



Chettinad
cement

48th
ANNUAL
REPORT
2010-2011

Chettinad Cement Corporation Limited



Founder ||

Dr. Rajah Sir M.A. Muthiah Chettiar's urge to contribute to the nation building cause combined with his business acumen culminated in establishment of "Chettinad Cement Corporation Limited" in 1962 to cater to the growing demands of Cement in the Country.

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MANAGEMENT

Chairman	:	Dr. M.A.M. Ramaswamy
Managing Director	:	Sri M.A.M.R. Muthiah
Directors	:	Sri Ramanathan Palaniappan Sri R. Krishnamoorthy Sri SP.ST. Palaniappan Sri K. Ganapathy Dr.T.Prabhakara Rao, IAS (TIIC Nominee)
Company Secretary	:	Sri S. Hariharan
Auditors	:	M/s P.B. Vijayaraghavan & Co. M/s V. Soundararajan & Co. M/s Krishaan & Co.
Registered Office	:	"Rani Seethai Hall Building" No. 603, Anna Salai, Chennai – 600 006 Tel : 28292727 Fax : 28291558 Email : info@chettinadcement.com Website : www.chettinad.com

PROFILE

CHETTINAD CEMENT CORPORATION LIMITED

The history of the group "House of Chettinad" is linked with the 10 decades old saga. In 1912 took birth the House of Chettinad through a visionary, idealist and born entrepreneur Dr. Rajah Sir Annamalai Chettiar who believed in Social transformation through business. The founder of the House of Chettinad envisaged his companies providing the stimulus for Industrial Growth and conceived business as a means of improving the living standards of people.

Following the footsteps of his father Dr. Rajah Sir Annamalai Chettiar, Dr. Rajah Sir M.A. Muthiah Chettiar continued to contribute to the nation building cause and combined his business acumen to establish the Company "Chettinad Cement Corporation Limited" in 1962 to cater to growing demand of Cement in the Country. The Company's first manufacturing unit located at Puliur, Karur District, in Tamil Nadu commenced production in April 1968. Today the group is being steered under the versatile, dynamic and pragmatic Leadership of Dr. M.A.M. Ramaswamy and his son Sri M.A.M.R. Muthiah based on the footsteps of Dr. Rajah Sir M.A. Muthiah Chettiar. Apart from cement, the Chettinad House is today engaged in activities as diverse as granite, engineering, silica, garnet, information technology, education, health care, plantations, shipping, transportation, stevedoring, clearing and forwarding and logistics.

PRODUCTS

OPC 43 Grade
OPC 53 Grade
Super Grade
Sulphate Resistant Portland Cement
Portland Slag Cement

The company had made a modest beginning with Cement Plant of 2 lakhs Tonnes Per Annum at Puliur Village, Karur District, Tamilnadu. With further modernisation, and installation of additional Cement Grinding Unit of 0.5 MTPA in 2009-10, the capacity at Puliur Plant as of date is 1.10 MTPA.

The Company had then installed a Cement Plant with a capacity of 0.9 MTPA during 2001 at Karikkali Village, Dindigul District, Tamilnadu and installed an additional Cement Grinding Unit to increase its capacity to 1.4 MTPA during 2008.

During 2008-2009 & 2009-2010, company has installed two Green Field Cement Plants at Kilapaluvur Village, Ariyalur District, Tamilnadu at a capacity of 2 MTPA each.

The Company has commissioned its second cement manufacturing unit with a capacity of 2 MTPA adjacent to its existing factory site at Karikkali Village, Dindigul District during the financial year 2010-11.

With this, the total cement manufacturing capacity of the company is 8.50 Million Tonnes Per Annum at its three units at Puliur, Karikkali and Ariyalur.

The Company has installed captive power plants at all its Units to cater to the entire requirement of power for its Cement Plants. The Company has in all 105 MW of Power Generation from its captive power plants.

The company is also in the process of setting-up a Greenfield Cement manufacturing unit with a capacity of 2.5 MTPA and a Captive Thermal Power Plant with a capacity of 30 MW at Chincholi Taluk, Gulbarga District, Karnataka.

The Company, which has always been striving for Total Quality, possesses International Certification ISO 9001 : 2000, ISO 14001 : 2004 and ISO 18001 : 2000 and takes pride in being acclaimed as one of the major player in a highly competitive Cement Industry in India.

Chettinad Cement has attached great importance to corporate social responsibility and environmental values. This is manifest in the installation of the latest pollution control equipment at all its plants and social welfare work conducted in the villages and towns around all its plants.

The Company has achieved many laurels through awards for "BEST PERFORMANCE" in the Cement Industry and for Environmental Excellence.

PERFORMANCE AT A GLANCE

	2006-07	2007-08	2008-09	2009-10	2010-11
PRODUCTION			(In MT)		
Clinker	1890524	2062346	2318789	3029280	3474372
Cement	2683737	2905698	3148896	4003468	4562416
Capacity Utilisation (%)	134	145	135	78	70
SALES					
Cement & Clinker	2686961	2879187	3141914	4061789	4573979
FINANCIAL HIGHLIGHTS			(₹ in Lakhs)		
Turnover (Gross) including					
Other Income	84307	111300	132762	153662	182184
Gross Profit	23933	34693	47064	51209	52093
Interest & Lease rentals	1725	1859	5078	7679	6299
Depreciation	5317	8150	42900	30808	36287
Profit / (Loss) before Tax	16891	24684	(914)	12722	9507
Provision for Taxation					
- Current Tax (Net)	5832	9262	5125	3080	1950
- Deferred Tax - (Asset) / Liability	(439)	(1005)	(5678)	(21)	40
- Fringe Benefit Tax	27	50	60	-	-
Net Profit / (Loss) after Tax	11471	16377	(421)	9663	7517
PAID - UP SHARE CAPITAL	2950	2950	2950	3820	3820
RESERVES & SURPLUS	23374	36299	32565	82552	88751
RATIOS					
PBIDT to Sales (%)	28.47	31.33	35.61	33.63	30.28
PBT to Sales (%)	20.09	22.29	(-) 0.69	8.35	5.52
EPS (₹)	37.39	52.10	40.87	30.51	19.68
Debt to Equity	0.57	0.71	2.09	0.53	0.72
Book Value per Share (₹)	89	133	120	226	242
Dividend (%)	75	100	100	-	50

NOTICE TO THE SHAREHOLDERS

Notice is hereby given that the **Forty Eighth Annual General Meeting** of the members of Chettinad Cement Corporation Limited will be held at "**Rani Seethai Hall**" No.603, Anna Salai, Chennai-600 006 on **Tuesday**, the **9th** day of **August, 2011** at **10.00 A.M.** to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Profit and Loss Account for the Year ended 31st March, 2011, the Balance Sheet as at that date and the Reports of the Directors and the Auditors thereon.
2. To appoint a Director in the place of **Sri Ramanathan Palaniappan**, who retires by rotation in accordance with the Articles of Association of the Company and being eligible, offers himself for re-appointment.
3. To appoint a Director in the place of **Sri SP.ST. Palaniappan**, who retires by rotation in accordance with the Articles of Association of the Company and being eligible, offers himself for re-appointment.
4. To declare a Dividend on the Equity Share Capital for the Financial Year 2010-11.
5. To appoint M/s P.B. Vijayaraghavan & Co., M/s Krishna & Co., and M/s V. Soundararajan & Co., Chartered Accountants as Auditors of the Company to hold office from the conclusion of the Forty Eighth Annual General Meeting until the conclusion of the next Annual General Meeting on a remuneration of ₹ 2,25,000/- (Rupees Two Lakhs twenty five thousand Only) each, plus Service Tax if any, besides out of pocket expenses.

By order of the Board

S.Hariharan
Company Secretary

Place: Chennai

Date : 27th May, 2011.

Notes:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF ON A POLL AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM TO BE VALID MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FIXED FOR THE MEETING.**
2. The Register of Members and Share Transfer Books of the company shall remain closed from **02.08.2011 To 09.08.2011** (inclusive of both days) for transfer of shares.
3. The Company has appointed M/s Integrated Enterprises (India) Ltd., "Kences Towers", 2nd Floor, No.1, Ramakrishna Street, T. Nagar, Chennai – 600 017 as the Registrar & Share Transfer Agents to undertake all investor servicing activities, both demat and physical segments with effect from 01/04/2003. All concerned are requested to send their documents and address all their correspondence directly to the above Registrars.
4. As part of their "Green Initiative in Corporate Governance" the Ministry of Corporate affairs, have vide their recent Circular No.17/2011 dated 21.04.2011 and 18/2011 dated 29.4.2011 permitted companies to send various documents, notices, Annual Reports, etc., to the Shareholders through electronic mode to the registered e-mail address of the shareholders.

