

NOTICE TO THE SHAREHOLDERS

Notice is hereby given that the 25th Annual General Meeting of Cochin Minerals and Rutile Limited will be held on Monday, the 7th July, 2014 at 9.30 A.M. at the Priyadarshini Municipal Town Hall, Thottakkattukara, Aluva, Ernakulam District, Kerala to transact the following business:

AS ORDINARY BUSINESS

1. Adoption of Accounts

To receive, consider and adopt the audited accounts of the Company for the financial year ended 31st March 2014 together with Directors' Report and Auditors' Report, thereon.

2. Declaration of Dividend

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

“Resolved that pursuant to the recommendation of the Board of Directors, a dividend at the rate of Re. 1 (Rupee one only) per equity share of Rs.10/- paid up be and is hereby declared out of the surplus in the Profit and Loss Account and the same be paid to the equity shareholders whose names appear in the Register of Members as on the date of book closure on 27th June, 2014”.

3. Appointment of Directors

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

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

- (a) “RESOLVED that the retiring Director, Shri. Mathew M Cherian be and is hereby reappointed as Director of the Company subject to retirement by rotation.”
- (b) “RESOLVED that the retiring Director, Shri. A J Pai, being independent director be and is hereby reappointed as Director of the Company for a period of 5 years.
- (c) “RESOLVED that the retiring Director, Smt. Jaya S Kartha be and is hereby reappointed as Director of the Company subject to retirement by rotation.”

4. Appointment of Auditors

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

“RESOLVED that pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013, Mr. Sagshesh Kumar K A, Chartered Accountant, Aluva be and is hereby appointed as Auditor of the Company to hold office for a period of 3 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 Auditor.”

As Special Business**5. Re-appointment of Joint 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 Shri. Saran S Kartha as Joint Managing Director of the Company to hold office for a period of 5 (Five) years effective from 1st October, 2014, on the following terms and conditions.

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, 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.”

6. Revision of Remuneration 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 revision in the remuneration payable to Dr. S N Sasidharan Kartha, Managing Director for the remaining period of 4 years effective from 1st April, 2014 on the following terms and conditions of new Companies Act, 2013 :-

- (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 : 05.05.2014

Notes:

1. **A member entitled to attend and vote at the Annual General Meeting may appoint a proxy to attend and vote on a poll on his behalf. Such a proxy need not be a member of the Company. The proxy in order to be valid should be duly completed, signed and stamped and the same must be received at the Registered office of the Company not less than 48 hours before the commencement of the meeting.**
2. The Share Transfer Books and Register of members of the Company shall remain closed from 27th June, 2014 to 7th July, 2014 (both days inclusive).
3. Members are requested to bring their copies of the Report and Accounts to the meeting. Members are also requested to bring the attendance slip with them duly filled in and hand over the same at the entrance of the meeting venue.
4. Members holding physical shares are requested to intimate any change in address to the Company. Members who hold dematerialised shares are requested to notify any change in their particulars like change in address, bank account particulars to their respective Depository participants immediately.
5. In terms of section 124 (5) of the Companies Act, 2013 dividend amounts that have remained unclaimed/unpaid for a period of 7 years from the date they became due for payment shall be credited to the Investor Education and Protection Fund of the Central Government and no claim shall lie against the fund. The particulars of unclaimed/unpaid dividends declared from financial year 2006-2007 are given below:

Financial Year Ended 31st March	Date of Declaration	Last Date for claiming dividend
2007	24.09.2007	23.09.2014
2008	22.09.2008	21.09.2015
2009	14.09.2009	13.09.2016
2010	18.09.2010	17.09.2017
2011	26.08.2011	25.08.2018
2012	06.07.2012	05.07.2019
2013	09.07.2013	08.07.2020

6. Corporate Members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of Board resolution authorizing the representative to attend and vote at the meeting on their behalf.
7. Members desirous of obtaining any specific information/ clarification concerning the accounts/ working of the company are requested to address their queries to the Company Secretary, so as to reach at least 3 days before the meeting to enable the company to make the information available at the meeting, to the best extent possible.
8. With respect to payment of dividend, the company provides the facility of Electronic Clearing Service (ECS) to the shareholders of the company. Shareholders holding shares in the physical form, who wish to avail ECS facility, may authorize with their ECS mandate in the prescribed form (enclosed) or can be obtained from our Share Transfer Agents, M/s S K D C Consultants Ltd., Coimbatore on request. Requests for payment of dividend through ECS for the year 2013-14 should be lodged with M/s S K D C Consultants Limited on or before 25th June, 2014.

Statement of Material facts pursuant to Section 102 (1) of the Companies Act, 2013**Item No. 5**

The present Joint Managing Director, Shri. Saran S Kartha, was appointed as an Executive Director of the Company for a period of 5 years with effect from 01st October 2009 on the terms and conditions approved by the shareholders in the meeting held on 14th September 2009. Subsequently, he was appointed as Joint Managing Director at the Board Meeting held on 07-02-2012. The five year tenure will expire on 30th September 2014. The Board of Directors has taken on record the resolution passed by the remuneration Committee to re-appoint Shri. Saran S Kartha for a further period of 5 years effective from 01.10.2014, 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 5 of the notice 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.

Except Shri. S N Sasidharan Kartha and Smt. Jaya S Kartha, parents of the appointee, none of the directors is concerned or interested in the resolution.

Item No. 6

The present Managing Director Dr. S N Sasidharan Kartha was re-appointed for a period of 5 years with effect from 1st April, 2013 on the terms and conditions approved by the shareholders in their meeting held on 6th July, 2012. Since then, the provisions of the new companies act, 2013 have come into effect from 1st April, 2014. As per provisions of Section 197 and 198 of the new Act read with Schedule V of the said Act, in financial years where the company has no profits or the profits are inadequate the company can 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 or any statutory modifications or re-enactments thereof for the time being in force.

The Board of Directors has taken on record the resolution passed by the Remuneration Committee to revise the minimum remuneration payable to the Managing Director for the balance period of 4 years effective from 1st April 2014, subject to the approval of the shareholders in the Annual General Meeting on such terms and conditions 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 5 (b) of the notice 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, Smt. Jaya S Kartha, being his wife and Mr. Saran S Kartha, being his son, key management personnel or their relatives are concerned or interested in the resolution.

Additional information in respect of Directors appointed/ re-appointed**Shri. Mathew M Cherian**

Shri. Mathew M Cherian, an NRI Businessman is the co-founder and has been the Vice-Chairman of Cochin Minerals and Rutile Limited from its inception. A Diploma holder in Hotel Management from the Institute of Hotel Management & Catering, Bombay, Mr. Cherian is engaged in Hotels, Restaurants,

export, import and international trade. His dynamic leadership quality and business acumen have enabled the company to scale new heights in overall performance.

Shri. Mathew M Cherian is the Managing Director of Sach Exports Pvt. Ltd and Director of Kerala Rare Earths and Minerals Limited. He is also the Chairman and Managing Director of Naduvile Idom Hospitality India Private Limited.

Shri. A J Pai

Shri. A.J. Pai, a fellow member of the Institute of Chartered Accountants of India, has been in the service of KSIDC Ltd for about 25 years and retired in the year 2003 as its Executive Director. He was on your Company's Board, as KSIDC nominee from 2000 to 2004 and since then as an independent director. In terms of Section 149 of the Companies Act, 2013, independent directors may be appointed for a term not exceeding 5 years as they are not subject to retirement by rotation.

Presently he also holds Directorship in 12 other Companies viz. M/s. Pigments India Limited, (Chairman) M/s. Kerala Industrial Revitalisation Board, M/s. Lake Shore Hospital and Research Centre Limited, M/s. Lulu International Shopping Mall Private Limited, M/s. Line Properties Private Ltd., Sri. Asoka Textiles Ltd., M/s Lulu Hyper Market Pvt. Ltd, Lulu Flight Kitchen (P) Ltd., Lulu Convention and Exhibition Center Pvt. Ltd., Space Travels Private Limited, L H Entertainment Company Pvt. Ltd., and Mantle Systems & Technologies Pvt. Ltd. He is a member of the Audit Committee and Remuneration Committee of Cochin Minerals and Rutile Limited.

Smt. Jaya S Kartha

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

Shri. Saran S. Kartha

Shri. Saran S Kartha, 27 years of age, Son of Dr. S.N. Sasidharan Kartha, Managing Director and Smt. Jaya S Kartha, Director is a graduate Engineer (Mechanical).

Shri. Saran S Kartha is a member of Senate of Cochin University of Science and Technology, a government owned autonomous Science and Technology University in Kochi, Kerala. He is the Director of Kerala Rare Earths and Minerals Limited. He holds 1,57,701 shares in the Company

IMPORTANT COMMUNICATION TO MEMBERS

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

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

DIRECTORS' REPORT

Your Directors are pleased to present the 25th Annual Report of your Company along with audited statements of accounts for the year ended 31st March 2014.

