



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/2019/044

May 27, 2019

Bombay Stock Exchange Ltd ,
Regd. Office : Floor 25
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001.

Ph. (91-22) 2272 1233

STOCK CODE - COCHRDM 513353
DEMATISIN - INE 105D01013

Dear Sirs,

Sub: Audited Financial Results for the year ended 31.03.2019.

Please find attached the Audited Financial Results of our Company together with Auditors' Report for the financial year ended 31.03.2019 duly adopted by the Board of Directors of the Company at the Board Meeting held on 27th day of May, 2019 at the Registered Office of the Company.

Thanking you,

Yours faithfully,
for COCHIN MINERALS AND RUTILE LIMITED,

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

37504



GSTIN: 32AABCC1950D1ZD

An Eco-Friendly model company



COCHIN MINERALS AND RUTILE LTD. (100% E.O.U.)

AN ISO 9001 : 2015 COMPANY AN ECO-FRIENDLY MODEL COMPANY

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INDIA'S MOST TRUSTED COMPANY



INTERNATIONAL QUALITY CROWN AWARD - 2009



2006 - FIRST PRIZE
2007 - FIRST PRIZE



2009 EXCELLENCE AWARD INDUSTRIES MEDIUM



STATE POLLUTION CONTROL BOARD AWARD
EXCELLENCE



COCHIN SPECIAL ECONOMIC ZONE EXPORT EXCELLENCE AWARD



2000 - 2001
2001 - 2002
2003 - 2004
MEDIUM FACTORIES
2009 - FIRST PRIZE

STATEMENT OF STANDALONE AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED						
31.03.2019						
(Rs. in lakhs)						
	1	2	3	4	5	6
	Particulars	Current 3 months ended 31.03.2019	Previous 3 months ended 31.12.2018	Corresponding 3 months in the previous year 31.03.2018	Year ended 31.03.2019	Previous Accounting Year Ended 31.03.2018
	Date of start of reporting period	01-Jan-19	01-Oct-18	01-Jan-18	01-Apr-18	01-Apr-17
	Date of end of reporting period	31/03/2019	31/12/2018	31.03.2018	31-Mar.-19	31/03/2018
		(Audited)	(Un-Audited)	Audited	(Audited)	(Audited)
	Revenue from operations					
I	Net sales/Income from operations	6834.43	7364.43	5046.77	22341.00	16407.83
II	Other Income	174.23	4.99	60.83	195.07	98.05
III	Total Revenue (I+II)	7008.66	7369.42	5107.60	22536.07	16505.88
IV	Expenses					
	(a) Cost of materials consumed	3498.25	3313.86	3004.12	11552.77	8946.07
	(b) Purchase of Traded Goods	0.00	0.00	0.00	0.00	0.00
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	351.81	894.40	(1154.87)	24.29	(2305.29)
	(d) Excise Duty	0.00	0.00	0.00	-	12.10
	(e) Employee benefits expense	528.46	458.22	495.57	1852.58	1993.41
	(f) Finance costs	65.84	140.73	186.18	460.17	569.33
	(g) Depreciation and amortisation - expense	(37.30)	29.74	(56.45)	51.81	68.57
	Fuel	367.68	421.27	349.43	1501.74	1188.30
	Export Duty	144.7	165.47	102.78	471.56	359.60
	Other Expenditure	1797.93	1544.28	1850.25	5501.91	5455.71
	Total expenses	6717.37	6967.97	4777.01	21416.93	16287.80
V	Profit/(Loss) before exceptional and extraordinary items and tax (III-IV)	291.29	401.45	330.59	1119.14	218.08
VI	Exceptional items	0.00	0.00	0.00	0.00	0.00
VII	Profit/(Loss) before extraordinary items and tax (V-VI)	291.29	401.45	330.59	1119.14	218.08
VIII	Extraordinary items	0.00	0.00	0.00	0.00	0.00
IX	Profit (+)/(Loss) (-) before tax (VII-VIII)	291.29	401.45	330.59	1119.14	218.08
X	Tax expense:					
	(1) Current tax	241.20	0.00	0.00	241.20	0.00
	(2) Deferred tax	45.12	132.65	101.99	330.98	84.15



NATIONAL EXPORT AWARD FOR EXPORTING PERFORMANCE 1992-93



NSIC MEMBER



CERTIFIED FERRIC & FERROUS CHLORIDE



MEMBER



ISO 9001 BUREAU VERITAS Certification Excluding Design



ISO 9001 BUREAU VERITAS Certification Excluding Design



UKAS QUALITY MANAGEMENT 008

COCHIN MINERALS AND RUTILE LTD. (100% E.O.U.)

	Particulars	Current 3 months ended 31.03.2019 Reviewed	Previous 3 months ended 31.12.2018	Corresponding 3 months in the previous year 31.03.2018	Year ended 31.03.2019	Previous Accounting Year Ended 31.03.2018
		(Audited)	(Un-audited)	(Un-audited)	(Audited)	(Audited)
XI	Profit/Loss for the period (IX-X)	4.97	268.80	228.60	546.96	133.93
XII	Other comprehensive income					
	(1) Items that will not be reclassified to Profit & Loss					
	(a) Remeasurement of defined benefit plans-Gain/(Loss)	(3.50)	0.00	(116.02)	(3.50)	(86.27)
	(b) Net changes in fair values of investments carried at fair value through OCI-Gain/(Loss)	2.99	(10.25)	(5.46)	(4.05)	(9.20)
	(ii) Income Tax relating to A(i) a and B(1)a	0.30	3.4	39.91	2.64	31.56
	(1) Items that will be reclassified to Profit & Loss					
	Total Other Comprehensive income	(0.21)	(6.85)	(81.57)	(4.910)	(63.91)
	Total comprehensive income for the period(XI+XII)	4.76	261.95	147.03	542.05	70.02
XIII	Paid up equity share capital(Face value Rs.10/- share)	783.00	783.00	783.00	783.00	783.00
XIV	Reserves excluding revaluation reserves as per balance sheet of previous accounting year				6541.81	5999.76
XV	Earnings/(Loss) per equity share					
	(1) Basic	0.07	3.43	2.92	6.99	1.71
	(2) Diluted	0.07	3.43	2.92	6.99	1.71

COCHIN MINERALS AND RUTILE LTD. (100% E.O.U.)

BALANCE SHEET AS AT 31.03.2019 & 31.03.2018			
		Rs. In lakhs	
	PARTICULARS	As at 31.03.2019	As at 31.03.2018
	ASSETS		
	Non-current assets		
	(a) Property , Plant & Equipment	1393.44	1425.82
	(b) Capital Work in Progress	924.16	924.16
	(c) Intangible Assets		
	(d) Financial Assets:		
	(i) Non current investment	1418.4	1422.45
	(ii) Other financial assets	0.00	0.00
	(e) Deferred tax Assets (net)	1774.83	2103.17
	(f) Other Assets	506.62	506.62
	Total Non- Current Assets	6017.45	6382.22
	Current Assets		
	(a) Inventories	7067.24	6906.88
	(b) Financial Assets:		
	PARTICULARS		
	(i) TradeReceivables	714.11	1415.71
	(ii) Cash and Cash Equivalents	444.11	6.56
	(iii) Other Balances with Banks	360.35	78.14
	(iv) Other Financial Assets	0.00	0.00
	(c) Current Tax Assets (net)	12.68	3.46
	(d) Other Current Assets	1052.03	1148.31
	Total Current Assets	9650.52	9559.06
	TOTAL ASSETS	15667.97	15941.28
	EQUITY AND LIABILITIES		
	Equity		
	a) Share Capital	783.00	783.00
	b) Other Equity	6541.81	5999.76
		7324.81	6782.76
	LIABILITIES		
	Non Current Liabilities		
	(a) Financial Liabilities		
	(i) Long term Borrowings	0.00	548.74
	(ii) Other Financial Liabilities	0.00	0.00
	(b) Provisions	160.82	136.81
	(c) Deferred tax liabilities (net)	0.00	0.00
	(d) Other Liabilities	0.00	0.00
	Total Non- Current Liabilities	160.82	685.55
	Current Liabilities		
	(a) Financial Liabilities		
	(i) Short Term Borrowings	3277.74	2798.08
	(ii) Trade Payables	3608.92	3022.59
	(iii) Other Financial Liabilities	627.49	605.33
	(b) Other Current Liabilities	616.71	2028.29
	(c) Provisions	51.48	18.68
	(d) Current Tax Liabilities (net)	0.00	0.00
	Total Current Liabilities	8182.34	8472.97
	TOTAL EQUITY AND LIABILITIES	15667.97	15941.28

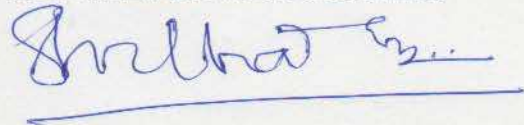
COCHIN MINERALS AND RUTILE LTD. (100% E.O.U.)

Notes

- 1 Segmental Reporting is not applicable as the company has only one segment.
- 2 The above results duly approved by the Audit Committee were taken on record at the meeting of the Board of Directors held on 27.05.2019
- 3 The Company has adopted Indian Accounting Standards (IND AS) notified by the Ministry of Corporate Affairs from 1st April, 2017 with a transition date of 1st April, 2016 and accordingly these financial results have been prepared in accordance with the Companies (Indian Accounting Standards) Rule, 2015 (IND-As) prescribed under Section 133 of the Companies Act, 2013.
- 4 Previous period figures are regrouped wherever necessary to conform to the present format.
- 5 Consequent to transition from previous form to Ind As, Net Profit/Loss reconciliation as required by para 32 of IND-As 101 is under

Particulars	Rs. In lakhs	
	2019	2018
Net Profit/Loss for the year ended 31st March under previous GAAP	529.94	170.66
Impact on Accounts of Ind As adjustments	17.02	(36.73)
Net Profit/(Loss) for the period as per Ind As	546.96	133.93

On behalf of the Board
For COCHIN MINERALS AND RUTILE LIMITED



Place: Aluva
Date : 27.05.2019

Dr. S.N Sasidharan Kartha,
Managing Director



MURALEEKRISHNAN A.K B.Sc, FCA, DISA MBA.

A K MURALEE & CO.,
CHARTERED ACCOUNTANTS
EDAPPALLY, KOCHI-24

Tel: 0484-2343555
Mob: 93 4980 1909
e-mail: akmuralee@hotmail.com

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF COCHIN MINERALS AND RUTILE LIMITED

Report on the Audit of the 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, 2019, 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, 2019, 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 specified under section 143(10) of the Act (SAs). 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 independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, 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 we have obtained 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	<i>Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from Contracts with Customers" (new revenue accounting standard)</i>	<u>Principal Audit Procedures</u> We assessed the Company's process to identify the impact of adoption of the new revenue accounting standard. Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:



	<p>The application of the new revenue accounting standard involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognised over a period. Additionally, new revenue accounting standard contains disclosures which involves collation of information in respect of disaggregated revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.</p> <p>Refer Notes 8 to the Standalone Financial Statements</p>	<ul style="list-style-type: none"> • Evaluated the design of internal controls relating to implementation of the new revenue accounting standard. • Selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, reperformance and inspection of evidence in respect of operation of these controls. • Selected a sample of continuing and new contracts and performed the following procedures: <ul style="list-style-type: none"> • Read, analysed and identified the distinct performance obligations in these contracts. • Compared these performance obligations with that identified and recorded by the Company. • Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration. • Sample of revenues disaggregated by type and service offerings was tested with the performance obligations specified in the underlying contracts. • Performed analytical procedures for reasonableness of revenues disclosed by type and service offerings. • We reviewed the collation of information and the logic of the report generated from the budgeting system used to prepare the disclosure relating to the periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.
2	<p><i>Recoverability and assessment of trade receivables.</i> <i>The company has a balance of trade receivable of 714.11 laks of rupees.</i> <i>Trade receivable balance of the company comprise mainly receivables in relation to the manufacturing and sale of 1) synthetic rutile 2)ferrous chloride 3)ferric chlodide etc. The balances are recognized at their original invoice amount.</i></p>	<p><u>Principal Audit Procedures</u></p> <p>Our audit approach was a combination of test of internal controls and substantive procedures which included the following:</p> <ul style="list-style-type: none"> • Tested the accuracy of aging of trade receivables and balances at the year end. • Obtained a list of outstanding receivables and identified any debtors where ever there is delay in payment over the terms agreed. • Assessed any unsettled receivables on a sample basis through our evaluation of management's assessment with reference to the credit profile of the customers, historical payment pattern of the customers and the latest correspondence with customers and to consider any provision to be made. • Tested subsequent settlement of trade receivables after the balance sheet date on sample basis if any.



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 Annexures to Board's Report, Business Responsibility Report, Corporate Governance 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.

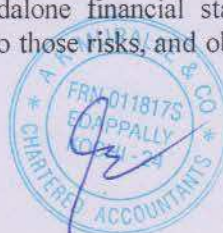
The Board of Directors are responsible for overseeing the Company's financial reporting process.

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 knowledgeable user of the 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 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.

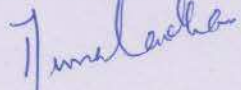


- d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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 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
27/05/2019

For **A K MURALEE & CO**
Chartered Accountants


Muralee Krishnan.A.K
Proprietor
(Membership No.217127)

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S 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, 2019 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. These 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 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 Section 143(10) of the Companies Act, 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 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 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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, 2019, 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.



Alwaye
27/05/2019

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

Muralee Krishnan
Muralee Krishnan.A.K
Proprietor

(Membership No.217127)

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S 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 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 and the details of related party transactions have been disclosed in the standalone financial statements 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
27/05/2019

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

Muralee Krishnan.A.K
Proprietor (Membership No. 217127)