



**COCHIN MINERALS AND RUTILE LTD. (100% E. O. U.)**  
(AN ISO 9001 : 2008 COMPANY)

Regd. Office: P. B. No.73, VIII/224, Market Road, Alwaye-683 101, Kerala, India  
Phone: Off : 0484 - 2626789 (6 Lines) Fact : 0484 - 2532186, 2532207 Fax: 0484-2625674  
E-mail : cmrlexim@cmrlindia.com, cmrlexim@dataone.in CIN: L24299KL1989PLC005452

02020 B/CMRL/2017/ **075**

August 30, 2017

Bombay Stock Exchange Limited,  
Regd. Office : Floor 25,  
P.J. Towers, Dalal Street,  
Mumbai – 400 001.

STOCK CODE – COCHRDM 513353  
DEMATISIN - INE 105D01013

Dear Sirs,

Sub: Annual Report for the year 2016-2017  
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Please find attached scanned copy of Annual Report duly signed  
by the directors of the company for the year 2016-2017.

Thanking you,

Yours faithfully,  
for COCHIN MINERALS AND RUTILE LIMITED,

Suresh Kumar P,  
C G M (Finance) & Company Secretary.



TIN : 32150215462 C

**An Eco-Friendly model company**



# **COCHIN MINERALS AND RUTILE LIMITED**

**AN ISO 9001:2008 COMPANY**

**A MODEL ECOFRIENDLY COMPANY**

**ANNUAL REPORT  
2016-2017**

# 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. Anand Sarma	- Director
Shri. T P Thomaskutty	- Director
Smt. Jaya S.Kartha	- Director
Shri. Nabil Mathew Cherian	- Director
Shri. Anil Ananda Panicker	- Director
Shri. Saran S Kartha	- Joint Managing Director
Dr. S.N. Sasidharan Kartha	- Managing Director

## AUDITORS

Saghesh Kumar K A,  
Chartered Accountant,  
Aluva.

## SECRETARIAL AUDITORS

K. P. Thomas & Company,  
Company Secretaries,  
Carmel Building, Ist Floor, Banerji Road,  
Kochi - 682 018  
Ph: 0484 2395304  
email : kptfcs@gmail.com

## LEGAL ADVISORS

M/s Mathai & Mathai,  
Advocates,  
Ernakulam

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, 3<sup>rd</sup> Floor, 1391/A, Sathy Road,  
Ganapathy, Coimbatore – 641 006  
Ph: 0422-4958995, 2539835, 2539836, Fax: 0422-2539837  
E-mail: info@skdc-consultants.com

## REGISTERED OFFICE

P.B. No. 73, VIII/224, Market Road,  
Aluva – 683 101, Kerala.  
Tel : 0484 – 2626789, Fax : 0484 - 2625674  
E-mail : cmrlexim@cmrlindia.com, cmrlexim@dataone.in

CIN NO. L24299KL1989PLC005452

## FACTORY

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

## **NOTICE TO THE SHAREHOLDERS**

Notice is hereby given that the 28<sup>th</sup> Annual General Meeting of the shareholders of Cochin Minerals and Rutile Limited will be held on Tuesday the 29<sup>th</sup> August 2017 at 2.30 P.M at the Priyadarshini Municipal Town Hall, Thottakkattukara, Aluva, Ernakulam District, Kerala to transact the following business:

### **ORDINARY BUSINESS**

#### **1. Adoption of Accounts**

To receive, consider and adopt the audited accounts of the Company for the financial year ended 31<sup>st</sup> March 2017 together with Directors' Report and Auditors' Report, thereon.

#### **2. Appointment of Director**

To appoint Director in place of Shri. Nabil Mathew Cherian who retires by rotation and being eligible, offers himself for re-appointment and to consider and if thought fit to pass with or without modification the following resolution as an ordinary resolution.

“RESOLVED that the retiring Director Shri. Nabil Mathew Cherian be and is hereby reappointed as Director of the company subject to retirement by rotation.”

#### **3. Appointment of Auditors**

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

“RESOLVED that pursuant to the provisions of Section 139 and all other applicable provisions, if any, of the Companies Act, 2013, M/s A K Muralee & Co., Chartered Accountants, Edappally be and are hereby appointed as Auditors of the Company, in place of Mr. Saghesh Kumar K A who has retired in terms of Sec. 139(2) of the Companies Act 2013, to hold office for a period of 5 years from the conclusion of this Annual General Meeting of the company, on a remuneration to be mutually agreed upon between the Board of Directors of the company and the Auditors.”

### **SPECIAL BUSINESS**

#### **4. Re-appointment of Managing Director**

To consider and if thought fit, to pass with or without modification the following resolution as a special resolution:-

"Resolved that pursuant to the provisions of Sections 197 and 198 read with schedule V and other applicable provisions, if any, of the Companies Act 2013, 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 Dr. S N Sasidharan Kartha, Managing Director of the Company to hold office for a period of 3 (Three) years effective from 1st April, 2018, on the following terms and conditions.

- (i) Subject to the provisions of Sections 197 and 198 of the Companies Act 2013 read with Schedule V 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 of Schedule V to the Companies Act 2013 or any statutory modifications or re-enactments thereof for the time being in force."

By Order of the Board

Sd/-

Dr. S.N. Sasidharan Kartha,  
Managing Director.

Place : Aluva

Date : 17.07.2017

**Notes:**

1. The statement of material facts pursuant to Section 102 (1) of the companies Act, 2013 with respect to the special business set out in the Notice is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE IN THE MEETING INSTEAD OF HIMSELF/HERSELF, AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
3. THE INSTRUMENT APPOINTING THE PROXY, DULY COMPLETED, MUST BE DEPOSITED AT THE COMPANY'S REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PROXY FORM FOR THE AGM IS ENCLOSED.
4. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING 50 AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.
5. 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.
6. Members/Proxies should bring the duly filled attendance slip enclosed to attend the meeting.
7. The Register of Members and Share Transfer Books of the Company shall remain closed from 23<sup>rd</sup> August 2017 to 29<sup>th</sup> August 2017 (both days inclusive) as per Clause 16 of the Listing Agreement.
8. Members are requested to address all correspondence including changing of address and dividend matters to the Registrars and share Transfer agents of the company, M/s S K D C Consultants Ltd., Kanapathy Towers, 3rd Floor, 1391/A, Sathy Road, Ganapathy, Coimbatore – 641 006.
9. Members who wish to claim dividends, which remain unclaimed, are requested to correspond with Company Secretary/Share Transfer Agents of the Company. Members are requested to note that in terms of Section 124 (5) of the Companies Act, 2013 dividends not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will, as per the Companies Act, be transferred 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 2009-2010 are given below:

Financial Year ended 31st March	Date of Declaration	Last date for claiming
2010	18.09.2010	17.09.2017
2011	26.08.2011	25.08.2018
2012	06.07.2012	05.07.2019
2013	09.07.2013	08.07.2020
2014	07.07.2014	06.07.2021

10. Brief resume, details of shareholding and inter-se relationship of Directors seeking election/re-election as required under the Listing Agreement entered into with Stock Exchange, are provided as Annexure to this notice.
11. As per the green initiative taken by the Ministry of Corporate Affairs, the shareholders are advised to register their e-mail address with the company in respect of shares held in physical form and with concerned Depository Participant in respect of shares held in electronic form to enable the Company to serve documents in electronic form.
12. A member who need any clarification on accounts or operations of the Company shall write to the Company Secretary, so as to reach him at least 7 days before the meeting, so that the information required can be provided.
13. Members are requested to bring their copy of Annual Report with them to the Annual General Meeting.
14. Electronic copy of the Annual Report and AGM Notice are being sent to all the members whose E-mail id is registered with the Company/Depository participants unless any such member has requested for a hard copy of the same. For members who have not registered their E-mail ID, physical copies of Annual Report and AGM Notice for the year 2016-17 are sent through the permitted mode separately.
15. The notice of the Annual General Meeting and this communication are also available on the website of the company [www.Cmrlindia.com](http://www.Cmrlindia.com)
16. The results of remote e-voting and voting by Ballot at the Annual General Meeting will be announced at the Registered Office of the Company, by the Chairman of the Company or by a Person authorized by him within 48 hours of conclusion of the Annual General Meeting. A copy of the same will be posted in the company's website: [www.cmrlindia.com](http://www.cmrlindia.com) and a copy will be forwarded to the Bombay Stock Exchange Ltd. where the shares of the Company are listed.



**Voting Through Electronic Means**

In compliance with the provisions of section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44(1) of the SEBI (LODR) Regulations, the Company is pleased to provide members facility to exercise their votes for all the resolutions detailed in the Notice of the 28th Annual General Meeting scheduled to be held at 2.30 PM on Tuesday, the 29<sup>th</sup> August 2017, by electronic means and the business may be transacted through remote e-voting. The Company has engaged the services of CDSL as the authorised agency to provide the remote e-voting facilities. The instructions for remote e-voting is provided below.

Members, who have not voted through remote e-voting and present at the AGM in person or proxy, can vote through the ballot conducted at the AGM. Kindly note that members can opt for only one mode of voting i.e., either by remote e-voting or by ballot at the AGM. A member present at the AGM and voted by remote e-voting will not be permitted to vote at the AGM by Ballot.

Votes cast by members who hold shares on the cutoff date viz. 22.08.2017 alone will be counted.

**Instructions for shareholders Voting Electronically are as under:**

- (i) The remote e-voting period begins at 09.00 AM 26<sup>th</sup> August 2017 and ends at 05.00 PM on 28<sup>th</sup> August 2017. During this period shareholders of the Company, holding shares either in physical form or in electronic form, as on the cut-off date of 22<sup>nd</sup> August 2017, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www. evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form

PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Members who have not updated their PAN with the Company/ Depository
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Participant are requested to use the sequence number provided at the attendance slip enclosed in the PAN field.

**DOB** Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.

**Dividend**

**Bank details** Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.

Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

(viii) After entering these details appropriately, click on “SUBMIT” tab.

(ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in electronic form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN for the Company Name, choose COCHIN MINERALS AND RUTILE LIMITED to vote.

(xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “cancel” and accordingly modify your vote.”

(xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.

(xvii) If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates and custodians respectively
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xix) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 26<sup>th</sup> August, 2017. Please follow the instructions as prompted by the mobile app while voting on your mobile.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an e-mail to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)

#### **Statement of material facts in terms of Section 102(1) of the Companies Act, 2013**

##### **Item No. 4**

The present Managing Director Dr. S.N. Sasidharan Kartha was appointed for a period of 5 years with effect from 1<sup>st</sup> April, 2013 on the terms and conditions approved by the shareholders in their meeting held on 6<sup>th</sup> July 2012. The five years tenure will expire on 31<sup>st</sup> March 2018. The Board of Directors has taken on record the resolution passed by the Remuneration Committee to re-appoint Dr. S.N. Sasidharan Kartha for a further period of 3 years effective from 01.04.2018, 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 V to the Companies Act 2013, the remuneration payable to managerial personnel requires approval of shareholders in general meeting. The resolution set out under item 4 of the no-

tice is recommended for approval. This may also be treated as a memorandum issued pursuant to the provisions of Section 190 of the Companies Act 2013.

None of the Directors, except Dr. S.N. Sasidharan Kartha the appointee, Smt. Jaya. S. Kartha, being his wife, Mr. Saran S Kartha, being his son and Shri. Anil Ananda Panicker, being his son-in-law, key management personnel or their relatives are concerned or interested in the resolution.

Further information required in terms of Section V are as follows

**I General information** (i) Nature of industry : Chemical Industry (ii) Commenced commercial production in 1993 (iii) Financial performance based on given indicators are as per audited financial statements (iv) Foreign investments or collaborations : Nil. **II Information about the appointee** : The background details, recognition or awards, profile, pecuniary relationship etc. are given in the annexure to the notice. The past remuneration and the proposed remuneration are within the applicable limits prescribed under the Companies Act and Rules thereunder from time to time. **III Other information** : The reason of loss or inadequate profits, steps taken or proposed to be taken for improvement etc. are discussed in the management discussion and analysis, as part of the Annual Report 2017. **IV** The required disclosures are mentioned in the Directors' report/Corporate Governance Report. The terms and conditions of employment are as per the resolution and the rules of the company as applicable to senior management personnel. No separate service contract is entered into.

#### **Annexure to Notice of AGM**

Profile of Directors seeking Re-appointment/Election

##### **Dr. S.N. Sasidharan Kartha**

Dr. 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. 149 Crores. The assets of the Company in the same period increased to Rs.8196 lakhs from 1674 lakhs.

The company was awarded the outstanding Export Award in 1997 by the Prime Minister of India, Best Export Award by KSIDC in 1998, the Export Excellence Award and Certificate in 2001 from Development Commissioner Cochin Special Economic Zone and the Award for Excellence in Export Performance from Government of India, Ministry of Commerce, in 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 11<sup>th</sup> consecutive year - Excellence Award for 9 years (2008 to 2016) and certificate of merit for securing 1<sup>st</sup> place among the medium scale Industries in the preceding 2 years.

The company also secured Excellence Award for safety for the year 2011 and 2012, instituted by the Department of Factories and Boilers, Government of Kerala. The company bagged the Kerala

State Safety Award consecutively for 5 years from 2008 to 2012 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 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.

Dr. Kartha is not only an industrialist, he is a visionary, a philanthropist and a social, cultural and environmental wizard- a self made man with intuition 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. Another recipient of the same award was the CMD of Air India on that occasion.
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.
6. The first Sakthan Thampuran Award has been presented to Dr. S N Sasidharan Kartha by Thrissur Archbishop Mar Andrews Thazhath in recognition of his efforts in promoting religious amity and friendship on 3rd November, 2012.
7. U J Tharyan Memorial Award has been presented to Dr. Kartha by Hon'ble Speaker of Kerala Legislative Assembly on 11th November, 2012.
8. Dr. Kartha was honoured by His holiness Catholicos Aboon Mar Basellios Thomas Ist, the spiritual head of the Syrian Christians of India on 06.01.2013.
9. Dr. S N Sasidharan Kartha was awarded the Malliyoor Award 2013
10. His Highness Shri. Uthradam Thirunal Marthanda Varma Maharaja honoured Dr. Kartha by offering Vyavasaya Kulapathi Title and Royal Emblem considering his yeomen contributions to the Industrial Arena of the State.