FINANCIAL HIGHLIGHTS		
	₹ in Lakhs	
	Year ended 31st March 2014	Year ended 31st March 2013
Sales and Other Income	13610.99	20038.37
Profit before Interest & Depreciation	116.75	6944.94
Interest	385.51	189.07
Depreciation	241.27	273.86
Net Profit for the year	(510.04)	6482.01
Provision for Tax	-	2160.14
Deferred tax asset (liability)	(122.14)	(12.44)
Profit after tax	(387.90)	4334.31
<u>Appropriations</u>		
Proposed Dividend	78.30	783.00
Dividend Tax	13.31	133.07
Transfer to General Reserves	NIL	866.86
Balance Carried Forward	NIL	2551.38

DIVIDEND

Although the company has incurred loss during the year, your Directors are pleased to recommend a dividend on the equity shares at Re. 1 per share of Rs.10/- each for the financial year ended 31st March, 2014, out of the available reserves.

OPERATIONS

a) Production

The production of Synthetic Rutile during the year under review was 16,200 MT as compared to 18,730 MT in the previous year. Ferric Chloride production during the year was 16,166 MT, as compared to 16,092 MT in the previous year. Ferrous Chloride production during the year was 32,521.730 MT as against 41,446.970 MT in the previous year. The production of Iron Hydroxide (Cemox) during the year was 12,987 MT as against 23,037 MT in the previous year.

The main reason for decrease in production of Synthetic Rutile is market recession in Titanium industry in the International Market.

b) Sales

Your company sold 15,825.030 MT of Synthetic Rutile during the year as compared to last year's sales of 14,826.450 MT. Ferric Chloride sales amounted to 16095.740 MT during the year as compared to 16300.955 MT last year. Ferrous Chloride sales this year amounted to

32481.940 MT (including export of 312 MT) as against 41456.410 MT (including export sales 3072 MT) in the previous year. Iron Hydroxide (Cemox) sales was 9985.58 MT compared to 34768.920 MT in the previous year.

c) Foreign Exchange

Your company earned export income of US\$1,75,06,930.00 equivalent to Rs.1,05,96,17,223.00 compared to US\$353,45,546.40(FOB) equivalent to Rs.192,21,26,571.00 in the previous year. The utilization of Foreign exchange during the year was US\$46,40,371.12 UK£2008, AED1110.00, HKD25,320.00 and AUD6,600.00 equivalent to Rs.27,69,56,169.00 compared to US\$89,85,939.23, UK£4267, AED100, equivalent to Rs.4,97,123,589.00 in the previous year. The increase in foreign exchange utilization during the year was due to import of ilmenite due to short supply of ilmenite in the domestic market.

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

d) Loss

Your company earned a profit of Rs.116.75 lakhs before interest, depreciation and tax and suffered a net loss of Rs.387.90 lakhs after tax during the year as compared to profit of Rs.6944.94 lakhs and Rs.4334.31 lakhs respectively in previous year. The sales realization during the year is Rs.136.11 crores against Rs.200.38 crores due to steep fall in the prices of Synthetic Rutile in the international market. On the other hand due to non availability of the main raw material viz Ilmenite from domestic sources, the cost of production went up as a result of import of Ilmenite at high prices

DIRECTORS

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

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 – III.

CORPORATE GOVERNANCE

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- i) That in the preparation of the Annual accounts for the year ended 31st March 2014, the applicable accounting standards have been followed.
- ii) That the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent

so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit/loss of the Company for the year under review.

- iii) That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding against fraud and other irregularities.
- iv) That the Directors had prepared the accounts for the year ended 31st March 2014 on a going concern basis.

ISO CERTIFICATION

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

N S F 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 N S F International, the only organization designated as a Collaborating Center by the World Health Organization (WHO) for both food safety and drinking water safety and treatment.

The afore-said products of your company are the only NSF(National Sanitation Foundation) certified in Asia. While in the case of Ferrous Chloride, our Company is one among the 8 companies in the world who got certified by N S F International and in the 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 7th consecutive year – “Excellence Award for 5 years 2008 to 2012 and certificate of merit for securing 1st place among the medium scale industries in the preceding 2 years.

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

AUDITORS

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

STATUTORY APPROVALS & LICENCES

The Company has renewed all statutory approvals and licences from various Departments/ Authorities for carrying on its normal business. The licenced and installed capacity of Synthetic Rutile production now stands at 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 till 2015 is in force.

ENERGY CONSERVATION

The statements in Form A for Energy Conservation and Form B on Technology upgradation are given in the Annexure - I.

PARTICULARS OF EMPLOYEES

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

FIXED DEPOSITS

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

DEMATERIALISATION

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

LISTINGS

The shares of your Company are listed with Bombay Stock Exchange Ltd. The listing fee as required has already been paid upto and including the year 2014-2015.

ACKNOWLEDGEMENTS

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

For and on behalf of the Board,

Sd/-

R.K.Garg,

Chairman.

Place: Aluva,

Date : 05.05.2014

Annexure –I to the Directors’ Report.

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

FORM A

(See Rule 2)

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

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

(a)	Purchased	Current Year	Previous Year
	Unit	33,18,787 KWH	38,19,610 KWH
	Total Amount	Rs. 1,78,83,196.80	Rs. 1,82,73,404.42
	Rate/Unit	(Rs.4.60/KWH+ Rs.300/KVA+ 0.10/KWH+ <u>Surcharge@0.025</u> Ps. Per KWH+ Part there of)	(Rs.4.10/KWH+ Rs.300/KVA+ 0.10/KWH+ <u>Surcharge@0.025</u> Ps. Per KWH + Fuel surcharge@ 0.020 Ps./KWH or Part thereof)
(b)	Own generation		
	Through diesel Generator		
	Units	86,780 KWH	1,45,105.40 KWH
	Unit/Ltr. of Diesel	2.99 Unit/Ltr.	3.06 Unit/Ltr
	Cost/Unit	Rs. 19.35/Unit	Rs. 16.47/Unit
	Through steam turbine/ Generator Units	} Nil Nil	
	Unit/Ltr. of	}	
	Fuel oil/gas	} Nil Nil	
	Cost/Unit	}	
2.	Coal (specify quality and where used)	(1) Indonesian Coal	- In Kiln as reductant and in Boiler for steam generation
		(2) Pet. Coke	- In Kiln as reductant
		(3) Biomass	- Gasifier for generation of Biogas as substitute to furnace oil
(a)	Indonesian Coal	- 7843.80 MT	
(b)	Pet. Coke	- 9.54 MT	
(c)	Biomass	- 436.115 MT	
	Total	- 8,289.455 MT	
	Total cost	} ₹ 3,65,48,842.57	₹ 4,28,04,183.26
	Average Rate	} ₹ 4,653.92	₹ 4,846.06

3	Furnace Oil		
	Quantity (k. ltrs)	1679.428 KL	2167.995 KL
	Total amount	₹ 6,84,99,098.21	₹ 8,39,52,531.21
4.	Others/internal generation (please give details)		
	Quantity	}	
	Total cost	}	Nil
	Rate/unit	}	

B Consumption per unit of production

	Standards (If any)	Current Year	Previous Year
Particulars of Energy	1		2
Electricity	210.22 Units		211.68 Units
Furnace Oil	103.67 Ltrs.		115.75 Ltrs
Indonesian Coal + Pet. Coke + Biomass	0.512 MT		0.481 MT

B. TECHNOLOGY ABSORPTION

FORM B

(See rule 2)

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY.

Research and development (R & D)

- 1 Specific areas in which R&D carried out by the Company
 - (a) Studies are continued for using our Iron Hydroxide Cake(Cemox) in Steel Industry.
 - (b) Lab studies are in progress with NIIST, Trivandrum for producing Nano Titania coated ceramic ultra filtration membrane for industrial waste water treatment.
 - (c) Studies were carried out for use of Ferrous Chloride and Ferric chloride in water treatment.
 - (d) Plant level studies for micronising recovered Titanium Dioxide to make pigments
- 2 Benefits derived as a result of the above R & D

Increased the sale of Ferrous Chloride, Ferric Chloride & Iron Hydroxide Cake (Cemox).
- 3 Future plan of action
 - (a) Nano Titanium Dioxide manufacturing Pilot Plant scale production and market development.
 - (b) Setting up of facility for producing off-grade TiO₂
 - (c) Market Research and Pigment

standardization in Paints, Ink Paper and Polymer applications for recovered and micronized pigment.

Expenditure on R & D :- Revenue	: ₹ 71.13 lakhs
Total R & D expenditure as a Percentage of total turnover	: 0.53%

Technology absorption, adaptation and Innovation.

- Efforts in brief made towards technology absorption, adaption and innovation : Plant scale trials and process standardization work undertaken for using ilmenite from different sources for Synthetic Rutile Production. Application Research for utilization of Recovered TiO₂ Pigment in Paints, Inks, Polymers and Paper
 - Benefits derived as a result of the above efforts, eg. product improvement, cost reduction, product development, import substitution etc. : Cost reduction and new applications for recovered TiO₂ Pigment, Iron Hydroxide Cake and Ferric Chloride.
 - In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year) following information may be furnished. : N.A.
- | | | |
|--|---|------|
| (a) Technology imported | } | |
| (b) Year of import | } | |
| (c) Has technology been fully absorbed | } | |
| (d) If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action. | } | N.A. |

FORM C

Foreign Exchange Earnings and Outgo

Foreign Exchange Earnings (FOB Value of export)	US\$ 1,75,06,930.00
Foreign Exchange outgo on Revenue Account	US\$ 46,53,855.28
Net Earnings	<u>US\$ 1,28,53,074.72</u>

CORPORATE GOVERNANCE REPORT
ANNEXURE II TO THE DIRECTORS' REPORT

1. Company Philosophy :

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

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.

