

MD			BKC	
CS	MA		DPY	MA
RO	✓		DIV	MA
TRA	MA		AC	✓
AGM	✓	✓	SEI	✓
YE	✓	✓		✓



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COCHIN MINERALS AND RUTILE LIMITED

ANNUAL REPORT

1997 - 98



COCHIN MINERALS AND RUTILE LIMITED

BOARD OF DIRECTORS

R.K. Garg	-	Chairman
Mathew M. Cherian	-	Vice Chairman
S.N. Sasidharan Kartha	-	Managing Director
Padmasree M.R. Kurup	-	Director
V.N.P. Nair	-	Director
G. Raman Pillai	-	Director
G.R. Warriar	-	Director

AUDITORS

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

LEGAL ADVISORS

M/s Matthai & Matthai,
Advocates,
Ernakulam.

BANKERS

1. Bank of Baroda, Aluva.
2. Canara Bank, Banerji Road, Ernakulam.
3. State Bank of India, Aluva.

REGISTERED OFFICE

P.B. No. 73, XVIII/219, Market Road,
Aluva - 683 101.

FACTORY

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



NOTICE TO THE SHAREHOLDERS

The 9th Annual General Meeting of Cochin Minerals and Rutile Limited will be held on 24th September, 1998 at 3.30 p.m. at the Municipal Town Hall, Aluva to transact the following business:

A. ORDINARY BUSINESS

1. Adoption of Accounts

To receive, consider and adopt the audited accounts of the Company for the financial year ended 31st March, 1998 together with Directors' Report and Auditors' Report.

2. Appointment of Directors

To appoint Directors in the place of Padmasree M.R. Kurup and Shri. G.R. Warriar who retire by rotation and being eligible, have offered themselves for re-appointment.

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

"RESOLVED that the retiring Director, Padmasree M.R. Kurup be and is hereby reappointed as Director of the Company subject to retirement by rotation."

"RESOLVED that the retiring Director, Shri. G.R. Warriar be and is hereby reappointed as Director of the Company subject to retirement by rotation."

3. Appointment of Auditors

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

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

B. SPECIAL BUSINESS

1. Reappointment of Managing Director

To consider and if thought fit to pass the following resolution as ordinary resolution.

"RESOLVED that, Shri. S.N. Sasidharan Kartha, Managing Director be and is hereby reappointed as the Managing Director of the Company for a period of 5 years with effect from 01.04.1998 on the following terms and conditions:

- (i) Subject to the provisions of Sections 198 and 309 of the Companies Act, 1956 and in terms of Section I, Part II of Schedule XIII to the said Act, in financial years where profits are enough, Company may pay a remuneration by way of salary, dearness allowance, perquisites, commission and other allowances not exceeding 5% of its net profits.
- (ii) And in financial years during the currency of his tenure as Managing Director, if the Company has no profits or profits are inadequate, Company may pay remuneration, by way of salary, dearness allowance, perquisites and any other allowances, as minimum salary calculated in terms of Section II, Part II of Schedule XIII of the Companies Act, 1956."

Note

Explanatory statement as required under Section 173 (2) of the Companies Act, 1956.

Reg. B(1) The present Managing Director, Shri.S.N. Sasidharan Kartha has been appointed for a period of 5 years with effect from 18.08.1994 on the terms and conditions approved by Annual General Meeting dt. 29.09.1995 and Financial Institutions. Considering the present status of the Company, the cost of living and the low salary being paid to him, it is proposed to reappoint him as Managing Director for a further period of 5 years with effect from 01.04.1998 on revised terms and conditions. None of the Directors of the company except Shri. S.N. Sasidharan Kartha is concerned with or interested in the resolution.

By Order of the Board,
Sd/-

Place: Aluva
Date : 10-06-98

S.N. Sasidharan Kartha,
Managing Director.

NOTE

1. Member's Register shall remain closed from 9th day of September, 1998 to 24th day of September, 1998 (Both days inclusive).
2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself, and a proxy need not be a member.
3. Proxy form in order to be effective, should be duly completed and signed, must be deposited at the Registered Office of the Company not less than 48 hours before the meeting.

DIRECTORS' REPORT TO THE MEMBERS

Your Directors have pleasure in presenting the Ninth Annual Report of the Company along with the audited statements of account for the year ended 31st March 1998.

1. *Performance*

The Company achieved synthetic rutile production of 11,971.590 MTs during the year which is about 6.5% more than the previous year's production and 95.8% of the installed capacity. This is inspite of the very low production of about 30% during the first four months of the year due to scarcity of hydro chloric acid caused by the 100% power cut in the State. The production of Ferric Chloride (Quantity 2837.200 MTs) could not be improved because of the limited export demand and restrictions on local sales. The sales turnover was Rs. 1,934.68 lakhs. The foreign exchange earning during the year amounted to US\$ 4.55 millions (Rs. 1,693.44 lakhs). The lower sale during the year as compared to the previous year was due to the accumulation of stock necessitated by the customer's requirement of bulk shipment of 5000 MTs in one lot and partly due to lower price realisation.

The Company's operation during the year resulted in a net profit of Rs. 66.20 lakhs. The low profitability during the year as compared to the previous year, is due to the decline in the world price of Synthetic Rutile. Despite earning profits during the year under review, the Company still has an accumulated loss of Rs. 365.14 lakhs as on March 31, 1998 and as such your Directors regret their inability to declare any dividend this year also.

