

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 31 st March 2014	Year ended 31 st 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.

DEMATERIALIZATION

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.4.10/KWH+
		Rs.300/KVA+	Rs.300/KVA+
		0.10/KWH+	0.10/KWH+
		<u>Surcharge@0.025</u>	<u>Surcharge@0.025</u>
		Ps. Per KWH+	Ps. Per KWH +
		Part there of)	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