It is the policy of the company to provide and maintain safe and healthy working environment to achieve total safety of employees, environment, equipments, process and all movable and immovable objects

2. Board of Directors :

(i) Composition :

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

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

TABLE – A – Board of Directors - Details

Name	Position	Board Meetings held during the year	Board Meetings attended	Last AGM attended or not	Directorship in other Companies	Total committee Memberships
Shri. R.K. Garg	Chairman, Non-Executive, Independent	5	5	Yes	2	2
Shri. Mathew.M.Chерian	Vice Chairman, Non-Executive	5	3	No	3	-
Shri.S.N.Sasidharan Kartha	Managing Director, Executive	5	5	Yes	4	2
Shri. A.J. Pai	Non-Executive Independent	5	4	Yes	12	2
Shri. T P Thomaskutty	Non-Executive Independent (KSIDC Nominee)	5	4	Yes	6	-

Shri. G.R. Warriar	Non-Executive	5	5	Yes	2	4
	Independent					
Smt. Jaya.S.Kartha	Non-Executive	5	5	Yes	1	-
Shri. Saran S. Kartha	Joint Managing Director, Executive	5	5	Yes	1	-
Shri. Nabel Mathew Cherian	Non-Executive	5	5	Yes	1	-

Changes in the Board of Directors :

There was no change in the Board of Directors during the year.

ii) Meetings :

5 (five) meetings of the Board were held during the year ended 31st March 2014. These were on 13th May 2013, 9th July 2013, 3rd August, 2013, 26th October, 2013 and 12th February 2014. The gap between any two meetings did not exceed four months.

iii) Attendance :

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

IV) Statements as mandated by clause 49:-

- Apart from receiving directors sitting fees and commission as per rules, the non-executive directors do not have any material pecuniary relationship or transactions with the company or its promoters.
- Except Dr. S N Sasidharan Kartha and Mrs. Jaya S Kartha (husband and wife), Mr. Mathew M Cherian and Mr. Nabel Mathew Cherian (Son of Mr. Mathew M Cherian), Mr. Saran S Kartha (Son of Dr. S N Sasidharan Kartha and Mrs. Jaya S Kartha) none of the directors of the company is related inter-se.
- None of the independent directors is below the age of 21 years.
- None of the directors of the company is a member of more than 10 committees or chairman of more than 5 committees across all companies.

V) Share holding in the company by non-executive directors as on 31/03/2014 were as follows:

	Director	Shares Held
1.	Mr. Mathew M Cherian	923150
2.	Mrs. Jaya S Kartha	386740
3.	Mr. Nabel Mathew Cherian	100000
4.	Mr. R K Garg	2500
5.	Mr. G R Warriar	750

3. Code of Conduct under corporate governance regulations

The company has adopted a code of conduct for its Board members and senior management personnel, in compliance of the corporate governance guidelines. The code is applicable to all Board members and senior management personnel, who have affirmed their compliance with the code during the year ended 31st March 2014. The declaration by the Managing Director (CEO) as regards compliance with the code is annexed.

4. Code of conduct under insider trading regulations

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

5. Secretarial Standards and audit

Though not mandatory, the company voluntarily adheres to the secretarial standards issued by the Institute of Company Secretaries of India on important corporate practices such as Board Meetings, General Meetings, payment of dividend, maintenance of registers and records, minutes of meetings, transmission of shares, passing of resolutions by circulation and Board's report. The company has also undergone secretarial audit by an independent Company Secretary in whole time practice.

6. Audit Committee

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

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

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

The audit committee met four times during the year 13th May 2013, 3rd August 2013, 26th October 2013 and 12th February 2014. The attendance record is given in “Table – B”. The Company Secretary of the Company is the secretary of the Committee.

Table B – Audit Committee Attendance

Names of Member Directors	No: of meetings held	Meeting attended
Shri. R.K. Garg (Chairman)	4	4
Shri.A.J. Pai	4	3
Shri. G R Warriar	4	4

7. Remuneration Committee :

The remuneration committee of the Company consists of three non-executive and independent Directors – Mr. R. K. Garg (Chairman), Mr. A. J. Pai and Mr. G R Warriar. The remuneration committee is vested with all the necessary powers and authority to determine and recommend the remuneration payable to the executive directors. At present the Company has only two Executive Directors ie. Dr. S N Sasidharan Kartha, the Managing Director and Mr. 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 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. No other perquisite, incentives or stock options are payable to him. The non-executive Directors are paid one per cent commission on

net profit of the company. There was no requirement for the remuneration committee to meet during the year as there was no change in the terms of remuneration to the executive directors. Details of remuneration paid to directors during the year are given in “Table – C”.

TABLE – C – Remuneration to Directors

Name	Sitting Fees (₹)	Salary/ (₹)	Contribution (₹)	Total (₹)
Shri. R.K. Garg	95000	-	-	95000
Shri. Mathew.M.Chерian	45000	-	-	45000
Shri. S.N. Sasidharan Kartha	-	1500000	180000	1680000
Shri. A.J. Pai	75000	-	-	75000
Shri. TP Thomaskutty (KSIDC Nominee)	60000	-	-	60000
Shri. G.R. Warriер	95000	-	-	95000
Smt. Jaya.S.Kartha	75000	-	-	75000
Shri. Saran S Kartha	-	1800000	216000	2016000
Shri. Nabel Mathew Cherian	75000	-	-	75000
	520000	3300000	396000	4216000

8. Investor Grievance/ Share Transfer Committee :

The Board of Directors of the Company has constituted an Investors' Grievance and Share Transfer Committee. The Committee under the Chairmanship of a non-executive Director Shri. G. R. Warriер, looks into share transfers and redressal of Share holders' complaints. Shri.Suresh Kumar P, General Manager (Finance) & Company Secretary has been designated as the Compliance Officer. The Company during the year received 16 complaints/grievance from investors and all of them were resolved during the year. There was no Share holder complaint remaining unresolved as on 31st March 2014. The Company's shares are compulsorily traded indemat form. However, the Share Transfer committee met at frequent intervals 34 times during the year. There were no pending transfers as on 31st March 2014.

9. Share Transfer System

- a) The shares, in physical form received for transfer are processed and transfers effected generally within a period of 10 days from the date of receipt, provided the documents are valid and complete in all respects. Physical shares for demat are received by the Registrar & Transfer Agents and processed within the stipulated time. The authority for approving Share Transfers are delegated to the Investor Grievance and share transfer committee. Transfer of dematerialized shares is effected through the depositories, with no involvement of the company.

b) REGISTRAR AND TRANSFER AGENTS

M/s. SKDC Consultants Ltd.,
 Kanapathy Towers,
 3rd Floor,
 1391/A-1, Sathy Road,
 Ganapathy,
 Coimbatore – 641 006
Ph: (0422) – 6549995, 2539835-836
 Fax : 91 422 2539837
 E-mail: info@skdc-consultants.com

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

Year	Location	Date	Time
2010 - 11	Aluva, Kerala	26.08.2011	10.00 AM
2011 - 12	Aluva, Kerala	06.07.2012	9.30 AM
2012 - 13	Aluva, Kerala	09.07.2013	9.30 AM

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

2010-2011 – NIL

2011-2012 – NIL

2012-2013 - NIL

(c) Postal Ballot :

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

11. Disclosures.

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

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

b) Disclosure of non-compliance

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

c) Compliance of Clause 5A

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

d) Non – mandatory requirements

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

i) The company has constituted a remuneration committee.

ii) The company continue in a regime of unqualified statutory financial statements.

iii) The company ensures that independent directors of the company have the requisite qualification and experience which would be of use to the Company.

12. Means of Communication.

The quarterly, half yearly and annual working results of the company are published in newspapers like Financial Express and Kerala Kaumudi. The management Discussion and Analysis is included as a part of the annual report for the year ended 31st March 2014.