2. *Statutory approvals and licences*

The Company has got renewed all statutory approvals and licences from various Departments/Agencies for carrying on its normal business.

3. *Industrial Relations*

The long term agreement with the Trade Unions of the Employees had resulted the Company performing satisfactorily and the employee morale is quite high as can be observed from the performance.

4. *Market*

During the year under review the Company exported 7,486.500 MTs of Synthetic Rutile and 1,291.360 MTs of Ferric Chloride. As mentioned above, the Company had to carry a large inventory of Synthetic Rutile to be able to ship a big lot of 5000 tonnes to the foreign buyer. Although the international market for Titanium raw materials is not very buoyant and your

Company encountered stiff competition from the Synthetic Rutile produced in very large quantities in Australia and Titanium slag produced in three countries, we have been able to maintain our market among Japanese customers by observing strict quality standards and delivery schedules.

The matter regarding price fixation of Ferric Chloride before we can undertake unrestricted sale in the domestic market, is still pending with the Customs Authorities.

5. *Energy Conservation and Technology Development*

The statements in Form A for Energy Conservation and Form B on Technology upgradation are enclosed. Critical equipment utilisation has been optimised and this has resulted in improved production and productivity.

6. *Foreign Exchange Earnings*

During the year under review, the Company earned Foreign Exchange equivalent to FOB value of Rs. 1,693.44 lakhs (US\$ 45,48,871.36). The utilisation of foreign exchange was to the extent of Rs. 54,08,513.00 (US\$ 1,49,085.00) Statement in Form 'C' is enclosed.

7. *Pollution Control*

The reconstructed plant is performing satisfactorily to maintain the quality of effluents as per the standards fixed by the Pollution Control Board.

8. *Maximum Remuneration*

No employee in the service of the Company draws annual remuneration of Rs. 3,00,000.00 or more per year or Rs. 25,000.00 or more per month for any part of the reporting year as per Section 217 (2A) of the Companies Act, 1956.

9. *Auditors*

M/s Lazar & George, Chartered Accountants, Aluva were appointed as Auditors of the Company for the year under review.

10. *Future Plans*

In view of the poor offtake of Ferric Chloride in overseas markets and the difficulties faced in the supply of Hydrochloric Acid, it is felt necessary to install an Acid Regeneration Plant.

With this the effluent processing cost and disposal problems can be minimized. The estimated cost of Acid Regeneration Plant is Rs. 1000 lakhs. Additional equipments for further quality improvement of Synthetic Rutile, Automatic Bagging Plant and Offgrade TiO_2 Recovery plant are also proposed to be installed for improving the efficiency of our Company.

II. Directors

As per the provisions of the Companies Act, 1956 your Directors Padmasree M.R. Kurup and Shri. G.R. Warriar retire by rotation in the Annual General Meeting and being eligible offer themselves for reappointment.

12. Acknowledgement

Your Directors wish to express their sincere thanks for the co-operation and assistance rendered to the Company by - KSIDC, IDBI, IFCI, ICICI, Bank of Baroda, Travancore Cochin Chemicals Ltd., Indian Rare Earths Ltd., Neyveli Lignite Corporation Ltd., and other public and private bodies. The Directors have also pleasure to express their appreciation of the work done by the employees of the Company at all levels.

Aluva,
Date:10-06-98

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

Annexure to Directors' Report

Statement containing particulars, pursuant to companies (Disclosure of particulars in the report of Board of Directors) Rules 1988 and forms part of 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	13,29,933.00 KWH	8,73,180 KWH
Total Amount	12,56,750.00	8,66,670.00
Rate/Unit	Rs. 0.35/ KWH + Rs. 45/ KVA + surcharge @2.50 ps. per unit	Rs.0.67/KWH + Rs.45/KVA + surcharge @2.50ps. per unit
(b) Own generation		
Through diesel generator		
Unit	6,13,931 KWH	10,91,580 KWH
Units per ltr. of diesel oil	2.55 units/ltr.	2.50 units/ltr.
Cost/unit	Rs. 4.63	Rs.3.50
Through steam turbine/generator		
Units	Nil	Nil
Units per ltr. fuel oil/gas	Nil	Nil
Cost/units	Nil	Nil
2. Coal (specify quality and where used)		
Total cost	Nil	Nil
Average rate		
3. Furnace Oil		
Quantity (k.ltrs.)	1646.0725 KL	1721.8818 KL
Total amount	Rs. 81,82,892.55	Rs.1,36,88,344.73
4. Others/internal generation (please give details)		
Quantity		
Total cost	Nil	Nil
Rate/unit		

B. Consumption per unit of production

Standards (if any)	Current Year	Previous Year
	1	2
Products (with details) unit		
Electricity	162 Units	175 Units
Furnace Oil	137 Ltrs.	153 Ltrs
Coal (specify quality)	Nil	Nil
Others (specify)	Nil	Nil

NOTES:

- (1) Please give separate details of different products/items produced by the Company and covered under these rules.
- (2) Please give reasons for variation in the consumption of power and fuel from standards of previous year.
- (3) In case of production of different varieties/specifications consumption details may be given for equivalent production.