Dr. 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.

Membership in Committees : 2  
Shareholding in the Company : 13,43,699

#### **Shri. Nabel Mathew Cherian**

Shri. Nabel Mathew Cherian, 34 years of age, son of Shri. Mathew M Cherian, Vice Chairman, is a B. com Graduate with MBA (Finance) from Gannon University, USA and M S (Accounting and Taxation) from University of Hartford U S A. He is Executive Director of Naduvile Idom Hospitality Private Limited. He does not hold any other directorship .

Membership in Committee : 1  
Shareholding in the Company : 1300

## **DIRECTORS' REPORT**

Your Directors are pleased to present the 28<sup>th</sup> Annual Report of your Company along with audited statements of accounts for the year ended 31<sup>st</sup> March 2017.

<b>FINANCIAL HIGHLIGHTS</b>		
	<b>₹ in Lakhs</b>	
	<b>Year ended 31<sup>st</sup> March 2017</b>	<b>Year ended 31<sup>st</sup> March 2016</b>
Sales and Other Income	14970.25	15925.73
Profit before Interest & Depreciation	14.95	(1294.16)
Interest	697.18	641.52
Depreciation	90.21	196.38
Net/ Profit/Loss for the year	(772.44)	(2132.06)
Provision for Tax	-	-
Deferred tax asset (liability)	(220.29)	(728.14)
Loss after tax	(552.15)	(1403.92)
Appropriations	NIL	NIL

### **DIVIDEND**

In view of the company having incurred loss during the year, as also in the previous year, your Directors are unable to recommend a dividend for the financial year ended 31<sup>st</sup> March, 2017.

The loss during the year was mainly due to steep fall in the price of synthetic rutile and high cost of production from use of imported ilmenite due to non availability of domestic raw material in required quantity. Our efforts on carrying out mining and producing ilmenite have not been successful so far because of the delay in granting mining lease from State Government in spite of Supreme Court Order. The management is trying to improve performance by producing some additional by-products.

### **MANAGEMENT DISCUSSION AND ANALYSIS**

Management Discussion and Analysis of the Working Results for the year and outlook for the current year are given as Annexure VII

### **DIRECTORS & KEY MANAGEMENT PERSONNEL**

As per the provisions of the Companies Act, 2013, your director Shri. Nabil Mathew Cherian who retires by rotation at the Annual General Meeting and being eligible, offer himself for reappointment. There was no change in Key Managerial Personnel.

### **DECLARATION OF INDEPENDENT DIRECTORS**

The independent directors have submitted declarations that each of them meets the criteria of independence as provided in Section 149(6) of the Act and that there has been no change in the circumstances which may affect their status of independence.

**DIRECTORS' APPOINTMENT & REMUNERATION POLICY**

The Company's Policy relating to appointment of Directors, payment of Managerial remuneration, Directors' qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013 is furnished in Annexure II.

**ANNUAL EVALUATION**

The board of directors has carried out an annual evaluation of its own performance, Board committees and individual directors pursuant to the provisions of the Act and the corporate governance requirements under SEBI Listing Regulations 2015. The evaluation was on the basis of inputs from all the directors on criteria such as Board composition and structure, effectiveness of Board processes, meeting procedures and functioning, etc. A meeting of independent Directors, evaluated the performance of non-independent directors, the board as a whole and that of the Chairman, taking into account the views of executive directors and non-executive directors. These evaluations were considered and discussed in the subsequent board meeting/s.

**CSR INITIATIVES**

The report on Corporate Social Responsibility activities in terms of Rule 8 of the Companies (CSR) Rules, 2014 is given in Annexure - III.

**RISK MANAGEMENT**

The Board of the Company has formed a Risk management committee to frame, implement and monitor the risk management plan for the Company. The committee is responsible for reviewing the risk management plan and ensuring its effectiveness. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

**SEXUAL HARASSMENT**

The company has formed an anti sexual harassment policy in line with the requirements of the Sexual Harassment of Women at workplace (Prevention, Prohibition & Redressal) Act 2013 and an internal complaints committee has been set up to redress complaints, if any. No complaint was received by the committee during the year 2016-17.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013**

The particulars of loans, guarantees and investments have been disclosed in the financial statements.

**TRANSACTIONS WITH RELATED PARTIES**

None of the transactions with related parties falls under the scope of Section 188(1) of the Act. Information on transactions with related parties pursuant to Section 134(3)(h) of the Act read with rule 8(2) of the Companies (Accounts) Rules, 2014 are given in Annexure IV in Form AOC-2.

**INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The details in respect of internal financial control and their adequacy are included in the Management Discussion & Analysis, which forms part of this report.



**DEPOSITS FROM PUBLIC**

The Company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

**MATERIAL CHANGES AND COMMITMENTS**

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this report relates and on the date of this report

**DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirements under Section 134(5) of the Companies Act, 2013, your directors state that:

- (a) In preparing the Annual Accounts for the year ended 31.03.2017, the applicable accounting standards have been followed and there are no material departures
- (b) The Directors had selected such Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year ended on that date.
- (c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- (d) That the Directors had prepared the accounts on a going concern basis
- (e) The directors had laid down internal financial controls to be followed by the company and that such controls are adequate and operating effectively and
- (f) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that systems were adequate and operating effectively.

**AUDITORS & AUDIT REPORT**

The period of appointment of Mr. Saghesh Kumar K A, Chartered Accountant, the present Auditor will be expiring at the conclusion of 28<sup>th</sup> Annual General Meeting of the Company in terms of Sec. 139 (2) of the Companies Act 2013. The report of the auditor for the current year does not contain any qualification or adverse comment. M/s A K Muralee & CO., Chartered Accountants, Edappally, who have consented, are recommended for appointment as Auditors of the Company to hold office for a period of 5 years from the conclusion of this Annual General Meeting of the Company on a remuneration to be mutually agreed upon between the Board of Directors of the Company and the Auditors.

**SECRETARIAL AUDIT REPORT**

The Secretarial audit report in terms of section 204 of the Companies Act, 2013 is attached. The report does not contain any qualification or adverse comments.

**EXTRACT OF ANNUAL RETURN**

The extract of annual return for the year ended 31.03.2017 in the prescribed form MGT-9 is given in annexure V.



**AUDIT COMMITTEE**

The composition and details of meetings of the audit committee are included in the corporate governance report. There was no recommendation of the audit committee that was not accepted by the board.

**MEETING OF THE BOARD**

Five meetings of the board were held during the year. Details are included in the corporate governance report

**PARTICULARS OF EMPLOYEES ETC. AS PER SECTION 197(12)**

The particulars in terms of Section 197 read with Rule 5(1) & (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 are given in annexure VI

**DISCLOSURES NOT APPLICABLE DURING THE YEAR AS THERE WAS NO TRANSACTION OR INCIDENCE:**

(i) Issue of equity shares with differential rights (ii) Issue of shares to employees (iii) Remuneration received by the Managing Director and whole time directors from subsidiaries (iv) Orders passed by regulators, courts or tribunals that impact the going concern status and future operations of the company (v) changes in subsidiaries and (vi) changes in nature of business .

**CORPORATE GOVERNANCE**

Your company has complied with all the conditions of corporate governance regulations, as contained in the revised Chapter IV of SEBI (Listing obligations & Disclosure Requirements) Regulations 2015. The corporate governance report and the certificate from the auditors regarding the compliances are annexed to this report as Annexures VIII & IX. The report includes the details of the familiarisation programme for Independent Directors and the policies adopted viz. whistle blower policy to provide vigil mechanism and related party transactions.

**ISO CERTIFICATION**

Your Company continues to be ISO 9001 : 2008 certified by the prestigious agency, Bureau Veritas Quality International, with accreditation from UKAS London 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 aforesaid 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, in case of Ferric Chloride, we are one 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 11<sup>th</sup> consecutive year – “Excellence Award for 9 years (2008 to 2016) and certificate of merit for securing 1<sup>st</sup> place among the medium scale industries in the preceding 2 years.

**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 50,000 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.

**ENERGY CONSERVATION, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE**

The details/information in respect of conservation of energy, technology absorption and foreign exchange earnings and outgo in terms of R. 8 (3) of the Companies (Accounts) Rules are given in the Annexure I.

**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 2017-18.

**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 made by the employees of the company at all levels. Finally, your Directors are deeply grateful to the members for their continued confidence and faith in the management of the company.

Place: Aluva,  
Date : 17.07.2017

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

## Annexure – I to the Directors' Report

Statement containing particulars pursuant to Rule 8(3) of the Companies (Accounts) Rules 2014 forming part of the Directors Report.

### (A) Statement for Conservation of Energy

Sl. No.	Particulars	Related disclosures
(i)	steps taken or impact on conservation of energy	Energy audit conducted by Petroleum Conservation Research Association (PCRA) and their suggestions implemented. Variable frequency drives provided to motors. Sodium vapour lamps were replaced with LED lights. Energy efficient motors are installed for replacement of motors for wherever new are required. By increased utilisation of recycled water and through rain water harvesting, reduced the quantity of water intake and thereby reduced energy consumption for it. Power factor maintained as 0.99 by maintaining the capacitor banks in electrical circuits. Due to these efforts substantial savings in energy use achieved, resulting in reduction of electricity consumption from 179 KWH per MT of SR in FY 2015-16 to 153 KWH per MT in FY 2016-17.
(ii)	steps taken by the company for utilising alternate sources of energy	Maintained the transparent roof sheets in plants/godowns, natural draught exhaust fans in godowns, Biogas plant for canteen waste, Biomass gasifier for calciner plant and solar lamps for emergency lights.
(iii)	capital investment on energy conservation equipments	Rs. 5 lakhs

### (B) Technology absorption,

Sl. No.	Particulars	Related disclosures
(i)	the efforts made towards technology absorption	Standardised process condition and application parameters of (a) off grade TiO <sub>2</sub> for paints and polymers, (b) FeCl <sub>2</sub> utilisation in waste water treatment and (c) cemox for steel making and for cement plants. Laboratory scale production process of Iron Oxide standardised. Pilot plant scale trials are in progress.

(ii)	Benefits derived like product improvement, cost reduction, product development, import substitution etc	Increased sale of Buff TiO <sub>2</sub> and increased sale of Iron Hydroxide.	
(iii)	In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)	No imported technology is used in the company	
(a)	Details of technology imported	Not applicable	
(b)	The year of import	Not applicable	
(c)	Whether the technology been fully absorbed	Not applicable	
(d)	If not fully absorbed, areas where absorption has not taken place, and the reasons thereof	Not applicable	
(iv)	Expenditure on R&D	Rs. In Lakhs	
		Capital Expenditure	NIL
		Revenue	82.32
		Total	82.32

Foreign Exchange Earnings and Outgo		
(1) Foreign Exchange Earned through exports	US \$	2,09,89,254.00
(2) Foreign Exchange outgo during the year	US \$	32,72,075.80

**Annexure II****NOMINATION & REMUNERATION POLICY****PREFACE**

In furtherance of the philosophy and commitment of the company - (a) to consider human resources as its greatest assets, (b) to pay equitable remuneration to all Directors, Key Managerial Personnel (KMP) and employees of the Company, (c) to harmonize the aspirations of human resources consistent with the goals of the Company and (d) to comply with the provisions of the Companies Act, 2013 and the listing agreement as amended from time to time - this policy on nomination and remuneration of Directors, Key Managerial and Senior Management personnel has been formulated by the Nomination and Remuneration Committee and approved by the Board of Directors.

**OBJECTIVES**

The main objectives of the policy are:

- (a) To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions.
- (b) To lay down guidelines to determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in similar companies.
- (c) To carry out evaluation of the performance of Directors, as well as Key Managerial and senior management personnel.
- (d) To retain, motivate and promote talent and to ensure long term sustainability of talented managerial personnel and create competitive advantage.
- (e) To formulate appropriate incentive schemes linked to performance.

**EFFECTIVE DATE**

This policy has been effective from 1<sup>st</sup> April, 2014.

**NOMINATION AND REMUNERATION COMMITTEE:****A) Membership**

- the committee shall consist of a minimum of 3 non-executive directors, the majority of them being independent.
- membership of the committee shall be disclosed in the Annual report.
- the term of the committee shall continue unless terminated by the board.

**B) Chairperson**

The chairperson of the committee shall be an independent director.

**C) Constitution**

The Board has changed the nomenclature of the Remuneration Committee by renaming it as Nomination and Remuneration Committee and reconstituted it with the following Non Executive Directors as members:

1. Shri. R. K. Garg, Chairman (Independent)
2. Shri. A.J. Pai, Member (Independent)
3. Shri. G.R. Warriar, Member (Independent)

## **DEFINITIONS**

Board means Board of Directors of the Company.

- Directors means Directors of the Company.
- Committee means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board.
- Independent Director means a director referred to in Section 149 (6) of the Companies Act, 2013.
- Key Managerial Personnel (KMP) means-
  - (i) Executive Chairman and / or Managing Director, Jt. Mg Director
  - (ii) Whole-time Director;
  - (iii) Chief Financial Officer;
  - (iv) Company Secretary;
  - (v) Such other officer as may be prescribed under the applicable statutory provisions / regulations.
- Senior Management means personnel of the Company occupying the position of Chief Executive Officer (CEO)/General Manager of any unit / division and unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

## **APPLICABILITY**

The Policy is applicable to

- Directors (Executive and Non Executive)
- Key Managerial Personnel
- Senior Management Personnel

## **MATTERS TO BE DEALT WITH, PERUSED AND RECOMMENDED TO THE BOARD BY THE NOMINATION AND REMUNERATION COMMITTEE**

The Committee shall:

- Formulate the criteria for determining qualifications, positive attributes and independence of a director.
- Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.

- \* Determine remuneration for the whole-time directors, KMP and senior management personnel
- Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.

