



COCHIN MINERALS AND RUTILE LTD. (100% E. O. U.)
(AN ISO 9001 : 2015 COMPANY)

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

02020B/CMRL/2020/ 050

September 7, 2020

B S E Ltd,
Regd. Office : Floor 25
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001.

STOCK CODE - COCHRDM 513353
DEMATISIN - INE 105D01013

Dear Sirs,

Sub: Annual Report for the year 2019-2020

We forward herewith Annual report of our company for the year 2019-2020

Thanking you,

Yours faithfully,
for COCHIN MINERALS AND RUTILE LIMITED,

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



GSTIN: 32AABCC1950D1ZD

An Eco-Friendly model company

39464



COCHIN MINERALS AND RUTILE LIMITED

AN ISO 9001:2015 COMPANY

A MODEL ECOFRIENDLY COMPANY

**ANNUAL REPORT
2019-2020**

COCHIN MINERALS AND RUTILE LIMITED

BOARD OF DIRECTORS

| | | |
|------------------------------|---|-------------------------|
| Shri. R. K. Garg | - | Chairman |
| Shri. Mathew M. Cherian | - | Director |
| Shri. Achutha Janardhana Pai | - | Director |
| Shri. G. R. Warriar | - | Director |
| Shri. R. Ravichandran | - | Director |
| Shri. T. P. Thomaskutty | - | Director |
| Smt. Jaya S. Kartha | - | Director |
| Shri. Anil Ananda Panicker | - | Director |
| Shri. Nabel Mathew Cherian | - | Director |
| Shri. Saran S. Kartha | - | Joint Managing Director |
| Dr. S. N. Sasidharan Kartha | - | Managing Director |

AUDITORS

A.K. Muralee & Company
Chartered Accountants,
Edapally, Kochi

SECRETARIAL AUDITORS

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

LEGAL ADVISORS

M/s Mathai & Mathai,
Advocates,
Ernakulam

M/s Menon & Pai,
Advocates,
Ernakulam

BANKERS

1. Bank of Baroda, Aluva.
2. State Bank of India, Aluva
3. IDBI Bank Ltd., Cochin.

REGISTRARS & SHARE TRANSFER AGENTS

M/s S.K.D.C Consultants Limited,
Kanapathy Towers, 3rd Floor, 1391/A, Sathy Road,
Ganapathy, Coimbatore – 641 006
Ph: 0422-4958995, 2539835, 2539836, Fax: 0422-2539837
E-mail: info@skdc-consultants.com

REGISTERED OFFICE

P.B. No. 73, VIII/224, Market Road,
Aluva – 683 101, Kerala.
Tel : 0484 – 2626789, Fax : 0484 - 2625674
E-mail : cmrlexim@cmrlindia.com, cmrlexim@dataone.in
CIN NO. L24299KL1989PLC005452

FACTORY

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

NOTICE TO THE SHAREHOLDERS

Notice is hereby given that the 31st Annual General Meeting of the shareholders of Cochin Minerals and Rutile Limited will be held on Monday, 28th September, 2020 at 12.00 Noon through Video Conferencing (“VC”) or Other Audio Visual Means (“OAVM”) to transact the following business:

ORDINARY BUSINESS

1. Adoption of Audited Financial Statements

To receive, consider and adopt the audited financial statements of the Company for the financial year ended 31st March, 2020 together with the Reports of the Board of Directors’ and Auditors’, thereon.

2. Confirmation of Interim Dividend

To consider and if deemed fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED that an Interim Dividend of Rs 2/- (Rupees two only) per equity share of Rs 10/- paid up, declared by the Board of Directors of the Company on 04.02.2020 for the financial year 2019-2020, be and is hereby approved as final dividend for the year ended 31st March, 2020.”

3. Appointment of Director - To appoint a Director in place of Shri. Mathew M Cherian (DIN : 01265695), who retires by rotation and being eligible, offers himself for reappointment and in this connection.

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

“RESOLVED that the retiring Director Shri. Mathew M Cherian (DIN : 01265695) be and is hereby reappointed as Director of the company subject to retirement by rotation.”

4. Appointment of Director - To appoint a Director in place of Smt. Jaya S Kartha (DIN : 00666957), who retires by rotation and being eligible, offers herself for reappointment and in this connection:

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

“RESOLVED that the retiring Director Smt. Jaya S Kartha (DIN : 00666957) be and is hereby reappointed as Director of the company subject to retirement by rotation.”

SPECIAL BUSINESS

5. Re-appointment of Managing Director

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

“RESOLVED that pursuant to the provisions of Sections 197 and 198 read with schedule V and other applicable provisions, if any, of the Companies Act 2013, including any statutory modifications or re-enactments thereof for the time being in force, the consent of the Company be and is hereby accorded for the appointment of Dr. S N Sasidharan Kartha, Managing Director of the Company (DIN : 00856417) to hold office for a period of 3 (Three) years effective from 1st April, 2021 on the following terms and conditions.

- (i) Subject to the provisions of Sections 197 and 198 of the Companies Act 2013 read with Schedule V to the said Act, in financial years where profits are adequate, the Company may pay a remuneration by way of salary, perquisites, dearness allowance, commission and other allowances together not exceeding 5 (five) percent of the net profits of the Company and,
- (ii) in financial years where the Company has no profits or the profits are inadequate, the Company may pay remuneration by way of salary not exceeding Rs.25.00 lakhs per month and perquisite and allowances by way of contribution to PF at 12% of salary, gratuity at 15 days salary per completed year of service for the whole period of his continuous service with the company, leave encashment and other perquisites/allowances, as per Rules of the Company, as minimum remuneration as per Schedule V to the Companies Act 2013 or any statutory modifications or re-enactments thereof for the time being in force.”

6. Re-appointment of Independent Director – Shri. T P Thomaskutty

To consider and if deemed fit, to pass with or without modification(s), the following resolution as a SPECIAL RESOLUTION:

RESOLVED that pursuant to Section 149 and read with Section 150, 152 and Schedule IV and other applicable provisions of the Companies Act, 2013, the Rules thereunder (including any statutory modification(s) of re-enactment(s) thereof for the time being in force) and in terms of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Shri. T P Thomaskutty (DIN : 01473957), Director who holds office upto the date of this Annual General Meeting be and is hereby reappointed as an Independent Director of the Company, for a period of five consecutive years, not liable to retire by rotation, with effect from 24.05.2020.

By Order of the Board

Place : Aluva
Date : 21.08.2020

Dr. S.N. Sasidharan Kartha,
Managing Director.
(DIN: 00856417)

NOTES:

1. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as “MCA Circulars”) permitted the holding of the Annual General Meeting (“AGM”) through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and MCA and SEBI Circulars, the AGM of the Company is being held through VC / OAVM.
2. **IN TERMS OF THE MCA CIRCULARS AND SEBI CIRCULAR NO. SEBI/HO/CFD/CMD1/CIR/P/2020/79 DATED MAY 12, 2020, THE REQUIREMENT OF SENDING PROXY FORMS TO HOLDERS OF SECURITIES AS PER PROVISIONS OF SECTION 105 OF THE ACT READ WITH REGULATION 44(4) OF THE LISTING REGULATIONS, HAS BEEN DISPENSED WITH. THEREFORE, THE FACILITY TO APPOINT PROXY BY THE MEMBERS WILL NOT BE AVAILABLE AND CONSEQUENTLY, THE PROXY FORM AND ATTENDANCE SLIP ARE NOT ANNEXED TO THIS NOTICE CONVENING THE 31st AGM OF THE COMPANY (THE “NOTICE”).**

However, in pursuance of Section 113 of the Act and Rules framed thereunder, the corporate members are entitled to appoint authorized representatives for the purpose of voting through remote e-Voting or for the participation and e-Voting during the AGM, through VC or OAVM. Institutional Shareholders (i.e., other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF / JPG Format) of the relevant Board Resolution / Power of Attorney / appropriate Authorization Letter together with attested specimen signature(s) of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail through its registered e-mail address to mohansassociates@gmail.com with a copy marked to helpdesk.evoting@cdslindia.com.
3. The Register of Members and Share Transfer Books of the Company shall remain closed from 22nd September, 2020 to 28th September, 2020 (both days inclusive) as per Clause 42 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015.
4. Members are requested to address all correspondence including change of address and dividend matters to the Registrars and Share Transfer Agents of the Company, M/s S K D C Consultants Ltd., Kanapathy Towers, 3rd Floor, 1391/A, Sathy Road, Ganapathy, Coimbatore – 641 006.
5. Members who wish to claim dividends, which remain unclaimed, are requested to correspond with Company Secretary/Share Transfer Agents of the Company. Members are requested to note that in terms of Section 124 (5) of the Companies Act, 2013 dividends not claimed within seven years from the date of transfer to the Company’s Unpaid Dividend Account, as per the Companies Act, will be transferred to the Investor Education and Protection Fund of the Central Government and no claim shall lie against the fund. The particulars of unclaimed/unpaid dividends declared from financial year 2012-2013 are given below:

| Financial Year ended 31 st March | Date of Declaration | Last date for claiming |
|--|---------------------|------------------------|
| 2013 | 09.07.2013 | 08.07.2020 |
| 2014 | 07.07.2014 | 06.07.2021 |
| 2020 | 04.02.2020 | 03.02.2027 |

6. Additional information in respect of Directors seeking appointment / re-appointment as required under Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 entered into with Stock Exchange and as per SS-2 are provided as Annexure to this notice.
7. As per the green initiative taken by the Ministry of Corporate Affairs, the shareholders are advised to register their e-mail address with the company in respect of shares held in physical form and with concerned Depository Participant (DP) in respect of shares held in electronic form to enable the Company to serve documents in electronic form.
8. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. Members are requested to submit the said details to their DP in case the shares are held by them in electronic form and to S K D C Consultants Ltd, in case the shares are held in physical form.
9. As per Regulation 40 of SEBI (LODR) Regulations, 2015 as amended, securities of listed companies can be transferred only in dematerialised form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrar and Transfer Agents, S K D C Consultants Ltd for assistance in this regard.
10. Members holding shares under multiple folios in the identical order of names are requested to consolidate their holdings into one folio.
11. In case of joint holders attending the meeting, only such joint holder, who is higher in the order of names, will be entitled to vote at the meeting.
12. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
13. The Board of Directors has appointed Mrs. Malathy N, (Membership No. ACS: 20399, C.P. No. 23062), Partner, M/s. MOHANS & Associates, Company Secretaries, or in her absence, Mr. Srikant Mohan, (Membership No. FCS 6177, C.P. No. 11112), Partner, M/s. MOHANS & Associates, Company Secretaries, as Scrutinizer to scrutinize e-voting process including remote e-voting in a fair and transparent manner and to ascertain requisite majority.
14. The Scrutinizer shall, immediately after the conclusion of voting at the Annual General Meeting, first count the votes casted at the meeting, thereafter unblock the votes casted through remote e-voting/e-voting and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes casted in favor or against, if any, to the Chairman of the Company or by a Person authorized by him who shall countersign the same.
15. The Scrutinizer shall submit her Report to the Chairman and the result will be announced at the Registered Office of the Company, by the Chairman of the Company or by a Person authorized by him within 48 hours of conclusion of the Annual General Meeting. A copy

of the same will be posted in the company's website: www.cmrlindia.com and a copy will be forwarded to the BSE Ltd. where the shares of the Company are listed.

INSTRUCTIONS FOR ELECTRONIC VOTING ('e-voting')

1. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the EGM/AGM will be provided by CDSL.
2. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice.
3. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
4. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose e-mail id is registered with the Company/Depository Participants. Members may note that the notice of the Annual General Meeting and the Annual Report 2019-20 will also be available on the website of the company at www.cmrlindia.com and can also be accessed from the website of the Stock Exchange i.e. BSE Limited at www.bseindia.com. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.

Steps for E-Voting:

- (i) The remote e-voting period begins at 9:00 A.M on Friday, 25th September, 2020 and ends at 5:00 P.M on Sunday, 27th September, 2020. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on Monday, 21st September, 2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on "Shareholders" module.
- (v) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company. OR

Alternatively, if you are registered for CDSL's EASI/EASIEST e-services, you can log-in at <https://www.cdslindia.com> from Login - Myeasi using your login credentials. Once you successfully log-in to CDSL's EASI/EASIEST e-services, click on **e-Voting** option and proceed directly to cast your vote electronically.

- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

| For Shareholders holding shares in Demat Form and Physical Form | |
|--|--|
| PAN | <p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Shareholders who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name and 8 digits of the sequence number indicated in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field. |
| Dividend Bank Details OR Date of Birth (DOB) | <p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v). |

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant COCHIN MINERALS AND RUTILE LTD on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

- (xvii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL’s mobile app “**m-Voting**”. The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **info@skdc-consultants.com**
2. For Demat shareholders - please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to **info@skdc-consultants.com**

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
3. Further, shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast **seven days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at cmrlexim@cmrlindia.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **seven days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at cmrlexim@cmrlindia.com. These queries will be replied to by the company suitably by email.
6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the EGM/AGM.
3. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
4. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

(xx) Note for Non – Individual Shareholders and Custodians

- Non-Individual Shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual Shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; cmrlexim@cmrlindia.com if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or contact Mr. Nitin Kunder (022- 23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542

Statement of material facts in terms of Section 102(1) of the Companies Act, 2013**Item No. 5**

The present Managing Director Dr. S.N. Sasidharan Kartha was appointed for a period of 3 years with effect from 1st April, 2018 on the terms and conditions approved by the shareholders in their meeting held on 29.08.2017. The three years tenure will expire on 31st March 2021. The Board of Directors has taken on record the resolution passed by the Nomination and Remuneration Committee to re-appoint Dr. S.N. Sasidharan Kartha for a further period of 3 years effective from 01.04.2021, 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.

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

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

Additional information is given in Annexure

Item No. 6

Pursuant to the provisions of Section 149 and 160 of the Companies Act, 2013 read with the SEBI (Listing Obligation and Disclosure Requirement) Regulations 2015 and as recommended by the Nomination and Remuneration committee held on 22.04.2020, the Board of Directors of the company at their meeting held on 23.06.2020 had reappointed Mr. T P Thomaskutty as Independent Director effective from 24.05.2020. The company has received a notice from a member signifying his candidature to the office of the Independent Director of the Company under Section 160 of the Companies Act 2013. None of the Directors, Key Managerial Personnel or their relatives, except the appointee is concerned or interested in the resolution. In terms of Section 161 of the Companies Act, 2013, he holds office upto the ensuing AGM.

The company has received a notice, together with requisite deposit, from a member signifying his candidature to the office of Independent Director of the Company under Section 160 of the Companies Act, 2013.

In the opinion of the Board of Directors, Shri. T P Thomaskutty fulfils the conditions specified in the Act and Rules made thereunder for his appointment as Independent Director and

he is independent of the management. Moreover, Mr. Thomaskutty was a member of the company's Board as nominee Director of Kerala State Industrial Development Corporation Ltd. during the period 17th December, 2011 to 30th December, 2014. The Board considers his association with the company would be highly beneficial and hence recommends his appointment. None of the Directors, key managerial personnel or their relatives, except the appointee, is concerned or interested in the Resolution.

Additional information is annexed to this notice.

Annexure to notice of AGM

Additional information of Directors seeking appointment/re-appointment in the Annual General Meeting scheduled on 28.09.2020 as required under Secretarial Standards-2 on General Meetings, issued by the Institute of Company Secretaries of India

Name : Shri. Mathew M Cherian(DIN : 01265695)

| | | |
|-----|---|--|
| 1. | Name | Shri. Mathew M Cherian |
| 2. | Date of Birth / Age | 07.09.1951, 69 years |
| 3. | Educational Qualification | Diploma holder in Hotel Management from the Institute of Hotel Management & Catering, Mumbai. |
| 4. | Expertise in functional area | Shri. Mathew M Cherian, is one of the promoters of the Company. 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. He is also the Chairman and Managing Director of Naduvile Idom Hospitality Private Limited. |
| 5. | Date of first appointment on Board | 18.08.1989 |
| 6. | Brief Resume including Experience | Mr. Cherian is engaged in Hotels, Restaurants, export, import and international trade. He is also the Chairman and Managing Director of Naduvile Idom Hospitality Private Limited. |
| 7. | Directorship held in other Companies | M/s Naduvile Idom Hospitality Private Limited. M/s Kerala Rare Earths and Minerals Limited |
| 8. | No.of shares held in the Company. | 478068 |
| 9. | Relationship with other Directors, Manager and other Key Managerial personnel of the Company | Shri. Nabel Mathew Cherian (Son) |
| 10. | No. of Board meetings attended during his current tenure in office as Director and till the date of this Notice | 7 |
| 11. | Details of membership in the Committee of the Board of the company. | Member of Stake holder Relationship Committee |
| 12. | Details of membership in Committee/s of the Board of other companies* | NIL |
| 13. | Terms and conditions of appointment/re- appointment including remuneration | As per Resolution of the Annual General Meeting. |

*Membership in committee denotes mandatory committees as per Companies Act, 2013.

Annexure to notice of AGM

Additional information of Directors seeking appointment/re-appointment in the Annual General Meeting scheduled on 28.09.2020 as required under Secretarial Standards-2 on General Meetings, issued by the Institute of Company Secretaries of India.

Name : Smt. Jaya S Kartha(DIN : 00666957)

| | | |
|-----|---|--|
| 1. | Name | Smt. Jaya S Kartha |
| 2. | Date of Birth / Age | 09.05.1959, 61 years |
| 3. | Educational Qualification | Post Graduate |
| 4. | Expertise in functional area | 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 has considerable experience in business. |
| 5. | Date of first appointment on Board | 20.01.2001 |
| 6. | Brief Resume including Experience | Smt. Jaya S Kartha is also the promoter of the Company and is the Director of M/s Kerala Rare Earths and Minerals Limited, M/s Empower India Capital Investments Pvt. Ltd. and M/s Sach Exports Pvt. Ltd. She has considerable experience in business. |
| 7. | Directorship held in other Companies | M/s.Kerala Rare Earths and Minerals Limited M/s Empower India Capital Investments Pvt. Ltd. and M/s Sach Exports Pvt. Ltd. |
| 8. | No.of shares held in the Company. | 386740 |
| 9. | Relationship with other Directors, Manager and other Key Managerial personnel of the Company | Dr. S N Sasidharan Kartha(Husband) Shri. Saran S Kartha(Son) Shri. Anil Ananda Panicker (Son-In-Law) |
| 10. | No. of Board meetings attended during her current tenure in office as Director and till the date of this Notice | 8 |
| 11. | Details of membership in the Committee of the Board of the company. | Member of Stake holder Relationship Committee |
| 12. | Details of membership in Committee/s of the Board of other companies* | NIL |
| 13. | Terms and conditions of appointment/ re- appointment including remuneration | As per Resolution of the Annual General Meeting. |

*Membership in committee denotes mandatory committees as per Companies Act, 2013.