All the shareholders are therefore requested to register their current e-mail ID with their Depository or the company's Registrars and Transfer Agents, as the case may be to enable the company to send all the future corporate communications/Annual Reports electronically. The company shall still provide a physical copy of the above to any shareholder, on request, at no additional cost.

All the shareholders who are holding the shares in Physical Form are advised to get their shares dematerialized, if necessary.

5. Non-resident Shareholders are requested to inform us immediately :
 - a) The change of residential status on return to India permanently.
 - b) The particulars of the NRE Account, if not furnished earlier.
6. As per the Section 205-A, the unclaimed dividend amounts out of the Dividend declared from the financial year ended 31st March, 1996 onwards shall be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government after the expiry of seven years from the date of declaration. Accordingly, the unclaimed dividend for the financial years 1995-96 to 2000-01, except where the claim is under dispute or kept in abeyance, has been transferred to the said Fund within the stipulated time. Since no dividend had been declared for the years 2001-02 and 2002-03, the transfer of the unclaimed / un-encashed dividend amount relating to the said two financial years to the IEPF does not arise. The next remittance of such amount will be only during November, 2011.

The shareholders who have not claimed/ encashed their dividend so far may communicate to the company/Registrars and get the dividend amount, declared for the Financial Years from 2003-04 to 2008-09.
7. The details of shareholdings of the Directors appointed/re-appointed in this Annual General Meeting has been disclosed along with their respective resume in the Annexure to the Directors Report – "Corporate Governance".

INSPECTION OF DOCUMENTS:

The following documents will be kept at the Registered Office, during the working hours of the Company and it is open for inspection by the Members.

Memorandum and Articles of Association of the Company.

DIRECTORS' REPORT

The Shareholders,

Your Directors take pleasure in presenting the Forty Eighth Annual Report and the Audited Accounts of the Company for the year ended 31st March, 2011.

FINANCIAL RESULTS:

(₹ in lakhs)

	Current Year ended 31/03/2011	Previous Year ended 31/03/2010
Profit before Depreciation and Interest	52093	51209
LESS :		
Depreciation	36287	30808
Interest	6299	7679
Profit before Tax	9507	12722
LESS :		
Provision for Income Tax		
– Current	1950	3080
– Deferred (Assets) / Liabilities	40	(21)
Profit after current and deferred tax	7517	9663
ADD :		
Provision for Taxation no longer required	0	2000
Prior Period expenses	0	(880)
Surplus brought from previous year	31424	20570
Profit of Amalgamating company	0	71
Total available for appropriation	38941	31424
APPROPRIATIONS		
Transfer to General Reserve	850	-
Proposed Dividend	1910	-
Tax on the Proposed Dividend	317	-
Balance Carried over to Balance Sheet	35864	31424

DIVIDEND

Your Directors are pleased to recommend a Dividend of ₹ 5/- per Equity share (i.e., 50% dividend on the Equity Share Capital of the Company) for the Financial year ended 31st March, 2011.

PRODUCTION AND SALES FOR THE YEAR 2010-11

	MT
Clinker produced	3474372
Cement produced	4562416
Cement and Clinker Sales	4573979

OPERATIONS

This is covered under the topic Management Discussion and Analysis.

MANAGEMENT DISCUSSION AND ANALYSIS

a) Industry structure and developments

The Indian Economy continues to be vibrant and has emerged as a more mature and resilient player following the Global Economic meltdown. The Indian Economy has been one of the drivers of World Economy over the past couple of years. The economy has continued to grow in excess of 8% during the financial year 2010-11 in the face of a resurgent Agricultural sector. The matter of concern is the sluggishness in the growth of Industrial and Service sector in the face of high Inflation rate mainly contributed by food inflation. It is expected that these are only short term hiccups while the long term projection still holds good prospects for the Indian Economy.

The performance of the Cement Industry was a clear reflection of the general sluggishness prevailing in the Industrial sector as a whole. The growth in Production was the lowest in recent years at 5% and the dispatches grew by about 4%. The Capacity Utilisation has reduced from 80% in the previous financial year to 73% for the financial year 2010-11. The disparity between growth in realization and growth in cost of production continued to eat away the bottom lines of the companies.

Your company has commissioned its Line-2 expansion Unit at Karikkali Village with a capacity of 2MT PA during September 2010 preparing to make best use of resurgence in Cement Industry. With this, the installed capacity of the company has increased to 8.5 Million Tonnes per annum.

b) Opportunities, Threats, Risks, Concerns and Outlook

The continued thrust on development of infrastructure by the Government of India is indeed the impetus for expansion of capacities occurring in the Cement Industry, but the recent hike in Interest rates is a cause of concern in the short term as housing sector is definitely bound to be affected by the costlier housing loans. The spiralling cost of Raw Materials and fuel at a rate much more than the growth in realization has been hitting the industry hard for quite sometime.

With the Cement capacity targetted to touch 550 MT by the end of the next Plan Period, the long term outlook is quite positive for the Industry.

c) Segment wise or Product wise performance

The Company has only one business segment, that is manufacturing and Sale of Cement. The only other segment namely Generation and Sale of Power revolves around the Cement segment and is mainly used for Captive consumption by the Cement segment. Given below are the Segment-wise and Product-wise production figures for the financial year 2010-11.

Grades of Cement	Quantity in M.T
OPC - 43 Grade & 53 Grade	1410324
SRC - PC	34354
PPC	2920144
Slag - PSC	197594
TOTAL	4562416

Power	Generation (in KWH)
Wind Energy	9192080
Captive Thermal Power Plant	464863425

d) Internal control system and their adequacy

The Company has got an adequate system of internal control in place commensurate with the size of its operation and is properly designed to protect and safeguard the assets of the Company. There is a proper system for recording all the transactions which ensures that every transaction is properly authorized and executed according to the norms.

The Company has developed an in-house Internal Audit Department which is contributing to the continuous process of sharpening the Internal Control mechanism by introduction of various concurrent audit systems and facilitating regular evaluation of the system by the management.

e) Discussion on financial performance with respect to operational performance.

The Financial Year 2010-11 not being a great year for the Cement Industry, the company registered a decent growth of 14% in Production and 13% in Sales, much more than the Industry growth. The Operational Profit of the company at Rs. 419.40 crores, has gone down by about 15% owing to lower realization and spiraling input costs. The Sales Turnover for the financial year 2010-11 stood at 1720.31 crores, an increase of about 13% over the previous year.

f) Material developments in Human resources / Industrial relations front, including number of people employed.

As always, the Industrial relation during the current year also has been very cordial and contributed to mutual development. Various seminars, counselling sessions, trainings etc., were conducted to improve the quality of the manpower available thereby increasing the productivity and efficiency of the personnel. The number of personnel employed in the company is : 1368.

WINDMILL OPERATIONS

The Company had disposed all the Fixed Assets relating to Windmill Operations during the second Quarter of the financial year 2010-11.

CAPTIVE THERMAL POWER PLANTS

KARIKKALI WORKS

The Gross power generation from the 15 MW Captive Thermal Power Plant during the year under review was 12.34 Crore Units, with an auxiliary consumption of 0.97 crore units. The Net generation of 11.37 crore Units were entirely consumed by the Cement Plant thereat.

PULIYUR WORKS

The Gross power generation from the 15 MW Captive Thermal Power Plant during the year under review was 10.21 Crore Units, with an auxiliary consumption of 0.86 crore units. The Net generation was 9.35 crore Units. Out of the total net generation, 8.66 crore units were consumed captively by the Cement Plant thereat and the remaining 0.69 crore units were sold under Power Purchase Agreements.

ARIYALUR WORKS

The Gross power generation from the 15 MW X 3 Captive Thermal Power Plants during the year under review was 23.93 Crore Units, with an auxiliary consumption of 2.03 crore units. The Net generation was 21.90 crore Units. Out of the total net generation, 14.99 crore units were consumed captively by the Cement Plants thereat and the remaining 6.91 crore units were sold under Power Purchase Agreements.