13. General Shareholder Information.

Annual General Meeting	7 th July 2014 at 9.30 A.M. Priyadarshini Municipal Town Hall, Thottakkattukara, Aluva, Ernakulam, Kerala.
Financial Year	Year ended 31 st March 2014
Book Closure Date	27.06.2014 to 07.07.2014 (both days inclusive)
Dividend	10 per cent (Re. 1/- per share)
Listing	The shares of the company are listed at Bombay Stock Exchange Ltd.
Stock Code	COCHRDM 513353
Demat ISIN	INE 105D01013

14. Market Price Data

The High/Low prices of the company's share at the Bombay Stock Exchange Ltd. during each month of the Financial year 2013 – 2014 are given below:

Month	Year	Months' High ₹	Months' Low ₹
April	2013	193.95	167.10
May	2013	211.80	150.95
June	2013	164.85	140.00
July	2013	143.00	96.00
August	2013	108.00	74.00
September	2013	117.60	81.10
October	2013	108.00	90.00
November	2013	103.50	81.50
December	2013	115.50	87.30
January	2014	118.00	89.00
February	2014	106.45	90.00
March	2014	119.00	92.00

15. Distribution of Shareholding as on 31st March 2014.**a) Category-wise Distribution**

Category	Percentage
Promoters	55.82
Banks/FIS/mutual funds	0.11
NRIs	1.92
Private Corporate Bodies	6.69
Others	35.46
Total	100.00

b Value-wise Distribution

1 Value (₹)	2 No. of Holders	3 %	4 Amount	5 %
Upto 5000	12277	94.82	12783010	16.33
5001 10000	366	2.83	2954910	3.77
10001 20000	155	1.20	2324490	2.97
20001 30000	50	0.39	1254400	1.60
30001 40000	22	0.17	775150	0.99
40001 50000	18	0.14	852210	1.09
50001 100000	21	0.15	1641670	2.10
100001 and above	39	0.30	55714160	71.15
Total	12948	100.00	78300000	100.00

16. Dematerialisation of Shares and Liquidity.

89.425 percent of the company's paid-up capital is held in demat form as on 31st March 2014. 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.

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

Not applicable to the company.

18. Plant Location.

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

19. Address for Correspondence.

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

Annexure-III Management Discussion and Analysis

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

a) Main Product

The main product is synthetic Rutile which finds application as raw material for the Titanium pigment and titanium sponge/metal industry. The annual licensed and installed capacity is 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) clay used for brick / tile making and substitute for iron ore.
- iv) Recovered TiO_2

Raw Materials

The main raw materials of your company are Ilmenite and Hydrochloric Acid. While Hydrochloric Acid is indigenously available, the availability of ilmenite from domestic source has shown a declining trend. In the current year, the company is facing a major challenge in its procurement. The supply from the domestic market is quite restricted. In the international market also the supply position is not good, the prices are high and the quality is inferior. Your company is making all efforts to procure the material from various sources, and maintaining 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 has 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 has 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 Honourable High Court of Kerala has passed an order on 21st 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 31st May 2014.

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

Operational Performance

The operational performance highlights for the year 2013-2014 are given below:

	2013-14	2012-2013
Synthetic Rutile (Beneficiated Ilmenite) Production (MT)	16200.000	18730.000
Sales (MT)	15825.030	14826.450
Gross Revenue (₹ lakhs)	13610.99	20038.37
Net Profit/Loss (₹ lakhs)	(387.90)	4334.31

The Company could make improvement in marketing the main by-product Ferric Chloride during the year. The sales turn over in respect of Ferric Chloride increased from 1404.94 lakhs in the previous year to Rs.1904.81 lakhs this year.

Outlook

The demand for the main product viz. Synthetic Rutile, has decreased due to market recession in international market. Further, the scenario in respect of supply of main raw material, ilmenite from domestic sources also remain uncertain. Supply from outside sources in terms of required quantity and quality is also uncertain and prices remain volatile. However the company is making all efforts to maintain maximum level of production. Your Directors are concerned about the shortage in availability 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 latter part of the current year.

The company is planning on diversification of its activities. To start with, it is planned to take-up a mini Hydrel Project at Thumboormuzhy, Kerala.

Backward Integration

The backward integration project of your company, for Beach Sand Separation and Ilmenite production which was proposed to be implemented jointly with Indian Rare Earths Limited and Kerala State Industrial Development Corporation Limited, as early as 2001, could not be implemented so far. The company has obtained approval from the concerned agencies and purchased land, but the mining lease has not yet been granted by the State Government.

Risks, Concerns and Strength

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

The current market scenario for TiO₂ Pigment and Titanium Metal industries where-in Synthetic Rutile is used is also of concern. 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, ANSI-RAB, USA and NABCB, India. The Company is the only manufacturer of NSF certified Ferrous & Ferric Chloride in ask which one safe chemicals for treatment of drinking water. Skilled and dedicated work force is another strength of your company.

Health, Safety and environment

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

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

Corporate social responsibility

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

- extending educational and medical facilities to the needy and schools in surrounding area.
- financially aiding and conducting community marriages, free eye camps and medical check up camps targeting the under privileged.
- assistances to orphanages, cultural and social events.
- supply of medicines and medical equipments to needy hospitals.
- developing organic vegetable farms by distributing kits containing seeds and organic manure in Kadangallur Panchayat, Ernakulam District.
- formation of and assistance to the social welfare forum of the employees of the company which undertake a series of social welfare activities.

Awards and Recognitions

(a) Excellence Award

The company during the year has won the "Excellence Award" - for pollution control measures, from the Kerala State Pollution Control Board for the fifth consecutive year. The company bagged the First prize in the preceding two years also for implementing effective pollution control measures.

(b) Safety Award

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

Internal Control Systems and its Adequacy

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

Human Resources

Your company values its human resources as the greatest asset and maintains harmonious industrial relations. A long term agreement with the Trade Unions of employees is in force. Not a single man-hour was lost during the year due to industrial relation problems. The employee strength of your company as on 31st March 2014 was 346.

ANNEXURE-IV

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the members of Cochin Minerals and Rutile Limited

We have examined the compliance of conditions of Corporate Governance by Cochin Minerals and Rutile Limited for the year ended on 31st March, 2014 as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

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

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

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

ALUVA,
05.05.2014.

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

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

This is to confirm that the company has adopted a code of conduct for its Board Members and Senior Management Personnel and that the company has in respect of the Financial Year ended 31st March 2014 received Affirmations from the Board Members and Senior Management Personnel as regards compliance with the code, as applicable to them.

Aluva.
25.04.2014

Sd/-
Dr. S N Sasidharan Kartha
Managing Director

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

Report on the Financial Statements

We have audited the accompanying financial statements of "COCHIN MINERALS AND RUTILE LIMITED" ("the Company"), which comprise the Balance Sheet as at March 31st, 2014, and the Statement of Profit and Loss and 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

Management is responsible for 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 Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Sec 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control 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

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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.

An audit involves performing procedures to obtain audit evidence about the amounts and 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31st, 2014;
- b) in the case of the Profit and Loss, of the profit/ loss for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub section (4A) of Section 227 of the Companies Act, 1956 and sub-section(11) of Section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, we report that:
- (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - (c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow statement dealt with by this report are in agreement with the books of account.
 - (d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow statement comply with the Accounting Standards notified under the Companies Act, 1956(the "Act") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Sec 133 of the Companies Act, 2013.
 - (e) on the basis of written representations received from the directors as on March 31st, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31st, 2014; from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956 and sub-section(2) of Section 164 of the Companies Act, 2013.
 - (f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

ALUVA,
05.05.2014

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

ANNEXURE TO AUDITORS' REPORT
REFERRED TO IN PARAGRAPH 1 OF REPORT ON OTHER LEGAL AND
REGULATORY REQUIREMENTS OF OUR REPORT OF EVEN DATE

1. In respect of Fixed Assets
 - a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. on the basis of available information.
 - b) The fixed assets have been physically verified by the management during the year in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the company and nature of its assets. No material discrepancies were noticed on such physical verification.
 - c) In our opinion, the company has not disposed of substantial part of fixed assets during the year and the going concern status of the company has not been affected.
2. In respect of inventories
 - a) As explained to us, inventories have been physically verified by the management at regular intervals during the year. In our opinion, the frequency of such verification is reasonable.
 - b) In our opinion, the procedure of physical verification of Inventory followed by the management is reasonable and adequate in relation to the size of the company and the nature of its business
 - c) The company has maintained proper records of Inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventory as compared to book records.
3. The company has neither granted nor taken any loan, secured or unsecured to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act 1956 and Section 189 of Companies Act 2013.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchase of inventory, fixed assets and also for the sale of goods and services. During the course of our audit no major weakness has been observed in the internal control system.
5. In respect of Transaction covered under section 301 of the Companies Act, 1956 and Section 189 of the Companies Act, 2013.
 - a) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangement, that needed to be entered into the register maintained in pursuance of section 301 of the Companies Act, 1956 and Section 189 of the Companies Act, 2013 have been so entered.
 - b) In our opinion the transaction made in pursuance of contracts or arrangement entered in the register maintained under section 301 of the Companies Act and Section 189 of the Companies Act, 2013, have been made at prices which are reasonable having regard to the prevailing market price.
6. In our opinion and according to the information and explanations given to us the company has not accepted any deposits from the public. Therefore, provisions of clause 4(iv) of the Companies (Auditor's Report) Order, 2013, are not applicable to the company.