Annexure to notice of AGM

Additional information of Directors seeking appointment/re-appointment in the Annual General Meeting scheduled on 28.09.2020 as required under Secretarial Standards-2 on General Meetings, issued by the Institute of Company Secretaries of India.

Name : Dr.S.N.Sasidharan Kartha (DIN : 00856417)

| | | |
|----|------------------------------------|--|
| 1. | Name | Dr.S.N.Sasidharan Kartha |
| 2. | Date of Birth / Age | 09.12.1952 , 68 years |
| 3. | Educational Qualification | PhD |
| 4. | Expertise in functional area | Dr. S.N. Sasidharan Kartha is the founder and has been the Managing Director of the Company ever since its incorporation in 1989. Under his able and dynamic leadership, CMRL's performance scaled new heights and earned several accolades. |
| 5. | Date of first appointment on Board | 18.08.1989 |
| 6. | Brief Resume including Experience | Dr. S.N. Sasidharan Kartha is the founder and has been the Managing Director of the Company ever since its incorporation in 1989. Under his able and dynamic leadership, CMRL's performance scaled new heights and earned several accolades. The company was awarded the outstanding Export Award for 1997 by the Prime Minister of India, Best Export Award by KSIDC in 1998, the Export Excellence Award and Certificate for 2001 from Development Commissioner Cochin Special Economic Zone and the Award for Excellence in Export Performance from Government of India, Ministry of Commerce, for 2005. M/s. Toho Titanium Corporation and M/s Sumitomo Titanium Corporation, the Japanese Buyers of Synthetic Rutile have given the Company their "Certificate of Appreciation" considering the Company's product and service quality. The Company received Industrial Excellence Award 2006 instituted by Kerala Industrial Protection Forum for achievement of business success and outstanding export performance. The company also bagged the prestigious Quality Crown award in the Golden category instituted by Business Initiative Directions (BID), Madrid, Spain in 2009. The company bagged the Award for implementing pollution control measures from Government of Kerala for 11th consecutive year - Excellence Award for 9 years 2008 to 2016 and certificate of merit for securing 1st place among the medium scale Industries in the preceding 2 years. |

| | | |
|--|--|--|
| | | <p>The company also secured Excellence Award for safety for the year 2011 and 2012, instituted by the Department of Factories and Boilers, Government of Kerala. The company bagged the Kerala State Safety Award consecutively for 5 years from 2008 to 2012 for outstanding performance in industrial safety, health and welfare of employees.</p> <p>The company is a recipient of "India's Most Trusted Companies Award 2017" instituted by the International Brand Consulting Corporation, U.S.A.</p> <p>The Company continues to be ISO 9001:2015 certified by the prestigious agency, Bureau Veritas Quality International with accreditation from UKAS London and NABCB, India. The company's products Ferric Chloride and Ferrous Chloride got NSF/ANSI Standard 60 certification for drinking water treatment chemicals from M/s NSF International, the only Organisation designated as a collaborating centre by the World Health Organisation (WHO) for both food safety and drinking water safety and treatment.</p> <p>Dr. Kartha is not only an industrialist, he is a visionary, a philanthropist and a social, cultural and environmental wizard- a self made man of common sense and distinct individual traits and styles. He is also recipient of various awards and certificates from several social, cultural and semi-government organizations. Some of the important awards received by him are noted below:-</p> <ol style="list-style-type: none"> 1. Akshaya Award from Akshaya Pustaka Nidhi in 1999 2. Man of Vision Award instituted by Pravasi Bharati, Kerala in 2008, which he shared with then CMD of Air India. 3. Shri. Kartha was conferred with an award in 2008 by H H Patriarch of Antioch, the head of Jacobite Syrian church in recognition of his yeoman service to the society. 4. C P Mammu Memorial Vyavasaya Ratna Award in 2011 5. Excellence Award for outstanding Entrepreneurship instituted by Kerala State Industrial Development Corporation (KSIDC), Trivandrum in 2011 on the occasion of their Golden jubilee. |
|--|--|--|

| | | |
|-----|--|---|
| | | <p>6. The first Sakthan Thampuran Award has been presented to Dr. S N Sasidharan Kartha by Thrissur Archbishop Mar Andrews Thazhath in recognition of his efforts in promoting religious amity and friendship on 3rd November, 2012.</p> <p>7. U J Tharyan Memorial Award has been presented to Dr. Kartha by Hon'ble Speaker of Kerala Legislative Assembly on 11th November, 2012.</p> <p>8. Dr. Kartha was honoured by His Holiness Catholicos Aboon Mor Basellios Thomas Ist, the spiritual head of the Syrian Christians of India on 06.01.2013.</p> <p>9. Dr. S N Sasidharan Kartha was awarded the Malliyoor Award 2013</p> <p>10. His Highness Shri. Uthradam Thirunal Marthanda Varma Maharaja honoured Dr. Kartha by offering Vyavasaya Kulapathi Title and Royal Emblem considering his yeomen contributions to the Industrial Arena of the State.</p> |
| 7. | Directorship held in other Companies | <p>(1) M/s Kerala Rare Earths and Minerals Limited</p> <p>(2) M/s Empower India Capital Investments Pvt. Ltd.,</p> <p>(3) M/s Zirconium Chemicals (P) Ltd.</p> <p>(4) M/s Sach Exports Private Limited</p> |
| 8. | No.of shares held in the Company. | 1656740 |
| 9. | Relationship with other Directors, Manager and other Key Managerial personnel of the Company | Smt. Jaya S Kartha is wife ,Shri. Saran S Kartha is Son and Shri. Anil Ananda Panicker is Son – in- Law |
| 10. | No.of Board meetings attended during his current tenure in office as director and till the date of this Notice | 11 |
| 11. | Details of membership in the Committee of the Board of the company. | Member of Audit Committee Member of Corporate Social Responsibility Committee |
| 12. | Details of membership in Committee/s of the Board of other companies* | NIL |
| 13. | Terms and conditions of appointment/ re- appointment including remuneration | As per Resolution of the Annual General Meeting. |

*Membership in committee denotes mandatory committees as per Companies Act, 2013.

Annexure to notice of AGM

Additional information of Directors seeking appointment/re-appointment in the Annual General Meeting scheduled on 28.09.2020 as required under Secretarial Standards-2 on General Meetings, issued by the Institute of Company Secretaries of India

Name : Shri. T P Thomaskutty (DIN : 01473957)

| | | |
|----|------------------------------------|--|
| 1. | Name | Shri. T P Thomaskutty |
| 2. | Date of Birth / Age | 16/11/1956 , 63 years |
| 3. | Educational Qualification | Graduate engineer with M B A (Finance) |
| 4. | Expertise in functional area | Mr. T P Thomaskutty has got more than 35 years experience in the field of industry. He has been in the service of KSIDC Ltd. for about 33 years and retired in the year 2014 as its Executive Director. He was in your Company's Board as KSIDC Nominee from 17 th December 2011 to 30 th December 2014. He also functioned as Nominee Director and Functional Director in other companies in Kerala. |
| 5 | Date of first appointment on Board | 23.05.2015 |
| 6 | Brief Resume including Experience | Mr. T P Thomaskutty is a B Tech (Hons) in Electrical Engineering with MBA(Finance) and has got more than 35 years of experience in industry, industrial development, project development and industrial financing . He has been in the service of Kerala State Industrial Development Corporation Limited for 33 years and retired in the year 2014 as its Executive Director. He was in your company's Board as KSIDC Nominee from 17 th December 2011 to 30 th December 2014. He has focused on area like industry sectors, market studies, project development, project appraisal, industrial financing, promotion of companies, expansion/ diversification & modernization of industries, revival of sick industries and also development of industrial infrastructure in the state. During his tenure in KSIDC, he had functioned as Nominee Director and functional Director in other companies in Kerala. Some of the companies wherein he had served as Nominee Director/functional Director are Nitta Gelatin India Ltd, Kerala Enviro Infrastructure limited, KITCO Ltd, Kerala Gail Gas Limited, Kalky Communication Technologies Limited, Cochin Kagaz Limited, Kerala High Speed Rail Corporation Limited, Rado Tyres Limited, Lakeshore Hospital& Research Centre Limited etc. |

| | | |
|-----|---|--|
| 7. | Directorship held in other Companies | M/s Kerala Rare Earths and Minerals Limited |
| 8. | No.of shares held in the Company. | NIL |
| 9. | Relationship with other Directors, Manager and other Key Managerial personnel of the Company | N A |
| 10. | No. of Board meetings attended during his current tenure in office as director and till the date of this Notice | 26 |
| 11. | Details of membership in the Committee of the Board of the company. | Member of Audit Committee |
| | Terms and conditions of appointment/ re-appointment including remuneration | As per Resolution of the Annual General Meeting. |
| 12. | Details of membership in Committee/s of the Board of other companies* | NIL |
| 13. | Terms and conditions of appointment/ re-appointment including remuneration | As per Resolution of the Annual General Meeting. |

*Membership in committee denotes mandatory committees as per Companies Act, 2013.

By Order of the Board

Place : Aluva
Date : 21.08.2020

Dr. S.N. Sasidharan Kartha,
Managing Director.
(DIN: 00856417)

DIRECTORS' REPORT

Your Directors are pleased to present the 31st Annual Report of your Company along with audited statements of accounts for the year ended 31st March 2020.

| FINANCIAL HIGHLIGHTS | | |
|---------------------------------------|---------------------|-------------|
| | Rs. In Lakhs | |
| | 2020 | 2019 |
| Sales and Other Income | 26452.31 | 22536.07 |
| Profit before Interest & Depreciation | 2200.12 | 1631.12 |
| Interest | 164.61 | 460.17 |
| Depreciation | 56.67 | 51.81 |
| Net Profit/Loss for the year | 1978.84 | 1119.14 |
| Provision for Tax | 346.00 | 241.20 |
| Deferred tax asset (liability) | 1034.15 | 330.98 |
| Profit/Loss after tax | 598.69 | 546.96 |
| Appropriations | | |
| Interim Dividend | 156.60 | NIL |
| Dividend Tax | 32.19 | NIL |

DIVIDEND

Pursuant to the recommendation of the Board of Directors, an Interim Dividend at the rate of Rs 2/- (Rupees two only) per equity share of Rs 10/- paid up was declared out of the surplus in the Profit and Loss Account and the same was paid to the equity shareholders whose names appeared in the Register of Members as on the date of book closure on 19th February, 2020. Considering the impact of Covid – 19 pandemic and the uncertain outlook, the Board decided that the interim dividend paid shall remain as final dividend for the financial year.

MANAGEMENT DISCUSSION AND ANALYSIS

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

DIRECTORS & KEY MANAGEMENT PERSONNEL

As per the provisions of the Companies Act, 2013, your directors Shri. Mathew M Cherian and Smt. Jaya S Kartha retire by rotation at the Annual General Meeting and being eligible, offer themselves for reappointment. The appointment of Dr. S N Sasidharan Kartha, Managing Director is expiring on 31.03.2021 and as recommended by the Nomination & Remuneration Committee, he is proposed to be reappointed for a further period of 3 years in the ensuing Annual General Meeting. The Board of Directors of the Company on the recommendation of the Nomination & Remuneration Committee had re-appointed Shri. T P Thomaskutty as Independent Director for a further period of 5 years, subject to approval in the ensuing Annual General Meeting.

DECLARATION OF INDEPENDENT DIRECTORS

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

DIRECTORS' APPOINTMENT & REMUNERATION POLICY

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

ANNUAL EVALUATION

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

CSR INITIATIVES

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

RISK MANAGEMENT

The Board regularly consider and evaluate the risk factors and take appropriate risk mitigation steps from time to time.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT , 2013

The company has formed an anti sexual harassment policy in line with the requirements of the Sexual Harassment of Women at workplace (Prevention, Prohibition & Redressal) Act 2013 and an internal complaints committee has been set up to redress complaints, if any. No complaint was received by the committee during the year 2019-20.

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

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

TRANSACTIONS WITH RELATED PARTIES

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

INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

DEPOSITS FROM PUBLIC

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

MATERIAL CHANGES AND COMMITMENTS

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- (a) In preparing the Annual Accounts for the year ended 31.03.2020, the applicable accounting standards have been followed and there are no material departures.
- (b) The Directors had selected such Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year ended on that date.
- (c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- (d) That the Directors had prepared the accounts on a going concern basis.
- (e) The Directors had laid down internal financial controls to be followed by the company and that such controls are adequate and operating effectively and
- (f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that systems were adequate and operating effectively.

AUDITORS & AUDIT REPORT

Pursuant to the provisions of Section 139(2) of the Companies Act 2013, M/s A K Muralee & CO., Chartered Accountants, Edappally, was appointed in the 28th AGM as Statutory Auditor of the Company to hold office for a period of 5 years and continue in office. The report of the auditor for the current year does not contain any qualification or adverse comments.

SECRETARIAL AUDIT REPORT

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

EXTRACT OF ANNUAL RETURN

The extract of annual return for the year ended 31.03.2020 in the prescribed form MGT-9 is given in Annexure V.

AUDIT COMMITTEE

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

MEETING OF THE BOARD

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

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

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

CORPORATE GOVERNANCE

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

ISO CERTIFICATION

Your Company has now been granted ISO 9001 : 2015 by the prestigious agency, Bureau Veritas, with accreditation from UKAS London and NABCB, India.

NSF CERTIFICATION

Your company's products, Ferric Chloride and Ferrous Chloride have got NSF/ANSI Standard 60 certification for drinking water treatment chemicals from M/s N S F International, organization designated as a Collaborating Center by the World Health Organization (WHO) for both food safety and drinking water safety and treatment.

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 March 2020 is in force.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE

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

DEMATERIALISATION

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

LISTINGS

The shares of your Company are listed with B S E Limited. The listing fee as required has already been paid upto and including the year 2020-21.

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 thankful to the customers, suppliers and business associates for their co-operation. Your directors also like to place on record their appreciation of the valuable contribution made by the employees of the company at all levels. Finally, your directors are deeply grateful to the members for their continued confidence and faith in the management of the company.

For and on behalf of the Board,

Place: Aluva,
Date : 21.08.2020

R.K. Garg
Chairman
(DIN : 00644462)

Annexure – I to the Directors' Report

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

(A) Statement on Conservation of Energy

| Sl. No. | Particulars | Related disclosures |
|---------|--|--|
| (i) | Steps taken or impact on conservation of energy | Replaced the old SV/MH lamps and fluorescent tubes with low watt Led lamps and thus light energy consumption reduced by 20%.Based on the energy audit recommendations, we replaced 2 Nos of old low efficient motors with high efficient motors in the Raw Water system. |
| (ii) | Steps taken by the company for utilising alternate sources of energy | Maintained transparent roof/cladding sheets in plants and godowns, Natural draught exhaust fans in lime preparation area and godowns, operates Biogas plant for canteen waste treatment and utilise solar lamps for emergency lighting. |
| (iii) | Capital investment on energy conservation equipments | Rs.3,94,000/- |

(B) Technology absorption,

| Sl. No. | Particulars | Related disclosures |
|---------|---|---|
| (i) | The efforts made towards technology absorption | (i) Plant scale production trials for Recovered TiO_2 are in progress. (ii) Pilot plant scale production trials for pure Iron Oxide pigments are in progress. (iii) Studies on low temperatures pyrohydrolytic distillation process for Recovery of Hydrochloric Acid and Iron Oxide from Leach Liquor ($FeCl_2$) is in progress. |
| (ii) | Benefits derived like product improvement, cost reduction, product development, import substitution etc | Increased sale of Recovered Upgraded Ilmenite and Rutoweld. Cost reduction due to recovery of Ilmenite from waste stream and utilisation of unburned coal in Roaster Plant. |
| (a) | Details of technology imported | N.A |
| (b) | The year of import | N.A |

| | | | |
|-------|--|---------------------|--------------|
| (c) | Whether the technology been fully absorbed | N.A | |
| (d) | If not fully absorbed, areas where absorption has not taken place, and the reasons thereof | N.A | |
| (iii) | Expenditure on R&D | | Rs. In Lakhs |
| | | Capital Expenditure | 51.21 |
| | | Revenue | 90.39 |
| | | Total | 141.60 |

| | | |
|---|-------|----------------|
| C. Foreign Exchange Earnings and Outgo | | |
| (1) Foreign Exchange Earned through exports | US \$ | 3,16,90,863.34 |
| (2) Foreign Exchange outgo during the year | US \$ | 90,87,698.67 |

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

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

OBJECTIVES

The main objectives of the policy are:

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

EFFECTIVE DATE

This policy has been effective from 1st April, 2014.

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

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

B) Chairperson

The chairperson of the committee shall be an independent director.

C) Constitution

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

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

DEFINITIONS

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

APPLICABILITY

The Policy is applicable to

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

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

The Committee shall:

- Formulate the criteria for determining qualifications, positive attributes and independence of a director.
- Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.
- Determine remuneration for the whole-time directors, KMP and senior management personnel
- Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.

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

Appointment criteria and qualifications:

1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
2. The Board of the Company may consciously be drawn in a manner that at least one director from each of the following field is on the Board of the Company – Mineral processing, Banking and finance, Legal and general administration etc.

3. The appointment and reappointment of whole time directors shall be subject to the provisions of the Companies Act, 2013 and rules framed there-under and the listing agreement.
4. The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel on annual basis.

Removal:

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

Retirement:

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

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

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

REVIEW

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

Annexure - III

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

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

CSR Policy is available on the web site of the company www.cmrlindia.com under 'Policies'.