PROGRESS REPORT ON ONGOING PROJECTS

Cement Plant Line – II at Karikkali

The company has commissioned the Line – II Cement manufacturing unit at Karikkali Village, Dindigul District, Tamilnadu adjacent to its existing Unit with a capacity of 2 MTPA during the second quarter of the Financial Year 2010-11 and a Captive Power Plant thereat during the last quarter of the Financial Year 2010-11 to cater to the Power requirements of the Line – II Cement Plant.

Proposed Cement Plant project at Karnataka

The company has completed its entire land acquisition for mining and factory site at Chincholi Taluk, Gulbarga District, Karnataka State for setting up a Greenfield Cement Plant with a capacity of 2.5 MTPA alongwith a 30 MW Captive Thermal Power Plant. Orders have been placed for major machineries and Civil Work has been commenced for both the Cement Plant and the Captive Power Plant thereat.

INDUSTRIAL RELATIONS

The Employees at all ranks of the Company have been extending their fullest co-operation for the smooth conduct of the affairs of the Company and maintenance of cordial Industrial relations. The Directors wish to place on record their appreciation to the employees of the Company at all levels.

PUBLIC DEPOSITS

The company has no unmatured/unpaid Fixed Deposits at the end of financial year 2010-11.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

As required under Section 217 (1) (e) of the Companies Act, 1956, the details regarding Energy Conservation, Technology Absorption, Foreign Exchange earnings and outgo are given in the Annexure hereto.

STATUTORY INFORMATION REGARDING EMPLOYEES

The particulars regarding employees falling within the purview of Section 217 (2A) of the Companies Act, 1956 and the Rules made there under, are mentioned in annexure hereto.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of the Companies Act, 1956, the Directors confirm that:

- (i) in the preparation of the Annual Accounts, the applicable accounting standards had been followed.
- (ii) The Directors had selected such accounting policies and applied them consistently and made judgements 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 that period.
- (iii) 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.
- (iv) The Directors had prepared the Annual Accounts on a going concern basis.

CORPORATE GOVERNANCE

As per the provisions of the Listing Agreement with Madras Stock Exchange Ltd. and the National Stock Exchange of India Ltd., where the Company's Equity Shares are listed, a Report on Corporate Governance is given in an Annexure hereto.

DIRECTORS

Sri Ramanathan Palaniappan and Sri SP.ST. Palaniappan, Directors retire under Clause 102 of the Articles of Association of the Company and being eligible, offer themselves for re-appointment.

AUDITORS

The Auditors, M/s P.B.Vijayaraghavan & Co., M/s Soundararajan & Co., and M/s Krishna & Co., Chartered Accountants retire at the ensuing Annual General Meeting and they are eligible for re-appointment.

Due to the increase in volume of work for the Auditors, the Board recommended an enhancement in the remuneration of the Auditors from ₹ 2,00,000/- to ₹ 2,25,000/- each, besides their out of pocket expenses.

The Cost Audit of the company is conducted by M/s Geeyes & Co., Chennai.

The Cost Audit Report for the financial year 2009-10 was due to be filed by 27th September, 2010 and the same has been filed on 22nd September, 2010. The Cost Audit Report for the financial year 2010-11 is due to be filed within 180 days from the closure of the financial year and will be filed within the stipulated period.

CAUTIONARY STATEMENT

Statements made in this Report, including those stated under the caption "Management Discussion and Analysis" describing the company's objectives, expectations or projections may constitute "forward looking statements" within the meaning of applicable securities laws and regulations.

Important factors that could influence the Company's operations include global and domestic supply and demand conditions affecting the selling prices of finished goods, availability of inputs and their prices, changes in the government regulations, tax laws, economic developments within the country and outside and other factors such as litigations and Industrial relations.

The Company assumes no responsibility in respect of the forward looking statements which may undergo changes in the future on the basis of subsequent developments, information or events.

ACKNOWLEDGEMENT

The Board of Directors wish to thank all the Shareholders, Government Authorities and Financial Institutions and Bankers, Suppliers, Customers and all the categories of Employees for the continued assistance, support and direction to the company during the year under review.

ADDENDUM

Auditors' Report :

Regarding the liability, if any, under the provisions of Jute Packaging Materials (Compulsory use in the Packing Commodities) Act, 1987, the Note No.9 of the Notes forming part of the Accounts is self-explanatory and the Directors opine that as the amount of liability is not ascertainable, necessary provision can be made in the year in which the actual liability would arise.

For and on behalf of the Board,
M.A.M. RAMASWAMY

Place : Chennai
Date : 27th May, 2011

Chairman

ANNEXURE TO THE DIRECTORS' REPORT

Disclosure under sub-section 1(e) of Section 217 of the Companies Act, 1956.

A. CONSERVATION OF ENERGY

a) *Energy conservation measures taken:*

PULIYUR FACTORY:

1. Provided 125 Kw VFD Panel with motor in place of Cooler Fan – 7
2. Replaced existing conventional chokes into Energy efficient choke (Electronic) – 200 Nos.
3. 36 w CFL fitting provided in place of 125 w MV fittings in Raw mill section – 25 Nos.

KARIKKALI FACTORY:

1. LDR Based lighting On/Off
2. Street Lighting Fittings from 150 W to 36 W.
3. LT Capacitor Bank on/off for power Factor control through DCS.
4. Installation of VFD for 160 KW Kiln Coal firing blower.
5. Kiln shell cooling fans on/off control based on shell scanner temperature.
6. Feeding and incineration system installed for using plastic waste from Municipal solid waste.

ARIYALUR FACTORY:

Ariyalur Factory is recently commissioned and all energy saving activities are already implemented in the project stage itself and hence no proposals are in hand for the same.

b) *Additional Investments and Proposals, if any, being implemented for reduction of consumption of energy.*

PULIYUR FACTORY

Preheater modification to reduce power consumption and to increase clinker production.

Captive Power Plant at Puliur:

No proposals are in hand as all the energy saving activities are already implemented at project stage itself.

KARIKKALI FACTORY

- Optimisation of low voltage range from 380 v to 410 v

- All Plant lighting to be switched ON using LDR.
- Installation of VFD for main crusher bag filter.

Captive Power Plant at Karikkali:

No proposals are in hand as all the energy saving activities are already implemented at project stage itself.

ARIYALUR FACTORY

No proposals are in hand as all the energy saving activities are already implemented at project stage itself.

Captive Power Plant at Ariyalur:

No proposals are in hand as all the energy saving activities are already implemented at project stage itself.

c) *Impact of measures of (a) and (b) above on reduction of energy consumption and consequent impact on the cost of production of goods.*

The improvement in efficiency in the Plants of the company are shown in Form- A

d) *Total energy consumption and energy consumption per unit of production as per Form A of the Annexure in respect of Industries specified in the Schedule thereto.*

Please see Form A

B. TECHNOLOGY ABSORPTION

e) *Efforts made in technology absorption as per Form B of the Annexure.*

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

f) *Activities relating to exports; initiatives taken to increase exports; development of new export market for products and services; and export plans: Nil*

g) *Total Foreign Exchange Used and earned:*

During the Year 2010 – 11 foreign exchange earned ₹ 242 Lakhs (previous year - ₹ - nil) and used was ₹ 715 Lakhs (previous year – ₹ 12577 Lakhs)

FORM A
FORM FOR DISCLOSURE OF PARTICULARS
WITH RESPECT TO CONSERVATION OF ENERGY

		Year ended 31.03.2011	Year ended 31.03.2010
A. POWER & FUEL CONSUMPTION			
(1) Electricity			
a) Purchased	Kwh	11870403	5958950
Total Amount	₹ in lakhs	780.16	647.64
Rate/Unit	₹	6.57	10.87
b) Own Generation	Kwh	28035058	832442
Through Diesel Generator Unit	Kwh	3.54	2.93
Units per litre of HSD / LSHS oil	₹	11.30	17.51
Cost/Unit			
c) CPP (Coal based)	KWH	426218379	327878040
Total Cost	₹ in lakhs	21522.65	16625.28
Cost per Unit	₹	5.05	5.07
(2) Coal / Pet coke / Others			
Quantity	Tonnes	741697	653579
Total Cost	₹ in lakhs	41485.88	30254.54
Average Rate	₹/MT	5593	4629
(3) Furnace Oil			
Quantity	MT	493	1287
Total Cost	₹ in lakhs	134.96	302.03
Average Rate	₹/MT	27375	23468

B. CONSUMPTION PER UNIT OF PRODUCTION

	Standards, if any		
(1) Electricity (in KWH/MT of Cement)	95	79.12	81.70
(2) Fuel % on Clinker Production	20%	12.286	12.004