7. In our opinion the company has an adequate internal audit system, commensurate with the size and nature of its business.
8. We have broadly reviewed the books of account maintained by the Company pursuant to the Order of the Central Government for maintenance of Cost records under section 209(1) (d) of the Companies Act, 1956 and Section 128 read with Section 2(13) of the Companies Act, 2014, in respect of chemical industry and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not, however, carried out a detailed examination of the same.
9. In respect of statutory dues
- According to the information and explanations given to us, and the book and records examined by us, there are no undisputed statutory dues including provident fund, investor education and protection fund, employees state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty cess and other statutory dues and have been generally regularly deposited with the appropriate authorities. According to information and explanation given to us no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March 2014 for a period more than six months from the date of becoming payable.
 - According to the information and Explanation given to us, and the book and records examined by us, there are no disputed statutory dues of sales tax, income tax, service tax, customs duty, wealth tax, excise duty and cess.
 - According to the records of the company, there are no dues outstanding on account of Sales Tax, Income Tax, wealth tax, excise duty, cess on account of any dispute, other than the following :

Name of the Statute	Name of Dues	Amount (in ₹ lakhs)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act 1961	Income Tax	55.08	2008-09	Commissioner of Income Tax (Appeals), Cochin
Central Sales Tax Act	Central Sales Tax	11.51	2008-09	Deputy Commissioner (Appeals), Commercial Taxes, Ekm.

10. The Company has no accumulated losses at the end of this financial year. However, it has incurred cash losses in the current financial year. The company has not incurred cash losses in the immediately preceding financial year.
11. According to information and explanations given to us, the Company has not defaulted in repayment of dues to financial institution or banks.
12. In our opinion and according to the information and explanations given to us, no loans and advances have been granted by the Company on the basis of Security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a Chit Fund or a Nidhi/Mutual Benefit Fund/Society. Therefore Clause 4 (xiii) of the Companies (Auditor's Report) Order 2003 is not applicable to the Company.
14. The Company is not dealing or trading in shares, securities, debentures and other investment.
15. According to the information and explanations given to us and the records examined by us, the Company has not given any guarantee for loan taken by others from banks or financial

institutions.

16. In our opinion and according to the information and explanation given to us, the term loans were used for the purposes for which these loans were raised .
17. On the basis of an overall examination of the Balance Sheet and cash Flow of the Company and the information and explanation given to us, we report that the Company has not utilised any funds raised on short term basis for long term investment.
18. The Company has not made any preferential allotment of shares to parties or companies covered in the Register maintained under Section 301 of the Companies Act, 1956 and Section 189 of the Companies Act, 2013.
19. The Company has not issued any debenture. Therefore, Clause 4 (xix) of the Companies (Audit Report) Order 2003 is not applicable to the Company.
20. The Company has not raised any money through a Public Issue during the year.
21. In our opinion and according to the information and explanation given to us, no fraud on or by the Company has been noticed or reported during the year, that causes the financial statements to be materially misstated.

ALUVA,
05.05.2014

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

BALANCE SHEET AS AT 31st March 2014

Particulars	Note No.	As at	
		31.03.2014 (₹)	31.03.2013 (₹)
I EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share Capital	2	78,300,000.00	78,300,000.00
(b) Reserves and Surplus	3	1,018,730,511.17	1,066,680,860.39
(2) Non-Current Liabilities			
(a) Long Term Borrowings	4	262,337,976.82	35,720,640.00
(b) Deferred Tax Liabilities (Net)	5	-	3,350,830.00
(c) Long Term provisions	6	4,299,667.00	4,262,301.00
(3) Current Liabilities			
(a) Short Term Borrowings	7	296,528,998.67	26,182,246.11
(b) Trade Payables	8	233,386,920.88	35,889,543.28
(c) Other Current Liabilities	9	98,242,960.32	61,264,800.15
(d) Short Term Provisions	10	9,160,709.00	91,607,085.00
TOTAL		<u>2,000,987,743.86</u>	<u>1,403,258,305.93</u>
II ASSETS			
1) Non- Current Assets			
a) Fixed Assets	11		
i) Tangible Assets		195,920,096.45	216,532,195.19
ii) Capital Work in Progress		92,073,576.73	51,624,399.73
b) Non Current Investments	12	138,483,780.00	138,386,041.00
c) Deferred Tax Asset	5	8,863,273.00	-
d) Long-Term Loans and advances	13	78,312,415.00	28,065,506.00
2) Current Assets			
b) Inventories	14	926,632,066.55	785,632,747.62
c) Trade Receivables	15	180,619,117.00	12,552,115.14
d) Cash and cash equivalents	16	301,789,152.31	88,900,149.76
e) Short- Term Loans and advances	17	78,294,266.82	81,565,151.49
TOTAL		<u>2,000,987,743.86</u>	<u>1,403,258,305.93</u>
Significant Accounting Policies	1		

See accompanying notes forming part of financial statements

Place : Aluva
05-05-2014As per Annexed Report of even date
Sd/-K.A.SAGHESH KUMAR. B.com., F.C.A.
CHARTERED ACCOUNTANT
Membership No. 211340Sd/- R.K. Garg Chairman
Sd/- Mathew M Cherian Vice-Chairman
Sd/- Dr. S.N. Sasidharan Kartha Managing DirectorSd/- Saran S. Kartha Joint Managing Director
Sd/- G.R. Warriar DirectorSd/- A.J. Pai Director
Sd/- Jaya S. Kartha Director
Sd/- Nabel Mathew Cherian DirectorSd/- T.P. Thomaskutty Director
Sd/- Suresh Kumar P. General Manager (Finance) & Company Secretary

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st March 2014

Particulars	Note No.	As at	
		31.03.2014 (₹)	31.03.2013 (₹)
I Revenue From operations (Gross)	18	1,348,507,008.00	1,990,423,057.00
Less : Excise Duty		35,970,743.00	8,349,161.00
Revenue From operations (Net)		1,312,536,265.00	1,982,073,896.00
II Other Income	19	12,592,097.60	13,413,652.47
III Total Revenue (I + II)		<u>1,325,128,362.60</u>	<u>1,995,487,548.47</u>
IV Expenses			
Cost of materials consumed	20	592,437,067.15	1,032,374,111.53
Change in inventories of finished goods and Work in Progress	21	96,248,664.00	(350,098,035.00)
Other Direct Manufacturing Expenses	22	240,464,300.92	287,240,443.61
Employee Benefits expenses	23	133,460,279.20	162,884,712.57
Finance Cost	24	38,551,428.60	18,906,959.75
Depreciation and amortisation expenses		24,127,081.34	27,385,940.69
Community Welfare (CSR Expenses)		9,623,082.00	6,354,849.00
Other Expenses	25	241,220,202.61	162,237,317.74
Total Expenses		<u>1,376,132,105.82</u>	<u>1,347,286,299.89</u>
V Profit Before Exceptional item and Tax (III - IV)		(51,003,743.22)	648,201,248.58
VI Exceptional Item		Nil	Nil
VII Profit Before Tax (V + VI)		(51,003,743.22)	648,201,248.58
VIII Less : Tax Expenses			
1) Current Tax		-	216,014,000.00
2) Deferred Tax		(12,214,103.00)	(1,244,438.00)
IX Profit for the Year (VII - VIII)		(38,789,640.22)	433,431,686.58
X Earnings Per Share (of ₹.10/- each)			
a) Basic		-	55.36
b) Diluted		-	55.36
Significant Accounting Policies	1		

See accompanying notes forming part of financial statements

Place : Aluva
05.05.2014

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

Sd/-
R.K. Garg
Chairman

Sd/-
Mathew M Cherian
Vice-Chairman

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

Sd/-
Saran S. Kartha
Joint Managing-
Director

Sd/-
GR. Warrior
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.
General Manager (Finance) &
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2014

Particulars	For the year ended 31 st March 2014	For the year ended 31 st March 2013
A. Cash flow from operating activities:	(₹)	(₹)
Net profit/(loss) before tax and extraordinary items	(51,003,743.22)	648,201,248.58
Adjustments for:		
Depreciation	24,127,081.34	27,385,940.69
Interest	38,394,294.60	18,832,574.75
Dividend received	(55,513.00)	(102,000.00)
Profit/(loss) on sale of vehicle	(3,804.60)	(4,242.47)
Interest income	(394,832.00)	(9,319,192.00)
Exchange rate difference in BOB EEFC	-	40,412.00
Operating profit before working capital changes	11,063,483.11	685,034,741.55
Adjustments for :		
(Increase)/decrease in trade and other receivables	(164,796,117.19)	34,743,152.91
(Increase)/decrease in long term loans and advances	(50,246,909.00)	(122,988.00)
(Increase)/decrease in inventories	(140,999,318.92)	(546,526,364.26)
Increase/(decrease) in trade payables & other liabilities	234,512,903.77	(50,400,152.87)
Changes in working capital	(121,529,441.34)	(562,306,352.22)
Cash generated from operations	(110,465,958.23)	122,728,389.33
Income tax paid	-	(263,915,017.00)
Net cash generated from operating activities	(110,465,958.23)	(141,186,627.67)
B. Cash flow from investing activities:		
Purchase of fixed assets	(43,965,355.00)	(43,191,539.00)
Increase in non current Investment	(97,739.00)	
Sale of fixed assets	5,000.00	155,000.00
Dividend	55,513.00	102,000.00
Interest on deposits	394,832.00	9,319,192.00
(Increase)/Decrease in Bank Balances considered as cash and cash equivalent	(18,550,397.00)	(176,289.00)
Net cash generated/(used) in investing activities	(62,158,146.00)	(33,791,636.00)
C. Cash flow from financing activities		
Repayment of unsecured loan from customer	-	(31,785,409.00)
Proceeds from long term borrowing	22,661,733.68	(23,793,759.82)
Proceeds from working capital borrowing	270,346,752.56	(22,564,579.76)