2. **The composition of the CSR committee:** The Company has a CSR committee of directors comprising of Mr. G R Warriar (Non-Executive Director) – Chairman
Dr. S N Sasidharan Kartha (Managing Director) - Member
Mr. Saran S Kartha (Joint Managing Director) - Member
3. **Average net profit of the company for last three financial years for the purpose of computation of CSR: 584.10 Lakhs**
4. **Prescribed CSR Expenditure (two percent of the amount as in item 3 above): 3.90 Lakhs**
5. **Details of CSR spent during the financial year:**
 - a. **Total amount spent for the financial year:5.14 Lakhs**
 - b. **Amount unspent :NIL**
 - c. **Manner in which the amount spent during the financial year is detailed below:**
The amount was spent for promotion of health care including preventive health care, sanitation and disaster management related to Covid– 19 pandemic.
6. **In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.**
Not Applicable
7. **A responsibility statement of the CSR committee that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and policy of the Company.**

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

Date: 21.08.2020

Dr. S N Sasidharan Kartha
Managing Director
(DIN : 00856417)

G.R.Warriar
Chairman of CSR Committee
(DIN : 01146202)

Annexure - IV

Form No. AOC-2
(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and
Rule 8(2) of the Companies (Accounts) Rules, 2014)

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

- 1. Details of contracts or arrangements or transactions not at arm's length basis:**
Not entered into any contract or arrangement or transaction with its related parties which is not at arm's length basis and in ordinary course of business during financial year 2019-20
- 2. Details of material contracts or arrangement or transactions at arm's length basis: NIL**
 - a. Nature of contracts / arrangements / transactions: N.A.
 - b. Duration of the contracts / arrangements / transactions: Not Applicable
 - c. Salient terms of the contracts or arrangements or transactions including the value, if any: N.A.
 - d. Amount paid as advances, if any: Nil

On behalf of the board of directors,

Aluva
21.08.2020

R. K. Garg
Chairman
(DIN : 00644462)

Annexure - V

Form No. MGT-9
EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31.03.2020

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

I. REGISTRATION AND OTHER DETAILS

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

| Sl No. | Name and description of main products/services | NIC code of the products/Service | % to total turnover of the company |
|--------|--|----------------------------------|------------------------------------|
| 1 | Synthetic Rutile | 13209 | 91.60 |

| | | | | | | | | | |
|---|--------------|-------------|--------------|--------------|--------------|-------------|--------------|--------------|---------------|
| c) Alternate Investment Funds | | | | | | | | | |
| d) Foreign Venture Capital Investors | | | | | | | | | |
| e) Foreign Portfolio Investors | | | | | | | | | |
| f) Financial Institutions / Banks | 53124 | 2600 | 55724 | 0.712 | 43124 | 2600 | 45724 | 0.584 | -0.128 |
| g) Insurance Companies | | | | | | | | | |
| h) Provident Funds / Pension funds | | | | | | | | | |
| i) Any Other (specify) | | | | | | | | | |
| | | | | | | | | | |
| Sub-Total (B)(1) | 53124 | 8000 | 61124 | 0.781 | 43124 | 8000 | 51124 | 0.653 | -0.128 |
| | | | | | | | | | |
| (2) Central Government/ State Government(s)/ President of India | | | | | | | | | |
| | | | | | | | | | |
| Sub-Total (B)(2) | | | | | | | | | |
| | | | | | | | | | |
| (3) Non-institutions | | | | | | | | | |
| a) Bodies Corporate | | | | | | | | | |
| i) Indian | 225369 | 6600 | 231969 | 2.963 | 198470 | 4300 | 202770 | 2.590 | -0.373 |
| ii) Overseas | | | | | | | | | |
| b) Individuals | | | | | | | | | |
| i) Individual shareholders holding nominal share capital up to Rs 1 lakh | 1009898 | 405928 | 1415826 | 18.081 | 987909 | 362337 | 1350246 | 17.245 | -0.836 |
| ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh | 1555768 | 200 | 1555968 | 19.871 | 1596835 | 200 | 1597035 | 20.396 | 0.525 |
| c) Others (specify) | | | | | | | | | |
| Directors & Their Relatives | 0 | 0 | 0 | 0 | 39600 | 6400 | 46000 | 0.587 | 0.587 |
| Non Resident Indians | 216213 | 0 | 216213 | 2.762 | 88933 | 0 | 88933 | 1.136 | -1.626 |
| Clearing Members | 4319 | 0 | 4319 | 0.055 | 3955 | 0 | 3955 | 0.051 | -0.004 |
| Hindu Undivided Families | 114226 | 0 | 114226 | 1.459 | 114260 | 0 | 114260 | 1.459 | 0.000 |
| Inv.Education and Protection Fund Auth. | 140448 | 0 | 140448 | 1.794 | 151252 | 0 | 151252 | 1.932 | 0.138 |
| NRI-Director | | | | | 37365 | 0 | 37365 | 0.477 | 0.477 |
| NRO-Director | | | | | 72107 | 0 | 72107 | 0.921 | 0.921 |

| | | | | | | | | | |
|---|---------|--------|---------|---------|---------|--------|---------|---------|--------|
| NRI-Director's Relative | | | | | 20234 | 0 | 20234 | 0.258 | 0.258 |
| Sub-Total (B)(2) | 3266241 | 412728 | 3678969 | 46.985 | 3310920 | 373237 | 3684157 | 47.052 | 0.067 |
| Total Public Shareholding (B)= (B)(1)+(B)(2)+(B)(3) | 3319365 | 420728 | 3740093 | 47.766 | 3354044 | 381237 | 3735281 | 47.705 | -0.061 |
| C.Shares held by Custodian for GDRs & ADRs | | | | | | | | | |
| GRAND TOTAL (A)+(B)+(C) | 7409272 | 420728 | 7830000 | 100.000 | 7448763 | 381237 | 7830000 | 100.000 | 0.000 |

| ii) Shareholding of Promoters | | | | | | | | | |
|-------------------------------|---|--|----------------------------------|---|--|----------------------------------|---|---|--|
| Sl No. | Shareholder's Name | Shareholding at the beginning of the year 01.04.2019 | | | Shareholding at the end of the year 31.03.2020 | | | | |
| | | No. of Shares | % of total Shares of the company | %of Shares Pledged / encumbered to total shares | No. of Shares | % of total Shares of the company | %of Shares Pledged / encumbered to total shares | % change in share holding during the year | |
| 1 | Dr. S N SASIDHARAN KARTHA | 1354518 | 17.299 | 0.000 | 1656740 | 21.159 | 0.000 | 3.860 | |
| 2 | KSIDC Ltd. | 1050000 | 13.410 | 0.000 | 1050000 | 13.410 | 0.000 | 0.000 | |
| 3 | MATHEW M. CHERIAN | 784080 | 10.014 | 0.000 | 478068 | 6.106 | 0.000 | -3.908 | |
| 4 | JAYA S KARTHA | 386740 | 4.939 | 0.000 | 386740 | 4.939 | 0.000 | 0.000 | |
| 5 | SACH EXPORTS PRIVATE LTD. | 251760 | 3.215 | 0.000 | 251760 | 3.215 | 0.000 | 0.000 | |
| 6 | SARAN SASIDHARAN KARTHA | 158962 | 2.030 | 0.000 | 167564 | 2.140 | 0.000 | 0.110 | |
| 7 | EMPOWER INDIA CAPITAL INVESTMENTS PVT. LTD. | 102247 | 1.306 | 0.000 | 102247 | 1.306 | 0.000 | 0.000 | |
| 8 | NABIEL MATHEW CHERIAN | 1300 | 0.017 | 0.000 | 1300 | 0.017 | 0.000 | 0.000 | |
| 9 | JOLLY CHERIAN | 300 | 0.004 | 0.000 | 300 | 0.004 | 0.000 | 0.000 | |
| | TOTAL | 4089907 | 52.234 | 0.000 | 4094719 | 52.296 | 0.000 | 0.062 | |

| iii) Change in Promoters' Shareholding (please specify, if there is no change) | | | | | | | | |
|--|---|--|----------------------------------|------------|--------------------|-----------|--|----------------------------------|
| Sl. No. | Name | Shareholding at the beginning of the year 01.04.2019 | | Date | Increase/ decrease | Reason | Cumulative Shareholding during the year 31.03.2020 | |
| | | No. of shares | % of total shares of the company | | | | No. of shares | % of total shares of the company |
| 1 | Dr. S N Sasidharan Kartha | 1354518 | 17.299 | | | | 1354518 | 17.299 |
| | | | | 22.11.2019 | 300000 | Bought | 1654518 | 21.130 |
| | | | | 27.03.2020 | 938 | Bought | 1655456 | 21.142 |
| | | | | 31.03.2020 | 1284 | Bought | 1656740 | 21.159 |
| 2 | KSIDC Ltd. | 1050000 | 13.410 | | | No change | 1050000 | 13.410 |
| 3 | Mathew M Cherian | 784080 | 10.014 | | | | | |
| | | | | 04.10.2019 | 48 | Sold | 784032 | 10.013 |
| | | | | 11.10.2019 | 1105 | Sold | 782927 | 9.999 |
| | | | | 15.11.2019 | 4859 | Sold | 778068 | 9.937 |
| | | | | 22.11.2019 | 300000 | sold | 478068 | 6.106 |
| | | | | 31.03.2020 | | | 478068 | 6.106 |
| 4 | Jaya S Kartha | 386740 | 4.939 | | | No Change | 386740 | 4.939 |
| 5 | Sach Exports Pvt. Ltd. | 251760 | 3.215 | | | No Change | 251760 | 3.215 |
| 6 | Saran Sasidharan Kartha | 158962 | 2.030 | | | | 158962 | 2.030 |
| | | | | 13.03.2020 | 5229 | Bought | 164191 | 2.097 |
| | | | | 20.03.2020 | 3353 | Bought | 167544 | 2.140 |
| | | | | 27.03.2020 | 20 | Bought | 167564 | 2.140 |
| | | | | 31.03.2020 | | | 167564 | 2.140 |
| 7 | Empower India Capital Investments Pvt. Ltd. | 102247 | 1.306 | | | No Change | 102247 | 1.306 |
| 8 | Nabiel Mathew Cherian | 1300 | 0.017 | | | No change | 1300 | 0.017 |
| 9 | Jolly Cherian | 300 | 0.004 | | | No change | 300 | 0.004 |

| iv Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): | | | | | | | | |
|---|-----------------------------|--|----------------------------------|------------|---------|--------|--|----------------------------------|
| Sl. No | Name | Shareholding at the beginning of the year 01.04.2019 | | Date | Bought | Sold | Cumulative Shareholding during the year 31.03.2020 | |
| | | No. of shares | % of total shares of the company | | | | No. of shares | % of total shares of the company |
| 1 | SHASHANK S KHADE | 277125 | 3.539 | | | | 277125 | 3.539 |
| | | | | 06.03.2020 | 8100 | | 285225 | 3.643 |
| | | | | 31.03.2020 | | | 285225 | 3.643 |
| 2 | ABHISHEK KANKARIA | 220963 | 2.822 | | | | 220963 | 2.822 |
| | | | | 13.09.2019 | | 200 | 140248 | 1.791 |
| | | | | 25.10.2019 | 10895 | | 151143 | 1.930 |
| | | | | 22.11.2019 | 309 | | 151452 | 1.934 |
| | | | | 28.02.2020 | | 100 | 151352 | 1.933 |
| | | | | 13.03.2020 | | 100 | 151252 | 1.932 |
| | | | | 31.03.2020 | | | 151252 | 1.932 |
| 4 | JOHN MT | 127501 | 1.628 | | | | 127501 | 1.628 |
| | | | | 01.11.2019 | | 150 | 127351 | 1.626 |
| | | | | 06.12.2019 | 16 | | 127367 | 1.627 |
| | | | | 13.12.2019 | 134 | | 127501 | 1.628 |
| | | | | 31.03.2020 | | | 127501 | 1.628 |
| | | | | | MT JOHN | 100 | 0.001 | |
| | | | | 31.03.2020 | | 100 | 0.001 | |
| 5 | PANNA BANKIM | 102085 | 1.304 | | | | 105085 | 1.304 |
| | | | | 09.08.2019 | 644 | | 102729 | 1.312 |
| | | | | 20.09.2019 | 102729 | | 205458 | 2.624 |
| | | | | 20.09.2019 | | 102729 | 102729 | 1.312 |
| | | | | 31.03.2020 | | | 102729 | 1.312 |
| 6 | YOGESH KUMAR KANKARIA | 100000 | 1.277 | | | | 100000 | 1.277 |
| | | | | 31.03.2020 | | | 100000 | 1.277 |
| 7 | JAPA INVESTMENT ADVISER LLP | 83746 | 1.069 | | | | 83746 | 1.069 |
| | | | | 07.06.2019 | 206 | | 83952 | 1.072 |
| | | | | 14.06.2019 | 103 | | 84055 | 1.073 |
| | | | | 21.06.2019 | 55 | | 84110 | 1.074 |
| | | | | 28.06.2019 | 3033 | | 87143 | 1.113 |
| | | | | 05.07.2019 | 444 | | 87587 | 1.119 |
| | | | | 19.07.2019 | 10 | | 87597 | 1.119 |

| | | | | | | | | |
|----|----------------------------|-------|-------|------------|-------|-------|-------|-------|
| | | | | 26.07.2019 | 25 | | 87622 | 1.119 |
| | | | | 23.08.2019 | 140 | | 87762 | 1.121 |
| | | | | 30.08.2019 | 50 | | 87812 | 1.121 |
| | | | | 25.10.2019 | 100 | | 87912 | 1.123 |
| | | | | 01.11.2019 | 50 | | 87962 | 1.123 |
| | | | | 17.01.2020 | 148 | | 88110 | 1.125 |
| | | | | 24.01.2020 | 147 | | 88257 | 1.127 |
| | | | | 31.01.2020 | 30 | | 88287 | 1.128 |
| | | | | 31.03.2020 | | | 88287 | 1.128 |
| 8 | SANDEEP SINGH | 70500 | 0.900 | | | | 70500 | 0.900 |
| | | | | 06.09.2019 | 5000 | | 75500 | 0.964 |
| | | | | 18.10.2019 | 3000 | | 78500 | 1.003 |
| | | | | 31.03.2020 | | | 78500 | 1.003 |
| 9 | K AJI | 68000 | 0.868 | | | | 68000 | 0.868 |
| | | | | 31.03.2020 | | | 68000 | 0.868 |
| 10 | DARSHAN KIRTIKUMAR SHAH | 56192 | 0.718 | | | | 56192 | 0.718 |
| | | | | 05.04.2019 | | 10000 | 46192 | 0.590 |
| | | | | 03.05.2019 | 45 | | 46237 | 0.591 |
| | | | | 10.05.2019 | 99 | | 46336 | 0.592 |
| | | | | 17.05.2019 | 756 | | 47092 | 0.601 |
| | | | | 31.05.2019 | | 300 | 46792 | 0.598 |
| | | | | 07.06.2019 | 2300 | | 49092 | 0.627 |
| | | | | 19.07.2019 | | 2000 | 47092 | 0.601 |
| | | | | 26.07.2019 | 3000 | | 50092 | 0.640 |
| | | | | 16.08.2019 | | 19 | 50073 | 0.640 |
| | | | | 23.08.2019 | | 849 | 49224 | 0.629 |
| | | | | 01.11.2019 | 776 | | 50000 | 0.639 |
| | | | | 14.02.2020 | 2360 | | 52360 | 0.669 |
| | | | | 28.02.2020 | 5000 | | 57360 | 0.733 |
| | | | | 06.03.2020 | | 9489 | 47871 | 0.611 |
| | | | | 20.03.2020 | 20 | | 47891 | 0.612 |
| | | | | 27.03.2020 | 17000 | | 64891 | 0.829 |
| | | | | 31.03.2020 | | | 64891 | 0.829 |
| 11 | BHAVIN PANKAJ DOSHI | 71745 | 0.916 | | | | 71745 | 0.916 |
| | | | | 05.07.2019 | | 550 | 71195 | 0.909 |
| | | | | 28.02.2020 | | 22873 | 48322 | 0.617 |

| v Shareholding of Directors and Key Managerial Personnel: | | | | | | | | |
|---|---------------------------|--|------------------------------|------------|--------|--------|--|----------------------------------|
| Sl. No. | Name | Shareholding at the beginning of the year 01.04.2019 | | Date | Bought | Sold | Cumulative Shareholding during the year 31.03.2020 | |
| | | No. of shares | % of total shares of the co. | | | | No. of shares | % of total shares of the company |
| 1 | Dr. S N SASIDHARAN KARTHA | 1354518 | 17.299 | | | | 1354518 | 17.299 |
| | | | | 22.11.2019 | 300000 | | 1654518 | 21.130 |
| | | | | 27.03.2020 | 938 | | 1655456 | 21.142 |
| | | | | 31.03.2020 | 1284 | | 1656740 | 21.159 |
| 2 | MATHEW M. CHERIAN | 784080 | 10.014 | | | | 784080 | 10.014 |
| | | | | 04.10.2019 | | 48 | 784032 | 10.013 |
| | | | | 11.10.2019 | | 1105 | 782927 | 9.999 |
| | | | | 15.11.2019 | | 4859 | 778068 | 9.937 |
| | | | | 22.11.2019 | | 300000 | 478068 | 6.106 |
| | | | | 31.03.2020 | | | 478068 | 6.106 |
| 3 | JAYA S KARTHA | 386740 | 4.939 | 01.04.2019 | | | 386740 | 4.939 |
| | | | | 31.03.2020 | | | 386740 | 4.939 |
| 4 | SARAN SASIDHARAN KARTHA | 158962 | 2.030 | | | | 158962 | 2.030 |
| | | | | 13.03.2020 | 5229 | | 164191 | 2.097 |
| | | | | 20.03.2020 | 3353 | | 167544 | 2.140 |
| | | | | 27.03.2020 | 20 | | 167564 | 2.140 |
| | | | | 31.03.2020 | | | 167564 | 2.140 |
| 5 | RAM KANWAR GARG | 2500 | 0.032 | | | | 2500 | 0.032 |
| | | | | 08.04.2019 | | 1000 | 1500 | 0.019 |
| | | | | 12.04.2019 | 1000 | | 2500 | 0.032 |
| | | | | 31.03.2020 | | | 2500 | 0.032 |
| 6 | NABIEL MATHEW CHERIAN | 1300 | 0.017 | 01.04.2019 | | | 1300 | 0.017 |
| | | | | 31.03.2020 | | | 1300 | 0.017 |
| 7 | G.R. WARRIER | 750 | 0.010 | 01.04.2019 | | | 750 | 0.010 |
| | | | | 31.03.2020 | | | 750 | 0.010 |
| 8 | A JANARDHANA PAI | 1300 | 0.017 | 01.04.2019 | | | 1300 | 0.017 |
| | | | | 31.03.2020 | | | 1300 | 0.017 |
| 9 | ANIL ANANDA PANICKER | 143772 | 1.836 | 01.04.2019 | | | 143772 | 1.836 |
| | | | | 31.03.2020 | | | 143772 | 1.836 |
| 10 | SURESH KUMAR .P. | 100 | 0.001 | 01.04.2019 | | | 100 | 0.001 |
| | | | | 31.03.2020 | | | 100 | 0.001 |

| vi) INDEBTEDNESS | | | | |
|--|--|--------------------|----------|-------------------------|
| Indebtedness of the Company including interest outstanding/accrued but not due for payment | | | | |
| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | 38,09,45,655.00 | - | - | 38,09,45,655.00 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | - | - | - | - |
| Total (i+ii+iii) | 38,09,45,655.00 | - | - | 38,09,45,655.00 |
| Change in Indebtedness during the financial year | | | | |
| • Addition | 4,19,31,08,610.00 | 8,70,00,000.00 | - | 4,28,01,08,610.00 |
| • Reduction | 4,60,74,84,854.00 | 8,70,00,000.00 | - | 4,69,44,84,854.00 |
| Net Change | (41,43,76,244.00) | - | - | (41,43,76,244.00) |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | (3,34,30,589.00) | - | - | (3,34,30,589.00) |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | - | - | - | - |
| Total (i+ii+iii) | (3,34,30,589.00) | - | - | (3,34,30,589.00) |