FORM B

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION

A. RESEARCH AND DEVELOPMENT (R&D)

Puliyur, Karikkali & Ariyalur Factories:	
1. Specific areas in which R&D activities carried out by the company	<p>The Company has established Centralised concrete and R&D Lab at Puliyur Works and is carrying out the following activities:</p> <ol style="list-style-type: none"> Usage of alternate fuels derived from municipal waste materials on a sustainable basis. To conserve natural mineral, energy resource and cost reduction. To have competitive edge in the present day cement marketing scenario. To determine optimum cement content in various concrete mixes. To ensure that our customers/consumers get the best result out of the products (Cement supplied by us, in various applications-Domestic, Industrial Coastal area construction.) To study the strength development of concrete at various ages/various design mixes. To increase the usage of mineral admixtures in concrete.
2. Benefits derived as a result of the above R&D	<ol style="list-style-type: none"> Better and durable concrete. Better customer satisfaction. Value addition to products supplied. Control of cement manufacturing cost by reducing the consumption of input materials (Coal/Iron ore/ Power). Conservation of Mineral resources, use of low and marginal grade Limestone. Iron ore consumption reduced from 4.84% during 2009-10 to 3.68 % during 2010-11 at Puliyur works. Fly ash consumption increased from 22.71 to 24.66% in the year 2010-11. Slag consumption has increased from 39.72% to 53.69% in the year 2010-11. Specific heat consumption reduced from 708 K Cals / Kg. clinker during 2009-10 to 706 K Cals / Kg. during 2010-11.
3. Future Plan of Action	<ol style="list-style-type: none"> To standardize the types of various lubricants used in the Plants and reduce lube oil consumption. Recovery of steel materials from scrap upto 3% It is planned feeding and incineration system installation for using plastic waste from Municipal Solid Waste. Exploration of limestone availability in new lease areas around Seethainagar & Dholipatti Mines so as to augment the life of limestone mines to sustain and improve the level of clinker production in future. Setting up of Optical Microscope Laboratory at Puliyur Works for carrying out R & D work affiliated to Puliyur Plant under the guidance of NCBM, Ballabgarh. It is planned to integrate all the three quality system (IS/ISO 9001 : 2008, IS/ISO 14001 : 2004, IS 18001; 2007).
4. Expenditure on R & D	(Amount - ₹ in Lakhs)
a. Capital	: 0.00
b. Recurring	: 55.00
c. Total	: 55.00
d. Total R&D expenditure as percentage of total turnover	: 0.03

B. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION : NIL

ANNEXURE TO THE DIRECTORS' REPORT

PARTICULARS OF EMPLOYEES AS REQUIRED UNDER SUB-SECTION (2A) OF SECTION 217 OF THE COMPANIES ACT, 1956 AND RULES MADE THEREUNDER FORMING PART OF THE DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2011.

Statement showing the particulars of Employees employed throughout the Financial year 2010-11 who were in receipt of remuneration not less than ₹ 60.00 Lakhs per year.

Name (1)	Age (2)	Designation/ Nature of Duties (3)	Remuneration Received * (₹ in lakhs) (4)	Qualification & Experience (in years) (5)	Date of commencement of Employment (6)	Particulars of Last Employment (7)
Mr. C. Sudhakar	62	Technical Director	94.49	M.sc. (Chemistry) 36	07.03.1989	Malabar Cement

Statement showing the particulars of Employees employed for the part of Financial year 2010-11 who were in receipt of remuneration not less than ₹ 5.00 Lakhs per month.

Name (1)	Age (2)	Designation/ Nature of Duties (3)	Remuneration Received * (₹ in lakhs) (4)	Qualification & Experience (in years) (5)	Date of commencement of Employment (6)	Particulars of Last Employment (7)
Mr. L. Muthukrishnan	66	Executive Director	79.27	B.Com., A.C.A 41	02.09.1970	M/S. Palaniappan & Viswanathan, Chartered Accountants
Mr. M. C. Kini	53	President (Business Development)	57.99	B.Sc., M.M.S 32	24.08.2009	Chief Executive Officer in Gokuldas Image (P) Ltd., Bangalore

Note:

- 1) * Remuneration as shown includes inter-alia, Salary, House rent allowance, Medical Expenses, Leave Travel Assistance, Leave encashment and Provident fund contribution but excludes contribution to Gratuity fund which is not individually allocable, except in the case of employees who retired during the part of the year, as their Gratuity payment has been fully settled on their retirement.
- 2) The service of above mentioned employees is regular and governed by the rules and regulations of the company.
- 3) The above mentioned employees are not related to any of the Directors of the Company.

ANNEXURE TO DIRECTORS' REPORT - CONTD.

REPORT ON CORPORATE GOVERNANCE AS PER CLAUSE 49 OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGES

1. BRIEF STATEMENT ON COMPANY'S PHILOSOPHY ON THE CODE OF GOVERNANCE.

The main aim of the concept of Corporate Governance is to create a balance which would result in long term value additions to the Investments of Shareholders while catering to the interests of employees, customers, suppliers, Government and public at large, which covers in its ambit the concept of Social responsibility of Corporate also.

The Company has always believed in following a policy which would contribute towards achieving this balance and thereby reap maximum rewards to all concerned. In this endeavor, the Company has always maintained transparency in its policies, procedures and reporting systems so as to enable the various stakeholders to know exactly the kind of environment they are dealing with. The Company has got very versatile and well qualified Directors in its Board with rich experience in their respective fields and all matters of strategic importance are decided by the Board. The Company has a well constituted Audit Committee and Share Transfer Committee to monitor the financial state of affairs and shareholders interest respectively.

2. BOARD OF DIRECTORS

- A) Details of composition, category of Directors and details of their Chairmanship / membership in other Boards / Committees and attendance of each Director at the Company's Board Meetings and last AGM

Category	Name of the director
Promoter [Non-executive] [Executive]	Dr. M.A.M. Ramaswamy, Chairman Sri M.A.M.R. Muthiah, Managing Director
Non-executive – Independent Directors	Sri Ramanathan Palaniappan Sri SP.ST. Palaniappan Sri R. Krishnamoorthy Sri K. Ganapathy
Nominee Director of TIIC	Smt. Sheela Rani Chunkath, IAS

No Director is related to any other Director on the Board in terms of definition of the term "relative" under the Companies Act, 1956 except Dr.M.A.M.Ramaswamy, (Chairman) who is the father of Sri M.A.M.R. Muthiah, (Managing Director).

Chettinad Cement Corporation Limited

S No.	Name of the Director	No. of Board meetings attended	AGM attended	No. of Membership and Chairmanship in other Boards and Committees.			
				Boards		Committees	
				Chairman	Member	Chairman	Member
1.	Dr.M.A.M.Ramaswamy Non-executive (Promoter)	3	Yes	2	-	-	-
2.	M.A.M.R.Muthiah Executive -(Promoter)	6	Yes	-	2	-	-
3.	R.Krishnamoorthy Independent-Non Executive	6	Yes	-	-	-	-
4.	Ramanathan Palaniappan Independent-Non Executive	5	Yes	1	2	-	-
5.	SP.ST.Palaniappan Independent-Non Executive	4	Yes	-	-	-	-
6.	K.Ganapathy Independent-Non Executive	5	Yes	-	1	-	-
7.	Smt.Sheela Rani Chunkath I.A.S (Nominee Director)	-	TIIC Officials attended	1	5	-	-

B) No. of Board Meetings held : 6 (Six)

Dates on which held: 20/04/2010, 27/07/2010, 21/09/2010, 9/11/2010, 1/2/2011, 29/03/2011.

None of the Non-executive Directors of the Company has any pecuniary relationship or transaction with the Company.