Particulars	For the year ended 31 st March 2014	For the year ended 31 st March 2013
	(₹)	(₹)
Interest paid	(38,394,294.60)	(18,975,259.75)
Dividend paid including dividend distribution tax	(91,607,085.00)	(109,202,661.00)
Unclaimed Dividend paid	(2,538,387.00)	(2,927,269.00)
Net cash generated/(used) in financing activities	364,424,322.78	(209,248,938.33)
Net change in cash and cash equivalents	191,800,218.55	(384,227,202.00)
Opening cash equivalents	82,459,964.76	466,727,578.76
Closing cash and cash equivalents	274,260,183.31	82,500,376.76
Exchange rate difference	-	(40,412.00)
Cash and cash equivalents as at 31.3.2014	274,260,183.31	82,459,964.76
Reconciliation of Cash and Cash Equivalents with the Balance Sheet:		
Cash and Cash equivalents as per Balance Sheet (Refer Note: 16)	301,789,152.31	88,900,149.76
Less: Bank balances not considered as Cash and cash equivalents as defined in AS-3 Cash Flow Statements		
--Margin Money accounts for Bank Guarantee	(19,377,311.00)	(826,914.00)
---Unpaid Dividend account	(8,151,658.00)	(5,613,271.00)
Net Cash and cash equivalents (as defined in AS-3 Cash flow statement included in Note16)	274,260,183.31	82,459,964.76

Place : Aluva
05.05.2014

As per Annexed Report of even date

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

Sd/-
R.K. Garg
Chairman

Sd/-
Mathew M Cherian
Vice-Chairman

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

1. Significant Accounting Policies

a) Accounting Convention

The financial statements are prepared under historical cost convention and in accordance with the relevant accounting standards, except where stated otherwise. Revenues are recognised and expenses accounted on their accrual with necessary provisions for all known liabilities and losses, unless otherwise stated.

b) Use of estimates

The preparation of financial statements 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 comprise those costs that relate directly to the specific assets and those that are attributable to the construction activity in general and can be allocated to the specific asset. Financing Costs relating to borrowed funds attributable to construction or acquisition of fixed assets for the period up to the completion of construction or acquisition are capitalised.

ii) Depreciation on fixed assets has been determined in the manner and at the rates specified in the schedule XIV of the Companies Act, 1956, on the written down value method.

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.

l) Borrowing Cost

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

m) Provisions, contingent liabilities and contingent assets.

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

NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	As at 31.03.2014 (₹)	As at 31.03.2013 (₹)
2. Share Capital AUTHORISED		
1,00,00,000 (P. Y. 10000000) Equity Shares of ₹ 10/- each	100,000,000.00	100,000,000.00
ISSUED, SUBSCRIBED AND FULLY PAID UP		
78,30,000 (P.Y. 78,30,000) Equity Shares of ₹ 10/- each }	78,300,000.00	78,300,000.00
	78,300,000.00	78,300,000.00
a) Reconciliation of Number of Shares		
Shares outstanding as at 1st April 2013/1 st April 2012	7,830,000.00	7,830,000.00
Shares outstanding as at 31 st March 2014/31 st March 2013	7,830,000.00	7,830,000.00
b) List of shareholders holding more than 5% of the total number of shares issued by the Company:		

Name of the shareholder	31 March 2014		31 March 2013	
	No. of Shares	% Holding	No. of Shares	% Holding
1. Dr.SN Sasidharan Kartha	12,33,679	15.76	1,184,585	15.13
2. Mr. Mathew M Cherian	9,23,150	11.79	9,23,150	11.79
3. M/s.Kerala State Industrial Development Corporation Ltd	1,050,000	13.41	1,050,000	13.41

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

Particulars	As at 31.03.2014 (₹)	As at 31.03.2013 (₹)
3. Reserves and Surplus		
a) Capital Reserves		
--- Profit on re-issue of forfeited shares	44,300.00	44,300.00
Investment Subsidy		
Subsidy received from State Government	1,500,000.00	1,500,000.00
b) General Reserve		
Opening Balance	220,691,555.68	134,005,218.68
Add: Transfer from surplus in the statement of Profit and Loss	-	86,686,337.00
	220,691,555.68	220,691,555.68

NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	As at 31.03.2014 (₹)	As at 31.03.2013 (₹)
c) Surplus in Statement of Profit and Loss		
Opening Balance	844,445,004.71	589,306,740.13
Add: Profit for the year	(387,89,640.22)	433,431,686.58
	805,655,364.49	1,022,738,426.71
Less :Appropriations		
--Transfer to General Reserves	-	86,686,337.00
-- Proposed Dividend- Rate per share ₹ 1 (Previous Year ₹10 per share)	7,830,000.00	78,300,000.00
-- Corporate Dividend Tax	1,330,709.00	13,307,085.00
Closing Balance	796,494,655.49	844,445,004.71
Total	1,018,730,511.17	1,066,680,860.39
4. Long Term Borrowings		
a) Bank of Baroda Corporate Loan	250,080,000.00	-
b) IDBI Term Loan	-	18,498,400.00
c) Bank of Baroda Term Loan	12,257,976.82	17,222,240.00
	262,337,976.82	35,720,640.00

Sl.no.	Particulars	Non- Current Portion (₹)		Current Maturities (₹)	
		31st March 2014	31st March 2013	31st March 2014	31st March 2013
a	Term Loans (Indian Rupee Loan from Banks(Secured))	262,337,976.82	35,720,640.00	73,585,072.00	23,926,399.82
		262,337,976.82	35,720,640.00	73,585,072.00	23,926,399.82

TERMS OF REPAYMENT OF INDIAN RUPEE TERM LOANS

Name of Bank	IDBI	BOB	BOB
Type of Loan	Term loan	Term loan	Corporate loan
Loan Account No.	137673200000064	05620600010728	05620600011975
Amount sanctioned/availed (₹)	9,25,00,000.00	3,10,00,000.00	30,00,00,000.00
Sanction date	12/01/2009	19/02/2009	03/01/2014
Current interest rate	13.25%	13.00%	13.00%
Total no. of instalments	60	72	72
No. of Instalments paid	48	32	0
No. of balance instalments to be paid	12	40	72
Amount of instalment	1,541,700.00	4,30,556.00	41,60,000.00
Repayment Type	Monthly	Monthly	Monthly
Interest payment type	Monthly	Monthly	Monthly

a Indian Rupee Term Loan from Institutions are secured by:

1 Primary Security:

- i) IDBI Term Loan Account 137673200000064- 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

NOTES FORMING PART OF FINANCIAL STATEMENTS

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 etc and movables (Save and except inventories of all nature, book debts and other current assets which form part of the primary security towards the working capital advance in the ordinary course of business) including movable machinery, machinery spares, tools and accessories present and future.

- ii) Second charge on the Company's stocks of raw-materials, consumable stores, book debts and such other movables.
 - iii) Personal guarantee of Dr. S.N. Sasidharan Kartha, The Managing Director, and Mr. Mathew.M. Cherian, Vice Chairman,
- b) Indian Rupee Term Loan from Bank of Baroda Account No 05620600010728 & Corporate Loan from Bank of Baroda Account No.05620600011975 are secured by:
- i) Paripassu first charge by way of equitable mortgage of 21.35 Acres of land in Survey Nos.92/4A, 92/4B, 97/1A part, 97/1B1, 1B2, 1B3, 97/2B2, 97/3-1, 97/3-2 part, 98/1A part, 98/1B part, 95/4 Part, 95/6 Part, 95/7 part, 96/1-1, 96/1-2, 96/2, 96/3A part, 96/3B part, 96/4 Part, 96/5-1 part, 97/1B-3 part, 97/2A-1 part, 98/1A Part, 132/11-A, 132/12, 132/13, 95/3 part, 95/5 part, 97/3 part 135/3B, 135/2B, 135/2A, 135/1 at Parur Taluk, Kadungallur Village together with building, plant and machinery and movables (Save and except inventories of all nature, book debts and other current assets which form part of the primary security towards the working capital advance in the ordinary course of business) including movable machinery, machinery spares, tools and accessories present and future.
 - ii) Personal guarantee of Dr.S.N. Sasidharan Kartha, The Managing Director.

Particulars	As on 31st March 2014 (₹)	As on 31st March 2013 (₹)
5. Net Deferred Tax Liabilities (Net)		
a. Deferred Tax Liabilities		
-Depreciation on fixed assets	2,232,867.00	3,350,830.00
b. Less Deferred Tax Assets		
- Carry forward loss under IT Act 1961	11,096,140.00	-
Net Deffered Tax Liabilites /Assets	8,863,273.00	3,350,830.00
6. Other Long Term Provisions --		
Provision for Employee Benefits		
-- Provision for AL Encashment	4,299,667.00	4,262,301.00
	4,299,667.00	4,262,301.00
7. Short Term Borrowings		
Cash credit from Bank of Baroda, Aluva against hypothecation of raw materials, stock in process and finished goods and stores spares consumables	296,528,998.67	26,182,246.11
	296,528,998.67	26,182,246.11

NOTES FORMING PART OF FINANCIAL STATEMENTS

1. Terms of repayment of Packing Credits:

PC from Banks is repayable on demand and carries interest @ 11.25% (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
- ii) Second charge by way of equitable mortgage of 21.35 Acres of land in Survey Nos.92/4A, 92/4B, 97/1A part, 97/1B1,1B2,1B3, 97/2B2,97/3-1, 97/3-2 part, 98/1A part, 98/1B part,95/4 Part, 95/6 Part, 95/7 part, 96/1-1, 96/1-2, 96/2, 96/3A part, 96/3Bpart,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 including movable machinery, machinery spares, tools and accessories present and future.
- iii) Personal Guarantee of Dr.S N Sasidharan Kartha, Managing Director.