| vii) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL : | | | | |
|--|---|--------------------------------|----------------------------------|--------------------|
| A. | | | | |
| Remuneration to Managing Director, Whole-time Directors: | | | | |
| Sl. no. | Particulars of Remuneration | Name of MD/WTD/ Manager | | Total Amount |
| | | Dr.SN Sasidharan Kartha, MD | Shri. Saran S Kartha Joint MD | |
| 1 | Gross salary | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 2,40,00,000 | 96,00,000 | 3,36,00,000 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | NA | NA | NA |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | NA | NA | NA |
| 2. | Arrear of salary for 2018-19 | 72,00,000 | NA | 72,00,000 |
| 3. | Stock Option | NA | NA | NA |
| 4. | Sweat Equity | NA | NA | NA |
| 5. | Commission as % of profit | NA | NA | NA |
| 6. | Others, please specify –Contribution to PF | 37,44,000 | 11,52,000 | 48,96,000 |
| | Total (A) | 3,49,44,000 | 1,07,52,000 | 4,56,96,000 |
| | Ceiling as per the Act | Rs. 240 lakhs per annum | Rs. 96 lakhs per annum | |

| Remuneration to other directors: (Amount in Rupees) | | | | | | | | | | | |
|---|---|-------------------------|------------------------|------------------------------|-------------------|--------------------|----------------------------|----------------------------|------------------------|-------------------------------------|--|
| Sl. no. | Particulars of Remuneration | Name of MD/WTD/ Manager | | | | | | | | | Total Amount (₹) |
| | | Shri. R K Gang | Shri. Mathew M Cherian | Shri. Achutha Janardhana Pai | Shri. G R Warriar | Smt. Jaya S Kartha | Shri. Anil Ananda Panicker | Shri. Nabil Mathew Cherian | Shri. T P Thomas kutty | Shri. R Ravichandran, KSIDC Nominee | |
| 1 | Independent Directors * Fee for attending board / committee meetings * Commission * Others, please specify | 10,50,000 | - | 9,50,000 | 6,50,000 | - | - | - | 9,00,000 | - | 35,50,000 |
| | Total (1) | 10,50,000 | - | 9,50,000 | 6,50,000 | - | - | - | 9,00,000 | - | 35,50,000 |
| 2. | Other Non-Executive Directors * Fee for attending board / committee meetings * Commission * Others, please specify | | 4,50,000 | | - | 5,50,000 | 5,00,000 | 4,50,000 | | 2,00,000 | 21,50,000 |
| | Total (2) | | 4,50,000 | | - | 5,50,000 | 5,00,000 | 4,50,000 | | 2,00,000 | 21,50,000 |
| | Total (B)=(1+2) | 10,50,000 | 4,50,000 | 9,50,000 | 6,50,000 | 5,50,000 | 5,00,000 | 4,50,000 | 9,00,000 | 2,00,000 | 57,00,000 |
| Total Managerial Remuneration (A+B) | | | | | | | | | | | 5,13,96,000 |
| Overall Ceiling as per the Act | | | | | | | | | | | In terms of the provisions of the Companies Act, 2013, the remuneration payable to Directors other than Executive Directors shall not exceed 1% of the net profit of the company. The company may pay sitting fees to the Directors for attending Board/committee meetings as may be decided by the Board of Directors. The Board has fixed Rs.1,00,000/- as sitting fees for Board/Audit Committee meetings and Rs.50,000/- for other committee meetings. |

| C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/ WTD : | | | |
|---|--|--|------------------|
| (Amount in Rupees) | | | |
| Sl. no. | Particulars of Remuneration | Key Managerial Personnel | |
| | | C G M (Finance) & Company Secretary | CFO |
| | | Suresh Kumar P | K S Suresh Kumar |
| 1. | Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 24,17,230 | 12,52,298 |
| | (b) Value of perquisites u/s 17(2) Income- tax Act, 1961 | 6,493 | 6,493 |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | | |
| 2. | Stock Option | | |
| 3. | Sweat Equity | | |
| 4. | Commission - as % of profit | | |
| 5. | Others, please specify | | |
| | Total | 24,23,723 | 12,58,791 |

VIII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

Annexure - VI Particulars of employees

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

As per rule 5(1)

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

| Executive directors | Ratio to median remuneration | % increase in current year |
|---|------------------------------|----------------------------|
| Dr. S N Sasidharan Kartha | 80.25 :1 | 208.54 |
| Mr. Saran S Kartha | 24.69 :1 | (5.07) |
| Key Managerial Personnel | | |
| Mr. Suresh Kumar P, CGM(Finance) & Co. Secretary | 5.57 :1 | 12.98 |
| Mr. Suresh Kumar K S Chief Financial Officer. | 2.89 :1 | (0.34) |

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

- b. The percentage increase in the median remuneration of employees in the financial year: 5.33%
- c. The number of permanent employees on the rolls of Company: 269
- d. The explanation on the relationship between average increase in remuneration and Company performance:

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

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

| | |
|---|--------|
| Aggregate remuneration of key managerial personnel (KMP) in FY 19-20 (crores) | 4.94 |
| Revenue (crores) | 264.52 |
| Remuneration of KMPs (as % of revenue) | 1.87 |
| Profit/Loss before Tax (PBT) (crores) | 19.79 |
| Remuneration of KMP (as % of PBT) | 24.96 |

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

| Particulars | March 31, 2020 | March 31, 2019 | % change |
|--------------------------------|----------------|----------------|----------|
| Market Capitalisation (crores) | 76 | 146 | (48) |
| Price Earnings Ratio | 12.71 | 26.70 | (52) |

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

| Particulars | 31.03.2020 | 31.03.2019 | % Change* |
|------------------------|------------|------------|-----------|
| Market Price (BSE) Rs. | 97.20 | 186.70 | (48) |
| Market Price (NSE) | N A | N A | — |

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

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

The average annual increase was around 3.59% during the course of the year. There was an increase of 112.5% in the managerial remuneration during the year. This was due to increase in M.D's remuneration which includes arrears of salary relating to previous year.

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

| | MD Dr. S N Sasidharan Karth | JMD Mr. Saran S Karth | CGM (F) & Company Secretary | Chief Financial Officer |
|---------------------------------------|-----------------------------------|-----------------------------|-----------------------------------|-------------------------------|
| Remuneration in FY 2019-20 | 3,49,44,000 | 1,07,52,000 | 24,23,723 | 12,58,791 |
| Revenue(Rs. In Crores) | 264.52 | 264.52 | 264.52 | 264.52 |
| Remuneration as % of revenue | 1.32 | 0.41 | 0.09 | 0.05 |
| Profit/Loss before Tax(Rs. in crores) | 19.79 | 19.79 | 19.79 | 19.79 |
| Remuneration (as % of PBT) | 17.66 | 5.43 | 1.22 | 0.64 |

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

| As per Rule 5(2) | | | | | | | |
|------------------|-----------------------------|--------------------------|--------------------------|--------------------------|--------------------|------------|-----|
| Sl. No. | Name | Gross Remuneration (Rs.) | Designation | Qualification | Experience (Years) | DOJ | Age |
| 1 | Dr. S. N. Sasidharan Kartha | 3,49,44,000 | Managing Director | PhD | 46 | 18/08/1989 | 68 |
| 2 | Shri. Saran S. Kartha | 1,07,52,000 | Joint Managing Director | B.Tech (Mechanical) | 11 | 27/05/2009 | 33 |
| 3 | Shri. Suresh Kumar P | 24,17,230 | CGM (F) & Com. Secretary | FCA & ACS | 37 | 02/02/2009 | 64 |
| 4 | Shri. Manohardas | 17,98,799 | General Manager (P) | M.Tech | 28 | 24/08/2000 | 49 |
| 5 | Shri. Suresh Kumar K S | 12,52,298 | Chief Financial Officer | M.Com | 33 | 03/06/1991 | 58 |
| 6 | Shri. Ashtamoorthy P M | 11,80,016 | Dy.General Manager | B.Sc | 30 | 14/09/1998 | 54 |
| 7 | Shri. Manoj K P | 11,62,066 | DGM (MM) | Dip. in Mech | 27 | 22/06/1993 | 48 |
| 8 | Shri. Bino Jacob | 8,41,500 | DGM (Mtrls) | Dip. in Computer Science | 27 | 01/07/1993 | 51 |
| 9 | Shri. Arunanan V P | 8,24,565 | AGM (QA) | M.Sc. | 26 | 25/10/1996 | 48 |
| 10 | Shri. Anilkumar E M | 7,51,926 | AGM (Mktg) | B.Sc. | 30 | 05/10/1995 | 50 |

Annexure-VII

Management Discussion and Analysis

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

a) Main Product

The main product is Synthetic Rutile which finds application as raw material for the Titanium pigment and titanium sponge/metal industry. The annual licensed and installed capacity is 50000 MT.

b) By-Products

The following are the by-products.

- i) Ferric Chloride has applications as an effective coagulant for purification of drinking water and for Effluent Treatment. It is also used as an etching agent and in pickling plants.
- ii) Ferrous Chloride is coagulant for water purification and for effluent treatment.
- iii) Iron Hydroxide (Cemox) used for brick / tile making and substitute for iron ore.
- iv) Recovered TiO_2 as a cheaper substitute for TiO_2 pigment.
- v) Recovered Upgraded Ilmenite.
- vi) CMRL Rutoweld is used in Welding Electrode industry.

Raw Materials

The main raw materials of your company are Ilmenite and Hydrochloric Acid. The rationale of setting up of this project was the indigenous availability of both these items. Now, while Hydrochloric Acid is indigenously available, the availability of Ilmenite from domestic source has shown a declining trend. In the last three years including the year under review, the company was facing a major challenge in its procurement from domestic source. The supply from the domestic market was quite restricted. Your company has made all efforts to procure the material from various foreign sources, and maintained the quality of product through process adaptation. The Company had initiated action for carrying out mining and mineral separation as early as in the year 1991. The Company had also promoted Kerala Rare Earths and Minerals Limited (KREML) 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.

Various Mining Lease applications of the company were approved by Govt. of India and four Mining Leases(ML) were granted by the State Government. However, after granting mining lease, due to policy change, the State Govt. ordered stopping of further action on the leases granted. The Govt. also rejected the other ML applications of the company which were already approved by Central Govt. The company challenged this decision of State Govt. to reject ML applications before the Appellate Authority of Govt. of India. The Appellate Authority directed the State Govt. for issue of ML, which was also rejected by State Govt. Aggrieved by the decision of State Govt., the company filed writ petition in the Single Bench of Hon. High Court of Kerala. The Hon. High Court quashed State Govt. order and directed State Govt. to reconsider the ML applications. Thereafter, an Appeal filed by State Govt. was dismissed by the Division Bench of Kerala High Court. The State Govt. filed SLP and thereafter Civil Appeal before the Hon. Supreme Court. The Hon. Supreme Court issued a final judgment on 8th April 2016 dismissing all appeals filed by Govt. of Kerala.

KREML has since taken up the matter with the State Govt. to implement the orders of the Hon. Supreme Court. In the Industrial Policy Statement 2018, the Govt. declared that the Hon. Supreme Court order will be implemented. In the mean while, the Govt. of India vide order dated 1.3.2019 directed premature termination of all mineral concessions of beach sand minerals held by private

companies under provisions of Section 4A(1) of MMDR Act and also stipulated that henceforth, any mineral concession of beach sand mineral shall be granted to a Govt. company or corporation owned or controlled by the Government. There is no restriction for joint ventures wherein the Govt./ Govt. agency has majority stake. KREML is pursuing the matter with the State Govt. and the decision of State Govt. is awaited.

Operational Performance

The operational performance highlights for the year 2019-2020 are given below:

| | 2019-20 | 2018-19 |
|-------------------------------------|----------|----------|
| Gross Revenue (Rs. lakhs) | 26452.31 | 22536.07 |
| Net Profit before tax (Rs. lakhs) | 1978.84 | 1119.14 |

Outlook

The slight price increase received for the main product Synthetic Rutile during current year helped the company to make improvement in turnover from Rs. 223.41 crores to Rs. 263.26 crores during the last financial year. But the scenario in respect of supply of main raw material, Ilmenite, from domestic sources remains uncertain. Hence Ilmenite will have to be imported with implication in respect of quality and price. In any case company is making all efforts to maintain maximum level of production. Your Directors are concerned about the shortage in availability of Ilmenite and are making all efforts for sourcing of Ilmenite from domestic /international source and marketing of the product.

The company is taking all efforts to source Ilmenite from an entity wherein the company/ group has stake, for the smooth operation of the company. The company is also taking steps to increase the production and marketing of Ferric Chloride and the other by-products viz. Recovered TiO₂ and Recovered Upgraded Ilmenite.

The emergence of Covid -19 pandemic has already affected the international market in the titanium industry. There is severe setback in the aviation industry in the short term which has affected company's fresh orders from the foreign buyers. In view of the pandemic, the market outlook remains uncertain. The company is closely watching the situation.

Covid -19 disclosure

Following the declaration of Covid -19 to be a Global pandemic by the World Health Organisation, the spread of Covid -19 has impacted the normal operations of businesses in many countries including India. The country has witnessed several disruption in normal operations due to lockdowns imposed by the Government in the form of restrictions to movement of people, transportation and supply chain along with other stringent measures to contain Covid -19 spread. Consequently the Company's revenues for the quarter ended June 2020 were 12.55 % lower than the corresponding quarter of the previous year.

The supply of raw materials was disrupted due to reduced operations of vendors. The impact in the current Quarter, has resulted in reduced utilization of production capacity in the plant of the company. In the opinion of the management, the disruption in supply of raw materials can improve in the subsequent months when the lockdown restrictions eased in the sourcing locations.

The overall outlook is uncertain due to Covid -19

Management believes that it has taken into account all the possible impact of known events and economic forecasts based on internal and external sources of information arising from Covid -19 pandemic while making such assessment in the preparation of the standalone financial results. The company will continue to closely monitor future developments and take appropriate measures to ensure business continuity.

Risks, Concerns and Strength

The risk factors, as far as your company is concerned, are the unpredictable situation in the avail-

ability and price of Ilmenite and Hydrochloric Acid, the major and critical raw materials of your company.

The market scenario for TiO₂ Pigment and Titanium Metal industries wherein Synthetic Rutile used is highly competitive. The emergence of Covid-19 pandemic has adversely affected the international market in the titanium industry. The company is closely watching the situation.

The major strength of your company is that its products are of highest International Standards and are well accepted by the buyers. Your company has now been granted ISO 9001:2015 by the prestigious agency Bureau Veritas, with accreditation from UKAS London and NABCB India. The Company also got certification from N S F International, an organization designated as a Collaborating Center by the World Health Organization(WHO) for our products Ferric Chloride, Ferrous Chloride and Ferrous Chloride with hydrated Titania catalyst that these products conform to NSF/ANSI standard 60 for drinking water treatment.

Skilled and dedicated work force is another strength of our Company.

Health, Safety and Environment

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

Health - The company aims to provide comprehensive health services covering protective, preventive and curative health care to all the employees. Apart from being covered by Employee State Insurance scheme (ESI), the employees are also entitled to medical reimbursements under the employees medical beneficiary scheme of the company. The Company gives utmost importance for safety of employees.

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 as per 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 had also bagged excellence award for 13 years from the Government of Kerala for implementing Pollution Control measures. 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.

Internal Control Systems and adequacy

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

Human Resources

Your company values its human resources as the greatest asset and maintains harmonious industrial relations. The company provides adequate training to all the employees and undertakes various employee welfare measures.

ANNEXURE- VIII

CORPORATE GOVERNANCE 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 has been doing exemplary service in the CSR front since its inception. The company has been supplying free meals to several school children in the local grama panchayat and distributing education aids to student. The company gives financial aid to girls of poor families for their marriage, has supplied dialysis units in Govt. Hospitals, ambulance for grama panchayat, treatment and financial aid for orphanages etc. The company has also supplied plant saplings to local community for environmental protection measures. The company has also contributed substantial amount to Chief Ministers Disaster Relief Fund in the past. The company is in full compliance with all the corporate governance requirements of the guidelines on corporate governance stipulated under the SEBI Listing Regulations 2015.

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

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

The Company has a well defined Policy to provide and maintain safe and healthy working environment to achieve total safety of employees, environment, equipments, processes and movable and immovable objects. Its commitment to safety is ensured by having an effective system, maintaining inbuilt facilities, following good safety practices with the active participation of people working in the Company. These efforts have resulted in accomplishing an accident free 2019-2020. The company lays special emphasis on protection of the environment through various pollution control measures.

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

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

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

TABLE – A – Board of Directors – Details

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

Changes in Board of Directors

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

ii) Meetings :

5 (five) meetings of the Board were held during the year ended 31st March 2020. These were on 27th May 2019, 15th July 2019, 3rd September 2019, 6th November 2019 and 4th February 2020. The gap between any two meetings did not exceed four months.

iii) Attendance :

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

iv) Share holding in the company by non-executive directors as on 31/03/2020 were as follows:

| | Director | Shares Held |
|----|----------------------------|--------------------|
| 1. | Mr. R K Garg | 2500 |
| 2. | Mr. Mathew M Cherian | 478068 |
| 3. | Mrs. Jaya S Kartha | 386740 |
| 4. | Mr.G. R. Warriar | 750 |
| 5. | Mr. Achutha Janardhana Pai | 1300 |
| 6. | Mr. Anil Ananda Panicker | 143772 |
| 7. | Mr. Nabil Mathew Cherian | 1300 |

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 2020. The declaration by the Managing Director (CEO) as regards compliance with the code is annexed.

4. Code of Conduct under Insider Trading Regulations

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

5. Secretarial Standards and Audit

The company adheres to the mandatory and non-mandatory secretarial standards issued by the Institute of Company Secretaries of India on important corporate practices such as Board Meetings, General Meetings, payment of dividend, maintenance of registers and records, minutes of meetings, transmission of shares, passing of resolutions by circulation and Board's report. The company has also undergone secretarial audit by an independent Company Secretary in whole time practice.