Bio – Data of Directors proposed to be appointed / re-appointed :

Name of the Director	Sri Ramanathan Palaniappan
Date of Birth	24.10.1932
Qualification	B.E.(Hons.), M.I.E.
Nature of Expertise	Engineering Consultant
Date of First Appointment	22.09.1984
Name of the other Companies in which he holds Directorship	Chairman & Managing Director in : Cafoma Auto Parts P. Ltd Director in : Primachs Auto Components P Ltd. Productivity Elements P. Ltd.
Name of the Companies in which he holds membership of committees	-
No. of Shares held in the Company	4200 Equity shares of ₹ 10/- each

Name of the Director	Sri. SP.ST.Palaniappan
Date of Birth	25.03.1928
Qualification	B.Com., F.C.A.
Nature of Expertise	Chartered Accountant
Date of First Appointment	15.12.1992
Name of the other Companies in which he holds Directorship	Not holding Directorship/s in any other companies
Name of the Companies in which he holds membership of committees	Chettinad Cement Corporation Ltd.
No. of Shares held in the Company	525 Equity shares of ₹ 10/- each

C) BOARD PROCEDURE

The Company convened Six Board Meetings during the Financial Year 2010-11. The Notices of the Board meeting were sent nearly a month in advance to all the Directors to enable them to make themselves convenient to attend the Meeting. The detailed Agenda for the meeting along with notes if any were sent to the Directors about one week to ten days before the Meeting. The Managing Director would give a overview of the performance of the Industry, in general and the Company, in particular. It is followed by a technical presentation by the Technical Director on the performance of the Company on various parameters. The Board of Directors generally reviewed the following:

- Annual operating plans
- Compliance with statutory and legal requirements.
- Adoption of quarterly un-audited financial results.
- Funding requirements and patterns of the Company.
- Transaction of Capital nature.
- Proceedings of the Committee Meetings.

3. CODE OF CONDUCT

The company has put in place a Code of Conduct for its Directors and Senior Management Officials to be adhered to in conduct of the affairs of the Company. The said Code of Conduct has been circulated among the Directors and Senior Management Officials and also uploaded in the official website of the company.

CEO/CFO Certification

The Managing Director the Chief Financial Officer of the Company give Annual Certification on financial reporting and internal control to the Board of Directors in terms of Clause 49(v) of the Listing Agreement.

4. AUDIT COMMITTEE

The Company has constituted an Audit Committee to conform with the requirements of Section 292 A of the Companies Act, 1956 and the Clause 49 of the Listing Agreement with Stock Exchanges. The Committee comprises of four Directors as its members namely, Sri SP.ST. Palaniappan, Sri. K. Ganapathy, Sri R. Krishnamoorthy and Sri. M.A.M.R. Muthiah. Sri SP.ST. Palaniappan is the Chairman of the Audit Committee.

The Committee held Five Meetings during the Financial year 2010-11, on 19/4/2010, 26/7/2010, 8/11/2010, 31/01/2011, 28/3/2011.

All the five meetings held were attended by Sri M.A.M.R. Muthiah. The other Directors namely, Sri R. Krishnamoorthy, Sri SP. ST. Palaniappan and Sri K. Ganapathy attended 4 meetings each.

The Chairman of the Committee, Sri SP. ST. Palaniappan present at the last Annual General Meeting held on 21st September, 2010.

Brief description of the terms of reference :

- o To review the Company's financial reporting process and financial statement.
- o To recommend the appointment of Statutory Auditors and Cost Auditors.
- o To review the accounting and financial policies and practices.
- o To review the internal control mechanism and monitor risk management policies adopted by the company and ensure compliance with regulatory guidelines.
- o To review reports furnished by the Internal and Statutory Auditors and ensure that suitable follow – up action is taken.
- o To examine the accountancy, taxation and disclosure aspects of all the significant transactions.
- o Any other matters coming under reference.

5. REMUNERATION COMMITTEE

The Board has constituted a Remuneration Committee conforming with the requirements of Schedule XIII and other relevant provisions of the Companies Act, 1956 with the following Directors as its members, namely, Sri.SP.ST.Palaniappan, Sri.K.Ganapathy, and Sri R. Krishnamoorthy. Sri R. Krishnamoorthy is the Chairman of the Committee.

The Remuneration Committee met on the 19/04/2010 and 21/9/2010 for according its approval for the payment of monthly remuneration of ₹ 4.00 lakhs per month to Sri. M.A.M.R.Muthiah, Managing Director from 1st April 2010 to 27th September, 2010 and from 28th September, 2010 (i.e., from the date of his reappointment as Managing Director) to 31st March, 2011, respectively, as per sub-section 1 (B) of Section II of Part II of Schedule XIII of the Companies Act, 1956. The payment of the said remuneration to the Managing Director was approved subject to the stipulation that in the event of the company making profits, the monthly remuneration paid would be adjusted in the overall commission that may be paid to the Managing Director.

Further, none of the Directors other than the Managing Director is being paid any remuneration other than the sitting fees for attending the Board / Committee meetings held during the year.

Remuneration to Directors

The Managing Director is entitled to a remuneration of ₹ 500 lakhs as Commission on the net profits of the company for the Financial Year 2010-11 as per his terms of appointment and in compliance with the provisions of Schedule XIII of the Companies Act, 1956.

The Directors have been paid sitting fees for their attendance at the Board/Committee meetings held during the Financial year 2010-11. The Traveling Expenses are being paid to the concerned Directors. The details of payment of sitting fees paid to the Directors are given below :

Name of the Director	Sitting fees paid (₹)	No. of Shares held in the held in the Company
Dr. M.A.M.Ramaswamy	6000	9183834
Sri.M.A.M.R.Muthiah	48000	5586709
Sri R.Krishnamoorthy	102000	1400
Sri.Ramanathan Palaniappan	10000	4200
Sri. SP.ST.Palaniappan	40000	525
Sri. K.Ganapathy	22000	500
Smt.Sheela Rani Chungath I.A.S	Nil	-
Total amount of Sitting fees:	228000	

6. SHAREHOLDERS' COMMITTEE

The Company is already having a Share Transfer Committee consisting of three Directors Viz., Sri M.A.M.R.Muthiah (Managing Director), Sri SP.ST.Palaniappan and Sri R.Krishnamoorthy as its members. Sri SP.ST.Palaniappan is the Chairman of the Committee.

Name and designation of Compliance Officer: Mr. S.Hariharan, Company Secretary.

This Committee is also performing the functions of catering to the Shareholder grievances. The Company had received 27 complaints during the financial year 2010-11 and the above said Committee had sorted out all the grievances to the satisfaction of the Shareholders except in the cases where the matter is pending before the Court of law.

7 GENERAL BODY MEETINGS

The Date, location and time of the last three Annual General Meetings of the Company are given below:

Financial Year	Location	Date	Time
2007-08	"Rani Seethai Hall", 603, Anna Salai, Chennai - 600 006	23rd September, 2008	10.00 a.m.
2008-09	"Rani Seethai Hall", 603, Anna Salai, Chennai - 600 006	7th September, 2009	10.00 a.m.
2009-10	"Rani Seethai Hall", 603, Anna Salai, Chennai - 600 006	21st September, 2010	10.00 a.m.

There was no requirement of passing resolutions by way of Postal Ballot during the last year.

Particulars of Special Resolution passed in the previous three Annual General Meetings:

The Special Resolution passed as required under Schedule XIII of the Companies Act, 1956 at the meeting held on 21.9.2010 regarding re-appointment of Managing Director.

8. DISCLOSURES

- a) Related party transactions have been disclosed in item No. 15 of the Notes forming part of the Accounts, as required under the Accounting Standard 18 issued by the Companies (Accounting Standard) Rules, 2006. These transactions are not likely to be prejudicial with the Company's Interest.
- b) There were no instances of non-compliances or imposition of any penalty/strictures on the Company by the SEBI / Stock Exchange / any Statutory Authority, on any matter relating to capital markets, during the last three years.
- c) Risk Assessment and minimization procedures is an on-going process. The Managing Director, primarily in-charge of conduct of the affairs of the company appraises the Board of Directors regularly about the assessed risks and the measures taken to mitigate the same to ensure smooth conduct of the business of the company.
- d) The Code of Conduct ensures that the conduct of affairs of the company is carried out with the highest levels of integrity and ethics with adequate avenues for reporting any suspected fraud or unethical behavior coming to the knowledge of the concerned staff. No employee of the company is denied access to the Audit Committee.
- e) Non-Mandatory requirements regarding Non-executive Chairman and Remuneration Committee is complied with.

9. MEANS OF COMMUNICATION

- a) The Quarterly Financial results for the financial year 2010-11, were published in Business Line (all Editions), News Today (Regional) and Makkal Kural (Tamil Regional).
- b) Financial results are being displayed in the Company's Website.
- c) No official news releases are made and also no presentations have been made to institutional investors or to the analysts.
- d) The Management Discussions & Analysis is a part of Annual Report.