### **POLICY RELATING TO APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT PERSONNEL**

Appointment criteria and qualifications:

1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
2. The Board of the Company may consciously be drawn in a manner that at least one director from each of the following field is on the Board of the Company – Mineral processing, Banking and finance, Legal and general administration etc
3. The appointment and reappointment of whole time directors shall be subject to the provisions of the Companies Act 2013 and rules framed there-under and the listing agreement.
4. The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel on annual basis.

Removal:

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

Retirement:

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

### **POLICY RELATING TO THE REMUNERATION FOR THE DIRECTORS, KMP AND SENIOR MANAGEMENT PERSONNEL**

1. The remuneration / compensation / commission etc. to the Whole-time Directors, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval, subject to the provisions of the Companies Act, 2013, the rules made there under, wherever applicable and considering the financial position of the company and trends and practices on remuneration prevailing in the industry.
2. The remuneration / commission to Non- Executive / Independent Directors shall be fixed as per the relevant provisions of the Companies Act, 2013 and the rules made there under.

### **REVIEW**

- (i) The committee or the Board may review the Policy as and when it deems necessary.
- ii) This Policy may be amended or substituted by the committee or by the Board as and when required and also by the Managing Director to comply with any statutory changes



## Annexure - III

**REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES****(As per Rule 8 of Companies (CSR) Rules ,2014)**

1. A brief outline of the company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes:

CSR Policy is available on the web site of the company [www.cmrlindia.com](http://www.cmrlindia.com) under 'Policies'.

2. The composition of the CSR committee: The Company has a CSR committee of directors comprising of Mr. G R Warriar (Non-Executive Director) – Chairman

Dr. S N Sasidharan Kartha (Managing Director) - Member

Mr. Saran S Kartha (Joint Managing Director) - Member

3. Average net profit of the company for last three financial years for the purpose of computation of CSR: NIL - Based on last 3 years loss, the company is not required to spend any amount.
4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above): NIL
5. Details of CSR spent during the financial year :
  - a. Total amount spent for the financial year : NIL
  - b. Amount unspent : N A
6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.

Not Applicable

7. A responsibility statement of the CSR committee that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and policy of the Company.

We hereby declare that implementation and monitoring of the CSR policy are in compliance with CSR objectives and policy of the Company.

Date: July, 17, 2017

(Sd/-)  
CEO/M.D

(Sd/-)  
Chairman of CSR Committee

## Annexure - IV

**Form No. AOC-2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and  
Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts / arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto:

1. Details of contracts or arrangements or transactions not at arm's length basis:

Not entered into any contract or arrangement or transaction with its related parties which is not at arm's length basis and in ordinary course of business during financial year 2016-17.

2. Details of material contracts or arrangement or transactions at arm's length basis:

a. Name of the related party and nature of relationship:

M/s Sach Exports Private Limited-Supply of goods i.e. packing  
material on cash basis - Rs. 36,79,789/-

b. Nature of contracts / arrangements / transactions: As above

c. Duration of the contracts / arrangements / transactions: Not Applicable

d. Salient terms of the contracts or arrangements or transactions including the value, if any:  
Not applicable

e. Date(s) of approval by the Board, if any:

Not applicable, since the contract was entered into in the ordinary course of business and on arm's length basis.

f. Amount paid as advances, if any: Nil

Aluva  
July 17, 2017

On behalf of the board of directors,  
Sd/-  
Chairman

## Annexure - V

**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**

**as on the financial year ended on 31.03.2017**

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

## I. REGISTRATION AND OTHER DETAILS

i)	CIN	L24299KL1989PLC005452
ii)	Registration Date	18/08/1989
iii)	Name of the Company	COCHIN MINERALS AND RUTILE LTD
iv)	Category / Sub-Category of the Company	Indian Non Government Company
v)	Address of the Registered office and contact details	P B NO 73, VIII/224, MARKET ROAD ALWAYS PIN- 683101. Ph: 0484 2626789, Fax : 0484 2625674 email : cmrlexim@cmrlindia.com cmrlexim@dataone.in
vi)	Whether listed company Yes / No	YES
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	SKDC Consultants Ltd. Kanapathy Towers, 3 <sup>rd</sup> Floor 1391/ A -1, Sathy Road Ganapathy, Coimbatore – 641 006  Tel: (0422)4958995, 2539835-836 Fax: (0422)2539837 E-mail : info@skdc-consultants.com

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl No.	Name and description of main products/services	NIC code of the products/Service	% to total turnover of the company
1	Synthetic Rutile	13209	86.94%
2	Ferric Chloride	3008	12.58%



f) Insurance Companies									
g) FIIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-total (B)(1):-	0	8700	8700	0.111	242924	8700	251624	3.213	3.102
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	186817	9550	196367	2.508	169583	9550	179133	2.288	-0.220
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	1250245	631977	1882222	24.039	1187056	616106	1803162	23.029	-1.010
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	926057	68000	994057	12.695	1121707	68000	1189707	15.194	2.499
c) Others (Specify)									
Directors & their relatives	0	0	0	0.000					0.000
Non resident indians	195786	0	195786	2.500	210285	0	210285	2.686	0.186
Clearing members	2066	0	2066	0.026	27508	0	27508	0.351	0.325
Hindu undivided families	88295	0	88295	1.128	80820	0	80820	1.032	-0.096
<b>Sub-Total (B)(2)</b>	<b>2649266</b>	<b>709527</b>	<b>3358793</b>	<b>42.896</b>	<b>2796959</b>	<b>693656</b>	<b>3490615</b>	<b>44.580</b>	<b>1.684</b>
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>2649266</b>	<b>718227</b>	<b>3367493</b>	<b>43.007</b>	<b>3039883</b>	<b>702356</b>	<b>3742239</b>	<b>47.793</b>	<b>4.786</b>
<b>C.Shares held by Custodian for GDRs &amp; ADRs</b>									
<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>7111773</b>	<b>718227</b>	<b>7830000</b>	<b>100.000</b>	<b>7127644</b>	<b>702356</b>	<b>7830000</b>	<b>100.000</b>	<b>0.000</b>

ii) Shareholding of Promoters								
Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	% change in share holding during the year
1	Dr. S N Sasidharan Kartha	1325848	16.933	0.000	1338585	17.096	0.000	0.163
2	Kerala State Industrial Development Corp. Ltd.	1050000	13.410	0.000	1050000	13.410	0.000	0.000
3	Mathew Cherian Mundanical	923150	11.790	10.832	823150	10.513	0.000	-1.277
4	Jaya S Kartha	386740	4.939	0.000	386740	4.939	0.000	0.000
5	Sach Exports Private Ltd	251760	3.215	0.000	251760	3.215	0.000	0.000
6	Saran Sasidharan Kartha	151701	1.937	0.000	151701	1.937	0.000	0.000
7	Empower India Capital Investments	77785	0.993	0.000	85525	1.092	0.000	0.099
8	Jolly Cherian	195523	2.497	99.847	300	0.004	0.000	-2.493
9	Nabiel Mathew Cherian	100000	1.277	100.000	0	0.000	0.000	-1.277
	TOTAL	4462507	56.991	8.857	4087761	52.206	0.00	-4.785

iii) Change in Promoters' Shareholding ( please specify, if there is no change)								
Sl. No.	Name	Shareholding at the beginning of the year		Date	Increase/ decrease	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
1	Dr. S N Sasidharan Kartha	1325848	16.932	1/4/2016			1325848	16.932
				09/12/2016	+380	Bought	1326228	16.937
				30/12/2016	+900	"	1327128	16.949
				06/01/2017	+860	"	1327988	16.960
				13/01/2017	+150	"	1328138	16.962
				20/01/2017	+1700	"	1329838	16.983
				27/01/2017	+500	"	1330338	16.990
				03/02/2017	+450	"	1330788	16.996
				17/02/2017	+2441	"	1333229	17.027
				10/03/2017	+1090	"	1334319	17.041
				17/03/2017	+4126	"	1338445	17.093

				24/03/2017	+140	"	1338585	17.096
	End of the year			31/03/2017	0	"	1338585	17.096
2	Kerala State Industrial Development Corp. Ltd.	1050000	13.41	31/03/2017		No change	1050000	13.41
3	Mathew M Cherian	923150	11.79	01/04/2016			923150	11.79
				04/11/2016	-100000	Sale	823150	10.513
				31/03/2017			823150	10.513
4	Jaya S Kartha	386740	4.939			No change	386740	4.939
5	Saran Sasidharan Kartha	151701	1.937			No change	151701	1.937
6	Nabiel Mathew Cherian	100000	1.277	01/04/2016			100000	1.277
				04/11/2016	-100000	Sale	0	
				31/03/2017		0	0	
1/4/2016	Sach Exports Pvt Ltd	251760	3.215	31/03/2017		No Change	251760	3.215
1/4/2016	Empower India Capital Investments P Ltd	77785	0.993	1/04/2016			77785	0.993
				3/03/2017	+319	"	78104	0.997
				10/03/2017	+5868	"	83972	1.072
				17/03/2017	+1553	"	85525	1.092
				31/03/2017			85525	1.092
1/4/2016	Jolly Cherian	195523	2.497				195523	2.497
				4/11/2016	-195223	Sale	300	0.004
				31/03/2017	-300		0	0.004



Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):							
Name	Shareholding at the beginning of the year		Date	Increase/decrease	Reason	Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
Awanti Kumar Kankaria	354947	4.533	01/04/2016			354947	4.533
Awanti Kumar Kankaria			29/07/2016	-8500	Sold	346447	4.425
Awanti Kumar Kankaria			31/03/2017	0		346447	4.425
John M T	136453	1.743	01/04/2016			136453	1.743
John M T			08/04/2016	133	Bought	136586	1.744
John M T			15/04/2016	870	Bought	137456	1.756
John M T			22/07/2016	-700	Sold	136756	1.747
John M T			29/07/2016	-255	Sold	136501	1.743
John M T			05/08/2016	500	Bought	137001	1.750
John M T			12/08/2016	-107	Sold	136894	1.748
John M T			19/08/2016	-493	Sold	136401	1.742
John M T			02/09/2016	100	Bought	136501	1.743
John M T			04/11/2016	-200	Sold	136301	1.741
John M T			11/11/2016	1881	Bought	138182	1.765
John M T			18/11/2016	319	Bought	138501	1.769
JOHN M T			25/11/2016	700	Bought	139201	1.778
John M T			09/12/2016	-200	Sold	139001	1.775
John M T			23/12/2016	-250	Sold	138751	1.772
John M T			30/12/2016	250	Bought	139001	1.775
John M T			27/01/2017	-550	Sold	138451	1.768
John M T			10/02/2017	200	Bought	138651	1.771
John M T			17/02/2017	1050	Bought	139701	1.784
John M T			24/02/2017	300	Bought	140001	1.788
John M T			24/03/2017	1500	Bought	141501	1.807
John M T			31/03/2017	0		141501	1.807
C Loganathan	43233	0.552	01/04/2016			43233	0.552
C Loganathan			23/09/2016	39922	Bought	83155	1.062
			31/03/2017	-39922	Sold	43233	0.552
Chinnaswamy Loganathan	32959	0.421	01/04/2016			32959	0.421
Chinnaswamy Loganathan			31/03/2017	0		32959	0.421

Japa Investment Adviser Llp	61717	0.788	01/04/2016			61717	0.788
Japa Investment Adviser Llp			31/03/2017	0		61717	0.788
K. Aji	53700	0.686	01/04/2016			53700	0.686
K. Aji			31/03/2017			53700	0.686
Pramila Laxmichand Kenia	47500	0.607	01/04/2016			47500	0.607
Pramila Laxmichand Kenia			31/03/2017	0		47500	0.607
Jagdishwar Toppo	39784	0.508	01/04/2016			39784	0.508
Jagdishwar Toppo			21/10/2016	-500	Sold	39284	0.501
Jagdishwar Toppo			04/11/2016	-110	Sold	39174	0.500
Jagdishwar Toppo			11/11/2016	-1360	Sold	37814	0.482
Jagdishwar Toppo			31/03/2017	0		37814	0.482
Jagdishwar T Toppo	0		22/07/2016	400	Bought	400	0.005
Jagdishwar T Toppo			31/03/2017	0		400	0.005
Ravi Raj Singh	34893	0.446	01/04/2016			34893	0.446
Ravi Raj Singh			03/06/2016	905	Bought	35798	0.457
Ravi Raj Singh			10/06/2016	660	Bought	36458	0.466
Ravi Raj Singh			31/03/2017	0		36458	0.466
Shashank S Khade	34222	0.437	01/04/2016			34222	0.437
Shashank S Khade			15/04/2016	10000	Bought	44222	0.565
Shashank S Khade			29/04/2016	29135	Bought	73357	0.937
Shashank S Khade			06/05/2016	13000	Bought	86357	1.103
Shashank S Khade			13/05/2016	8680	Bought	95037	1.214
Shashank S Khade			03/06/2016	2150	Bought	97187	1.241
Shashank S Khade			24/06/2016	5000	Bought	102187	1.305
Shashank S Khade			30/06/2016	1300	Bought	103487	1.322
Shashank S Khade			15/07/2016	5633	Bought	109120	1.394
Shashank S Khade			22/07/2016	4815	Bought	113935	1.455
Shashank S Khade			29/07/2016	3000	Bought	116935	1.493
Shashank S Khade			19/08/2016	3000	Bought	119935	1.532
Shashank S Khade			26/08/2016	3645	Bought	123580	1.578
Shashank S Khade			16/09/2016	2000	Bought	125580	1.604
Shashank S Khade			23/09/2016	1396	Bought	126976	1.622
Shashank S Khade			25/11/2016	30979	Bought	157955	2.017
Shashank S Khade			10/02/2017	5072	Bought	163027	2.082
Shashank S Khade			17/02/2017	3525	Bought	166552	2.127