6. Audit Committee

The Audit Committee of the company during the year consisted of 6 members out of which 4 non – executive and independent Directors, three of them having expert knowledge in Finance and Accounts and two Executive Directors. The terms of reference of the committee included the following:

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

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

The audit committee met four times during the year ended 31.03.2020. These were on 27th May 2019, 15th July 2019, 6th November 2019 and 4th February 2020. 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 | Meetings attended |
| Shri. R.K. Garg (Chairman) | 4 | 4 |
| Shri.Achutha Janardhana Pai | 4 | 4 |
| Shri. G R Warriar | 4 | 2 |
| Dr. S N Sasidharan Kartha | 4 | 4 |
| Shri. Saran S Kartha | 4 | 4 |
| Shri. T P Thomaskutty | 4 | 4 |

7. Vigil Mechanism

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

8. Nomination & Remuneration Committee :

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

1. Shri. Achutha Janardhana Pai - Chairman
2. Shri. R K Garg - Member
3. Shri. G R Warriar - Member

The remuneration committee is vested with all the necessary powers and authority to determine and recommend the remuneration payable to the executive directors and key management personnel. At present the Company has only two Executive Directors ie. Dr. S N Sasidharan Kartha, the Managing Director and Shri. Saran S Kartha, Joint Managing Director. The Managing Director is paid the minimum remuneration as per schedule V or 5% of the net profits of the Company whichever is higher. No other perquisite, incentives or stock options are payable to him. Mr. Saran S Kartha, Joint Managing Director is also paid remuneration not exceeding the limits specified in Part II, Section II of Schedule V to the Companies Act, 2013, or any other statutory modifications or enactments thereof for the time being in force or 5% of the net profits

of the company, whichever is higher. No other perquisite, incentives or stock options are payable to him. The non-executive Directors are paid one per cent commission on net profit of the company.

Particulars of Nomination and Remuneration Committee meeting and attendance of members

| Table – C- Remuneration Committee Attendance | | |
|---|-----------------------------|-------------------------|
| Names of Member Directors | No. of meetings held | Meeting attended |
| Shri. Achutha Janardhana Pai (Chairman) | 2 | 1 |
| Shri. R K Garg | 2 | 2 |
| Shri. G R Warriar | 2 | 2 |

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

TABLE – D – Remuneration to Directors

| Name | Sitting Fees (Rs.) | Salary (Rs.) | Contribution to PF (Rs.) | Total (Rs.) |
|--|---------------------------|---------------------|---------------------------------|--------------------|
| Shri. R.K. Garg | 10,50,000 | | | 10,50,000 |
| Dr. S.N. Sasidharan Kartha | | 3,12,00,000 | 37,44,000 | 3,49,44,000 |
| Shri. Mathew.M.Churian | 4,50,000 | | | 4,50,000 |
| Shri. Achutha Janardhana Pai | 9,50,000 | | | 9,50,000 |
| Shri. R. Ravi Chandran (KSIDC Ltd. Nominee) | 2,00,000 | | | 2,00,000 |
| Shri. G.R. Warriar | 6,50,000 | | | 6,50,000 |
| Smt. Jaya.S.Kartha | 5,50,000 | | | 5,50,000 |
| Shri. Saran S Kartha | | 96,00,000 | 11,52,000 | 1,07,52,000 |
| Shri. Anil Ananda Panicker | 5,00,000 | | | 5,00,000 |
| Shri. Nabil Mathew Churian | 4,50,000 | | | 4,50,000 |
| Shri. T P Thomaskutty | 9,00,000 | | | 9,00,000 |
| | 57,00,000 | 4,08,00,000 | 48,96,000 | 5,13,96,000 |
| There was no other remuneration/benefits paid/payable to the directors. | | | | |

9. Familiarization programme for independent directors

The company has adopted a policy for Familiarization programme for independent directors. The details are available on the company's website www.cmrlindia.com > policies.

10. Share Transfer Committee

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

The Company's shares are compulsorily traded in demat form. However, the Share Transfer committee met at frequent intervals i.e.12 times during the year. There were no pending transfers as on 31st March 2020.

11. Stakeholders Relationship Committee

The committee met once during the financial year ended 31st March, 2020. The date of meeting was 04.02.2020.

The outstanding investor complaints as on 31.03.2020 was NIL

Particulars of Stakeholder Relationship Committee meeting and attendance of members

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

12. Share Transfer System

a) The shares, in physical form received for transfer are processed and transfers effected generally within a period of 10 days from the date of receipt, provided the documents are valid and complete in all respects. Physical shares for demat are received by the Registrar & Transfer Agents and processed within the stipulated time. The authority for approving Share Transfers are delegated to the share transfer committee.

Transfer of dematerialized shares is effected through the depositories, with no involvement of the company.

b) Registrar and Transfer Agents

Registrar and Transfer Agents
M/s. SKDC Consultants Ltd.,
Kanapathy Towers,
3rd Floor,1391/A-1, Sathy Road,
Ganapathy,Coimbatore – 641 006
Ph: 0422 – 4958995, 2539835-836
Fax : 91 422 2539837
E-mail: info@skdc-consultants.com

13. General Body Meetings :

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

| Year | Location | Date | Time |
|----------|---------------|------------|----------|
| 2016- 17 | Aluva, Kerala | 29.08.2017 | 2.30 P.M |
| 2017 -18 | Aluva, Kerala | 10.09.2018 | 9.30 A.M |
| 2018- 19 | Aluva, Kerala | 03.09.2019 | 9.30 A.M |

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

- 2016-2017 - Re-appointment of Managing Director
 2017-2018 - NIL
 2018-2019
1. Re-appointment of Joint Managing Director
 2. Reappointment of Independent Director - Shri. Achutha Janardhana pai
 3. Reappointment of Independent Director – Shri. R K Garg
 4. Reappointment of Independent Director – Shri. G R Warriar
 5. Revision of Remuneration of Managing Director

(c) Postal Ballot :

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

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

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

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

d) Discretionary requirements

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

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

e) The company have no subsidiary

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

15. Means of Communication.

The quarterly, half yearly and annual working results of the company are published in newspapers like Financial Express and Kerala Kaumudi. The management Discussion and Analysis is included as a part of the annual report for the year ended 31st March 2020.

16. General Shareholder Information.

| | | |
|-------------------------------|---|--|
| Annual General Meeting | : | Monday, 28th September, 2020 at 12.00 Noon. |
| Mode and Venue | : | AGM will be convened through Video Conferencing (VC) /Other Audio Visual Means (OAVM) at the Company's Registered Office at Aluva |
| Financial Year | : | Year ended 31st March, 2020 |
| Book Closure Date | : | 22.09.2020 to 28.09.2020(both days inclusive) |
| Listing | : | The shares of the company are listed at BSE Ltd. |
| Stock Code | : | COCHRDM 513353 |
| Demat ISIN | : | INE 105D01013 |

17. Market Price Data

The High/Low prices of the company's shares at the BSE Ltd. during each month of the Financial year 2019 – 2020 are given below:

| Month | Year | Month's High | Month's Low |
|-----------|------|--------------|-------------|
| | | Rs. | Rs. |
| April | 2019 | 200.00 | 164.10 |
| May | 2019 | 204.90 | 157.75 |
| June | 2019 | 187.35 | 158.00 |
| July | 2019 | 201.85 | 154.00 |
| August | 2019 | 206.40 | 161.25 |
| September | 2019 | 182.85 | 161.05 |
| October | 2019 | 183.00 | 148.00 |
| November | 2019 | 183.00 | 153.00 |
| December | 2019 | 163.00 | 140.05 |
| January | 2020 | 164.00 | 143.05 |
| February | 2020 | 161.00 | 131.50 |
| March | 2020 | 137.65 | 77.00 |

18. Distribution of Shareholding as on 31st March 2020.

a. Category-wise Distribution

| | |
|--------------------------|---------------|
| Promoters | 52.295 |
| Banks/FIS/mutual funds | 0.653 |
| NRIs | 1.136 |
| Private Corporate Bodies | 2.590 |
| Others | 43.326 |
| Total | 100.00 |

b. Value-wise Distribution**Distribution of holdings as on 31/03/2020**

| 1 | 2 | 3 | 4 | 5 |
|--------------------|----------------|---------------|-----------------|---------------|
| Value (Rs) | No. of Holders | % | Amount | % |
| Upto 5000 | 7306 | 93.92 | 7746870 | 9.89 |
| 5001 -10000 | 236 | 3.03 | 1922120 | 2.45 |
| 10001 -20000 | 97 | 1.25 | 1493230 | 1.91 |
| 20001 -30000 | 41 | 0.53 | 1046100 | 1.34 |
| 30001 -40000 | 14 | 0.18 | 482390 | 0.62 |
| 40001 -50000 | 9 | 0.12 | 437530 | 0.56 |
| 50001 -100000 | 24 | 0.31 | 1847870 | 2.36 |
| 100001 - And Above | 52 | 0.67 | 63323890 | 80.87 |
| Total | 7779 | 100.00 | 78300000 | 100.00 |

19. Dematerialisation of Shares and Liquidity.

95.13 percent of the company's paid-up capital is held in demat form as on 31st March 2020. 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 BSE Ltd. and has good liquidity.

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

Not applicable to the company.

21. Plant Location.

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

22. Address for Correspondence.

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

Annexure - IX**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

To

The members of Cochin Minerals and Rutile Limited

1. We A K MURALEE & CO, Chartered Accountants, the Statutory Auditors of Cochin Minerals and Rutile Limited ("the Company") have examined the compliance of conditions of Corporate Governance by the Company, for the year ended 31st March 2020, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("SEBI Listing Regulations").

Management's Responsibility

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the SEBI Listing Regulations.

Auditors' Responsibility

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company
4. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirement by the Company
5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on the Certification of Corporate Governance issued by the Institute of Chartered Accountants of India (the ICAI). The Standards On Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1. Quality control for Firms that Perform Audits and Reviews of Historical Financial information, and Other Assurance and Related Services Engagements.

Opinion

7. Based on our examination of the relevant records and according to the information and explanations provided to us and the representation provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of the Schedule V of the SEBI Listing Regulations during the year ended March 31, 2020
8. We State that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company

Always,
23/06/2020

For A K MURALEE & CO.
Chartered Accountants
(Firm Registration No. 11817S)

Muralee krishnan A. K.
Proprietor
Membership No. 217127
UDIN-20217127AAAAAR8498

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

This is to confirm that the company has adopted a code of conduct for its Board Members and Senior Management Personnel and that the company has in respect of the Financial Year ended 31st March 2020 received Affirmations from the Board Members and Senior Management Personnel as regards compliance with the code, as applicable to them.

Aluva,
23.06.2020

Dr. S N Sasidharan Kartha
Managing Director
(DIN : 00856417)

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st March 2020

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

To,
The Members,
Cochin Minerals and Rutile Ltd.
Aluva

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

Based on my verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2020 according to the provisions of:

- I. The Companies Act, 2013 (the Act) and the rules.
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules.
- III. The Depositories Act, 1996 and the Regulations and By-laws.
- IV. Foreign Exchange Management Act, 1999 and the rules and regulations to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; Not applicable during the period covered.

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

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India:
- (ii) The Listing Agreement entered into by the Company with the Mumbai Stock Exchange Ltd;

During the period under review the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that:

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

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

I further report that there is adequate systems and processes in the company, commensurate with its size and operations, to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. As such we cannot conclude that all the data are captured in view of the prevailing Covid-19 circumstances.

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

Place : Enakulam
Date : 30.06.2020

For K P THOMAS & CO
Company Secretaries

K P Thomas, Proprietor
FCS 2134, C P 8886
UDIN No. F002134B000400061

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

ANNEXURE A

30.06.2020

To

The Members,
Cochin Minerals and Rutile Ltd.,
Aluva

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

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

For K P THOMAS & CO
Company Secretaries

K P Thomas
FCS 2134 CP 8886 PR 2015/264
UDIN No. F002134B000400061

To

June 11, 2020

The Board of Directors
Cochin Minerals and Rutile Limited

Sub: CEO/CFO Certification in Terms of Clause V of the Corporate Governance Regulations.
Financial Year 2019-2020

This is to certify that:

- a) We have reviewed the financial statements and the cash flow statement for the year ended 31.03.2020 and that to the best of our knowledge and belief:
 - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - ii) these statements together present a true and fair view of the company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and there were no deficiencies in the design or operation of such internal controls, of which we were aware.
- d)
 - i) There were no significant changes in internal control over financial reporting during the year.
 - ii) There were no significant changes in accounting policies during the year and
 - iii) There were no instances of significant fraud, of which we were aware, for reporting.

Dr. S.N. Sasidharan Kartha
Managing Director

K S Suresh Kumar,
Chief Financial Officer.

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

Report on the Audit of Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Cochin Minerals And Rutile Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

| Sr. No. | Key Audit Matter | Auditor's Response |
|---------|--|---|
| 1 | <p><u>Property, Plant & Equipment</u> There are areas where Management judgments impact the carrying value of property, plant and equipment, intangible assets and their respective Depreciation and amortization amounts. These include the decision to capitalize or expense costs; the annual asset life review; the timeliness of the capitalization of assets and the use of Management assumptions and estimates for the determination or the measurement and recognition criteria for assets retired from active use. Due to the materiality in the context of the balance sheet of the Company and the level of judgments and estimates required, we consider this to be a key audit matter.</p> | <p><u>Auditor's Response</u> We assessed the controls in place, evaluated the appropriateness of capitalization process, performed tests of details on costs capitalized, the timeliness of the capitalization of assets and the derecognition criteria for assets retired from active use. In performing these procedures, we reviewed the judgments made by management including the nature of underlying costs capitalized; determination of realizable value of the assets retired from active use; the appropriateness of asset live applied in the calculation of depreciation; useful lives of assets as per the technical assessment of the management and external technical experts. We have observed that there are no material changes.</p> |

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Business Responsibility Report, Corporate Governance Report and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is no material misstatement of this other information & we have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the

Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowl-

edgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of sec.197(16) of the act, as amended: in our opinion and to the best of our information and according to the explanations given to us: the remuneration paid by the company to its directors during the year is in accordance with the provisions of section 197 of the Act.
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

Always,
23/06/2020

For A K MURALEE & CO.
Chartered Accountants
(Firm Registration No. 11817S)

Muralee krishnan A. K.
Proprietor
Membership No. 217127
UDIN-20217127AAAAAQ5319

ANNEXURE “A” TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Cochin Minerals and Rutile Limited of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of COCHIN MINERALS AND RUTILE LIMITED (“the Company”) as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditor’s Responsibility

Our responsibility is to express an opinion on the company’s internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on auditing prescribed under Section143(10) of the CompaniesAct, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention of timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal financial control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Always,
23/06/2020

For A K MURALEE & CO.
Chartered Accountants
(Firm Registration No. 11817S)

Muralee krishnan A. K.
Proprietor
Membership No. 217127
UDIN 20217127AAAAAQ5319

ANNEXURE 'B' TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of COCHIN MINERALS AND RUTILE LIMITED of even date)

- i. In respect of the Company's fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds / registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.
- ii.
 - a) As explained to us, inventories have been physically verified by the management at regular intervals during the year. In our opinion, the frequency of such verification is reasonable.
 - b) The company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on physical variation of inventory as compared to book records.
- iii. The company has not granted any loans, secured or unsecured to the companies, firms limited liability partnerships or other parties covered in the register maintained under section 189 of Companies Act, 2013.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- v. The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2020 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.
- vi. The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus reporting under clause 3(vi) of the order is not applicable to the Company.
- vii. According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.

(b) According to the information and explanations given to us and based on the records of the company, there are no dues of Income tax, Service tax, Sales tax, Customs duty, Excise duty, Value added tax, Goods and Services tax and Cess which have not been deposited on the account of dispute, except the following.

| Nature of the statute | Nature of dues | Forum where Dispute is Pending | Period to which the Amount Relates | Amount Lakhs |
|-----------------------|-------------------|---|------------------------------------|--------------|
| Central Sales Tax Act | Central Sales Tax | Deputy Commissioner (Appeals) , Commercial Taxes, Ernakulam | F.Y. 2008 -09 | 11.51 |

(1) In the case of search and seizure by income tax department (DIT investigation, Cochin) on 25/01/2019, the management informed that, no demand notice received from the department and the amount of liability if any, at the year end cannot be quantified. So no provision is made for any liability.

- viii. In our opinion and according to the explanations given to us, the Company has not defaulted in repayment of loans or borrowings to the financial institutions, banks and Government or dues to debenture holders. There were no debenture holders at any time during the year.
- ix. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3 (ix) of the Order is not applicable to the Company.
- x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties as required by the applicable accounting standards.
- xiv. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.

- xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

Always,
23/06/2020

For A K MURALEE & CO.
Chartered Accountants
(Firm Registration No. 11817S)

Muralee krishnan A. K.
Proprietor
Membership No. 217127
UDIN 20217127AAAAAQ5319

BALANCE SHEET AS AT 31st MARCH 2020

(₹) Lacs

| PARTICULARS | NOTE NO. | As at Mar 31,2020 | As at Mar 31,2019 |
|---------------------------------------|----------|-------------------|-------------------|
| ASSETS | | | |
| Non-current assets | | | |
| (a) Property , Plant & Equipment | 4 | 1,835.78 | 1,393.44 |
| (b) Capital Work in Progress | 5 | 510.99 | 924.16 |
| (c) Financial Assets: | | | |
| (i) Non current investment | 6 | 1,395.83 | 1,418.40 |
| (ii) Deferred tax Assets (net) | 7 | 743.00 | 1,774.83 |
| (iii) Other Assets | 8 | 507.44 | 506.62 |
| Total Non- Current Assets | | 4,993.04 | 6,017.45 |
| Current Assets | | | |
| (a) Inventories | 9 | 6,365.43 | 7,067.24 |
| (b) Financial Assets: | | | |
| (i) TradeReceivables | 10 | 1,561.53 | 714.11 |
| (ii) Cash and Cash Equivalents | 11 | 359.55 | 444.11 |
| (iii) Other Balances with Banks | 12 | 305.05 | 360.35 |
| (c) Current Tax Assets (net) | 13 | 1,145.18 | 12.68 |
| (d) Other Current Assets | 8 | 642.75 | 1,052.03 |
| Total Current Assets | | 10,379.49 | 9,650.52 |
| TOTAL ASSETS | | 15,372.53 | 15,667.97 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| a) Share Capital | 14 | 783.00 | 783.00 |
| b) Other Equity | 15 | 6,946.04 | 6,541.81 |
| Total Equity | | 7,729.04 | 7,324.81 |
| Liabilities | | | |
| Non Current Liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Long term Borrowings | 16 | - | - |
| (b) Provisions | 18 | 189.95 | 160.82 |
| Total Non- Current Liabilities | | 189.95 | 160.82 |

(₹) Lacs

| | | | |
|-------------------------------------|----|------------------|------------------|
| Current Liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Short Term Borrowings | 16 | - | 3,277.74 |
| (ii) Trade Payables | | 7,094.00 | 3,608.92 |
| (iii) Other Financial Liabilities | 17 | 95.77 | 627.49 |
| (b) Other Current Liabilities | 19 | 169.97 | 616.71 |
| (c) Provisions | 18 | 93.80 | 51.48 |
| Total Current Liabilities | | 7,453.54 | 8,182.34 |
| TOTAL EQUITY AND LIABILITIES | | 15,372.53 | 15,667.97 |