Particulars	As at 31.03.2014 (₹)	As at 31.03.2013 (₹)
8. Trade Payables	233,386,920.88	35,889,543.28
9. Other Current Liabilities		
Unpaid Dividend*	8,151,658.00	5,613,271.00
Other Payables	90,091,302.32	55,651,529.15
Total	98,242,960.32	61,264,800.15
*This amount represents warrants issued to shareholders which remained unrepresented as on 31 st March 2014		
Other Payables pertains to		
i) Statutory liabilities	1,939,650.00	6,287,926.00
ii) Creditors for capital goods	3,820,768.00	3,816,472.00
iii) Current maturity of long term borrowing	73,585,072.00	23,926,399.82
iv) Others	10,745,812.32	21,620,731.33
10. Short Term Provisions		
Proposed Dividend	7,830,000.00	78,300,000.00
Tax on proposed dividend	1,330,709.00	13,307,085.00
Total	9,160,709.00	91,607,085.00

NOTES FORMING PART OF FINANCIAL STATEMENTS

11 Fixed Assets

(₹)

Sl. No.	ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		At cost as on 1 st April 2013	Additions 2013-14	Deductions 2013-14	Gross Block as on 31 st March 2014	As on 1 st April 2013	Deductions 2013-14	Depreciation 2013-14	Depreciation as on 31 st March 2014	Net Fixed Assets as on 31 st March 2014	Net Fixed Assets as on 31 st Mar 2013
1	Land & Development	59,990,794.00	-	-	59,990,794.00	-	-	-	-	59,990,794.00	59,990,794.00
2	Buildings	91,787,513.04	565,100.00	-	92,352,613.04	60,975,156.13	3,123,189.22	64,098,345.35	64,098,345.35	28,254,267.69	30,812,356.91
3	Plant & Machinery	452,419,113.39	-	-	452,419,113.39	344,367,991.99	16,564,236.92	360,932,228.91	360,932,228.91	91,486,884.48	108,051,121.40
4	Furniture, Office Equipments & other Assets	22,548,459.85	1,457,297.00	-	24,005,756.85	15,536,870.63	1,406,665.23	16,943,535.86	16,943,535.86	7,062,220.99	7,011,589.22
5	Vehicles & material Handling Equipments	27,371,164.50	1,493,781.00	41,190.00	28,823,755.50	16,704,830.64	3,032,989.97	19,697,826.01	19,697,826.01	9,125,929.29	10,666,333.66
	Total	654,117,044.58	3,516,178.00	41,190.00	657,592,032.58	437,584,849.39	24,127,081.34	461,671,936.13	461,671,936.13	195,920,096.45	216,532,195.19
	Previous year	611,674,105.58	43,191,539.00	748,600.00	654,117,044.58	410,796,751.17	27,385,940.69	437,584,849.39	437,584,849.39	216,532,195.19	219,281,518.62

NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	As on	As on
	31st March 2014 (₹)	31st March 2013 (₹)
12 Non Current Investments		
Investment in Equity instruments of other entities 6000 (P.Y 6000) Equity shares of ₹ 10/- each of Bank of Baroda	510,000.00	510,000.00
Investment in KEIL - Share Capital	1,750,000.00	1,750,000.00
CMRL Employees Co-Operative Society	97,739.00	-
Investment in Kerala Rare Earths and Minerals Ltd		
i) Share Capital	100,000.00	100,000.00
ii) Share application money pending allotment	136,026,041.00	136,026,041.00
Total	138,483,780.00	138,386,041.00
Aggregate Cost of quoted investments	510,000.00	510,000.00
Aggregate market value of quoted investments	4,324,500.00	4,066,800.00
Aggregate value of unquoted investments	1,850,000.00	1,850,000.00
13. Long Term Loans and Advances		
(Unsecured, considered good)		
(a) Capital advances	73,296,682.00	23,603,337.00
(b) Deposits with others	5,015,733.00	4,462,169.00
Total	78,312,415.00	28,065,506.00
14. Inventories (at lower of cost or net realisable value)		
Raw Materials and chemicals	596,320,806.50	356,720,432.65
Finished goods	281,602,073.00	338,695,831.00
Stores Spares Consumables and packing materials	22,784,782.75	24,885,955.00
Work in Progress	23,422,560.00	62,577,466.00
Others - Fuel etc	2,501,844.30	2,753,062.97
Total	926,632,066.55	785,632,747.62
15. Trade Receivables		
Unsecured, considered good*	180,619,117.00	12,552,115.14
Total	180,619,117.00	12,552,115.14
* Includes an amount of ₹ 142457/- (P Y ₹ 115280) outstanding for a period exceeding from the date they are due for payment		
16. Cash and Cash Equivalents		
Cash on hand	1,202,193.52	565,949.37
Balance with Banks		
--Call Accounts	273,057,989.79	81,894,015.39
-- Unpaid Dividend a/c	8,151,658.00	5,613,271.00
--- Deposit Account	Nil	Nil

NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	As on 31st March 2013 (₹)	As on 31st March 2012 (₹)
Other Bank Balances:		
--Margin money accounts for Bank guarantee	19,377,311.00	826,914.00
Total	301,789,152.31	88,900,149.76
Of the above, the balances that meet the definition of Cash and cash equivalents as per AS -3 Cash Flow Statement is :	274,260,183.31	82,459,964.76
17. Short Term Loans and Advances (Unsecured, considered good)		
a) Advances to related parties (Refer Note No. 35)	Nil	Nil
b) Others	Nil	Nil
i) Advances recoverable in cash or in kind or for value to be received	24,257,730.39	15,792,711.06
ii) Deposits	17,151,165.00	1,031,298.00
ii) KVAT Credit & CST receivable	27,197,514.64	34,884,812.64
iii) Balance with central Excise Authorities	4,508,667.79	24,735,784.79
iv) Income Tax Advance	5,179,189.00	5,120,545.00
Total	78,294,266.82	81,565,151.49
18. Revenue from operations		
Manufactured goods		
Synthetic Rutile	1,150,056,870.00	1,815,122,285.00
Ferric Chloride	190,481,110.00	140,494,598.00
Ferrous Chloride	6,251,019.00	30,162,459.00
Iron Hydroxide	1,716,830.00	4,643,715.00
Recovered TiO ₂	1,179.00	Nil
Total - Sale of Manufactured goods	1,348,507,008.00	1,990,423,057.00
19. Other Income		
Interest on Deposits	394,832.00	9,319,192.00
Sales on Ilmenite tailings	55,513.00	307,416.00
Dividend on BOB Shares	205,000.00	102,000.00
Exchange rate difference in sales realization	-	3,680,802.00
Profit/Loss on sale of vehicle	3,804.60	4,242.47
Exchange rate difference in import L/C realization	11,932,948.00	Nil
Total	12,592,097.60	13,413,652.47
20. Cost of Material Consumed		
Material consumed comprises of		
Ilmenite	465,605,154.43	867,800,586.80
Coke & Coal	36,548,842.57	42,804,183.26
HCl	83,420,629.67	114,088,818.66
Chlorine	6,862,440.48	7,680,522.81
Total	592,437,067.15	1,032,374,111.53

NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	As on 31st March 2014 (₹)	As on 31st March 2013 (₹)
21. Change in Inventories of finished goods and work in progress		
Opening Stock		
Work -in-Progress	62,577,466.00	12,605,557.00
Finished goods	338,695,831.00	38,569,705.00
Total	401,273,297.00	51,175,262.00
Closing Stock		
Work -in-Progress	23,422,560.00	62,577,466.00
Finished goods	281,602,073.00	338,695,831.00
Total	305,024,633.00	401,273,297.00
Increase in inventories of Finished goods and work in progress - Total	96,248,664.00	(350,098,035.00)
22. Other Direct Manufacturing Expenses		
Power and water	18,898,482.00	19,167,398.00
Fuel	79,938,512.67	93,421,716.61
Chemicals and Sludge Handling charges	57,319,228.00	103,475,484.00
Stores spares, consumables and packing materials	84,308,078.25	71,175,845.00
Total	240,464,300.92	287,240,443.61
23. Employee Benefit Expenses		
Salaries, Wages and Bonus	104,262,741.00	128,436,395.57
Contribution to provident and other funds	6,008,074.20	13,869,629.00
Staff Welfare Expenses	23,189,464.00	20,578,688.00
Total	133,460,279.20	162,884,712.57
24. Finance Cost		
Interest Expenses	38,394,294.60	18,832,574.75
Other Borrowing costs	157,134.00	74,385.00
Total	38,551,428.60	18,906,959.75
25. Other Expenses		
Repairs and Maintenance - Machinery	23,210,217.00	23,976,084.00
Repairs and Maintenance - Building	20,646,144.00	10,427,406.00
Repairs and Maintenance -Others	10,637,505.00	6,653,753.00
Laboratory and factory General Expenses	661,828.00	1,037,691.00
Insurance	202,191.00	2,142,601.00
Rates and Taxes	978,508.04	2,121,861.00
Postage, Telephone Telex	1,043,012.00	1,003,343.00

NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	As on	
	31st March 2014 (₹)	31st March 2013 (₹)
Printing and stationery	1,081,403.00	1,467,972.00
Travelling expenses	6079620.42	4,562,035.29
Auditors Remuneration		
--Statutory Audit	75,000.00	75,000.00
--- Tax Audit	25,000.00	25,000.00
Commission to Directors		6,482,000.00
Sitting fees	520,000.00	570,000.00
Legal and Professional charges	5,949,524.00	4,826,524.00
AGM Expenses	664,619.00	596,421.00
Stock Exchange Listing fee	25,000.00	25,000.00
Share Transfer Expenses	148,718.00	176,060.00
Subscription and contribution	2,284,308.00	788,540.00
Research and Development Expenses	110,000.00	120,000.00
Advertisement Expenses	17,804,639.00	9,748,463.00
ISO Expenses	48,000.00	142,000.00
Shipping, transportaiton and freight clearing and forwarding including Terminal Handling charges	68,427,061.06	56,498,069.87
Export Duty	43721430.00	-
Sales Commission	5171214.00	3,624,606.00
Sales Promotion expenses	29,868,845.09	20,378,090.58
Foreign Exchange loss on sales realization, Trade adv. Repayment.EEFC	16,697.00	4,768,797.00
Total	241,220,202.61	162,237,317.74

26. Excise duty on sales for the year has been disclosed as reduction from the turnover. Excise Duty payable on Stock of Finished Goods ₹ 3,105,840.00 (previous year ₹ 2,321,899.00) is provided for and included in the value of stock of finished goods.
27. Contingent Liabilities:
- a) Contingent Liabilities Not Provided for
- i) Bank Guarantees issued on behalf of the Company by Bank of Baroda outstanding as on 31/03/2014 is ₹ 3,733,565/- (₹ 4,733,010/- as on 31/03/2013) for which the Company has given counter guarantee.
- ii) Bills discounted not maturing on:
- | | |
|------------|-----------------|
| 31/03/2014 | ₹ 59,025,460.40 |
| 31/03/2013 | ₹ 81,669,729.40 |

NOTES FORMING PART OF FINANCIAL STATEMENTS

28. Value of Raw Materials, stores and spares consumed:

	Amount (₹) 31.03.2014		Amount (₹) 31.03.2013	
	Value	%	Value	%
Raw Material				
Imported	66,404,990.00	11.44	430,393,509.00	41.69
Indigenous	526,032,077.14	88.56	601,980,602.53	58.31
Total	592,437,067.14	100.00	1,032,374,111.53	100.00
Stores, Spares, Consumables and Packing Materials				
Imported	2,870,096.00	3.40	21,993,756.00	30.90
Indigenous	81,437,982.25	96.60	49,182,089.00	69.10
Total	84,308,078.25	100.00	71,175,845.00	100.00

29. Value of imports on CIF Basis

	31.03.2014 Amount (₹)	31.03.2013 Amount (₹)
	Raw materials	464,555,172.00
Consumables	2,870,096.00	21,993,756.00
Packing Materials	Nil	Nil

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

Foreign Travel	492,136.00	573,794.00
Trade Advance repayment	-	31,785,409.00
Other Expenses	7,507,541.00	12,377,121.00
TOTAL	7,999,677.00	44,736,324.00

31. Earnings in foreign Currency

FOB Value of Exports (₹)	1,059,617,223.00	1,922,126,571.00
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32. Sales and stock Particulars of Finished Goods

Finished Goods	Sales Value (₹)	Closing Inventory (₹)	Opening Inventory (₹)
Current Year	1,348,507,008.00	281,602,073.00	338,695,831.00
Previous Year	1,990,423,057.00	338,695,831.00	38,569,705.00

NOTES FORMING PART OF FINANCIAL STATEMENTS

33. Employee Benefits

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

	31 st March 2014 (₹)	31 st March 2013 (₹)
I) Change in Benefit Obligation		
Liability at the beginning of the year	27,305,275.00	19,160,525.00
Interest Cost	2,184,422.00	1,532,842.00
Current Service Cost	1,588,072.00	1,303,250.00
Benefit paid / Payable	(1,322,994.00)	(688,843.00)
Actuarial (gain)/loss on obligation	(1,688,349.00)	5,997,501.00
Liability at the end of the year	28,066,426.00	27,305,275.00
II) Fair value of Plan Assets		
Fair value of plan assets at the beginning of the year	29,662,384.00	21,012,417.00
Expected Return on plan Assets	25,57,717.00	1,974,144.00
Contributions	3,25,800.00	73,64,666.00
Benefit paid	(13,22,994.00)	(6,88,843.00)
Actuarial (loss) on Plan Assets	0.00	0.00
Fair value of Plan Assets at the end of the year	31,222,907.00	29,662,384.00
III) Actual Return on Plan Assets		
Actuarial (gain) on obligations	1,688,349.00	(5,997,501.00)
Actuarial (loss) on Plan Assets	0.00	0.00
Actual Return on Plan Assets	(1,688,349.00)	5,997,501.00
IV) Amount recognised in the Balance Sheet		
Liability at the end of the year	28,066,426.00	27,305,275.00
Fair value of Plan Assets at the end of the year	31,222,907.00	2,96,62,384.00
Amount recognised in the Balance Sheet	(3,156,481.00)	(2,357,109.00)
V) Expenses Recognised in the Income Statement		
Current Service cost	1,588,072.00	1,303,250.00
Interest Cost	2,184,422.00	1,532,842.00
Expected Return on Plan Assets	(2,557,717.00)	(1,974,144.00)
Net Actuarial loss (Gain) to be recognized	(1,688,349.00)	5,997,501.00
Expenses recognised in P & L	(473,572.00)	6,859,449.00
VI) Balance Sheet Reconciliation		
Opening Net Liability	(2,357,109.00)	(1,851,892.00)
Expenses as above	(473,572.00)	6,859,449.00
Employers' Contribution	(325,800.00)	(7,364,666.00)
Amount recognised in the Balance Sheet	(3,156,481.00)	(2,357,109.00)
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%
Mortality	Indian Lives Mortality (1994-96) Ultimate Table	

NOTES FORMING PART OF FINANCIAL STATEMENTS

34. Employees Remuneration and Benefits includes Director's Remuneration of ₹ 3,696,000/- comprising

Sl. No.	Particulars	Dr. S N Sasidharan Kartha, Managing Director		Shri Saran S Kartha, Joint Managing Director	
		31.03.2014	31.03.2013	31.03.2014	31.03.2013
1	Salaries and allowances	1,500,000.00	32,229,800.00	18,00,000.00	18,00,000.00
2	Contribution to Provident Fund	180,000.00	180,000.00	216,000.00	216,000.00
	Total (₹)	1,680,000.00	32,409,800.00	2,016,000.00	2,016,000.00

35. 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 , M/s Kerala Rare Earths & Minerals Ltd.
 - ii) Key Management Personnel : Dr. S. N.Sasidharan Kartha
: Mr. Saran S Kartha
- b) Transactions with related parties :

Transactions with related parties	Nature of Transaction (₹)	Amount (₹)
M/s Sach Exports Pvt Ltd	Supply of goods i.e packing material and cement on cash basis	5,576,519.00
	Dividend paid during the year 2013-2014	2,517,600.00
Kerala Rare Earths & Minerals Ltd.	Advance Paid for purchase of land	50,744,040.00
Key Management Personnel		
Dr. S. N Sasidharan Kartha, Managing Director	Salary/Commission paid	1,680,000.00
	Dividend paid during the year 2013-2014	11,994,650.00
Mr. Saran S Kartha, Joint Managing Director	Salary paid	2,016,000.00
	Dividend paid during the year 2013-2014	1,517,010.00

36. Earnings per share.

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

Particulars	31 st March 2014	31 st March 2013
Face value per share (₹)	10	10
Net Profit after Tax (₹)	(38,789,640.22)	433,431,686.58
Basic and Diluted Earnings per share (₹)	-	55.36

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

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

Place : Aluva
05.05.2014

As per Annexed Report of even date
Sd/-

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

Sd/-
R.K. Garg
Chairman

Sd/-
Mathew M Cherian
Vice-Chairman

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

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

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

1. Particulars of the shareholder

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

2. Particulars of the Bank

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

- e) Account Type (Savings Account, Current Account or Cash Credit) : PLEASE TICK RELEVANT BOX

SAVINGS	CURRENT	CASH CREDIT
---------	---------	-------------

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

DECLARATION

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

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

Place: Name: _____

Date: Address: _____

_____ Pin Code _____

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