Shashank S Khade			31/03/2017	0		166552	2.127
The Federal Bank Limited		0.000	04/11/2016	340223		340223	4.345
The Federal Bank Limited			18/11/2016	-70000	Sold	270223	3.451
The Federal Bank Limited			25/11/2016	-10000	Sold	260223	3.323
The Federal Bank Limited			02/12/2016	32701	Bought	292924	3.741
The Federal Bank Limited			10/03/2017	-50000	Sold	242924	3.102
The Federal Bank Limited			31/03/2017	0		242924	3.102
The Federal Bank LTD			04/11/2016	52235	Bought	52235	0.667
The Federal Bank LTD			11/11/2016	-41235	Sold	11000	0.140
The Federal Bank LTD			18/11/2016	44265	Bought	55265	0.706
The Federal Bank LTD			25/11/2016	-22564	Sold	32701	0.418
The Federal Bank LTD			02/12/2016	-32701	Sold	0	
The Federal Bank LTD			10/03/2017	50000	Bought	50000	0.639
The Federal Bank LTD			17/03/2017	-20000	Sold	30000	0.383
The Federal Bank LTD			24/03/2017	-25900	Sold	4100	0.052
The Federal Bank LTD			31/03/2017	-4100	Sold	0	

v) Shareholding of Directors and Key Managerial Personnel:								
Sl. No.	Name	Shareholding at the beginning of the year		Date	Increase/decrease	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the co.				No. of shares	% of total shares of the company
1	Dr. S N Sasidharan Kartha	1325848	16.933	1/4/2016			1325848	16.933
				09/12/2016	380	Bought	1326228	16.937
				30/12/2016	900	"	1327128	16.949
				06/01/2017	860	"	1327988	16.960
				13/01/2017	150	"	1328138	16.962
				20/01/2017	1700	"	1329838	16.983
				27/01/2017	500	"	1330338	16.990
				03/02/2017	450	"	1330788	17.027
				17/02/2017	2441	"	1333229	17.041
				10/03/2017	1090	"	1334319	17.093
				17/03/2017	4126	"	1338445	17.096
				24/03/2017	140	"	1338585	17.096
	End of the year			31/03/2017	0	"	1338585	17.096
2	Mathew M Cherian	923150	11.790				923150	11.790
				4/11/2016	100000	Sold	823150	10.513
				31/03/2017			823150	10.513
3	Jaya S Kartha	386740	4.939			No change	386740	4.939
4	Anil Ananda Panicker	143772	1.836			No Change	143772	1.836
5	Saran Sasidharan Kartha	151701	1.937			No change	151701	1.937
6	R K Garg	2500	0.031			No change	2500	0.031
7	G R Warriar	750	0.009			No change	750	0.009
8	Suresh Kumar .P.	100	0.001			No change	100	0.001
9	Nabiel Mathew Cherian	100000	1.277				100000	1.277
				4/11/2016	-100000	Sale	0	0
				31/03/2017			0	0
10	Jolly Cherian	195523	2.497				195523	2.497
				4/11/2016	-195223	Sale	300	0.004
				31/03/2017			300	0.004

vi) INDEBTEDNESS				
Indebtedness of the Company including interest outstanding/accrued but not due for payment				
	Secured Loans excluding deposits ₹	Unsecured Loans ₹	Deposits ₹	Total Indebtedness ₹
Indebtedness at the beginning of the financial year	51,34,18,861	NIL	NIL	51,34,18,861
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due	21,74,935	NIL	NIL	21,74,935
Total (i+ii+iii)	51,55,93,796	NIL	NIL	51,55,93,796
Change in Indebtedness during the financial year				
• Addition		NIL	NIL	
• Reduction	60180902	NIL	NIL	60180902
Net Change	60180902	NIL	NIL	60180902
Indebtedness at the end of the financial year	455412894	NIL	NIL	455412894
i) Principal Amount				
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	1581372	NIL	NIL	1581372
<b>Total (i+ii+iii)</b>	<b>456994266</b>	<b>NIL</b>	<b>NIL</b>	<b>456994266</b>

vii)  
REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL :

A.  
Remuneration to Managing Director, Whole-time Directors:

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount ₹
		Dr. S N Sasidharan Kartha, MD	Saran S Kartha Joint MD	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,20,00,000/-	96,00,000/-	2,16,00,000/-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	N A	N A	N A
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	N A	NA	NA
2.	Stock Option	NA	NA	NA
3.	Sweat Equity	NA	NA	NA
4.	Commission	NIL	NIL	NIL
	- as % of profit	NIL	NIL	NIL
	- others, specify...	NIL	NIL	NIL
5.	Others, please specify - Contribution	14,40,000	11,52,000	NIL
	Total (A)	1,34,40,000/-	1,07,52,000/-	2,16,00,000/-
	Ceiling as per the Act	Rs.120 lakhs per annum	Rs.120 lakhs per annum	

[illegible]

In terms of the provisions of the Companies Act, 2013, the remuneration payable to Directors other than Executive Directors shall not exceed 1% of the net profit of the company. The company may pay sitting fees to the Directors for attending Board/committee meetings as may be decided by the Board of Directors. The Board has fixed Rs.1,00,000/- as sitting fees for Board/Audit Committee meetings and Rs.50,000/- for other committee meetings.



C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD :			
Sl. no.	Particulars of Remuneration	Key Managerial Personnel	
		Company Secretary Suresh Kumar P	CFO K S Suresh Kumar
	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	21,90,733	11,22,527
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	6327	6327
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission - as % of profit - others, specify...	-	-
5.	Others, please specify	-	-
	Total	21,97,060	11,28,854

VIII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

**Annexure - VI****Particulars of employees**

The information required under Section 197 of the Act read with rule 5(1) and (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

a. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year and the percentage increase in remuneration of each director & Key Managerial personnel in the financial year

Executive directors	Ratio to median remuneration	% increase in current year
Dr. S N Sasidharan Kartha	34.13:1	NIL
Mr. Saran S Kartha	27.31:1	NIL
Key Managerial Personnel		
Mr. Suresh Kumar P, CGM(Finance) & Co. Secretary	5.58:1	NIL
Mr. Suresh Kumar K S Chief Financial Officer.	2.87:1	NIL

Note: For this purpose, sitting fees paid to the Directors have not been considered as remuneration.

b. The percentage increase in the median remuneration of employees in the financial year: - 30%

c. The number of permanent employees on the rolls of Company: 293

d. The explanation on the relationship between average increase in remuneration and Company performance:

The average increase in remuneration to employees were given as per terms of new long term wage agreement with Trade Unions of employees and variable dearness allowance notified by the Government linked to cost of inflation index

e. Comparison of the remuneration of the key managerial personnel against the performance of the Company:

aggregate remuneration of key managerial personnel (KMP) in FY 16-17 (crores)	2.75
Revenue (crores)	149.70
Remuneration of KMPs (as % of revenue)	1.84
Profit/Loss before Tax (PBT) (crores)	(7.72)
Remuneration of KMP (as % of PBT)	N.A

f. Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year:

Particulars	March 31, 2017	March 31, 2016	% change
Market Capitalisation (crores)	83	51.68	60.60
Price Earnings Ratio	N.A	N.A	-

- g. Percentage increase or decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:

Particulars	31.03.2017	31.03.2016	% Change*
Market Price (BSE) Rs.	106	66	60.60
Market Price (NSE)	N A	N A	—

Note: Percentage of increase or decrease in market quotations of the shares of the Company in comparison with the last public offer is not applicable as the last public offer was in 1994 and the data is incomparable.

- h. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

The average annual increase was around 20.77% during the course of the year. Increase in the managerial remuneration for the year was 0.56%.

- i. Comparison of remuneration of each of the key managerial personnel against the performance of the Company:

	MD Dr. S N Sasidharan Kartha	JMD Mr. Saran S Kartha	CGM (F) & Company Secretary	Chief Financial Officer
Remuneration in FY17	1,34,40,000	1,07,52,000	21,97,060	11,28,854
Revenue(Rs. In Crores)	149.70	149.70	149.70	149.70
Remuneration as % of revenue	0.90	0.72	0.15	0.08
Profit/Loss before Tax(Rs. In crores)	(7.72)	(7.72)	(7.72)	(7.72)
Remuneration (as % of PBT)	NA	NA	NA	NA

- j. The key parameters for any variable component of remuneration availed by the directors:  
N.A
- k. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year:  
None.
- l. Affirmation that the remuneration is as per the remuneration policy of the Company:  
The Company affirms remuneration is as per the remuneration policy of the Company.
- m. The statement containing particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, (i.e. above Rs. 5 lakhs p.m.). NIL

**Annexure-VII****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 50000 MT.

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) used for brick / tile making and substitute for iron ore.
- iv) Recovered TiO<sub>2</sub> as a cheaper substitute for TiO<sub>2</sub> pigment.

**Raw Materials**

The main raw materials of your company are Ilmenite and Hydrochloric Acid. The rationale of setting up of this plant was the indigenous availability of both these items. Now, while Hydrochloric Acid is indigenously available, the availability of ilmenite from domestic source has shown a declining trend. In the last three years including the year under review, the company was facing a major challenge in its procurement from domestic source. The supply from the domestic market was quite restricted. In the international market also the supply position was not good, the prices were high and the quality was inferior. Your company made all efforts to procure the material from various sources, and maintained the quality of product through process adaptation. The Company had initiated action for carrying out mining and mineral separation as early as in the year 1991. The Company had also promoted Kerala Rare Earths and Minerals Limited (KRML) during the year 2001 and applied for mining lease in the light of the change in policy by the Government of India and the Government of Kerala. Although the company obtained necessary approval from Central Government, mining lease from State Government could not be obtained.

The appeal filed by Kerala Rare Earths and Minerals Limited before the Appellate Authority on rejection of Mining lease applications by the State Government, has been favourably disposed with direction to the State Government for issue of Mining Lease.

The Hon. High Court of Kerala passed an order on 21<sup>st</sup> February, 2013, in the writ petition filed by K R E M L, with a direction to the Government of Kerala to do the needful for grant of mining lease to the company within a period of six months, which was subsequently extended upto 31<sup>st</sup> May 2014. Thereafter, the State Government filed a writ appeal with Hon. High Court. The Hon. High Court dismissed the above appeal. Subsequently, the State Government filed a special leave petition with Honourable Supreme Court against the aforesaid order of the High Court.

The Hon. Supreme Court issued a final judgement on 8<sup>th</sup> April 2016 dismissing all the appeals filed by the Government of Kerala in the matter of issuing mining lease to M/s Kerala Rare Earths and Minerals Limited. KREML has already taken up the matter with the State Government to comply with the Court orders and an early decision from the Government is awaited.

### Operational Performance

The operational performance highlights for the year 2016-2017 are given below:

	2016-17	2015-16
Gross Revenue (Rs. lakhs)	14970.25	15925.73
Net Profit/Loss (Rs. lakhs)	(552.15)	(1403.92)

The loss during the year was mainly due to steep fall in the price of Synthetic Rutile and high cost of production from use of imported Ilmenite due to non-availability of domestic raw material. The price of Synthetic Rutile which was in the range of US\$ 2000/- came down to about half the price in 2013-2014 and about 1/3rd during 2016-2017. The increase in employee costs also contributed for the loss during the current year.

### Outlook

The demand for the main product viz. Synthetic Rutile, has decreased due to recession in international market. Further, the scenario in respect of supply of main raw material, ilmenite, from domestic sources also remains 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 of ilmenite and decrease in demand for Synthetic Rutile and are making all out efforts for sourcing of Ilmenite and marketing of the product. The situation is expected to improve in the current year. In the longer term, in view of the Supreme Court judgment the company expects that the State Government will grant mining lease so that the company will have its own source of Ilmenite.

The company is also taking steps to increase the production and marketing of its by-products viz. Recovered  $TiO_2$  and Ferric Chloride.

### 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 demand and volatile nature of prices of Synthetic Rutile and foreign exchange fluctuations have impact.

The market scenario for  $TiO_2$  Pigment and Titanium Metal industries where-in Synthetic Rutile is used has not been favourable. Moreover due to technological developments, use of Ti Slag as raw material for Pigment and Ti Metal is posing a competition to Synthetic Rutile.

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 and NABCB India. The Company also got certification from NSF International for our 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 our 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 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, waste 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 helps in reducing the ecological problems by helping to reduce clay mining and a supplement to Iron Ore supply.

### **Awards and Recognitions**

#### **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 ninth consecutive year. The company bagged the First prize in the preceding two years also for implementing effective pollution control measures.

#### **Internal Control Systems and 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. Not a single man- hour was lost during the year due to industrial relation problems. The employee strength of your company as on 31<sup>st</sup> March 2017 was 327.

## ANNEXURE- VIII

## CORPORATE GOVERNANCE REPORT

**1. Company Philosophy :**

Cochin Minerals and Rutile Limited has 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 the SEBI Listing Regulations 2015.

The Certificate of Compliance by the C E O and C F O submitted to the Board in this regard is annexed.

It is the policy of the company to continuously improve the product quality to the total satisfaction of the customers by the contribution of skills, talents and innovations of its employees.

The Company has a well defined Policy to provide and maintain safe and healthy working environment to achieve total safety of employees, environment, equipments, processes and movable and immovable objects. Its commitment to safety is ensured by having an effective system, maintaining inbuilt facilities, following good safety practices with the active participation of people working in the Company. These efforts have resulted in accomplishing an accident free 2016-2017. The company lays special emphasis on protection of the environment through various pollution control measures.

**2. Board of Directors :****(i) Composition :**

The company has a non-executive and independent chairman. Out of the total strength of 11 members of the Board, 9 are non-executive and 4 are independent. The composition of the Board is in conformity with the Governance requirements, which stipulate that 50 per cent of the Board should comprise non-executive directors and, if the Chairman is non-executive, 1/3rd of the Board should be independent.