10. GENERAL SHAREHOLDER INFORMATION :

- a) **Date, time and venue of the Annual General Meeting.**

Date : 09th August, 2011 Time : 10.00 A.M.
Venue : "Rani Seethai Hall", 603, Anna Salai,
Chennai - 600 006.
- b) **Financial Calendar**

Financial year - 1st April to 31st March
Unaudited Financial Results:
Quarter ending 30th June '11 - Before 14th August '11
Quarter ending 30th Sept. '11 - Before 14th Nov '11
Quarter ending 31st Dec. '11 - Before 14th Feb '12
* Quarter ending 31st Mar. '12 - Before 15th May '12.
* No unaudited financial results will be considered for the last quarter of the financial year 2011 -12 in case Audited Financial results are to be submitted to the Stock Exchanges before 30.05.2012.
- c) **Date of Book closure**

02.08.2011 to 09.08.2011.
- d) **Dividend payment date**

Within 30 days from the date of declaration i.e., 09th August, 2011.
- e) **Listing on Stock Exchange**

Madras Stock Exchange Ltd., Chennai
National Stock Exchange of India Ltd., Mumbai

f) Stock Code

Madras Stock Exchange : CCM
 National Stock Exchange: CHETTINAD

**g) Market price Data :
 NSE, High, Low during each
 month in last financial year 2009-10**

Month	High (₹)	Low (₹)
April'10	591.00	501.10
May'10	545.00	467.55
June'10	570.00	469.90
July'10	601.00	516.60
August'10	633.20	515.00
September'10	610.00	512.05
October'10	559.90	501.55
November'10	570.00	501.65
December'10	545.00	512.75
January'11	547.00	478.00
February'11	527.75	424.00
March'11	509.90	450.30

h) Registrars and Transfer Agents.

Depository Registrar :
 Integrated Enterprises (India) Ltd.,
 II Floor, 'Kences Towers'
 No.1, Ramakrishna Street, North Usman Road,
 T.Nagar, CHENNAI – 600 017.

i) Share Transfer System

The Company has constituted a Share Transfer Committee which considers and approves the transfer and transmission etc., of shares in Physical mode. The Committee meets once in every 25-30 days and approves all the pending share transfers, transmission etc., received during the intervening period which are in order.

The administration of both physical and Dematerialised shares are being handled by the Registrars
 M/s Integrated Enterprises (India) Ltd.

**j) Distribution of Shareholding
as on 31.03.2011**

i) On the basis of quantum of Shares held.

No. of Shares held	No. of Share- holders	No. of Shares	Share %
Upto 500	3661	531575	1.39
501 to 1000	373	301992	0.79
1001 to 2000	146	222038	0.59
2001 to 3000	44	113285	0.30
3001 to 4000	20	73246	0.19
4001 to 5000	4	17478	0.04
5001 to 10000	14	97073	0.26
10001 & above	39	36842311	96.44
TOTAL	4301	38198998	100.00

ii) On the basis of category of Shareholders

Category	No. of Shares	%
Promoters and Relatives	33782577	88.44
Financial Institutions	1269210	3.32
Foreign Holdings (FII / NRI)	51213	0.13
Other Corporate Bodies	1513657	3.97
Mutual Funds	2200	0.01
Banks	1200	0.00
Indian Public	1578941	4.13
TOTAL	38198998	100.00

k) Dematerialisation of shares and liquidity

The Company has entered into the Tripartite Agreements with the National Securities Depository Ltd., (NSDL) and Central Depository Services Ltd., (CDSL) for dematerialization of shares. As on 31.03.2011, the total number of Dematerialized Shares are 35685065. The total number of demat shareholders are 2938. For dematerialization of shares, the ISIN of the Company is INE132B01011.

l) Outstanding GDR / ADR / Warrants or any convertible instruments, conversion date and likely impact on Equity.

The Company has not issued any GDR / ADR and the Company does not have any outstanding warrants or other convertible instruments.

m) Plant locations

PULIYUR WORKS: Kumararajah Muthiah Nagar, Puliur Cement Factory Post, Karur District, Tamil Nadu-639114.

KARIKKALI WORKS: Rani Meyyammai Nagar, Karikkali Village, Via - Palayam, Veda sandur Taluk, Dindigul District, Tamil Nadu.-624703

ARIYALUR WORKS: Keezhapalavur (P.O), Ariyalur District, Tamil Nadu-621707.

n) Address for correspondence

Chettinad Cement Corporation Limited,
 Regd. Office : "Rani Seethai Hall Building",
 No. 603, Anna Salai, CHENNAI – 600 006
 Phone : 044 28292727 Fax: 044 28291558
 Website: www.chettinad.com

o) Investor Correspondence
For matters relating to Shares, Dividends and Annual Reports :

Integrated Enterprises (India) Ltd.,
 II Floor, 'Kences Towers'
 No.1, Ramakrishna Street, North Usman Road,
 T.Nagar, CHENNAI – 600 017
 Phone: 044-28140801-803 Fax:28142479
 Email ID : corperv@iepindia.com

For General Investor related information:

The Company Secretary
 Chettinad Cement Corporation Limited,
 "Rani Seethai Hall Building",
 No. 603, Anna Salai,
 CHENNAI – 600 006
 Email ID : shares@chettinadcement.com

Unclaimed Dividends

The unclaimed dividend for the financial years 1995-96 to 2000-2001, except where the claim is under dispute or kept in abeyance, has been transferred to the Investor Education and Protection Fund (IEPF) within the stipulated time .

The following table shows the details of Dividend relating to financial years 2003-04 to 2008-09 and the due dates on which the unclaimed/un-encashed dividend amounts with respect to the same have to be remitted into IEPF. [No dividend has been declared for the years 2001-02, 2002-03 and 2009-10].

Year	Date of Declaration	Dividend (%)	Due date for transfer to IEPF
2003-04	28.09.2004	20	03.11.2011
2004-05	26.09.2005	40	01.11.2012
2005-06	19.09.2006	50	15.11.2013
2006-07	25.09.2007	75	31.10.2014
2007-08	23.09.2008	100	28.10.2015
2008-09	07.09.2009	100	13.10.2016

The shareholders are being given due intimation, by sending a letter sufficiently in advance, about the due date for remittance of the said unclaimed/un-encashed dividend amounts into the IEPF so that they would be able to realize the same before remittance by the company. This is an information to the shareholders who have so far not encashed their respective dividend pertaining to the abovementioned years to write to the company and get their dividend, before remittance into IEPF.

NON - MANDATORY REQUIREMENTS

- a) **Chairman of the Board** Dr. M.A.M. Ramaswamy is the Chairman of the Board. One employee of the Company is a Personal Assistant to the Chairman. There is no separate Chairman's office.
- b) **Tenure of Directors** No tenure for holding their respective Directorship has been fixed for the Independent Directors at the time of their appointment as Directors. The tenure of office of Managing Director (Promoter-Director) is governed by Schedule XIII of the Companies Act, 1956.
- c) **Remuneration Committee** The Company has formed a Remuneration Committee with three Non-executive Independent Directors as its members in compliance with the Schedule XIII of the Companies Act, 1956.
The Remuneration Committee met on 19.04.10 and 21.09.10 approved the payment of monthly remuneration of ₹4.00 Lakhs per month to the Managing Director for the Financial Year 2010-11, in compliance with the provisions of Schedule XIII of the Companies Act, 1956.
An amount of ₹ 2000/- is paid to each member as sitting fees for attending the meetings.
- d) **Shareholders Rights** The Unaudited Quarterly Financial Results for the second quarter including the Half-yearly results are published in the Newspaper/s as required under Clause 41 of the Listing Agreement. The Half-yearly results are not sent to the Shareholders individually.
- e) **Audit Qualifications** The company is striving to move towards a regime of unqualified financial statements.
- f) **Training of Board Members** Since the Board members are eminent personalities in their own field fully aware of their responsibilities as Directors of the company, there is no requirement for training the members of the Board.
- g) **Mechanism for evaluating Board Members.** Since the Board members are eminent personalities in their own field fully aware of their responsibilities as Directors of the company, there is no requirement for their evaluation.

DECLARATION

As per the provisions of Clause 49 of the Listing Agreement, all the Directors and Senior Management officials of the company have affirmed their compliance with the Code of Conduct.

For Chettinad Cement Corporation Limited

Date : 27th May, 2011
Place : Chennai

M.A.M.R.Muthiah
Managing Director



**CERTIFICATE OF COMPLIANCE OF CORPORATE GOVERNANCE AS PER CLAUSE 49 OF
THE LISTING AGREEMENT BY THE AUDITORS OF THE COMPANY.**

CERTIFICATE

To :

The Members of
M/s.Chettinad Cement Corporation Ltd
Chennai - 600 006

We have examined the compliance of conditions of Corporate Governance by M/s. Chettinad Cement Corporation Ltd for the year ended on 31st March 2011, as stipulated in clause 49 of the Listing Agreement of the said company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that no investor grievance is pending for a period exceeding one month against the company as per the records maintained by the shareholders committee.