Notes forming part of the financial statements

Significant accounting policies 1.B

See accompanying notes forming part of financial statements

Place : Aluva

Date : 23.06.2020

As per Annexed Report of even date

MURALEE KRISHNANA. K. B.Sc., F.C.A., DISA, MBA
 CHARTERED ACCOUNTANT
 Membership No. 217127

R.K. Garg
 Chairman

Dr. S.N. Sasidharan Kartha
 Managing Director

Saran S. Kartha
 Joint Managing
 Director

Mathew M. Cherian
 Director

G. R. Warriar
 Director

DIN : 00644462

DIN : 00856417

DIN : 02676326

DIN : 01265695

DIN : 01146202

Achutha Janardhana Pai
 Director

Jaya S. Kartha
 Director

Nabiel Mathew Cherian
 Director

T.P. Thomaskutty
 Director

DIN : 00115688

DIN : 00666957

DIN : 03619760

DIN : 01473957

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

K. S. Suresh Kumar
 Chief Financial Officer

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2020

(₹) Lacs

| PARTICULARS | | NOTE NO. | For the Year ended March 31 ,2020 | For the Year ended March 31 ,2019 |
|-------------|--|----------|-----------------------------------|-----------------------------------|
| | Revenue from operations | | | |
| I | Sale of Products | 20 | 26,326.22 | 22,341.00 |
| II | Other Income | 21 | 126.09 | 195.07 |
| III | TOTAL INCOME | | 26,452.31 | 22,536.07 |
| IV | EXPENSES | | | |
| | Cost of material consumed | 22 | 11,955.94 | 11,552.77 |
| | Changes in inventories of finished goods , work in progress and stock in trade | 23 | 1,536.97 | 24.29 |
| | Employee Costs | 24 | 2,331.15 | 1,852.58 |
| | Finance Costs | 25 | 164.61 | 460.17 |
| | CSR Expenses | | 5.14 | - |
| | Depreciation/Amortisation Ex-pense | 4 | 56.67 | 51.81 |
| | Other expenses | 26 | 8,422.99 | 7,475.31 |
| V | TOTAL EXPENSES | | 24,473.47 | 21,416.93 |
| | Profit before tax (III-V) | | 1,978.84 | 1,119.14 |
| VI | Tax Expense: | | | |
| | (1) Current Tax | | 346.00 | 241.20 |
| | (2) Deferred Tax | | 1,034.15 | 330.98 |
| VII | PROFIT FOR THE PERIOD | | 598.69 | 546.96 |
| VIII | OTHER COMPREHENSIVE INCOME | | | |
| A | (i) Items that will not be reclassified to profit & loss account | | | |
| | (a) Remeasurement of defined benefit plans-gain/(loss) | | 14.59 | (3.50) |
| | (b) Net changes in fair values of investments carried at fair value through OCI-Gain /(Loss) | | (22.57) | (4.05) |
| | (ii) Income tax relating to A (i) | | 2.32 | 2.64 |

(₹) Lacs

| | | | | |
|-----------|---|--|---------------|---------------|
| B | (i) Items that will be reclassified to Profit & Loss account | | | |
| | (a) Others | | 0.00 | 0.00 |
| | (ii) Income tax relating to B (i) | | 0.00 | 0.00 |
| | Total Other Comprehensive Income | | (5.66) | (4.91) |
| IX | TOTAL COMPREHENSIVE INCOME FOR THE PERIOD | | 593.03 | 542.05 |
| | Earnings per equity share (EPS) | | | |
| | (Nominal value of share Rs. 10) | | | |
| | (1) Basic | | 7.65 | 6.99 |
| | (2) Diluted | | 7.65 | 6.99 |

Significant accounting policies 1.B

See accompanying notes forming part of financial statements

Place : Aluva

Date : 23.06.2020

As per Annexed Report of even date

MURALEE KRISHNAN A. K. B.Sc., F.C.A., DISA, MBA
 CHARTERED ACCOUNTANT
 Membership No. 217127

R.K. Garg
ChairmanDr. S.N. Sasidharan Kartha
Managing DirectorSaran S. Kartha
Joint Managing
DirectorMathew M. Cherian
DirectorG. R. Warriar
Director

DIN : 00644462

DIN : 00856417

DIN : 02676326

DIN : 01265695

DIN : 01146202

Achutha Janardhana Pai
DirectorJaya S. Kartha
DirectorNabiel Mathew Cherian
DirectorT.P. Thomaskutty
Director

DIN : 00115688

DIN : 00666957

DIN : 03619760

DIN : 01473957

Suresh Kumar P.
Chief General Manager (Finance)
& Company SecretaryK. S. Suresh Kumar
Chief Financial Officer

COCHIN MINERALS AND RUTILE LIMITED
STATEMENT OF CHANGES IN EQUITY

| A EQUITY SHARE CAPITAL | | (₹) in lacs |
|------------------------|-------------------------|---------------------|
| As at 1st April 2018 | Changes during the year | As at March 31,2019 |
| 783.00 | - | 783.00 |
| | | (₹) in lacs |
| As at 1st April 2019 | Changes during the year | As at March 31,2020 |
| 783.00 | - | 783.00 |

| B OTHER EQUITY | | | | | | (₹) in lacs |
|------------------------------|--------------------|--------------------------------------|-----------------|-------------------|--------------|--------------------|
| PARTICULARS | Reserves & Surplus | | | | Other Equity | Total Other Equity |
| | Capital Reserve | Investment subsidy Kerala government | General reserve | Retained Earnings | FVTOCI | Total |
| Balance as at 1st April 2018 | 0.44 | 15.00 | 2,206.91 | 3,752.24 | 25.17 | 5,999.76 |
| Profit for the year | - | - | - | 546.96 | - | 546.96 |
| Other Comprehensive Income | - | - | - | (2.28) | (2.63) | (4.91) |
| Total Comprehensive Income | - | - | - | 544.68 | (2.63) | 542.05 |
| Balance as at March 31, 2019 | 0.44 | 15.00 | 2,206.91 | 4,296.92 | 22.54 | 6,541.81 |

| (₹) in lacs | | | | | | |
|--|--------------------|--------------------------------|-----------------|-------------------|--------------|--------------------|
| PARTICULARS | Reserves & Surplus | | | | Other Equity | Total Other Equity |
| | Capital Reserve | Investment subsidy Kerala govt | General reserve | Retained Earnings | FVTOCI | Total |
| Balance as at 1 st April 2019 | 0.44 | 15.00 | 2,206.91 | 4,296.92 | 22.54 | 6,541.81 |
| Profit for the year | - | - | - | 598.69 | - | 598.69 |
| Less: Dividend and dividend tax | - | - | - | (188.79) | - | (188.79) |
| Other Comprehensive Income | - | - | - | 10.33 | (16.00) | (5.67) |
| Total Comprehensive Income | - | - | - | 420.23 | (16.00) | 404.23 |
| Balance as at March 31, 2020 | 0.44 | 15.00 | 2,206.91 | 4,717.15 | 6.54 | 6,946.04 |

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2020

(₹) Lacs

| Particulars | For the Year ended March 31,2020 | For the year ended March 31,2019 |
|--|----------------------------------|----------------------------------|
| A. Cash Flow from Operating activities | | |
| Profit Before Tax | 1,978.84 | 1,119.14 |
| Adjustment For: | | |
| Depreciation and amortisation | 56.67 | 51.81 |
| Interest & Dividend Income | (20.39) | (4.44) |
| Finance costs | 164.61 | 460.17 |
| Change in operating assets & liabilities: | | |
| (Increase)/Decrease in Other assets | (0.82) | - |
| (Increase)/Decrease in Inventories | 701.81 | (160.36) |
| (Increase)/Decrease in Trade Receivables | (847.42) | 701.60 |
| (Increase)/Decrease in Current Tax Assets | (14.55) | (0.42) |
| (Increase)/Decrease in Other Current Assets | 409.28 | 96.28 |
| Increase/(Decrease) in Trade Payables | 3,485.08 | 586.33 |
| Increase/(Decrease) in Provisions | 42.32 | 32.80 |
| Increase/(Decrease) in Other financial liabilities | (531.72) | 22.16 |
| Increase/(Decrease) in Other Current Liability | (403.02) | (1391.07) |
| Income Tax Advance | (1,463.95) | (250.00) |
| Net cash flow from operating activities | 3,556.74 | 1,264.00 |
| B Cash Flow From Investing Activities | | |
| Interest & Dividend Received | 20.39 | 4.44 |
| Investment in PPE | (87.51) | (19.43) |
| Sale of PPE | 1.67 | - |
| Other Bank Balances | 55.29 | (282.21) |
| Net cash flow from Investing Activities | (10.16) | (297.20) |
| C Cash Flows From Financing Activities | | |
| Proceeds from Term Loan (net) | - | (548.74) |
| Cash credit | (3,277.74) | 479.66 |
| Interest paid | (164.61) | (460.17) |
| Dividend and dividend tax paid | (188.79) | - |
| Net cash flow from financing activities | (3,631.14) | (529.25) |

(₹) Lacs

| | | |
|---|---------------|---------------|
| Net Increase in cash and cash equivalents (A+B+C) | (84.56) | 437.55 |
| Cash and cash equivalents at the beginning of the year | 444.11 | 6.56 |
| Cash and cash equivalents at the end of the year | 359.55 | 444.11 |

(₹) Lacs

| IND AS RECONCILIATION OF FINANCIAL LIABILITY: | | | | For the year ended March 31st, 2020 | For the year ended March 31st, 2019 |
|---|-----------------|--------------|------------------|-------------------------------------|-------------------------------------|
| BOB Corporate Loan | Opening Balance | NET Proceeds | Transaction Cost | EIR IMPACT | CLOSING BALANCE |
| 2018-19 | 548.74 | 548.74 | NIL | 17.02 | - |
| 2019-20 | - | - | NIL | 27.71 | - |
| | | | | 2019-20 | 2018-19 |
| Foreign Receivable | | | | 1,091.28 | 159.50 |
| Exchange Rate Difference Impact | | | | (14.35) | 9.11 |
| Closing Foreign Receivable | | | | 1,076.93 | 168.61 |

Figures in bracket indicate cash outflows / deductions.

See accompanying notes forming part of the financial statements

Place : Aluva

Date : 23.06.2020

As per Annexed Report of even date

MURALEE KRISHNAN A. K. B.Sc., F.C.A., DISA, MBA
CHARTERED ACCOUNTANT
Membership No. 217127

| | | | | |
|---|---|--|---|---|
| R.K. Garg Chairman DIN : 00644462 | Dr. S.N. Sasidharan Kartha Managing Director DIN : 00856417 | Saran S. Kartha Joint Managing Director DIN : 02676326 | Mathew M. Cherian Director DIN : 01265695 | G. R. Warriar Director DIN : 01146202 |
| Achutha Janardhana Pai Director DIN : 00115688 | Jaya S. Kartha Director DIN : 00666957 | Nabiel Mathew Cherian Director DIN : 03619760 | T.P. Thomaskutty Director DIN : 01473957 | |
| Suresh Kumar P. Chief General Manager (Finance) & Company Secretary | K. S. Suresh Kumar Chief Financial Officer | | | |

NOTES TO FINANCIAL STATEMENTS

1. Notes to financial statements for the period ended 31st March 2020

A. CORPORATE INFORMATION

Cochin Minerals and Rutile Ltd is a public company incorporated in India. Its shares are listed in BSE Limited. The Company is engaged in the manufacture of Synthetic Rutile, Ferric Chloride, Ferrous Chloride, Iron Hydroxide (Cemox), Recovered TiO₂, Recovered Upgraded ilmenite and Rutoweld.

B. SIGNIFICANT ACCOUNTING POLICIES (1 -14)

1. BASIS OF PREPARATION

The financial statements have been prepared in accordance with INDIA ACCOUNTING STANDARDS (Ind AS) notified under the Companies (Indian Accounting Standards) Rules,2015 and with Companies (Indian Accounting Standards) (amendment) Rules ,2016 and comply in all material aspects with the relevant provisions of the Companies Act ,2013.

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)

The financial statements are presented in INR and all values are rounded to the nearest lakhs (INR 00,000), except as otherwise indicated.

2. FIXED ASSETS

2.1 Property, Plant and Equipment

The cost of an item of property, plant and equipment is recognized as an asset if, and only if:

- (a) it is probable that future economic benefits associated with the item will flow to the entity; and
- (b) the cost of the item can be measured reliably.

Fixed Assets are stated at acquisition cost less accumulated depreciation / amortization (except leasehold land) and cumulative impairment.

Technical know-how / license fee relating to plants/facilities are capitalised as part of cost of the underlying asset. Spare parts are capitalized when they meet the

NOTES TO FINANCIAL STATEMENTS

definition of PPE, i.e., when the company intends to use these during more than a period of 12 months.

The acquisition of property, plant and equipment, directly increasing the future economic benefits of any particular existing item of property, plant and equipment, which are necessary for the Company to obtain the future economic benefits from its other assets, are recognized as assets.

2.2 Capital stores

Capital stores are valued at cost. Specific provision is made for likely diminution in value, wherever required.

2.3 Intangible Assets

Costs incurred on computer software purchased/developed resulting in future economic benefits, are capitalised as Intangible Asset and amortised over a period of three years beginning from the quarter in which such software is capitalised.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised

2.4 Depreciation/Amortization

Cost of tangible fixed assets (net of residual value) is depreciated on straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013. Assets costing upto Rs.5,000/-per item are depreciated fully in the year of capitalization. Spares are depreciated up to 95% over the remaining life of the main asset.

The Company depreciates components of the main asset that are significant in value and have different useful lives as compared to the main asset separately. The company depreciates general spares over the life of the spare from the date it is available for use. Such depreciation of component capital spares are capitalised through CWIP to the extent that such assets are used in the development of other assets.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

NOTES TO FINANCIAL STATEMENTS

The estimated useful lives of tangible and intangibles are :

| Type of asset | Method | Useful lives |
|--|---------------|--------------|
| Building | Straight line | 30 years |
| Plant & Machinery | Straight line | 8 years |
| Furniture & Fixtures | Straight line | 10years |
| Office Equipments | Straight line | 5 years |
| Other Equipments:- | | |
| Computers | Straight line | 3 years |
| Software | Straight line | 3 years |
| Vehicles& Material Handling Equipments | Straight line | 8 years |

3.LEASES

Company does not have any operating or finance leases.

4. IMPAIRMENT OF NON FINANCIAL ASSETS

Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's fair value less costs of disposal and its value in use. Impairment is recognised when the carrying amount of an asset exceeds recoverable amount.

5. BORROWING COST

Borrowing costs that are attributable to the acquisition and construction of the qualifying asset are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue

6. INVENTORIES

6.1 Stores and Spares

6.1.1 Stores andSpares are valued at weighted average cost and are carried at the lower of cost or net realisable value. Specific provision is made in respect of identified obsolete stores & spares and chemicals for likely diminution in value.

6.1.2 Stores & Spares in transit are valued at cost.

NOTES TO FINANCIAL STATEMENTS

7. PROVISIONS, CONTINGENT LIABILITIES & CAPITAL COMMITMENTS

7.1 Provisions

7.1.1. Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

7.1.2 When the Company expects some or all of a provision to be reimbursed, reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

7.1.3 If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

7.1.4 Decommissioning Liability

Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognised in the statement of profit and loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

7.2 Contingent Liabilities

7.2.1 Show-cause Notices issued by various Government Authorities are not considered as Obligation.

7.2.2 When the demand notices are raised against such show cause notices and are disputed by the Company, these are classified as disputed obligations.

7.2.3 The treatment in respect of disputed obligations are as under:

- a) a provision is recognized in respect of present obligations where the outflow of resources is probable;
- b) all other cases are disclosed as contingent liabilities unless the possibility of outflow of resources is remote.

NOTES TO FINANCIAL STATEMENTS

7.3 Capital Commitments

Estimated amount of contracts remaining to be executed on capital account are considered for disclosure.

8. REVENUE RECOGNITION

8.1 CMRL is in the business of manufacture of Synthetic Rutile, Ferric Chloride, Ferrous Chloride, Iron Hydroxide (Cemox), Recovered TiO₂, Recovered Upgraded ilmenite and Rutoweld.

Revenue is recognised when control of goods and services are transferred to the customer at an amount that reflects the consideration which the Company expects to be entitled in exchange for those goods or services. Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Company is the principal in its revenue arrangements since it controls the goods or service before transferring to the customer.

The Company considers whether there are other promises in the contract which are separate performance obligations to which apportion of the transaction price needs to be allocated. In determining the transaction price for the Sale of products, the Company considers the effects of variable consideration, the existence of significant financing components, non cash consideration and consideration payable to the customer, if any.

Revenue from sale of products are recognised at appoint in time, generally upon delivery of products .

Dividend income is recognised when the company's right to receive dividend is established.

Interest income from banks is recognised on time proportionate basis . Interest income from financial assets is recognised on effective interest rate method. Key man insurance is recognised on receipt of amount on maturity of insurance as payment of premium paid is debited to profit and loss account

9. TAXES ON INCOME

9.1 Current Income Tax:

Provision for current tax is made as per the provisions of the Income Tax Act, 1961.

NOTES TO FINANCIAL STATEMENTS

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities.

9.2 Deferred Tax:

9.2.1 Deferred tax is provided using the Balance Sheet method on temporary differences between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting dates.

9.2.2. Deferred tax liabilities are recognised for all taxable temporary differences.

9.2.3 Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax asset is recognised to the extent it is probable that taxable profit will be available against which deductible temporary differences and carry forward of unused tax differences and unused tax losses can be utilised.

9.2.4. Deferred tax assets and liabilities are measured based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

9.2.5 The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred income tax asset to be utilised.

9.2.6 Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in OCI or equity)

10.EMPLOYEE BENEFITS

10.1 Short term benefits:

Short term benefits are accounted for in the period during which the services have been rendered.

10.2 Post -employment benefits and other long term employee benefits:

- (i) **Defined contribution plans:** The costs of the benefits are recognised as expense/ CWIP when the employees have rendered services entitling them to the benefits.
- (ii) **Compensated absences:** Such costs which are not expected to occur within 12 months are recognised as actuarially determined liability at the present value of the defined benefit obligation at the date of each financial statement.
- (iii) **Defined Benefit Plans:** The cost of providing benefits are determined using the projected unit credit method of actuarial valuations made at the date of each financial statement..