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



TABLE – A – Board of Directors – Details

Name	Position	Board Meetings held during the year	Board Meetings Attended	Last AGM attended or not	Directorship in other Companies	Total Committee Memberships
Shri. R.K. Garg	Chairman, Non-Executive, Independent	5	5	Yes	2	3
Shri. Mathew.M.Churian	Vice Chairman, Non-Executive	5	1	Yes	3	1
Dr. S.N.Sasidharan-Kartha	Managing Director, Executive	5	5	Yes	4	2
Shri. A.J. Pai	Non-Executive Independent	5	5	Yes	19	2
Shri. G.R. Warriar	Non-Executive Independent	5	5	Yes	2	4
Smt. Jaya.S.Kartha	Non-Executive	5	5	Yes	1	1
Shri. Saran S Kartha	Joint Managing Director, Executive	5	5	Yes	2	2
Shri. Anil Ananda Panicker	Non-Executive	5	4	Yes	2	-
Shri. Nabil Mathew-Churian	Non-Executive	5	5	Yes	1	1
Smt. A Malini	Non-Executive Independent (KSIDC Nominee)	5	1	No	-	-
Dr. M Beena I A S	Non-Executive Independent (KSIDC Nominee)	5	-	No	15	-
Shri. T P Thomaskutty	Non-Executive Independent	5	5	yes	1	-
Shri. Anand Sarma	Non-Executive Independent (KSIDC Nominee)	5	1	No	1	-

Smt. A Malini, Nominee Director K S I D C Ltd. ceased to be a Director of the company with effect from 30.09.2016 and Dr. M Beena I A S, Managing Director, Kerala State Industrial Development Corporation Ltd. was appointed as Nominee Director of K S I D C Ltd., with effect from 30.09.2016. Shri. Anand Sarma, General Manager, K S I D C Ltd., Thiruvananthapuram was appointed as Nominee Director of K S I D C Ltd. with effect from 16.01.2017 in place of Dr. M Beena I A S.

**ii) Meetings :**

5 (five ) meetings of the Board were held during the year ended 31st March 2017. These were on 19th May 2016, 10th August 2016, 22nd September 2016, 7th November, 2016 and 9th February 2017. 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) Share holding in the company by non-executive directors as on 31/03/2017 were as follows:

Director	Shares Held
1. Mr. Mathew M Cherian	823150
2. Mrs. Jaya S Kartha	386740
3. Mr. Nabil Mathew Cherian	NIL
4. Mr. R K Garg	2500
5. Mr. G R Warriar	750

**3. Code of Conduct under corporate governance regulations**

The company has adopted a code of conduct for its Board members and senior management personnel, in compliance of the corporate governance guidelines. The code is applicable to all Board members and senior management personnel, who have affirmed their compliance with the code during the year ended 31<sup>st</sup> March 2017. 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**

The company adheres to the mandatory and non-mandatory 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 5 members out of which 3 non – executive and independent Directors, two of them having expert knowledge in Finance and Accounts and two Executive Directors. 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 19th May 2016, 10th August 2016, 7th November, 2016 and 9th February 2017. The attendance record is given in "Table – B". The Company Secretary of the Company is the secretary of the Committee.

<b>Table B – Audit Committee Attendance</b>		
<b>Names of Member Directors</b>	<b>No: of meetings held</b>	<b>Meeting attended</b>
Shri. R.K. Garg (Chairman)	4	4
Shri.A.J. Pai	4	4
Shri. G R Warriar	4	4
Dr. S N Sasidharan Kartha	4	4
Shri. Saran S Kartha	4	4

## 7. Vigil Mechanism

The company has devised a vigil mechanism in the form of a Whistle Blower Policy in pursuance of provisions of Section 177 (10) of the Companies Act, 2013 and details whereof is available on the company's website at [www.cmrlindia.com](http://www.cmrlindia.com) >policies. During the year under review, there was no complaints received under this mechanism.

## 8. Nomination & Remuneration Committee :

In compliance with Section 178 of the Companies Act, 2013, the Board has constituted the Remuneration Committee as the "Nomination and Remuneration Committee" consisting of the following Independent Directors.

1. Shri. R K Garg - Chairman
2. Shri. G R Warriar - Member
3. Shri. A J Pai - Member

The remuneration committee is vested with all the necessary powers and authority to determine and recommend the remuneration payable to the executive directors and key management personnel. At present the Company has only two Executive Directors ie. Dr. S N Sasidharan Kartha, the Managing Director and Shri. . Saran S Kartha, Joint Managing Director. The Managing Director is paid the minimum remuneration as per schedule V 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 also paid remuneration not exceeding the limits specified in Part II, Section II of Schedule V to the Companies Act, 2013, or any other statutory modifications or enactments thereof for the time being in force or 5% of the net profits of the company, whichever is higher. 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.

## Particulars of Nomination and Remuneration Committee meeting and attendance of members

Table – C- Remuneration Committee Attendance		
Names of Member Directors	No. of meetings held	Meeting attended
Shri. R K Garg(Chairman)	There was no requirement of holding the remuneration committee meeting during the year	
Shri. G R Warriar		
Shri. A J Pai		

Details of remuneration paid to directors during the year are given in “Table – D”.

**TABLE – D – Remuneration to Directors**

Name	Sitting Fees (Rs.)	Salary (Rs.)	Contribution to PF (Rs.)	Total (Rs.)
Shri. R.K. Garg	10,00,000	-	-	10,00,000
Shri. Mathew.M.Churian	1,00,000	-	-	1,00,000
Dr. S.N. Sasidharan Kartha	-	1,20,00,000	14,40,000	1,34,40,000
Shri. A.J. Pai	9,50,000	-	-	9,50,000
K S I D C Ltd. (Nomine Smt. A Malini)	1,00,000	-	-	1,00,000
K S I D C Ltd. (Nomine-Shri. Anand Sarma)	1,00,000			1,00,000
Shri. G.R. Warriar	10,00,000	-	-	10,00,000
Smt. Jaya.S.Kartha	5,50,000	-	-	5,50,000
Shri. Saran S Kartha	-	96,00,000	11,52,000	1,07,52,000
Shri. Anil Ananda Panicker	4,00,000	-	-	4,00,000
Shri. Nabel Mathew Churian	5,50,000	-	-	5,50,000
Shri. T P Thomaskutty	5,00,000	-	-	5,00,000
	52,50,000	2,16,00,000	25,92,000	2,94,42,000

**9. Familiarization programme for independent directors**

The company has adopted a policy for Familiarization programme for independent directors. The details are available on the company's web site [www.cmrlindia.com](http://www.cmrlindia.com) > policies. .

**10. Share Transfer Committee**

Share Transfer Committee consists of three members including Compliance Officer and Chief Financial Officer, as the members of the Committee. The committee reviews and approves the transfers and transmission of equity shares, issue of duplicate share certificate etc.

The Company's shares are compulsorily traded in demat form. However, the Share Transfer committee met at frequent intervals i.e. 18 times during the year. There were no pending transfers as on 31st March 2017.

### 11. Stakeholders Relationship Committee

In compliance of the provisions of Section 178 of the Companies Act, 2013 and the Listing Agreement, the Board has constituted a “Stakeholders’ Relationship Committee” to specially focus on the services to the stakeholders.

The Committee consists of the following Directors:

1. Shri. R K Garg
2. Shri. Mathew M Cherian
3. Smt. Jaya S Kartha
4. Shri. Nabel Mathew Cherian

Shri. Suresh Kumar P, C. G. M. (Finance) & Company Secretary  
functions as the Compliance Officer.

The the outstanding investor complaints as on 31.03.2017 was NIL. The committee had met one time during the financial year ended 31st March, 2017 on 19.05.2016.

Names of Directors	No. of meetings held	No. of meetings attended
Shri. R K Garg	1	1
Shri. Mathew M Cherian	1	-
Smt. Jaya S Kartha	1	1
Shri. Nabel Mathew Cherian	1	1

### 12. 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 share transfer committee.

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 – 4958995, 2539835-836  
Fax : 91 422 2539837  
E-mail: info@skdc-consultants.com

**13. General Body Meetings :**

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

Year	Location	Date	Time
2013 – 14	Aluva, Kerala	07.07.2014	9.30 A M
2014- 15	Aluva, Kerala	14.09.2015	11.00 A.M.
2015- 16	Aluva, Kerala	22.09.2016	2.00 P.M.

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

2013-2014	(1)	Re-appointment of Joint Managing Director
	(2)	Revision of Remuneration of Managing Director.
2014-2015 – NIL		
2015-2016 – 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.

**14. 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 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) Shares Suspense account**

The company had no shares in the demat suspense account or unclaimed suspense account.

**d) Discretionary requirements**

The company has fulfilled the following non-mandatory requirements as per Section II(E) of the Listing Regulation.

- The company continue in a regime of unqualified statutory financial statements.
- The company ensures that independent directors of the company have the requisite qualification and experience which would be of use to the Company.
- Separate persons occupy the position of Chairman and Managing Director (C E O).
- The Internal Auditor report directly to the Audit Committee.

- e) The company have no subsidiary
- f) The company have no hedging activities. The commodity price risks are discussed in the Management Discussion and Analysis Report.

### 15. 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 31<sup>st</sup> March 2017.

### 16. General Shareholder Information.

Annual General Meeting	: 29 <sup>th</sup> August, 2017 at 2.30 P.M.
Venue	: Priyadarshini Municipal Town Hall, Thottakkattukara, Aluva, Ernakulam, Kerala.
Financial Year	: Year ended 31 <sup>st</sup> March, 2017
Book Closure Date	: 23.08.2017 to 29.08.2017 (both days inclusive)
Listing	: The shares of the company are listed at Bombay Stock Exchange Ltd.
Stock Code	: COCHRDM 513353
Demat ISIN	: INE 105D01013

### 17. Market Price Data

The High/Low prices of the company's share at the Bombay Stock Exchange Ltd. during each month of the Financial year 2016 – 2017 are given below:

Month	Year	Months' High	Months' Low
		Rs.	Rs.
April	2016	116.85	63.25
May	2016	115.40	90.00
June	2016	109.80	87.25
July	2016	152.00	98.55
August	2016	127.00	108.20
September	2016	126.35	105.00
October	2016	139.00	109.00
November	2016	148.55	84.00
December	2016	121.90	96.05
January	2017	135.00	105.15
February	2017	138.00	101.30
March	2017	119.00	100.10



**18. Distribution of Shareholding as on 31<sup>st</sup> March 2017.****a) Category-wise Distribution**

Promoters	52.21
Banks/FIS/mutual funds	3.21
NRIs	1.31
Private Corporate Bodies	2.29
Others	40.98
Total	100.00

**Value-wise Distribution****Distribution of holdings as on 31/03/2017**

1		2	3	4	5
	Value (Rs)	No. of Holders	%	Amount	%
Upto	5000	10178	94.51	10934440	13.96
5001	10000	308	2.86	2551620	3.26
10001	20000	133	1.24	2068670	2.64
20001	30000	48	0.45	1239610	1.58
30001	40000	23	0.21	789310	1.01
40001	50000	14	0.13	665080	0.85
50001	100000	19	0.18	1548150	1.98
100001	And Above	46	0.43	58503120	74.72
<b>Total</b>		<b>10769</b>	<b>100.00</b>	<b>7830000</b>	<b>100.00</b>

**19. Dematerialisation of Shares and Liquidity.**

91.03 percent of the company's paid-up capital is held in demat form as on 31<sup>st</sup> March 2017. Trading in the shares of the company is permitted only in demat form for all investors. The company has signed agreements with National Securities Depository Limited and Central Depository Services (India) Limited to offer depository services for the company.

The shares of the company are regularly traded at the Bombay Stock Exchange Ltd. and has good liquidity.

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

Not applicable to the company.

**21. Plant Location.**

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

**22. 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 : cmrlexim@cmrlindia.com, cmrlexim@dataone.in

## Annexure - IX

**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 ('the Company'), for the year ended 31st March 2017, as stipulated in Regulation 17 to 27 and Clause (b) to (i) of Regulation 46(2), Schedule V and Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 Corporate Governance as stipulated above. 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 Regulation 17 to 27 and Clause (b) to (i) of Regulation 46(2), Schedule V and Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

ALUVA,  
18/05/2017.

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

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**Declaration regarding compliance by Board Members and Senior Management Personnel with the Company's Code of Conduct in terms of Clause 26 of the Listing Regulations**

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 2017 received Affirmations from the Board Members and Senior Management Personnel as regards compliance with the code, as applicable to them.

Aluva,  
17.07.2017

Sd/-  
S N Sasidharan Kartha  
Managing Director

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> March 2017**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,  
Cochin Minerals and Rutile Ltd.  
Aluva

I, K P Thomas, company secretary, proprietor of K P Thomas & Co., have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Cochin Minerals and Rutile Ltd., CIN L24299KL1989PLC005452 (hereinafter called 'the company'). The Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March 2017 according to the provisions of:

- I. The Companies Act, 2013 (the Act) and the rules.
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules.
- III. The Depositories Act, 1996 and the Regulations and Bye-laws.
- IV. Foreign Exchange Management Act, 1999 and the rules and regulations to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')
- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; Not applicable during the period covered.
  - d. The Securities and Exchange Board of India (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; Not applicable during the period covered.
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; Not applicable during the period covered.
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993.
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; Not applicable during the period covered
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998: Not applicable during the period covered and
  - i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
- (vi) The following other laws/regulations identified by the company as specifically applicable to it:
- (i) Import –export rules & regulations as applicable to Export Oriented Units, (ii) Central excise & Customs Act & rules , (iii) FEMA in respect of realisation of export proceeds, (iv) The Environment Protection and Pollution Control Laws and Regulations, (v) Hazardous Waste (Management & Handling) Act/Rules (vii) The Explosives Act/Rules and (viii) The Legal Metrology Act/Rules

I have also examined the compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India:
- (ii) The Listing Agreement entered into by the Company with the Mumbai Stock Exchange Ltd; During the period underp review the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors of scheduled Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Majority decision is carried through, while the dissenting members' views, if any, are captured and recorded as part of the minutes.

I further report that there is adequate systems and processes in the company, commensurate with its size and operations, to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period the company had no specific events/actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

Place : Enakulam  
Date : 17.07.2017

For K P Thomas & Co  
Company Secretaries

Sd/-  
K P Thomas, Proprietor  
FCS 2134, C P 8886

Note : This Report is to be read with our letter of even date in Annexure A, which forms an integral part of this report.

## ANNEXURE A

17.07.2017

To

The Members,  
Cochin Minerals and Rutile Ltd., Aluva

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

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

For K P Thomas & Co,  
Company Secretaries

Sd/-  
K P Thomas, Proprietor  
FCS 2134, CP 8886



May 8, 2017

To

The Board of Directors  
Cochin Minerals and Rutile Limited

Sub: CEO/CFO Certification in Terms of Clause V of the Corporate Governance Regulations.  
Financial Year 2016 - 2017.

This is to certify that:

- a) We have reviewed the financial statements and the cash flow statement for the year ended 31.03.2017
- b) and that to the best of our knowledge and belief:
  - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
  - ii) these statements together present a true and fair view of the company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and there were no deficiencies in the design or operation of such internal controls, of which we were aware.
- d)
  - i) There were no significant changes in internal control over financial reporting during the year.
  - ii) There were no significant changes in accounting policies during the year and
  - iii) There were no instances of significant fraud, of which we were aware, for reporting.

Sd/-

S.N. Sasidharan Kartha  
Managing Director

Sd/-

K S Suresh Kumar,  
Chief Financial Officer.

**INDEPENDENT AUDITORS' REPORT**

TO THE MEMBERS OF 'COCHIN MINERALS AND RUTILE LIMITED'

Report on the Financial Statements

1. We have audited the accompanying financial statements of "COCHIN MINERALS AND RUTILE LIMITED" ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility**

3. Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

## Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2017, and its profit and its cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

7. As required by the Companies (Auditor's Report) Order, 2016("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the 'Annexure A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
8. As required by section 143(3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2017 from being appointed as a director in terms of section 164(2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B'; and
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements-Refer Note 36 to the financial statements.
    - (ii) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses-Refer Note 39 to the financial statements.

- (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- (iv) The company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016. Based on audit procedures and relying on the management representation, we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management – Refer Note No 37 to the financial statements

Aluva,  
18.05.2017.

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

**Annexure A to Auditor's Report**

The Annexure referred to in Independent Auditor's Report to the members of the Company on the financial statements for the year ended 31<sup>st</sup> March, 2017, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;  
  
(b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such physical verification.  
  
(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties of the Company are held in the name of the Company.
- (ii) (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) 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.
- (iii) The company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.  
  
(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public. Therefore, the provisions of clause 3 (v) of the Companies (Auditor's Report) Order, 2016, are not applicable to the Company.
- (vi) As informed to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Act.
- (vii) (a) According to the information and explanations given to us and based on the records of the company examined by us, the company is regular in depositing the undisputed statutory dues, including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues, as applicable, with the appropriate authorities in india;

According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues where in arrears, as at 31.03.2017 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and based on the records of the company examined by us, there are no dues of Income Tax, Service Tax, Sales Tax, Customs Duty, Excise Duty, Value Added Tax and Cess which have not been deposited on account of any dispute, except the following ;

Name of the Stat-ue	Name of Dues	Amount (in Rs. lakhs)	Financial year to which the amount relates	Forum where the dispute is pend-ing
Central Sales Tax Act	Central Sales Tax	11.51	2008-09	Deputy Commiss-ioner(Appeals),C ommercialTaxes, Ernakulam

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to a financial institution, bank, Government or dues to debenture holders. There were no debenture holders at any time during the year.

- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable.
- (x) According to information and explanations given to us, no material fraud by the company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) In our opinion, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with Sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and therefore, the provisions of clause 3(xiv) of the Companies (Auditor's Report) Order, 2016, are not applicable to the Company.



- (xv) According to the information and explanation given to us and based on our examination of the records of the Company, the Company has not entered in to any non-cash transactions with directors or persons connected with the directors.
- (xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India, Act 1934.

Sd/-

K.A.SAGHESH KUMAR, B.Com.,F.C.A

CHARTERED ACCOUNTANT

Membership No.211340

Aluva,

18.05.2017.

## Annexure – B to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of "COCHIN MINERALS AND RUTILE LIMITED" ("the Company") as of 31st March 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

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

### Auditors' Responsibility

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

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

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

### Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures



that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

#### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

Sd/-

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

Aluva,  
18.05.2017.

# BALANCE SHEET AS AT 31<sup>st</sup> MARCH 2017

Particulars	Note No	As at 31 <sup>st</sup> March 2017 ( ₹ )	As at 31 <sup>st</sup> March 2016 ( ₹ )
<b>I EQUITY AND LIABILITIES</b>			
(1) Shareholders' funds			
(a) Share Capital	3	7,83,00,000.00	7,83,00,000.00
(b) Reserves and Surplus	4	58,88,38,767.36	64,40,54,222.58
(2) Non-Current Liabilities			
(a) Long Term Borrowings	5	10,18,83,113.00	15,40,82,108.82
(b) Long Term provisions	6	76,14,785.00	52,39,087.00
(3) Current Liabilities			
(a) Short Term Borrowings	7	30,34,33,012.52	30,63,52,307.39
(b) Trade Payables	8	12,07,87,122.42	32,33,58,818.09
(c) Other Current Liabilities	9	8,85,16,303.27	8,58,93,164.02
<b>TOTAL</b>		<b>1,28,93,73,103.57</b>	<b>1,59,72,79,707.90</b>
<b>II ASSETS</b>			
<b>1) Non- Current Assets</b>			
a) Fixed Assets	10		
i) Tangible Assets		17,34,99,020.09	15,69,58,406.04
ii) Capital Work in Progress		9,97,66,412.73	9,97,66,412.73
b) Non Current Investments	11	13,84,86,041.00	13,84,86,041.00
c) Deferred Tax Asset	12	21,73,82,801.00	19,53,54,069.00
d) Long-Term Loans and advances	13	5,12,09,313.00	6,85,42,978.00
<b>2) Current Assets</b>			
a) Inventories	14	41,87,97,679.30	75,07,58,319.26
b) Trade Receivables	15	8,01,27,855.57	8,49,30,029.16
c) Cash and cash equivalents	16	1,80,21,479.98	3,57,25,189.55
d) Short- Term Loans and advances	17	9,20,82,500.90	6,67,58,263.16
<b>TOTAL</b>		<b>1,28,93,73,103.57</b>	<b>1,59,72,79,707.90</b>
Significant Accounting Policies	2.1		

See accompanying notes forming part of financial statements

Place : Aluva

Date : 18.05.2017

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/-  
Dr. S.N. Sasidharan Kartha  
Managing Director

Sd/-  
Saran S. Kartha  
Joint Managing  
Director

Sd/-  
G.R. Warriar  
Director

Sd/-  
A.J. Pai  
Director

Sd/-  
Jaya S. Kartha  
Director

Sd/-  
Nabiel Mathew Cherian  
Director

Sd/-  
T.P. Thomaskutty  
Director

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

Sd/-  
K. S. Suresh Kumar  
Chief Financial Officer

# PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2017

Particulars	Note No	As at 31 <sup>st</sup> March 2017 ( ₹ )	As at 31 <sup>st</sup> March 2016 ( ₹ )
I Revenue From operations (Gross )	18	1,49,14,52,040.00	1,58,89,91,290.00
Less : Excise Duty and sales tax		72,12,675.00	74,91,450.00
<b>Revenue From operations (Net)</b>		<b>1,48,42,39,365.00</b>	<b>1,58,14,99,840.00</b>
II Other Income	19	55,73,243.00	35,81,407.00
<b>III Total Revenue ( I + II )</b>		<b>1,48,98,12,608.00</b>	<b>1,58,50,81,247.00</b>
<b>IV Expenses</b>			
Cost of materials consumed	20	71,95,44,833.00	77,43,15,496.32
Change in inventories of finished goods and Work in Progress	21	(1,52,83,339.00)	12,00,64,008.00
Other Direct Manufacturing Expenses	22	36,75,10,551.70	35,90,33,423.67
Foreign Exchange loss on import L/C realisation		26,28,561.00	1,42,38,381.00
Employee Benefits expenses	23	18,90,25,478.25	16,05,25,024.13
Finance Cost	24	6,97,18,477.20	6,41,52,432.12
Depreciation and amortisation expenses		90,20,943.95	1,96,38,285.94
Community Welfare (C S R) Expenses			48,18,120.00
Other Expenses	25	22,48,91,289.12	28,15,01,768.94
<b>Total Expenses</b>		<b>1,56,70,56,795.22</b>	<b>1,79,82,86,940.12</b>
V Profit /(Loss) Before Exceptional item and Tax ( III - IV )		(7,72,44,187.22)	(21,32,05,693.12)
<b>VI Exceptional Item</b>		<b>Nil</b>	<b>Nil</b>
VII Profit /(Loss) Before Tax ( V + VI )		(7,72,44,187.22)	(21,32,05,693.12)
VIII Less : Tax Expenses			
1) Current Tax			
2) Deferred Tax		(2,20,28,732.00)	(7,28,13,851.00)
IX Profit / (Loss) for the Year (VII - VIII)		(5,52,15,455.22)	(14,03,91,842.12)
X Earnings Per Share ( of Rs.10/- each )			
a) Basic			
b) Diluted			
<b>Significant accounting policies</b>	2.1		

See accompanying notes forming part of financial statements

Place : Aluva

Date : 18.05.2017

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/-  
Dr. S.N. Sasidharan Kartha  
Managing Director

Sd/-  
Saran S. Kartha  
Joint Managing  
Director

Sd/-  
G.R. Warriar  
Director

Sd/-  
A.J. Pai  
Director

Sd/-  
Jaya S. Kartha  
Director

Sd/-  
Nabiel Mathew Cherian  
Director

Sd/-  
T.P. Thomaskutty  
Director

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

Sd/-  
K. S. Suresh Kumar  
Chief Financial Officer

CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2017

		For the year ended 31 <sup>st</sup> March 2017	For the year ended 31 <sup>st</sup> March 2016
		( ₹ )	( ₹ )
<b>A.</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>		
	NET PROFIT/(LOSS) BEFORE TAX AND EXTRAORDINARY ITEMS	(7,72,44,187.22)	(21,32,05,693.12)
	ADJUSTMENTS FOR:		
	DEPRECIATION	90,20,943.95	1,96,38,285.94
	INTEREST	6,78,99,472.20	6,02,05,895.12
	DIVIDEND RECEIVED	(25,000.00)	(1,21,000.00)
	PROFIT/(LOSS) ON SALE OF VEHICLE	(3,065.00)	
	INTEREST INCOME	(5,40,642.00)	(22,92,957.00)
	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	(8,92,478.07)	(13,57,75,469.06)
	ADJUSTMENTS FOR :		
	(INCREASE)/DECREASE IN TRADE AND OTHER RECEIVABLES	(2,05,22,064.15)	1,74,48,948.10
	(INCREASE)/DECREASE IN LONG TERM LOANS AND ADVANCES	1,73,33,665.00	(2,13,030.00)
	(INCREASE)/DECREASE IN INVENTORIES	33,19,60,639.96	10,78,05,347.18
	INCREASE/(DECREASE) IN TRADE PAYABLES & OTHER LIABILITIES	(19,92,96,482.42)	6,88,56,495.01
	CHANGES IN WORKING CAPITAL	12,94,75,758.39	19,38,97,760.29
	CASH GENERATED FROM OPERATIONS	12,85,83,280.32	5,81,22,291.23
	INCOME TAX PAID	NIL	NIL
	<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>	<b>12,85,83,280.32</b>	<b>5,81,22,291.23</b>
<b>B.</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>		
	PURCHASE OF FIXED ASSETS	(2,56,58,493.00)	(80,45,673.00)
	INCREASE IN NON CURRENT INVESTMENT	-	-
	SALE OF FIXED ASSETS	1,00,000.00	
	DIVIDEND	25,000.00	1,21,000.00
	INTEREST ON DEPOSITS	5,40,642.00	22,92,957.00
	(INCREASE)/DECREASE IN BANK BALANCES CONSIDERED AS CASH & CASH EQUIVALENT	1,74,43,014.00	(42,76,340.00)
	<b>NET CASH GENERATED/(USED) IN INVESTING ACTIVITIES</b>	<b>(75,49,837.00)</b>	<b>(99,08,056.00)</b>
<b>C.</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	PROCEEDS FROM LONG TERM BORROWING	(4,98,23,297.82)	(5,31,12,178.00)
	PROCEEDS FROM WORKING CAPITAL BORROWING	(29,19,294.87)	6,13,40,564.13
	INTEREST PAID	(6,78,99,472.20)	(6,02,05,895.12)
	DIVIDEND PAID INCLUDING DIVIDEND DISTRIBUTION TAX	NIL	NIL
	UNCLAIMED DIVIDEND PAID	(6,52,074.00)	(5,80,276.00)
	<b>NET CASH GENERATED/(USED) IN FINANCING ACTIVITIES</b>	<b>(12,12,94,138.89)</b>	<b>(5,25,57,784.99)</b>

		For the year ended 31 <sup>st</sup> March 2017	For the year ended 31 <sup>st</sup> March 2016
		( ₹ )	( ₹ )
	NET CHANGE IN CASH AND CASH EQUIVALENTS	(2,60,695.57)	(43,43,549.76)
	OPENING CASH EQUIVALENTS	17,77,845.55	61,21,395.31
	CLOSING CASH AND CASH EQUIVALENTS	15,17,149.98	17,77,845.55
	<b>CASH AND CASH EQUIVALENTS AS AT 31.3.2017</b>	<b>15,17,149.98</b>	<b>17,77,845.55</b>
	Reconciliation of Cash and Cash Equivalents with the Balance Sheet:		
	Cash and Cash equivalents as per Balance Sheet (Refer Note: 16)	1,80,21,479.98	3,57,25,189.55
	Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 Cash Flow Statements		
	--Margin Money accounts for Bank Guarantee	(97,84,325.00)	(2,65,75,265.00)
	---Unpaid Dividend account	(67,20,005.00)	(73,72,079.00)
	Net Cash and cash equivalents (as defined in AS-3 Cash flow statement included in Note 16	15,17,149.98	17,77,845.55

Place : Aluva  
Date : 18.05.2017

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/-  
Dr. S.N. Sasidharan Kartha  
Managing Director

Sd/-  
Saran S. Kartha  
Joint Managing  
Director

Sd/-  
G.R. Warriar  
Director

Sd/-  
A.J. Pai  
Director

Sd/-  
Jaya S. Kartha  
Director

Sd/-  
Nabiel Mathew Cherian  
Director

Sd/-  
T.P. Thomaskutty  
Director

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

Sd/-  
K. S. Suresh Kumar  
Chief Financial Officer

## 1. Corporate Information

Cochin Minerals and Rutile Limited is a public company incorporated in India. Its shares are listed in Bombay Stock Exchange Ltd. The company is engaged in the manufacture of Synthetic Rutile, Ferric Chloride, Ferrous Chloride, Iron Hydroxide and Recovered TiO<sub>2</sub>.

## 2. Basis of Presentation

The financial statement of the company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respect with the Companies (Accounts) Rules 2014 and the relevant provisions of Companies Act, 2013. The financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those of the previous year.

### 2.1. Significant Accounting Policies.

#### a) Accounting Convention

The financial statements are prepared under historical cost convention and in accordance with Generally Accepted Accounting Principles in India and provisions of Companies Act, 2013. Revenues are recognized 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 in conformity with the generally accepted accounting principles requires 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. 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

- i) Fixed Assets are stated at cost of acquisition less accumulated depreciation. Cost of self constructed fixed assets comprises 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.

The cost of Assets which are not ready for use as at the Balance sheet date are disclosed under the Capital Work in progress.

- ii) Depreciation on Fixed Assets is provided based on the useful life of the assets in the manner prescribed in schedule II of the companies act 2013.

#### d) Investments

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

#### e) Inventories

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

#### 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 are 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.

Deferred tax liabilities are recognized for all timing differences. Deferred tax assets are recognized and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized.

## 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 on 31.03.2017 (₹)	As on 31.03.2016 (₹)
<b>3. Share Capital</b>		
AUTHORISED		
1,00,00,000 ( P. Y. 10000000) Equity Shares of ` .10/- each	10,00,00,000.00	10,00,00,000.00
ISSUED, SUBSCRIBED AND FULLY PAID UP		
78,30,000 ( P.Y. 78,30,000) Equity Shares of ₹.10/- each	7,83,00,000.00	7,83,00,000.00

a) Reconciliation of Number of Shares

Shares outstanding as at 31 <sup>st</sup> March 2016/31 <sup>st</sup> March 2015	78,30,000.00	78,30,000.00
Shares outstanding as at 31 <sup>st</sup> March 2017/31 <sup>st</sup> March 2016	78,30,000.00	78,30,000.00

b) List of shareholders holding more than 5% of the total number of shares issued by the Company:

	As at 31.03.2017		As at 31.03.2016	
Name of the shareholder	No. of Shares	% Holding	No. of Shares	% Holding
1.Dr.S N Sasidharan Kartha	13,38,585	17.10	13,25,848	16.93
2.Mr.Mathew M Cherian	8,23,150	10.51	9,23,150	11.79
3.The Kerala State Industrial Development Corporation Ltd	10,50,000	13.41	10,50,000	13.41

The Company has issued only one class of equity shares having a face value of ₹.10/- per share. Each holder of equity share is entitled to one vote per share. The Company declares dividend in Indian Rupees.



## NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	As on 31.03.2017 (₹)	As on 31.03.2016 (₹)
<b>4. Reserves and Surplus</b>		
a) Capital Reserves		
Profit on re-issue of forfeited shares	44,300.00	44,300.00
Investment Subsidy		
Subsidy received from State Government	15,00,000.00	15,00,000.00
b) General Reserve		
Opening Balance	22,06,91,555.68	22,06,91,555.68
Add: Transfer from surplus in the statement of Profit and Loss	—	—
	22,06,91,555.68	22,06,91,555.68
c) Surplus in Statement of Profit and Loss Opening Balance	42,18,18,366.90	56,22,10,209.02
Add: Profit/Loss for the year	(5,52,15,455.22)	(14,03,91,842.12)
	36,66,02,911.68	42,18,18,366.90
Less :Appropriations	—	—
--Transfer to General Reserves	—	—
-- Proposed Dividend- Rate per share ₹.	—	—
-- Corporate Dividend Tax	—	—
Closing Balance	36,66,02,911.68	42,18,18,366.90
<b>Total</b>	<b>58,88,38,767.36</b>	<b>64,40,54,222.58</b>
<b>5. Long Term Borrowings</b>		
a). Bank of Baroda Corporate Loan	10,18,83,113.00	15,23,42,227.00
b) Bank of Baroda Term Loan	—	17,39,881.82
	<b>10,18,83,113.00</b>	<b>15,40,82,108.82</b>

## NOTES FORMING PART OF FINANCIAL STATEMENTS

Sl No	Particulars	Non- Current Portion (₹)		Current Maturities (₹)	
		31st March 2017	31st March 2016	31st March 2017	31st March 2016
a	Term Loans (Indian Rupee Loan from Banks (Secured))	10,18,83,113.00	15,40,82,108.82	5,16,78,140.82	5,51,59,380.00
		10,18,83,113.00	15,40,82,108.82	5,16,78,140.82	5,51,59,380.00

	Terms of repayment of Indian Rupee Term Loan		
	Name of Bank	BOB	BOB
	Type of Loan	TERM LOAN	CORPORATE LOAN
	Loan Account No	05620600010728	05620600011975
	Amount Sanctioned /availed	3,10,00,000.00	30,00,00,000.00
	Sanction Date	19/02/2009	03/01/2014
	Current Interest Rate	12.40 %	12.40 %
	Total No. of Instalments	72	72
	No. of Instalments paid	68	36
	No.of Balance instalments to be paid	4	36
	Amount of Instalment	4,30,556.00	41,60,000.00
	Repayment type	Monthly	Monthly
	Interest payment type	Monthly	Monthly

- b) Indian Rupee Term Loan from Bank of Baroda Account No 05620600010728 & Corporate Loan from Bank of Baroda Account No.05620600011975 are secured by:
- 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,95/4 Part, 95/6 Part, 95/7 part, 96/1-1, 96/1-2, 96/2, 96/3A part, 96/3Bpart,96/4 Part,96/5-1part, 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 Dr.S.N. Sasidharan Kartha, Managing Director.

# NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	As on 31.03.2017 (₹)	As on 31.03.2016 (₹)
<b>6. Other Long Term Provisions --</b>		
Provision for Employee Benefits		
-- Provision for A L Encashment	76,14,785.00	52,39,087.00
<b>Total</b>	<b>76,14,785.00</b>	<b>52,39,087.00</b>
<b>7 Short Term Borrowings</b>		
Cash credit / Packing credit from Bank of Baroda, Aluva against hypothecation of raw materials, stock in process and finished goods and stores spares consumables	30,34,33,012.52	30,63,52,307.39
	30,34,33,012.52	30,63,52,307.39
<b>1. Terms of repayment of Packing Credits:</b>		
PC from Banks is repayable on demand and carries interest @ 10.90% (Current Rate)		
Cash Credit/Packing Credit advances from Bank of Baroda are secured by:		
i) First charge on all the Company's stock of raw-materials, consumable stores, finished goods, work in progress, debtors etc. both present and future & 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 including movable machinery, machinery spares, tools and accessories present and future.		
iii) Personal Guarantee of Dr.S N Sasidharan Kartha, Managing Director.		
<b>8. Trade Payables</b>	<b>12,07,87,122.42</b>	<b>32,33,58,818.09</b>
<b>9. Other Current Liabilities</b>		
Unpaid Dividend *	67,20,005.00	73,72,079.00
Other Payables	8,17,96,298.27	7,85,21,085.02
<b>Total</b>	<b>8,85,16,303.27</b>	<b>8,58,93,164.02</b>
* These amounts represent warrants issued to shareholders which remained unrepresented as on 31 <sup>st</sup> March 2017		
Other Payables pertains to		
i) Statutory liabilities	46,93,770.00	45,22,470.00
ii) Creditors for capital goods	40,00,888.00	48,59,581.00
iii) Current maturity of long term borrowings	5,16,78,140.82	5,51,59,380.00
iv) Others	2,14,23,499.45	1,39,79,654.02

NOTES FORMING PART OF FINANCIAL STATEMENTS														
10 FIXED ASSETS												( ₹ )		
GROSS BLOCK												DEPRECIATION		NET BLOCK
Sl. No	ASSETS	At cost as on April <sup>1st</sup> 2016	Additions 2016-17	Deductions 2016-17	Gross Block as on 31 <sup>st</sup> March 2017	As on April 1 <sup>st</sup> 2016	Deductions 2016-17	Depreciation 2016-17	Depreciation as on 31 <sup>st</sup> March 2017	Net Fixed Assets as on March 31 2017	Net Fixed Assets as on March 31 2016			
1	Land & Develop.	9,15,19,900.00	1,97,94,937.00		11,13,14,837.00	-		-	-	11,13,14,837.00	9,15,19,900.00			
2	Buildings	9,23,52,613.04	47,00,000.00	-	9,70,52,613.04	6,90,53,072.77		22,22,266.86	7,12,75,339.63	2,57,77,273.41	2,32,99,540.27			
3	Plant & Machinery	45,77,04,736.39	9,75,050.00	-	45,86,79,786.39	42,46,87,931.04		38,29,142.44	42,85,17,073.48	3,01,62,712.91	3,30,16,805.35			
4	Furniture, Office Equipments & other Assets	2,70,50,303.85	1,88,506.00	-	2,72,38,809.85	2,20,13,197.73		18,00,977.13	2,38,14,174.86	34,24,634.99	50,37,106.12			
5	Vehcles & material handling equipments	2,71,16,084.30		16,05,514.00	2,55,10,570.30	2,30,31,030.00	15,08,579.00	11,68,557.52	2,26,91,008.52	28,19,561.78	40,85,054.30			
	TOTAL	69,57,43,637.58	2,56,58,493.00	16,05,514.00	71,97,96,616.58	53,87,85,231.54	15,08,579.00	90,20,943.95	54,62,97,596.49	17,34,99,020.09	15,69,58,406.04			
	Previous Year	68,80,26,272.58	77,17,365.00	-	69,57,43,637.58	51,91,46,945.60	-	1,96,38,285.94	53,87,85,231.54	15,69,58,406.04	16,88,79,326.98			

# NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	As on 31.03.2017 (₹)	As on 31.03.2016 (₹)
<b>11. Non Current Investments</b>		
Investment in Equity instruments of other entities		
30000 Equity shares of ₹.2 each of Bank of Baroda	5,10,000.00	5,10,000.00
Investment in KEIL - Share Capital	17,50,000.00	17,50,000.00
CMRL Employees Co-operative Society	1,00,000.00	1,00,000.00
Investment in Kerala Rare Earths and Minerals Ltd		
i) Share Capital	1,00,000.00	1,00,000.00
ii) Share application money pending allotment	13,60,26,041.00	13,60,26,041.00
<b>Total</b>	<b>13,84,86,041.00</b>	<b>13,84,86,041.00</b>
Aggragate Cost of quoted investments	5,10,000.00	5,10,000.00
Aggregate market value of quoted investments	51,88,500.00	44,13,000.00
Aggregate value of unquoted investments	13,79,76,041.00	13,79,76,041.00
<b>12. Deferred Tax Asset</b>		
<b>a. Deferred Tax Assets on:</b>		
- Depreciation on fixed assets	1,07,69,524.00	1,20,98,375.00
- Carry forward loss under I T Act 1961	20,66,13,277.00	18,32,55,694.00
<b>Deferred Tax Assets</b>	<b>21,73,82,801.00</b>	<b>19,53,54,069.00</b>
<b>13. Long Term Loans and Advances</b>		
(Unsecured, considered good)		
(a) Capital advances	4,57,30,015.00	6,33,30,015.00
(b) Deposits with others	54,79,298.00	52,12,963.00
<b>Total</b>	<b>5,12,09,313.00</b>	<b>6,85,42,978.00</b>
<b>14. Inventories</b>		
Raw Materials and chemicals	25,35,51,321.00	60,20,20,413.00
Finished goods	12,17,50,236.00	10,36,91,984.00
Stores Spares Consumables and packing materials	2,28,30,391.19	2,22,88,470.93
Work in Progress	1,80,99,221.00	2,08,74,134.00
Others - Fuel etc	25,66,510.11	18,83,317.33
<b>Total</b>	<b>41,87,97,679.30</b>	<b>75,07,58,319.26</b>
<b>15. Trade Receivables</b>		
Unsecured, considered good *	8,01,27,855.57	8,49,30,029.16
<b>Total</b>	<b>8,01,27,855.57</b>	<b>8,49,30,029.16</b>
* Includes an amount of ₹.1,00,55,189.54 (P Y ₹.3,51,74,721/-) outstanding for a period exceeding 6 months from the date they are due for payment		

## NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	As on 31.03.2017 (₹)	As on 31.03.2016 (₹)
<b>16. Cash and Cash Equivalents</b>		
Cash on hand	10,50,393.52	11,59,872.52
Balance with Banks		
--Call Accounts	4,66,756.46	6,17,973.03
-- Unpaid Dividend a/c	67,20,005.00	73,72,079.00
--- Deposit Account	NIL	NIL
Other Bank Balances		
--Margin money accounts for Bank guarantee / LC	97,84,325.00	2,65,75,265.00
<b>Total</b>	<b>1,80,21,479.98</b>	<b>3,57,25,189.55</b>
Of the above, the balances that meet the definition of Cash and cash equivalents as per AS- 3 Cash Flow Statement is :	15,17,149.98	17,77,845.55
<b>17 Short Term Loans and Advances</b>		
(Unsecured, considered good )		
a) Advances to related parties (Refer Note No. 34)	NIL	NIL
b) Others	NIL	NIL
i) Advances recoverable in cash or in kind or for value to be received	1,73,17,140.37	1,49,53,192.89
ii)KVAT Credit & CST receivable	2,72,60,509.26	1,98,29,575.00
iii) Balance with central Excise Authorities	4,75,04,851.27	3,19,75,495.27
<b>Total</b>	<b>9,20,82,500.90</b>	<b>6,67,58,263.16</b>
<b>18. Revenue from operations</b>		
Manufactured goods		
Synthetic Rutile	1,29,67,27,251.00	1,36,02,83,975.00
Ferric Chloride	18,76,71,472.00	22,31,72,232.00
Ferrous Chloride	29,23,005.00	35,66,558.00
Iron Hydroxide	17,20,560.00	5,39,887.00
Recovered TiO2	24,09,752.00	14,28,638.00
<b>Total - Sale of Manufactured goods</b>	<b>1,49,14,52,040.00</b>	<b>1,58,89,91,290.00</b>
<b>19. Other Income</b>		
Interest on Deposits	5,40,642.00	22,92,957.00
Sales on Ilmenite tailings /Patent	7,21,075.00	68,741.00

## NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	As on 31.03.2017 (₹)	As on 31.03.2016 (₹)
Dividend on Shares	25,000.00	1,21,000.00
Exchange rate difference in sales realization etc	42,83,461.00	10,98,709.00
Profit on sale of vehicle	3,065.00	-
<b>Total</b>	<b>55,73,243.00</b>	<b>35,81,407.00</b>
<b>20. Cost of Material Consumed</b>		
Material consumed comprises of		
Ilmenite	57,92,61,296.14	60,85,63,472.44
Coke & Coal	2,90,17,131.47	4,48,04,339.94
HCl	10,73,99,975.49	11,73,12,140.41
Chlorine	38,66,429.90	36,35,543.53
<b>Total</b>	<b>71,95,44,833.00</b>	<b>77,43,15,496.32</b>
<b>21. Change in Inventories of finished goods and work in progress</b>		
<b>Opening Stock</b>		
Work -in-Progress	2,08,74,134.00	2,43,22,834.00
Finished goods	10,36,91,984.00	22,03,07,292.00
<b>Total</b>	<b>12,45,66,118.00</b>	<b>24,46,30,126.00</b>
<b>Closing Stock</b>		
Work -in-Progress	1,80,99,221.00	2,08,74,134.00
Finished goods	12,17,50,236.00	10,36,91,984.00
<b>Total</b>	<b>13,98,49,457.00</b>	<b>12,45,66,118.00</b>
<b>Change in inventories of Finished goods and work in progress</b>	<b>(1,52,83,339.00)</b>	<b>12,00,64,008.00</b>
<b>22. Other Direct Manufacturing Expenses</b>		
Power and water	2,50,78,824.00	2,74,19,769.00
Fuel	9,25,26,332.46	6,84,58,903.79
Chemicals and Sludge Handling charges	16,47,77,632.65	16,98,52,608.55
Stores spares, consumables and packing materials	8,51,27,762.59	9,33,02,142.33
<b>Total</b>	<b>36,75,10,551.70</b>	<b>35,90,33,423.67</b>
<b>23. Employee Benefit Expenses</b>		
Salaries, Wages and Bonus	15,50,28,432.44	12,90,23,697.81

## NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	As on 31.03.2017 (₹)	As on 31.03.2016 (₹)
Contribution to provident and other funds	1,19,59,651.00	1,07,10,984.00
Staff Welfare Expenses	2,20,37,394.81	2,07,90,342.32
<b>Total</b>	<b>18,90,25,478.25</b>	<b>16,05,25,024.13</b>
<b>24. Finance Cost</b>		
Interest Expenses	6,78,99,472.20	6,02,05,895.12
Other Borrowing costs	18,19,005.00	39,46,537.00
<b>Total</b>	<b>6,97,18,477.20</b>	<b>6,41,52,432.12</b>
<b>25. Other Expenses</b>		
Repairs and Maintenance - Machinery	2,08,80,276.00	2,61,63,223.00
Repairs and Maintenance - Buidling	1,24,89,593.00	1,80,58,681.00
Repairs and Maintenance -Others	1,20,67,305.00	1,58,34,652.00
Laboratory and factory General Expenses	14,26,605.00	25,58,284.00
Insurance	22,16,212.00	20,83,229.00
Rates and Taxes	11,81,515.00	12,54,946.00
Postage & Telephone	9,67,222.00	11,36,420.00
Printing and stationery	6,86,848.00	9,48,185.00
Travelling expenses	58,84,900.51	70,38,918.42
Auditors Remuneration		
--Statutory Audit	1,12,500.00	1,12,500.00
--- Tax Audit	37,500.00	37,500.00
Sitting fees	52,50,000.00	60,50,000.00
Legal and Professional charges	31,70,754.00	48,62,244.00
AGM Expenses	4,77,617.00	5,36,300.00
Stock Exchange Listing fee	2,00,000.00	2,00,000.00
Share Transfer Expenses	1,93,974.00	2,24,724.00
Subscription and contribution	9,93,621.00	87,66,096.00
Research and Development Expenses	3,69,000.00	2,00,010.00
ISO Expenses	30,000.00	97,547.00
Advertisement Expenses	15,22,568.00	30,78,291.00
Shipping, transportaiton and freight clearing and forwarding including Terminal Handling charges	8,96,03,181.83	10,57,05,323.34
Export Duty	3,11,48,024.00	3,33,88,240.00



# NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	As on 31.03.2017 (₹)	As on 31.03.2016 (₹)
Sales Commission	33,53,484.00	70,85,936.00
Sales Promotion expenses	3,06,28,588.78	3,60,80,519.18
<b>Total</b>	<b>22,48,91,289.12</b>	<b>28,15,01,768.94</b>

**26.** Excise duty on sales for the year has been disclosed as reduction from the turnover. Excise Duty payable on Stock of Finished Goods ₹.50,46,263.00 (previous year ₹.22,38,954.00) is provided for and included in the value of stock of finished goods.

<b>27. Value of Raw Materials and stores and spares consumed:</b>				
	Amount (₹) 31.03.2017		Amount (₹) 31.03.2016	
	Value	%	Value	%
Raw Material				
Imported	24,57,32,907.00	34.15	46,63,43,081.00	60.22
Indigenous	47,38,11,926.00	65.85	30,79,72,415.32	39.78
<b>Total</b>	<b>71,95,44,833.00</b>	<b>100.00</b>	<b>77,43,15,496.32</b>	<b>100.00</b>
Chemicals, Stores Spares, Consumables and Packing Materials:				
Imported	NIL		1,05,47,451.00	10.15
Indigenous	8,51,27,762.59	100.00	9,33,02,142.33	89.85
<b>Total</b>	<b>8,51,27,762.59</b>	<b>100.00</b>	<b>10,38,49,593.33</b>	<b>100.00</b>

	31.03.2017	31.03.2016
<b>28. Value of imports on CIF Basis</b>	Amount (₹)	Amount (₹)
Raw materials	NIL	41,70,59,187.00
Consumables	NIL	1,05,47,451.00

<b>29.</b>	<b>Expenditure in foreign currency (Subject to withholding of tax where applicable) (Amount ₹)</b>		
	Foreign Travel	2,64,363.00	5,56,447.00
	Other Expenses	1,59,90,602.00	1,39,68,827.00
	<b>TOTAL</b>	<b>1,62,54,965.00</b>	<b>1,45,25,274.00</b>
<b>30.</b>	<b>Earnings in foreign Currency</b>		
	FOB Value of Exports (₹)	140,40,70,497.00	151,76,23,432.00

<b>31. Sales and stock Particulars of Finished Goods</b>			
Finished Goods	Sales Value (₹)	Closing Inventory(₹)	Opening Inventory(₹)
Current Year	149,14,52,040.00	12,17,50,236.00	10,36,91,984.00
Previous Year	158,89,91,290.00	10,36,91,984.00	22,03,07,292.00

## 32. Employee Benefits

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

	31st March 2017 (₹)	31st March 2016 (₹)
I) Change in Benefit Obligation		
Liability at the beginning of the year	3,39,68,946.00	3,23,64,218.00
Interest Cost	27,17,515.00	25,89,137.00
Current Service Cost	14,41,485.00	14,47,808.00
Benefit paid / Payable	(14,65,251.00)	(26,10,268.00)
Actuarial (gain)/loss on obligation	(16,82,387.00)	17,560.00
Liability at the end of the year	3,49,80,308.00	3,38,08,455.00
II) Fair value of Plan Assets		
Fair value of plan assets at the beginning of the year	3,32,29,773.95	3,25,99,608.00
Expected Return on plan Assets	27,29,930.10	26,45,073.00
Contributions	9,44,115.07	3,96,939.00
Benefit paid	(14,65,251.00)	(26,10,268.00)
Actuarial (loss ) on Plan Assets	0.00	0.00
Fair value of Plan Assets at the end of the year	3,54,38,568.12	3,30,31,352.00
III) Actuarial gain / loss recognized		
Actuarial (gain ) / loss on obligations	16,82,387.00	0.00
Actuarial (gain ) / loss on Plan Assets	NIL	(17,560.00 )
Actuarial (gain) / loss recognized in the year	(16,82,387.00 )	(17,560.00 )
IV) Amount recognised in the Balance Sheet		
Present value of obligations as at the end of the year	3,49,80,308.00	3,38,08,455.00
Fair value of Plan Assets at the end of the year	3,54,38,568.12	3,30,31,352.00
Net asset(liability) recognised in the Balance Sheet	4,58,260.12	7,77,103.00
V) Expenses Recognised in the Profit and Loss		
Current Service cost	14,41,485.00	14,47,808.00
Interest Cost	27,17,515.00	25,89,137.00
Expected Return on Plan Assets	(27,29,930.10)	(26,45,073.00)
Net Actuarial (Gain) / loss to be recognized	(16,82,387.00)	17,560.00
Expenses recognised in P &L	(2,53,317.00)	(14,09,432.00)
VI) Balance Sheet Reconciliation		
Opening Net Liability	7,77,103.00	10,29,268.00
Expenses as above	(2,53,317.00)	(14,09,432.00)
Employers' Contribution	(8,98,892.00)	(3,96,939.00)
Amount recognised in the Balance Sheet	(3,75,106.00)	(7,77,103.00)
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%	7.00%

<b>33. Employees Remuneration and Benefits includes Director's Remuneration of ₹. 2,41,92,000/- comprising</b>					
Sl. No.	Particulars	Dr. S N Sasidharan Kartha, Managing Director		Shri Saran S Kartha, Joint Managing Director	
		31.03.2017	31.03.2016	31.03.2017	31.03.2016
1	Salaries and allowances	1,20,00,000.00	1,20,00,000.00	96,00,000.00	96,00,000.00
2.	Contribution to Provident Fund	14,40,000.00	14,40,000.00	11,52,000.00	11,52,000.00
	<b>Total (₹)</b>	<b>1,34,40,000.00</b>	<b>1,34,40,000.00</b>	<b>1,07,52,000.00</b>	<b>1,07,52,000.00</b>

**34. 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 : Dr. S. N. Sasidharan Kartha
- : Shri Saran S Kartha
- : Shri P Suresh Kumar
- : Shri K S Suresh Kumar

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 on cash basis	36,79,789.00
Key Management Personnel		
Dr. S. N Sasidharan Kartha, Managing Director	Salary paid	1,34,40,000.00
Shri. Saran S Kartha, Joint Managing Director	Salary paid	1,07,52,000.00
Shri. P Suresh Kumar, Chief General Manager(Finance) & Company Secretary	Salary Paid	20,66,200.00
	Employer Contribution to P F	1,30,860.00
Shri. K S Suresh Kumar, Chief Financial Officer	Salary Paid	10,83,978.00
	Employer Contribution to P F	44,876.00

**35. 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	31st March 2017	31st March 2016
Face value per share (₹)	10	10
Net Profit/(Loss) after Tax (₹)	(5,52,15,455.22)	(14,03,91,842.12)
Basic and Diluted Earnings per share (₹)	NIL	NIL

**36. Contingent Liabilities and commitments.****a) Contingent Liabilities not provided for:**

- i) Bank Guarantees issued on behalf of the Company by Bank of Baroda outstanding as on 31/03/2017 is ₹.6,70,96,557.96 (₹1,13,83,125/- and USD 30,54,500.as on 31/03/2016) for which the Company has given counter guarantee.
- ii) Bills discounted not maturing on:  
31/03/2017 ₹ 2,20,96,994.00  
31/03/2016 ₹ 3,35,89,224.00

- b) Assistant Commissioner, Department of Commercial Tax has raised a demand of ₹.11,50,708/- while completing the assessment of the year 2008-09. The Company has filed an appeal before the Deputy Commissioner of Appeals.

**37. Information on Specified Bank Notes held and transacted during the period from 8th November 2016 to 30th December 2016.**

	SBNs (₹)	Other Denomination Notes (₹)	TOTAL (₹)
Closing cash in hand as on 08.11.16	2,57,000.00	5,42,387.00	7,99,387.00
(+) Permitted receipts	NIL	18,65,141.00	18,65,141.00
(-) Permitted payments	2,57,000.00	18,99,680.00	21,56,680.00
(-) Amount deposited in Banks	NIL	NIL	NIL
Closing cash in hand as on 30.12.2016	NIL	5,07,848.00	5,07,848.00

**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 Enterprises 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. Long Term Contract.**

There are no long term contract as on 31.03.2017 including derivative contracts for which there are any material foreseeable losses.

**40. Impairment of assets:**

No material impairment of assets has been identified by the company and as such no provision is required as per Accounting Standards (AS-28) issued by the Institute of Chartered Accountants of India.

**41. Transfer of unclaimed dividend to Investor Education and Protection Fund:**

During the year company has transferred the unclaimed dividend for the year 2008-09 amounting to ₹.6,23,423/- to the Investor Education and Protection Fund.

**42. Previous figures have been regrouped, rearranged and reclassified, wherever necessary**

Place : Aluva  
Date : 18.05.2017

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/-  
Dr. S.N. Sasidharan Kartha  
Managing Director

Sd/-  
Saran S. Kartha  
Joint Managing Director

Sd/-  
G.R. Warriar  
Director

Sd/-  
A.J. Pai  
Director

Sd/-  
Jaya S. Kartha  
Director

Sd/-  
Nabiel Mathew Cherian  
Director

Sd/-  
T.P. Thomaskutty  
Director

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

Sd/-  
K. S. Suresh Kumar  
Chief Financial Officer

## **NO AGM GIFT**

Please note that, as per the guidelines of Ministry of Corporate Affairs, SEBI and as per the Secretarial standards issued by the Institute of Company Secretaries of India, no gifts/presents are to be given to the shareholders on the occasion of Annual General Meeting. Hence no gifts will be given to the shareholders during this meeting.

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