We further 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.

for P.B. Vijayaraghavan & Co.
Chartered Accountants
Firm Regn.No.004721S
P.B. Srinivasan
Partner
(M. No. 203774)

for V.Soundararajan & Co
Chartered Accountants
Firm Regn.No.003943S
V. S. Ravikumar
Partner
(M. No. 018030)

for Krishnaa & Co.
Chartered Accountants
Firm Regn.No.001453S
V. Krishnan
Partner
(M. No. 010970)

Place : Chennai
Date : 27.05.2011

AUDITORS' REPORT
TO THE SHAREHOLDERS OF CHETTINAD CEMENT CORPORATION LTD

We have audited the attached Balance Sheet of Chettinad Cement Corporation Ltd (the Company) as at 31st March 2011 and the Profit and Loss account and cash flow statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

- 1) As required by the Companies (Auditor's Report) Order, 2003 (the Order) as amended by the Companies (Auditor's Report) (Amendment) Order 2004 issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- 2) Further to our comments in the annexure referred to above, we report that:
 - a) We have 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 accounts as required by law have been kept by the company, so far as appears from examination of those books.
 - c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet, Profit and Loss account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in section 211 (3C) of the Companies Act, 1956, to the extent applicable.
 - e) On the basis of written representations received from the directors and taken on record by the Board of Directors, we report that none of the directors as on 31st March 2011 is disqualified from being appointed as a director in the company in terms Section 274 (1) (g) of the Companies Act, 1956 on the said date.
 - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with schedules and
Note No.26 regarding change in accounting policy on charging depreciation/depletion on land during the year, which has resulted in understatement of profit to the extent of ₹612.13 lakhs includes an amount of ₹460.32 lakhs pertains to earlier years and
subject to Note no.9 regarding the liability, if any under the provisions of Jute packaging materials (Compulsory use in the Packing Commodities) Act, 1987 and other notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view, in conformity with the accounting principles generally accepted in India.
- (i) In the case of the Balance Sheet, of the state of affairs of the company as at March 31, 2011.
- (ii) In the case of the Profit and Loss Account, of the Profit for the year ended on that date, and
- (iii) In the case of the Cash Flow Statement, of the cash flow for the year ended on that date.

for P.B. Vijayaraghavan & Co.
Chartered Accountants
Firm Regn.No.004721S
P.B. Srinivasan
Partner
(M. No. 203774)

for V.Soundararajan & Co
Chartered Accountants
Firm Regn.No.003943S
V. S. Ravikumar
Partner
(M. No. 018030)

for Krishna & Co.
Chartered Accountants
Firm Regn.No.001453S
V. Krishnan
Partner
(M. No. 010970)

Place : Chennai
Date : 27.05.2011

ANNEXURE TO AUDITORS' REPORT

REFERRED TO IN PARAGRAPH 1 OF OUR REPORT OF EVEN DATE

- i. a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of Fixed Assets.
- b) These Fixed Assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.
- c) No substantial parts of fixed assets of the company have been disposed of during the year.
- ii. a) Inventories have been physically verified at reasonable intervals by the management.
- b) The procedures of physical verification of Inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- c) The company is maintaining proper records of inventory and discrepancies on physical verification as compared to book records were not material and have been dealt properly in the books of account.
- iii. a) The Company has taken an unsecured inter corporate deposit of ₹17 crores from Chettinad Morimura Semi Conductor Materials Pvt Ltd. in which the Directors of this Company are Directors. The maximum amount due during the year was ₹22 crores and the year end balance of Deposit taken was ₹22 crores.

In our opinion, the rate of interest and other terms and conditions of the Deposit are not, prima facie, prejudicial to the interest of the company.

The Company is regular in payment of interest and the repayment of the principal during the year ended 31st March 2011.

The Company has not given any loans secured or unsecured to parties referred to Section 301 of the Companies Act, 1956.

- iv. In our opinion, there is an adequate internal control system commensurate with the size of the company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit no major weakness has been observed in the internal control system.
- v. According to the explanation and information furnished by the company there are no contracts or arrangements referred to in Section 301 of the Companies Act 1956, entered into by the company except the inter corporate deposit referred in item (iii) above which has been entered into the register maintained under section 301 of the Companies Act, 1956.
- vi. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of section 58A and 58AA and the rules framed there under with regard to the deposits accepted from the public.
- vii. In our opinion, the company has an Internal Audit System commensurate with the size and nature of its business.
- viii. We have broadly reviewed the books of account maintained by the company relating to manufacture of cement pursuant to the order made by the Central Government for the maintenance of cost records under Section 209 (1) (d) of the Companies Act 1956 and we are of the opinion that prima facie the prescribed accounts and records have been maintained. We have not however made a detailed examination of the records with a view to determining whether they are accurate or complete.
- ix. The company has been generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other statutory dues with the appropriate authorities in India.

Chettinad Cement Corporation Limited

There are no arrears of outstanding statutory dues as on 31.3.2011 for a period of more than six months from the date they became payable. *

At the end of the financial year there were no dues of Sales Tax, Income Tax, Customs Duty, Wealth Tax, Service Tax, Excise Duty and Cess, which have not been deposited on account of any dispute except as follows:

NAME OF THE STATUTE	NATURE OF DUES	AMOUNT (₹ IN LAKHS)	FORUM WHERE DISPUTE IS PENDING
TNGST Act, 1959	Sales Tax and Penalty	1.27	Sales Tax Appellate Tribunal, Chennai.

- x. The company did not have any accumulated losses at the end of the financial year, nor had it incurred any cash loss during the financial year or in the immediately preceding financial year.
- xi. According to the records produced, the company has not defaulted in repayment of its dues to any financial institution or bank or debenture holders during the year.
- xii. The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. The provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund / societies are not applicable to the Company.
- xiv. In our opinion and according to the information and explanations given to us, the company is not a dealer or trader in shares, securities, debentures and other investments.
- xv. According to the information given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions.
- xvi. On the basis of review of utilization of funds on an overall basis, in our opinion, the term loan taken by the company were applied for the purposes for which the loans were obtained.
- xvii. On the basis of review of utilization of funds on an overall basis, in our opinion, the funds raised on short term basis have not been used for the long term investment during the year.
- xviii. The company has not made any preferential allotment of shares during the year to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- xix. The Company has not issued any debentures.
- xx. The Company has not raised any money by public issue during the year.
- xxi. During the course of our examination of the books of account carried out in accordance with the generally accepted auditing practices in India, we have not come across any instance of fraud on or by the company nor have we been informed by the management of any such instance being noticed or reported during the year.

for P.B. Vijayaraghavan & Co.
Chartered Accountants
Firm Regn.No.004721S
P.B. Srinivasan
Partner
(M. No. 203774)

Place : Chennai
Date : 27.05.2011

for V.Soundararajan & Co
Chartered Accountants
Firm Regn.No.003943S
V. S. Ravikumar
Partner
(M. No. 018030)

for Krishna & Co.
Chartered Accountants
Firm Regn.No.001453S
V. Krishnan
Partner
(M. No. 010970)

BALANCE SHEET AS AT 31ST MARCH 2011

	Schedule No.	As at 31-03-2011 (₹ In lakhs)		As at 31-3-2010 (₹ In lakhs)	
I. SOURCES OF FUNDS					
Shareholders' Funds:					
(a) Capital	1	3820		3820	
(b) Reserves and Surplus	2	88751	92571	82552	86372
Loan Funds					
(a) Secured Loans	3	40628		34389	
(b) Unsecured Loans	4	48978	89606	41498	75887
Deferred Tax					
Deferred tax liability		976		872	
Less: Deferred tax asset		205	771	141	731
TOTAL			182948		162990
II. APPLICATION OF FUNDS					
Fixed Assets:					
(a) Gross Block	5	283659		231569	
(b) Less : Depreciation		146281		116789	
(c) Net Block		137378		114780	
(d) Capital work in progress		23354	160732	9546	124326
Investments	6		58		58
Current Assets, Loans & Advances	7				
(a) Inventories		23162		22409	
(b) Sundry Debtors		10657		7450	
(c) Cash and Bank balances		2073		7307	
(d) Other Current Assets		1		2	
(e) Loans & Advances		34166		37975	
		70059		75143	
Less:					
Current Liabilities & Provisions	8				
(a) Current Liabilities		21419		14324	
(b) Provisions		26482		22213	
		47901		36537	
Net Current Assets			22158		38606
TOTAL			182948		162990

