



COCHIN MINERALS AND RUTILE LIMITED

AN ISO 9001:2008 COMPANY

**ANNUAL REPORT
2009-2010**

COCHIN MINERALS AND RUTILE LIMITED

BOARD OF DIRECTORS

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

AUDITORS

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

LEGAL ADVISORS

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

BANKERS

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

REGISTRARS & SHARE TRANSFER AGENTS

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

REGISTERED OFFICE

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

FACTORY

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

NOTICE TO THE SHAREHOLDERS

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

AS ORDINARY BUSINESS

1. Adoption of Accounts

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

2. Declaration of Dividend

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

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

3. Appointment of Directors

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

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

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

4. Appointment of Auditors

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

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

By Order of the Board

Sd/-

S.N. Sasidharan Kartha,
Managing Director.

Place : Aluva
Date : 26.07.2010

Notes:

- 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.**
- The Share Transfer Books and Register of members of the Company shall remain closed from 9th September 2010 to 18th September 2010 (both days inclusive).
- 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.
- 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.
- In terms of section 205 (c) of the Companies Act, dividend amounts that have remained unclaimed/unpaid for a period of 7 years from the date they became due for payment shall be credited to the Investor Education and Protection Fund of the Central Government and no claim shall lie against the fund. The particulars of unclaimed/unpaid dividends declared from financial year 2006-2007 are given below:

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

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

Additional Information in respect of directors reappointed are appended hereunder

Shri. Mathew M Cherian

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

Shri. A J Pai

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

Smt. Jaya S Kartha

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

DIRECTORS' REPORT

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

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

DIVIDEND

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

OPERATIONS

a) Production

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

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

b) Sales

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

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

c) Foreign Exchange

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

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

d) Profit

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

MANAGEMENT DISCUSSION AND ANALYSIS

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

DIRECTORS

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

CORPORATE GOVERNANCE

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

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

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

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

ISO CERTIFICATION

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

AWARDS

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

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

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

AUDITORS

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

STATUTORY APPROVALS & LICENCES

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

INDUSTRIAL RELATIONS

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

ENERGY CONSERVATION

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

PARTICULARS OF EMPLOYEES

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

FIXED DEPOSITS

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

DEMATERIALISATION

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

LISTING

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

ACKNOWLEDGEMENTS

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

Place: Aluva,
Date : 26.07.2010

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

Annexure -I to the Directors' Report.

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

A. CONSERVATION OF ENERGY

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

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

B. Consumption per unit of production

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