NOTES TO FINANCIAL STATEMENTS

10.3 Remeasurements

Remeasurements, comprising of Actuarial gains and losses are recognised in Other Comprehensive income in the period in which they occur and are not reclassified to profit and loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- ▶ The date of the plan amendment or curtailment, and
- ▶ The date that the Company recognises related restructuring costs

| 1. Reconciliation of Gratuity | Rs. Lacs | |
|---|----------------------|-----------------------|
| Particulars | March 31,2020 | March 31, 2019 |
| CHANGE IN BENEFIT OBLIGATION: | | |
| Benefit obligation (beginning) | 427.50 | 402.73 |
| Service cost | 19.99 | 21.74 |
| Interest Expense or cost | 32.81 | 31.02 |
| Actuarial (gain)/loss | (14.59) | 3.49 |
| Benefit Obligation (at the end) | 427.27 | 427.50 |
| CHANGE IN PLAN ASSETS | | |
| Fair value (beginning) | 331.45 | 337.09 |
| Interest income | (37.63) | (5.64) |
| Fair value (at the end) | 293.82 | 331.45 |
| EXPENSES RECOGNISED IN STATEMENT OF PROFIT & LOSS | | |
| Service Cost | 19.99 | 21.74 |
| Net interest cost | 32.72 | 6.26 |
| Total | 52.71 | 28.00 |
| EXPENSES RECOGNISED IN OCI | 37.69 | 52.28 |
| Re measurement of actuarial gains/(losses) | 37.69 | 52.28 |
| ASSUMPTIONS: | | |
| Discount rate (per annum) | 7.5% p.a | 7.5% p.a |
| Salary growth rate (per annum) | 4.00% p.a | 4.00% p.a |
| Mortality rate(% of IALM of 06-08) | ILM(1994-96) Ult | ILM(1994-96) Ult |
| Withdrawal rate | 8% p.a | 8% p.a |

NOTES TO FINANCIAL STATEMENTS

11. CURRENT VERSUS NON CURRENT CLASSIFICATION

11.1 The Company presents assets and liabilities in the balance sheet based on current/ non- current classification.

11.2 An asset is treated as current when it is:

- * Expected to be realised or intended to be sold or consumed in normal operating cycle or is held for trading
- * Expected to be realised within twelve months after the reporting period, or
- * Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

All other assets are classified as non- current.

11.3 A Liability is current when :

- * Expected to be realised or intended to be sold or consumed in normal operating cycle or is held for trading
- * It is due to be settled within twelve months after the reporting period, or
- * There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting date.

All other liabilities are classified as non current

12.FINANCIAL INSTRUMENTS:

12.1 Financial Assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- o Financial Assets at amortised cost
- o Debt instruments at fair value through other comprehensive income (FVTOCI)
- o Equity instruments at fair value through other comprehensive income (FVTOCI)
- o Financial assets and derivatives at fair value through profit or loss (FVTPL)

NOTES TO FINANCIAL STATEMENTS

12.1.1 Financial Assets at amortised cost

A financial asset is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

12.1.2 Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the Other Comprehensive Income (OCI). However, the company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

12.1.3 Equity investments at FVTOCI

All equity investments in scope of Ind AS 109 are measured at fair value. The company has made an irrevocable election to present subsequent changes in the fair value in other comprehensive income, excluding dividends. The classification is

NOTES TO FINANCIAL STATEMENTS

made on initial recognition/transition and is irrevocable.

There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the company may transfer the cumulative gain or loss within equity.

12.1.4 Debt instruments and derivatives at FVTPL

FVTPL is a residual category. Any financial asset, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

This category also includes derivative financial instruments entered into by the company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

In addition, the company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

12.1.5 Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the balance sheet) when:

- * The rights to receive cash flows from the asset have expired, or
- * The company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control

NOTES TO FINANCIAL STATEMENTS

of the asset, the company continues to recognise the transferred asset to the extent of the company's continuing involvement. In that case, the company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the company could be required to repay.

12.1.6 Impairment of financial assets

In accordance with Ind AS 109, the company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- b) Financial guarantee contracts which are not measured as at FVTPL
- c) Lease receivables under Ind AS 17

The company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables that do not contain a significant financing component. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

NOTES TO FINANCIAL STATEMENTS

ECL is the difference between all contractual cash flows that are due to the company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- * All contractual terms of the financial instrument (including prepayment extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
- * Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). The balance sheet presentation for various financial instruments is described below:

- * Financial assets measured as at amortised cost: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the company does not reduce impairment allowance from the gross carrying amount.
- * Financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability.
- * Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as ‘accumulated impairment amount’ in the OCI

NOTES TO FINANCIAL STATEMENTS

12.2 Financial liabilities

12.2.1 Initial recognition and measurement.

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including financial guarantee contracts.

12.2.2 Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

A. Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

B. Financial liabilities at amortised cost:

Financial liabilities that are not held for trading and are not designated at FVTPL are measured at amortised cost at the end of subsequent accounting periods based on the Effective Interest Rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings. The EIR amortisation has been calculated based on the managements perception of cash outflow which is based on expected progress of the project.

NOTES TO FINANCIAL STATEMENTS

C. Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

12.2.3 Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

12.2.4 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

13. CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the balance sheet comprise cash at banks and in hand and short term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

14. FAIR VALUE MEASUREMENT

14.1 Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date at each balance sheet date in the principal market or most advantageous market assuming that market participants act in their economic interest.

14.2 A fair value measurement of a non financial asset takes into account a market

NOTES TO FINANCIAL STATEMENTS

participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use using techniques which are appropriate and for which sufficient data is available.

14.3 Fair value hierarchy:

LEVEL 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

LEVEL 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

LEVEL 3: Others including using external valuers as required

2. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets and liabilities affected in future periods. The Company continuously evaluates these estimates and assumptions based on the most recently available information. Revisions to accounting estimates are recognised prospectively in the statement of profit and loss in the period in which the estimates are revised and in any future periods attached.

2.1. CONTINGENCIES

The assessment of the existence and potential quantum of contingencies inherently involves the exercise of significant judgement and the use of estimates regarding the outcome of future events.

NOTES TO FINANCIAL STATEMENTS

| 4. Property, plant & equipment | | | | | | |
|---|----------------------|---------------|-------------------|--|---|-----------------|
| Property, plant & equipment comprises of the following: | | | | | | (₹) Lacs |
| Description | Land and development | Buildings | Plant & Machinery | Furniture Office Equipments & Other Assets | Vehicles & Material handling equipments | TOTAL |
| Cost as at April 1, 2019 | 867.05 | 970.53 | 4,586.80 | 296.65 | 254.17 | 6,975.20 |
| Additions | - | 411.51 | 70.76 | 18.41 | - | 500.68 |
| Deletions | - | - | - | - | 39.99 | 39.99 |
| Cost as at March 31, 2020 | 867.05 | 1,382.04 | 4,657.56 | 315.05 | 214.18 | 7,435.89 |
| Accumulated depreciation as at April 1, 2019 | - | 758.20 | 4,331.48 | 254.43 | 237.65 | 5,581.76 |
| Additions | - | 26.64 | 12.87 | 13.94 | 3.22 | 56.67 |
| Deletions | - | 0.00 | 0.00 | 0.00 | 38.32 | 38.32 |
| Accumulated depreciation as at March 31 2020 | - | 784.84 | 4,344.35 | 268.38 | 202.54 | 5,600.11 |
| Net Carrying amount as at March 31, 2020 | 867.05 | 597.20 | 313.21 | 46.69 | 11.63 | 1,835.78 |
| Cost as at April 1, 2018 | 867.05 | 970.53 | 4,586.80 | 277.22 | 254.17 | 6,955.77 |
| Additions | - | - | - | 19.43 | - | 19.43 |
| Deletions | - | - | - | - | - | - |
| Cost as at March 31, 2019 | 867.05 | 970.53 | 4,586.80 | 296.65 | 254.17 | 6,975.20 |
| Accumulated depreciation as at April 1, 2018 | - | 736.58 | 4,314.69 | 246.04 | 232.64 | 5,529.95 |
| Additions | - | 21.62 | 16.79 | 8.39 | 5.01 | 51.81 |
| Deletions | - | - | - | - | - | - |
| Accumulated depreciation as at March 31, 2019 | - | 758.20 | 4,331.48 | 254.43 | 237.65 | 5,581.76 |
| Net Carrying amount as at March 31, 2019 | 867.05 | 212.33 | 255.32 | 42.22 | 16.52 | 1,393.44 |

NOTES TO FINANCIAL STATEMENTS

| 5 CAPITAL WORK IN PROGRESS | | (₹) Lacs |
|-----------------------------------|--------------------------------|--------------------------------|
| PARTICULARS | As at March 31,2020 | As at March 31,2019 |
| Capital Work In Progress | 510.99 | 924.16 |
| Total | 510.99 | 924.16 |

NOTES TO FINANCIAL STATEMENTS

| 6 Non Current Investments | | |
|---|-------------------------|-------------------------|
| Non Current investments comprises of: | (₹) Lacs | |
| PARTICULARS | As at March 31, 2020 | As at March 31, 2019 |
| (a) Investments carried at fair value through OCI | | |
| (i) In Equity share quoted and fully paid up: | | |
| Bank of Baroda -30,000 Equity shares of Rs. 2 each | 16.07 | 38.64 |
| (ii) In Equity shares unquoted and fully paid up | | |
| Kerala Enviro Infrastructure Ltd -1,75,000 (Note-1) Equity shares of Rs.10 each | 17.50 | 17.50 |
| Total investments measured at fair value through OCI | 33.57 | 56.14 |
| (b) Investments measured at cost : | | |
| (i) In Equity shares of Associate Company Unquoted, fully paid up: | | |
| Kerala Rare Earth and Minerals Ltd (KREML): Note 2 below | | |
| (1)Share Capital | 1.00 | 1.00 |
| (2)Share Application money pending allotment | 1360.26 | 1360.26 |
| Total | 1361.26 | 1361.26 |
| (ii) In Society - Unquoted | | |
| CMRL Employees Co-operative Society | 1.00 | 1.00 |
| Total investments measured at Cost | 1362.26 | 1362.26 |
| Total | 1395.83 | 1418.40 |
| Aggregate amount of quoted investments & market value | 16.07 | 38.64 |
| Aggregate provision for dimunition in value of investments | 0.00 | 0.00 |
| Note 1: The Compay KEIL has earned profit of ₹ 385.00 lakhs. The Fair value is based on Level 3 and is expected to be the same as cost. | | |
| Note 2: Share application money of KREML is still pending for allotment since the KREML has not obtained mining lease from Kerala Government and the capital structure is not finalised. The management is hopeful for a solution in this matter and considering the high fair valuation expected on the mining rights and due to absence of audited accounts fair valuation and equity based consolidation is not considered at present. | | |

NOTES TO FINANCIAL STATEMENTS

| 7 Deferred Tax assets Balances | | (₹) Lacs |
|--|-------------------------|-------------------------|
| Deferred tax balances consist of the following: | | |
| Particulars | As at March 31, 2020 | As at March 31, 2019 |
| (i) Deferred tax assets : | | |
| Depreciation on PPE | 39.84 | 71.74 |
| Carry Forward loss under IT Act 1961 | 685.84 | 1693.52 |
| Others | 9.03 | 3.60 |
| A | 734.71 | 1768.86 |
| (i) Deferred tax Asset/Liability : | | |
| Fair valuation at FVTOCI | 23.55 | 16.97 |
| Remeasurement of defined benefit plans | (15.26) | (11.00) |
| B | 8.29 | 5.97 |
| Deferred tax assets (net) (A+B) | 743.00 | 1774.83 |
| 8 Other Assets | | |
| Other assets consists of the following: | | |
| (i) Other Non Current Assets Considered Good | | |
| Particulars | As at March 31, 2020 | As at March 31, 2019 |
| (a) Capital Advances for land | 437.44 | 437.44 |
| (b) Capital Advance For Plant & Machinery | 9.86 | 9.86 |
| (c) Vehicle advance | 10.00 | 10.00 |
| (d) Deposits | 50.14 | 49.32 |
| Total | 507.44 | 506.62 |
| (ii) Other Current Assets Considered Good | | |
| Particulars | As at March 31, 2020 | As at March 31, 2019 |
| (a) Advances to Suppliers | 89.22 | 78.89 |
| (b) Advance to employees | 6.27 | 8.07 |
| (c) Prepaid Expenses | 14.84 | 11.66 |
| (d) KVAT deposit | 5.48 | 5.47 |
| (e) Indirect taxes recoverable | 429.36 | 847.27 |
| (f) Other Loans | 97.58 | 100.67 |
| Total | 642.75 | 1052.03 |

NOTES TO FINANCIAL STATEMENTS

| 9. Inventories | | (₹) Lacs |
|--|---------------------------------|---------------------------------|
| Inventories consists of the following: | | |
| Particulars | As at March 31, 2020 | As at March 31, 2019 |
| (a) Raw Materials | 3,898.29 | 3,148.85 |
| (b) Finished goods | 1,915.07 | 3,406.92 |
| (c) Stores spares consumables and packing materials | 302.78 | 261.82 |
| (d) Work in progress | 176.99 | 222.11 |
| (e) Others - fuel, chemicals | 72.30 | 27.54 |
| Total | 6,365.43 | 7,067.24 |
| 10 Trade Recievables | | (₹) Lacs |
| (Unsecured, considered good) | | |
| Trade receivables consist of the following: | | |
| Particulars | As at March 31, 2020 | As at March 31, 2019 |
| (a) Considered good | 1,561.53 | 714.11 |
| (b) Considered Doubtful | - | - |
| | 1,561.53 | 714.11 |
| (c) Less: Allowance for doubtful debts | - | - |
| Total | 1,561.53 | 714.11 |
| 11. Cash and cash equivalents | | (₹) Lacs |
| Cash and cash equivalents consists of the following: | | |
| Particulars | As at March 31, 2020 | As at March 31, 2019 |
| (i) Balances With Banks | | |
| Current account | 340.55 | 138.72 |
| (ii) Cash on hand | 19.00 | 305.39 |
| Total | 359.55 | 444.11 |

NOTES TO FINANCIAL STATEMENTS

| | | |
|--|---------------------------------|---------------------------------|
| 12 Other Balance with Banks | | (₹) Lacs |
| Other balance with banks consists of the following: | | |
| Particulars | As at March 31, 2020 | As at March 31, 2019 |
| (i) Margin money accounts for Bank guarantee/LC | 248.46 | 303.76 |
| (ii) Unclaimed Dividend account | 56.59 | 56.59 |
| Total | 305.05 | 360.35 |
| 13 Current Tax Assets (net) | | (₹) Lacs |
| Current tax assets (net) consists of the following: | | |
| Particulars | As at March 31, 2020 | As at March 31, 2019 |
| (i) TDS Receivable | 18.43 | 3.88 |
| (ii) Income Tax Advance | 1,126.75 | 8.80 |
| Total | 1,145.18 | 12.68 |

NOTES TO FINANCIAL STATEMENTS

| 14 Share Capital | | | (₹) Lacs | |
|--|-------------------------|----------------|-------------------------|----------------|
| Particulars | As at March 31, 2020 | | As at March 31, 2019 | |
| Authorised Capital | | | | |
| 1,00,00,000 equity shares of Rs.10/- each | 1,000.00 | | 1,000.00 | |
| Issued, Subscribed and Paid up Capital | | | | |
| 78,30,000 Fully paid up Equity Shares of Rs.10 each | 783.00 | | 783.00 | |
| Additional information : | | | | |
| a)Reconciliation of number of shares | As at March 31, 2020 | | As at March 31, 2019 | |
| | No. of Shares | ₹. in Lakhs | No. of Shares | ₹. in Lakhs |
| Opening Balance | 78,30,000.00 | 783.00 | 78,30,000 | 783.00 |
| Changes during the year | - | - | - | - |
| Closing Balance | 78,30,000.00 | 783.00 | 78,30,000 | 783.00 |
| The company has only one class of equity shares having a par value of Rs 10 each | | | | |

SHARES IN THE COMPANY HELD BY EACH SHAREHOLDER HOLDING MORE THAN 5 % SHARES ARE SHOWN BELOW:

| NAME | As at March 31, 2020 | | As at March 31, 2019 | |
|---|-------------------------|----------------|-------------------------|----------------|
| | NO OF SHARES | % OF SHARES | NO OF SHARES | % OF SHARES |
| 1.Dr.S N Sasidharan Kartha | 16,56,740 | 21.16% | 13,54,518 | 17.29% |
| 2.Mr.Mathew M Cherian | 478,068 | 6.10% | 784,080 | 10.01% |
| 3.The Kerala State Industrial Development Corporation Ltd | 10,50,000 | 13.41% | 10,50,000 | 13.41% |
| Total | 31,84,808 | | 31,88,598 | |

NOTES TO FINANCIAL STATEMENTS

| 15 Other Equity | | (₹) Lacs |
|--|-------------------------|-------------------------|
| Other equity consists of the following | | |
| Particulars | As at March 31, 2020 | As at March 31, 2019 |
| Reserves & Surplus: | | |
| (a) Capital Reserve | 0.44 | 0.44 |
| (b) Investment Subsidy | 15.00 | 15.00 |
| (c) General Reserve | 2,206.91 | 2,206.91 |
| (d) Retained Earnings | | |
| (i) Opening Balance | 4,296.92 | 3,752.24 |
| (ii) Profit for the year | 598.69 | 546.96 |
| (iii) Dividend and dividend tax paid | (188.79) | - |
| (iii) Other Comprehensive income | 10.33 | (2.28) |
| Total of item (d) | 4,717.15 | 4,296.92 |
| (e) Other Reserves | | |
| FVTOCI | | |
| (i) Opening Balance | 22.54 | 25.17 |
| (ii) OCI for the Year | (16.00) | (2.63) |
| Total of item (e) | 6.54 | 22.54 |
| Total (a+b+c+d+e) | 6,946.04 | 6,541.81 |

NOTES TO FINANCIAL STATEMENTS

| 16 Borrowings | | (₹) Lacs | |
|--|----------------------------|----------------------------|--|
| Borrowings consist of the following: | | | |
| Particulars | As at March 31, 2020 | As at March 31, 2019 | |
| (i) Long term Borrowings | - | - | |
| (ii) Short term Borrowings | | | |
| (a) Cash credit/Packing credit from Bank of Baroda, Aluva against hypothecation of raw materials ,stock in process and finished goods and stores spares consumables. | - | 3,277.74 | |
| | - | 3,277.74 | |

SECURITY : 1. The above two Bank of Baroda Borrowing is secured by paripassu charge by way of

1. 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, 96/4Part, 96/5-1part, 97/1B-3 part, 97/2A-1 part, 98/1A Part,132/11-A,132/12,132/13,95/3 part, 95/5 part, 97/3 part 135/3B,135/2B, 135/2A,135/1 at Parur Taluk, Kadungallur Village together with building, plant and machinery and movables(save and except inventories of all nature, book debts and other current assets which form part of the primary security towards the working capital advance in the ordinary course of business) including movable machinery, machinery spares, tools and accessories present and future.

2. By personal guarantee of Dr S.N.Sasidharan Kartha , Managing Director

NOTES TO FINANCIAL STATEMENTS

| | | |
|--|---------------------------------|---------------------------------|
| 17 Other financial liabilities | | (₹) Lacs |
| (i) Other Current Financial Liabilities | | |
| Particulars | As at March 31, 2020 | As at March 31, 2019 |
| (a) Current maturities of long term debt | - | 531.72 |
| (b) Unclaimed dividends | 56.59 | 56.59 |
| (c) Capital creditors | 39.18 | 39.18 |
| Total | 95.77 | 627.49 |
| 18 Provisions | | (₹) Lacs |
| Provisions consist of the following: | | |
| (i) Long Term Provisions | | |
| Particulars | As at March 31, 2020 | As at March 31, 2019 |
| (a) Provision for Employee benefits | 189.95 | 160.82 |
| Total | 189.95 | 160.82 |
| (ii) Short Term Provisions | | |
| Particulars | As at March 31, 2020 | As at March 31, 2019 |
| (a) Provision for Employee benefits | 5.84 | 8.91 |
| (b) Other Provisions | 87.96 | 42.57 |
| Total | 93.80 | 51.48 |
| 19 Other Current Liabilities | | (₹) Lacs |
| Particulars | As at March 31, 2020 | As at March 31, 2019 |
| (a) Advance received from customers | 46.05 | 462.45 |
| (b) Indirect tax payable and other statutory liabilities | 37.68 | 34.35 |
| (c) Other Liabilities | 86.24 | 119.91 |
| Total | 169.97 | 616.71 |

NOTES TO FINANCIAL STATEMENTS

| | | |
|--|--|--|
| 20 Sale of Products | | (₹) Lacs |
| Sale of products comprises of the following | | |
| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
| Sale of manufactured products | 26,326.22 | 22,341.00 |
| Segment Information: | | |
| Company operates in one segment. Customers generating revenue more than 10% of sales is ₹.20997.81 lakhs. (P Y ₹.18460.33 lakhs) | | |
| 21 Other Income | | (₹) Lacs |
| Other Income comprises of the following | | |
| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
| Other operating income | | |
| (a) Sale of MEIS License | 32.00 | 24.48 |
| (b) Sale Waste Oil | 0.15 | 0.18 |
| (c) Lifting charges | 39.59 | - |
| (d) Exchange rate difference on sales and import bill realisation etc | 32.65 | 5.89 |
| Total | 104.39 | 30.55 |
| Other non operating income | | |
| (a) Interest on Bank Deposits | 19.26 | 4.19 |
| (b) Dividend income | 1.13 | 0.25 |
| (c) LIC Maturity amount received | - | 160.08 |
| (d) Profit on sale of vehicle | 1.31 | - |
| Total | 21.70 | 164.52 |
| Total | 126.09 | 195.07 |
| 22 Cost of material consumed | | |
| Cost of material comprises of the following | | (₹) Lacs |
| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
| Opening stock of raw material | 3,148.85 | 3,014.24 |
| Add:Purchases | 12,705.38 | 11,687.38 |
| | 15,854.23 | 14,701.62 |
| Less:Closing Stock of raw material | 3,898.29 | 3,148.85 |
| Total | 11,955.94 | 11,552.77 |

NOTES TO FINANCIAL STATEMENTS

| 23 Changes in inventories of finished goods, work in progress & stock-in-trade | | (₹) Lacs |
|--|--|--|
| Changes in inventories of finished goods, work in progress and stock-in-trade comprises of the following | | |
| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
| (i) Inventories (at close) | | |
| Finished goods | 1,915.07 | 3,406.92 |
| Work in progress | 176.99 | 222.11 |
| Total | 2,092.06 | 3,629.03 |
| (ii) Inventories (at commencement) | | |
| Finished goods | 3,406.92 | 3,402.88 |
| Work in progress | 222.11 | 250.44 |
| Total | 3,629.03 | 3,653.32 |
| Total change | 1,536.97 | 24.29 |
| 24 Employee Costs | | (₹) Lacs |
| Employee Costs comprises of the following | | |
| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
| (a) Salary & allowances | 1,906.43 | 1,517.36 |
| (b) Contribution to Provident Fund & other funds | 219.20 | 140.25 |
| (c) Staff Welfare Expenses | 205.52 | 194.97 |
| Total | 2,331.15 | 1,852.58 |
| 25. Finance Costs | | (₹) Lacs |
| Finance costs comprises of the following: | | |
| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
| (a) Interest on Cash Credit/Packing Credit | 152.52 | 364.47 |
| (b) Interest on unsecured loan | 10.98 | 13.07 |
| (c) Interest on Corporate Loan | 1.11 | 82.63 |
| Total | 164.61 | 460.17 |

NOTES TO FINANCIAL STATEMENTS

| 26 Other Expenses | | (₹) Lacs |
|---|--------------------------------------|--------------------------------------|
| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
| (i) Manufacturing expenses | | |
| (a) Power and Water | 308.79 | 288.00 |
| (b) Fuel | 1,228.40 | 1,501.74 |
| (c) Chemicals (ETP) & Sludge handling charges | 1,957.20 | 1,821.01 |
| (d) Stores, Spares, Consumables and Packing Materials | 1,242.28 | 904.12 |
| (e) Repairs to building | 104.07 | 96.96 |
| (f) Repairs to others | 117.84 | 117.42 |
| (g) Repairs to plant and machinery | 198.44 | 178.54 |
| Total | 5,157.02 | 4,907.79 |
| (ii) Selling and Distribution Expenses | | |
| (a) Shipping transportation and freight and forwarding, including Terminal Handling Charges | 1,713.68 | 985.87 |
| (b) Export Duty | 513.67 | 471.66 |
| (c) Sales Commission | 79.96 | 97.48 |
| (d) Sales Promotion Expenses | 492.24 | 386.98 |
| Total | 2,799.55 | 1,941.99 |
| (iii) Establishment Expenses | | |
| (a) Laboratory and Factory general expenses | 13.93 | 10.05 |
| (b) Insurance | 17.30 | 25.14 |
| (c) Rates & Taxes | 8.17 | 13.35 |
| (d) Income Tax(MAT) Paid | | 50.26 |
| (e) Postage & Telephone charges | 7.19 | 7.44 |
| (f) Printing & Stationery | 20.93 | 13.11 |
| (g) Travelling Expenses | 58.50 | 46.88 |
| (h) Auditor's Remuneration | 1.12 | 1.12 |
| : Statutory audit | | |
| : Tax Audit | 0.38 | 0.38 |
| (i) Director's sitting fee | 57.00 | 54.50 |
| (j) Legal & Professional Charges | 19.44 | 22.72 |

NOTES TO FINANCIAL STATEMENTS

| | | |
|---|-----------------|-----------------|
| (k) Advertisement expenses | 39.98 | 4.70 |
| (l) Subscription & Contribution | 8.11 | 8.10 |
| (m) Share transfer expenses | 2.29 | 3.83 |
| (n) Bank charges | 148.63 | 131.27 |
| (o) AGM Expenses | 4.41 | 3.23 |
| (p) Stock Exchange listing fee | 3.00 | 2.50 |
| (q) Research & Development expenses | 11.25 | 6.00 |
| (r) ISO Expenses | 0.30 | 0.90 |
| (s) Donation to CM's flood relief fund and others | 44.49 | 220.05 |
| Total | 466.42 | 625.53 |
| Grand Total | 8,422.99 | 7,475.31 |

NOTES TO FINANCIAL STATEMENTS

| 27 Fair Value Measurement | | | | | | | | | | (₹) Lacs |
|---|------------------------|---------|---------|---------|------------------------|--------------|---------|--------------|-----------------|----------------------|
| Accounting Classification and Fair Value | | | | | | | | | | |
| (a) Financial assets and liabilities as at March 31, 2020 | | | | | | | | | | |
| PARTICULARS | Fair value through P&L | LEVEL 1 | LEVEL 2 | LEVEL 3 | Fair value through OCI | LEVEL 1 | LEVEL 2 | LEVEL 3 | Amortised Cost | Total Carrying value |
| | Carrying value | | | | Carrying value | | | | | |
| Assets | | | | | | | | | | |
| Trade Receivables | | | | | | | | | 1,561.53 | 1,561.53 |
| Cash & cash equivalents | | | | | | | | | 359.55 | 359.55 |
| Other balance with banks | | | | | | | | | 305.05 | 305.05 |
| Non current investments | | | | | 33.57 | 16.07 | | 17.50 | 1,362.26 | 1,395.83 |
| TOTAL | - | - | - | - | 33.57 | 16.07 | - | 17.50 | 3,588.39 | 3,621.96 |
| Liabilities | | | | | | | | | | |
| Trade Payables | | | | | | | | | 7,094.00 | 7,094.00 |
| Borrowings | | | | | | | | | - | - |
| Other Payables | | | | | | | | | 95.77 | 95.77 |
| TOTAL | - | - | - | - | - | - | - | - | 7,189.77 | 7,189.77 |

NOTES TO FINANCIAL STATEMENTS

| (a) Financial assets and liabilities as at March 31, 2019 | | | | | | | | | | (₹) Lacs |
|--|------------------------|---------|---------|---------|------------------------|--------------|---------|--------------|-----------------|----------------------|
| PARTICULARS | Fair value through P&L | LEVEL 1 | LEVEL 2 | LEVEL 3 | Fair value through OCI | LEVEL 1 | LEVEL 2 | LEVEL 3 | Amortised Cost | Total Carrying value |
| Assets | Carrying value | | | | Carrying value | | | | | |
| Trade Receivables | | | | | | | | | 714.11 | 714.11 |
| Cash & cash equivalents | | | | | | | | | 444.11 | 444.11 |
| Other balance with banks | | | | | | | | | 360.35 | 360.35 |
| Non current investments | | | | | 56.14 | 38.64 | | 17.50 | 1,362.26 | 1,418.40 |
| Total | - | - | - | - | 56.14 | 38.64 | - | 17.50 | 2,880.83 | 2,936.97 |
| Liabilities | | | | | | | | | | |
| Trade Payables | | | | | | | | | 3,608.92 | 3,608.92 |
| Borrowings | | | | | | | | | 3,277.74 | 3,277.74 |
| Other Payables | | | | | | | | | 627.49 | 627.49 |
| Total | | | | | | | | | 7,514.15 | 7,514.15 |
| Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. -Investments in equity shares (Sch 6(a) (i) -Quoted Market price) | | | | | | | | | | |
| Level 2: Inputs other than quotes prices included within Level 1 that are observable for the asset or liability either directly or indirectly | | | | | | | | | | |
| Level 3: Others : Unquoted equity shares @ FVTOCI - please refer to Sch 6 (Note-1) | | | | | | | | | | |

NOTES TO FINANCIAL STATEMENTS

| 28 Related Party Transactions | | |
|---|------------------------------------|-------------------------------|
| (i) List of related parties | Relationship | |
| | DESIGNATION | RELATION |
| (a) Dr. S.N.Sasidharan Kartha | Managing Director | Promoter |
| (b) Shri Saran S Kartha | Joint Managing Director | Key Managerial Personnel(KMP) |
| (c) Shri P.Suresh Kumar | CGM (Finance) & Company Secretary | Key Managerial Personnel(KMP) |
| (d) Shri K.S.Suresh Kumar | Chief Financial Officer | Key Managerial Personnel(KMP) |
| (e) Kerala Rare Earths and Minerals Ltd | Associate Company | |
| (f) Empower India Capital Investments P Ltd | Parties with significant influence | |
| (ii) Transactions with related parties | | (₹) Lacs |
| Particulars | 2019-20 | 2018-19 |
| (a) Loans received and repaid | | |
| Dr S N Sasidharan Kartha | 320.00 | 252.00 |
| M/s Empower India Capital Investments P LTd | 550.00 | 200.00 |
| (b) Interest paid for loans received | | |
| Dr S N Sasidharan Kartha | 2.76 | 11.32 |
| M/s Empower India Capital Investments P LTd | 8.22 | 1.75 |
| (c) Payments to KMP: Employee benefits | | |
| Dr. S.N.Sasidharan Kartha :Salary | 312.00 | 96.00 |
| Contribution to PF | 37.44 | 11.52 |
| Shri Saran S Kartha : Salary | 96.00 | 96.00 |
| Contribution to PF | 11.52 | 11.52 |
| Shri P.Suresh Kumar : Salary | 22.93 | 19.07 |
| Contribution to PF | 1.31 | 1.31 |
| Shri K.S.Suresh Kumar: Salary | 12.17 | 11.55 |
| Contribution to PF | 0.41 | 0.45 |
| Sitting fee paid to Directors | 57.00 | 54.50 |
| Related party transactions are valued at Fair Value | | |

NOTES TO FINANCIAL STATEMENTS

| 29 Commitments and Contingencies | | |
|--|-----------|-----------|
| Commitments and contingencies comprises of the following: | | (₹) Lacs |
| Particulars | 2019-20 | 2018-19 |
| (i) Bank guarantees | | |
| (a) Bank of Baroda | 25.42 | 66.43 |
| (b) Bill discounted not maturing | 866.95 | 241.02 |
| (c) Asst Commissioner, Kerala VAT has raised a demand of ₹.11.50 lacs for AY 2008-'09 for which appeal has been filed with DC (A) | | |
| 30. Dues to Micro, Small and Medium Enterprises | | |
| Based on the information available with the management, the amount payable to micro, small and medium enterprises in respect of whom information is to be disclosed under the Micro, Small and Medium Enterprises Development Act 2006 is ₹.98.03 lakhs. | | |
| 31.1. Earnings in foreign Currency | | (₹) Lacs |
| Particulars | 2019-20 | 2018-19 |
| FOB Value of exports | 22174.44 | 19836.77 |
| 31.2 Earnings Per Share (EPS): | | (₹) Lacs |
| Particulars | 2019-20 | 2018-19 |
| Profit attributable to equity holders | 598.69 | 546.96 |
| Weighted Average number of equity shares used for computing Earning Per Share (Basic) | 78,30,000 | 78,30,000 |
| Basic earnings Per Share | 7.65 | 6.99 |
| Diluted earnings Per Share | 7.65 | 6.99 |
| Face value per share | 10 | 10 |

NOTES TO FINANCIAL STATEMENTS

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES:

The financial liabilities of CMRL comprise of loans and borrowings, trade and other payables with the main purpose of financing the Company's activities. The financial assets of CMRL comprise of Investments, receivables, loans and advances and cash and cash equivalents. CMRL is exposed to market risk, credit risk and liquidity risk. This is managed by the Company's management team under guidance of the Board of Directors. This team ensures that the financial risk activities are governed by appropriate policies and procedures and financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

The Board of Directors reviews and agrees policies for managing these risks as summarised below.

- a. **Market Risk :** Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of change in market price and comprises of Interest rate risk, Currency risk and Other risks. Financial instruments affected by market risk includes loans and borrowings , deposits and interest on deposits.
- (i) **Interest Rate Risk :** Risk that the fair value of future cash flows will fluctuate due to changes in market interest rates and primarily affects the long term debt obligations of the Company which is based on MCLR and reset annually. As per IND AS interest is charged as per Effective Interest Method based on the IRR of the loan.
- (ii) **Foreign currency risk :** Company has no borrowings in foreign currency.
- (iii) **Other Risk:** The other risk factors are the unpredictable situation in the availability and price of ilmenite and Hydrochloric acid, the major and critical raw materials of the company.

The demand and volatile nature of prices of Synthetic Rutile and foreign exchange fluctuations also have an impact.

- b. **Credit Risk :** Risk of the counterparty not meeting its obligations if a customer or counterparty fails to meet its contractual obligations and arises principally from the Company's trade receivables and loans and advances. The carrying amounts of financial instruments represent the maximum exposure.

The Company's exposure to credit risk is influenced mainly by the characteristics of each customer and the geography in which it operates. Credit risk is managed by credit approvals, establishing credit limits and continuously monitoring the credit worthiness of its customers to which the Company grants credit terms in the normal course of its business.

The Company's export sales are backed by letters of credit.

The Company monitors each loans and advance given and makes any provision whenever required.

Based on prior experience and assessment of current business environment management believes there is no requirement for any credit provision and there is no significant concentration of credit risk.

NOTES TO FINANCIAL STATEMENTS

| The ageing of trade receivables that were not impaired are as follows: | | (₹) Lacs) |
|--|-------------------------|-------------------------|
| Particulars | As at March 31, 2020 | As at March 31, 2019 |
| (a) Considered good | 1561.53 | 714.11 |
| (b) Considered doubtful | - | - |
| Total | 1561.53 | 714.11 |

- c. **Liquidity risk:** The Company manages its liquidity risk through a mix of debt and equity, moreover the revenue generation meets fund requirement for operating activities. The maturity profile of the financial liabilities are as follows:

| (₹) Lacs | | | |
|-----------------------------|--------------|---------|-----------------------|
| Item | Carrying amt | Total | Less than one year |
| As at March 31, 2020 | | | |
| Borrowings | - | - | - |
| Trade Payables | 7094.00 | 7094.00 | 7094.00 |
| Others | 359.54 | 359.54 | 359.54 |
| As at March 31, 2019 | | | |
| Borrowings | 3277.74 | 3277.74 | 3277.74 |
| Trade Payables | 3608.92 | 3608.92 | 3608.92 |
| Others | 1295.69 | 1295.69 | 1295.69 |

33. CAPITAL MANAGEMENT

For the purpose of Company's capital management, capital includes share capital and other equity with the primary objective of increasing shareholder value. The Company manages its capital structure in light of changes in economic conditions and requirements of the financial covenants through a mix of debt and equity.

The Company monitors capital using the adjusted net debt to capital ratio as below:

NOTES TO FINANCIAL STATEMENTS

| | | (₹) Lacs |
|-------------------------------------|------------------------|------------------------|
| Particulars | As at March 31,2020 | As at March 31,2019 |
| Non-current Borrowing | NIL | NIL |
| Current borrowing | NIL | 3277.74 |
| Current maturity of long term debt | NIL | 531.72 |
| GROSS DEBT | NIL | 3809.46 |
| Less: Cash and cash equivalent | 359.55 | 444.11 |
| Less: Other Balances with banks | 305.05 | 360.35 |
| ADJ: NET DEBT | NIL | 3005.00 |
| Total Equity | 7729.04 | 7324.81 |
| Adj Net Debt to equity ratio | NIL | 0.41 |

34. The figures appearing in financial statements are rounded off to the nearest ₹. in Lakhs. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

Place : Aluva

Date : 23.06.2020

As per Annexed Report of even date

MURALEE KRISHNAN A. K. B.Sc., F.C.A., DISA, MBA
CHARTERED ACCOUNTANT
Membership No. 217127

R.K. Garg
Chairman

Dr. S.N. Sasidharan Kartha
Managing Director

Saran S. Kartha
Joint Managing
Director

Mathew M. Cherian
Director

G. R. Warriar
Director

DIN : 00644462

DIN : 00856417

DIN : 02676326

DIN : 01265695

DIN : 01146202

Achutha Janardhana Pai
Director

Jaya S. Kartha
Director

Nabiel Mathew Cherian
Director

T.P. Thomaskutty
Director

DIN : 00115688

DIN : 00666957

DIN : 03619760

DIN : 01473957

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

K. S. Suresh Kumar
Chief Financial Officer