M.A.M. Ramaswamy
Chairman

M.A.M.R. Muthiah
Managing Director

R. Krishnamoorthy
SP.ST.Palaniappan
K. Ganapathy
Directors

S. Hariharan
Company Secretary

for P.B. Vijayaraghavan & Co.
Chartered Accountants
Firm Regn.No.004721S
P.B. Srinivasan
Partner
(M. No. 203774)

Subject to our Report of even date
for V.Soundararajan & Co
Chartered Accountants
Firm Regn.No.003943S
V.S.Ravikumar
Partner
(M. No. 018030)

for Krishna & Co.
Chartered Accountants
Firm Regn.No.001453S
V. Krishnan
Partner
(M. No. 010970)

Place : Chennai
Date : 27.05.2011

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2011

	Schedule	For the year ended 31-03-2011 (₹ in lakhs)	For the year ended 31-03-2010 (₹ in lakhs)
INCOME			
Sales		171940	151862
Self Consumption		91	406
		172031	152268
Less : Excise Duty		21730	16313
		150301	135955
Other Income	A	10153	1394
Increase/(Decrease) in Stocks	B	(600)	(994)
	Total	159854	136355
EXPENDITURE			
Raw Materials Consumed	C	20971	17217
Stores & Spares Consumed		5914	4836
Power & Fuel		42682	31057
Excise Duty		340	325
Packing Charges		6095	5044
Salaries, Wages, Bonus & Amenities to Staff	D	8000	6454
Repairs & Maintenance	E	4140	3209
Loading & Transport Charges		14737	13713
Advertisement & Sales Promotion		2461	915
Commission		244	188
Interest	F	6299	7679
Other Expenses	G	2177	2188
Depreciation		36287	30808
	Total	150347	123633
Profit for the year		9507	12722
Taxation:-			
Current Tax		1950	3080
Deferred tax		40	(21)
Profit after Tax		7517	9663
Add:			
Provision for taxation no longer required		0	2000
Prior Period Expenses		0	(880)
Balance in P & L A/c brought forward from last year		31424	20570
Profit of Amalgamating company Brought Forward		0	71
		38941	31424
Transfer to General Reserve		850	0
Proposed dividend on Equity Shares		1910	0
Tax on Dividend		317	0
Balance carried to Balance Sheet		35864	31424
Earning per share in ₹ (Refer Note No.16) -Basic & Diluted		19.68	30.51

M.A.M. Ramaswamy
Chairman

M.A.M.R. Muthiah
Managing Director

R. Krishnamoorthy
SP, ST, Palaniappan
K. Ganapathy
Directors

S. Hariharan
Company Secretary

for P.B. Vijayaraghavan & Co.
Chartered Accountants
Firm Regn.No.0047215
P.B. Srinivasan
Partner
(M. No. 203774)

Subject to our Report of even date
for V.Soundararajan & Co
Chartered Accountants
Firm Regn.No.0039435
V.S.Ravikumar
Partner
(M. No. 018030)

for Krishna & Co.
Chartered Accountants
Firm Regn.No.0014535
V. Krishnan
Partner
(M. No. 010970)

Place : Chennai
Date : 27.05.2011

SCHEDULES TO BALANCE SHEET

	As at 31-3-2011 (₹ in lakhs)	As at 31-3-2010 (₹ in lakhs)
SCHEDULE - 1 : SHARE CAPITAL		
Authorised :		
50,00,00,000 Shares of ₹ 10/- each	<u>50000</u>	<u>50000</u>
Issued :		
3,82,95,748 Equity Shares of ₹ 10/- each	<u>3829</u>	<u>3829</u>
Subscribed and paid up :		
3,81,98,998 Equity Shares of ₹ 10/- each	<u>3820</u>	<u>2950</u>
(2,95,03,350 Equity Shares of ₹ 10/- each)		
(Includes 42,15,850 Equity Shares of ₹ 10/- each allotted as fully paid Bonus Shares by capitalisation of reserves)		
Equity Suspense account	0	870
(8695648 Equity shares of ₹ 10/- each issued to the shareholders of Allied Minerals and Metals Private Ltd. pursuant to the scheme of amalgamation approved by the Honourable High Court of Madras dt. 21.06.2010)		
	<u>3820</u>	<u>3820</u>

SCHEDULE - 2 : RESERVES & SURPLUS

	As at 1-4-2010	Additions during the year	Withdrawn during the year	(₹ in lakhs) As at 31-3-2011
Capital Reserve	39505	909		40414 *
Share Premium	4973	—		4973
General Reserve	6650	850		7500
Profit & Loss Account	31424			35864
	<u>82552</u>			<u>88751</u>

* Represents profit on sale of Land & Buildings over the cost, and the difference between the amount recorded as share capital plus additional consideration in the form of cash and the share capital of Allied Minierlas and Metals Private Limited pursuant to the scheme of amalgamation approved by the Honourable High Court of Madras dated 21.06.2010

SCHEDULES TO BALANCE SHEET

	As at 31-3-2011 (₹ in lakhs)	As at 31-3-2010 (₹ in lakhs)
SCHEDULE - 3 : SECURED LOANS		
FROM BANKS		
Term Loan	37975	26500
Working Capital	896	7889
FROM OTHERS		
Softloan from SIPCOT	1757	0
	<u>40628</u>	<u>34389</u>

NOTE TO SCHEDULE - 3

The Term Loans availed from the Central Bank of India, Canara Bank and Indian Bank are secured by pari passu First Charge basis on all moveable and immoveable properties of the company situated at Cement Plant (Line-I) at Keelapalavur Village, Ariyalur District and Captive Power Plant thereat.

The Term Loans availed from the Central Bank of India and Canara Bank are also collaterally secured by a charge on the remaining block assets of the company.

The Term Loan availed from the Indian Bank is collaterally secured by a pari passu second charge on Current Assets of the company.

The Soft Loan availed from SIPCOT is secured by pari passu first charge on moveable properties and moveable fixed Assets at the Cement Plants of the company situated at Keelapalavur Village, Ariyalur District and Cement Grinding Unit at Puliur Village, Karur Dist.

The Working Capital facilities with Central Bank of India is secured by hypothecation of Raw Materials, Stores, Spares, Packing materials, Fuel, Process Stock, Finished goods and Book Debts of the Company and further secured by a Second charge on all the immoveable properties of the Company.

SCHEDULE - 4 : UNSECURED LOANS

	As at 31-3-2011 (₹ in lakhs)	As at 31-3-2010 (₹ in lakhs)
Inter Corporate Deposits	27500	20020
Interest free sales tax loan	21478	21478
	<u>48978</u>	<u>41498</u>

SCHEDULE TO BALANCE SHEET

SCHEDULE - 5 : FIXED ASSETS

(₹ in lakhs)

Particulars	GROSS BLOCK			DEPRECIATION/DEPLETION					NET BLOCK	
	As at 01.04.2010	Additions/ Adjustments during the year	Sales/ Adjustments during the year	As at 31.03.2011	As at 01.04.2010	For the year	Adjustments during the year	As at 31.03.2011	As at 31.03.2011	As at 31.03.2010
Goodwill	467	—	—	467	336	33	—	369	98	131
Freehold Land	12291	424	406	12309	—	612	—	612	11697	12291
Leasehold Land	4	—	—	4	—	—	—	—	4	4
Buildings	14168	5930	36	20062	4809	1795	21	6583	13479	9359
Plant & Machinery	199096	50673	6843	243926	107874	32948	6799	134023	108903	91222
Furniture & Fittings	572	36	1	607	258	24	1	281	326	314
Earth Moving Equipments & Vehicles	3795	148	—	3943	2591	201	—	2792	1151	1204
Railway Tracks & Sidings	1176	2165	—	3341	921	700	—	1621	1720	255
TOTAL	231569	59376	7286	283659	116789	36313	6821	146281	137378	114780
Previous Year	166039	71762	6232	231569	85098	30811	(880)	116789		

1) Depreciation for the year includes ₹ 26 lakhs being the amount to be capitalised

2) Refer Note No.26

SCHEDULES TO BALANCE SHEET**SCHEDULE - 6 : INVESTMENTS- