	52,993,091.03
Sales Commission	2,822,158.00	3,339,056.00
Sales Promotion expenses	16,919,256.00	16,268,014.00
Foreign Exchange loss on Trade adv. Repayment	1,409,981.00	1,689,600.00
Foreign Exchange loss on BOB EEFC	-	4,901.00
Foreign Exchange loss on sales realization	-	479,969.00
Total	143,257,222.71	121,021,521.71

27. Excise duty on sales for the year has been disclosed as reduction from the turnover. Excise Duty payable on Stock of Finished Goods ₹ 2,55,831.00 (previous year ₹ 11,26,415.00) is provided for and included in the value of stock of finished goods.

28. Contingent Liabilities:

a) Additional Commissioner of Income Tax, Range 1, Kochi demanded ₹ 58,07,820/- while completing the assessment for the Financial Year 2008-09. The company has preferred an appeal before the Commissioner of Income Tax (Appeals). The Company has remitted an amount of ₹ 3,00,000/- towards the same.

b) Contingent Liabilities Not Provided for

i) Bank Guarantees issued on behalf of the Company by Bank of Baroda outstanding as on 31/03/2012 is ₹ 35,90,685/- (₹ 28,29,785/- as on 31/03/2011) for which the Company has given counter guarantee.

ii) Bills discounted not maturing on:

31/03/2012 ₹ 25,86,26,422.40

31/03/2011 ₹ 7,30,22,977.40

NOTES FORMING PART OF FINANCIAL STATEMENTS

29. Value of Raw Materials and stores and spares consumed:

	Amount (₹) 31.03.2012		Amount (₹) 31.03.2011	
	Value	%	Value	%
Raw Material				
Imported	15,78,876	0.18	-	-
Indigenous	855,700,801.83	99.82	634,112,567.30	100
Total	857,279,677.83	100	634,112,567.30	100
Stores and Spares:				
Consumables and Packing Materials				
Imported	27,643,768.00	43.33	18,902,836.00	32.26
Indigenous	36,158,636.50	56.67	39,685,153.48	67.74
Total	63,802,404.50	100.00	58,587,989.48	100

30. Value of imports on CIF Basis

	31.03.2012 Amount (₹)	31.03.2011 Amount (₹)
Raw materials	15,78,876.00	-
Consumables	2,70,07,349.00	1,89,02,836.00
Packing Materials	6,36,519.00	-

31. Expenditure in foreign currency (subject to withholding of tax where applicable) (Amount ₹)

Foreign Travel	125,010.00	187,491.00
Trade Advance repayment	37,676,287.00	22,585,793.00
Other Expenses	15,934,834.00	68,73,029.00
TOTAL	53,736,131.00	29,646,313.00

32. Earnings in foreign Currency

FOB Value of Exports (₹)	2,101,799,853.00	994,976,210.00
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33. Sales and stock Particulars of Finished Goods

Finished Goods	Sales Value (₹)	Closing Inventory (₹)	Opening Inventory (₹)
Current Year	2,391,971,655.00	38,569,705.00	26,786,866.00
Previous Year	1,320,031,633.00	26,786,866.00	49,442,617.00

NOTES FORMING PART OF FINANCIAL STATEMENTS

34. Employee Benefits

The Company's obligation towards the Gratuity Fund is a defined benefit plan. The details of actuarial Valuation is given below:

	31 st March 2012 (₹)	31 st March 2011 (₹)
I) Change in Benefit Obligation		
Liability at the beginning of the year	18,474,192.00	10,921,696.00
Interest Cost	1,477,935.00	914,179.00
Current Service Cost	1,313,244.00	1,011,092.00
Benefit paid / Payable	(605,902.00)	(1,014,298.00)
Actuarial (gain)/loss on obligation	(1,498,944.00)	957,824.00
Liability at the end of the year	19,160,525.00	12,790,493.00
(I) Fair value of Plan Assets		
Fair value of plan assets at the beginning of the year	15,417,665.00	13,490,136.00
Expected Return on plan Assets	1,599,169.00	1,079,211.00
Contributions	4,601,485.00	1,716,607.00
Benefit paid	(605,902.00)	(1,014,298.00)
Actuarial gain / (loss) on Plan Assets	0.00	146,009.00
Fair value of Plan Assets at the end of the year	21,012,417.00	15,417,665.00
III) Actual Return on Plan Assets		
Actuarial (gain)/loss on obligations	1,498,944.00	(957,824.00)
Actuarial gain/(loss) on Plan Assets	0.00	146,009.00
Actual Return on Plan Assets	(1,498,944.00)	811,815.00
IV) Amount recognised in the Balance Sheet		
Liability at the end of the year	19,160,525.00	12,790,493.00
Fair value of Plan Assets at the end of the year	21,012,417.00	15,417,665.00
Net Asset/Liability recognised in the Balance Sheet	(1,851,892.00)	(2,627,172.00)
V) Expenses Recognised in the Income Statement		
Current Service cost	1,313,244.00	1,011,092.00
Interest Cost	1,477,935.00	914,179.00
Expected Return on Plan Assets	(1,599,169.00)	(1,079,211.00)
Net Actuarial loss/(Gain) to be recognised	(1,498,944.00)	811,815.00
Expenses recognised in P & L	(306,934.00)	1,657,875.00
VI) Balance Sheet Reconciliation		
Opening Net Liability	3,056,527.00	(2,568,440.00)
Expenses as above	(306,934.00)	1,657,875.00
Employers' Contribution	(4,601,485.00)	(1,716,607.00)
Amount recognised in the Balance Sheet	(1,851,892.00)	(2,627,172.00)
VII) Actuarial Assumptions: For the year		
Discount Rate Current	8.00%	8.00%
Rate of Return on Plan Assets Current	Not applicable	Not applicable
Salary Escalation Current	7.00%	5.00
Mortality	Indian Lives Mortality(1994-96) Ultimate Table	

NOTES FORMING PART OF FINANCIAL STATEMENTS

35. Employees Remuneration and Benefits includes Director's Remuneration of ₹ 4,48,18,800.00 comprising

Sl. No.	Particulars	Shri S N Sasidharan Kartha, Managing Director		Shri Saran S Kartha, Executive Director	
		31.03.2012	31.03.2011	31.03.2012	31.03.2011
1	Salaries and allowances	42,622,800.00	3,430,000.00	18,00,000.00	18,00,000.00
2	Contribution to Provident Fund	180,000.00	180,000.00	216,000.00	216,000.00
	Total	42,802,800.00	3,610,000.00	2,016,000.00	2,016,000.00

36. Related party disclosures - As identified by the management and relied upon by the auditors.

a) List of Related parties and description of relationship

i) Parties with significant influence	:	M/s Sach Exports Pvt Ltd
ii) Key Management Personnel	:	Shri S. N.Sasidharan Kartha
	:	Shri Saran S Kartha

b) Transactions with related parties:

Transactions with related parties	Nature of Transaction (₹)	Amount (₹)
M/s Sach Exports Pvt Ltd	Supply of goods i.e packing material, coal and cement on cash basis	4,951,316.00
	Dividend paid	4,40,580.00
Key Management Personnel		
S. N Sasidharan Kartha, Managing Director	Salary/Commission paid	42,802,800.00
	Dividend paid	2,046,450.00
Saran S Kartha, Joint Managing Director	Salary/Commission paid	2,016,000.00
	Dividend paid	191,658.00

37. Earnings per share.

Net Profit after tax for the year has been used as the numerator and number of shares has been used as denominator for calculating the basic and diluted earnings per share.

Particulars	31 st March 2012	31 st March 2011
Face value per share (₹)	10	10
Net Profit after Tax (₹)	570,819,382.97	48,465,159.72
Basic and Diluted Earnings per share	72.90	6.18

38. Micro, Small and Medium Enterprises Development Act 2006.

In accordance with the Notification No.GSR 719(E)-dt 16.11.2007, issued by the Ministry of Corporate Affairs, certain disclosures are required to be made relating to Micro and Small Enterprises as defined under the Micro, Small and Medium Development Act 2006. The Company is in the process of compiling relevant information from its suppliers about their coverage under the said Act. Since the relevant information is still not available, no disclosures have been made in the accounts.

39. The Revised Schedule VI has become effective from 1 April 2011 for the preparation of financial statements. This has significantly impacted the disclosures and presentations made in the financial statements. Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification / disclosure.

See accompanying notes forming part of financial statements

Place : Aluva
05.05.2012

As per Annexed Report of even date
Sd/-
K.A.SAGHESH KUMAR. B.com., F.C.A.
CHARTERED ACCOUNTANT
Membership No. 211340

Sd/-
R.K. Garg
Chairman

Sd/-
Mathew M Cherian
Vice-Chairman

Sd/-
S.N. Sasidharan Kartha
Managing Director

Sd/-
Saran S. Kartha
Joint Managing
Director

Sd/-
G.R. Warriar
Director

Sd/-
A.J. Pai
Director

Sd/-
T P Thomaskutty
Director

Sd/-
Jaya S. Kartha
Director

Sd/-
Nabiel Mathew Cherian
Director

Sd/-
Soresh 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
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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) : _____

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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 23rd Annual General Meeting of the Company to be held on Friday, the 6th July, 2012 at 9.30A.M. and at any adjournment thereof.

Signed this..... day of....., 2012.

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 Third Annual General Meeting at the Priyadarshini Municipal Town hall at Thottakkattukara, Aluva, Ernakulam District, on Friday, the 6th July, 2012 at 9.30 A.M.

Member's/proxy's Signature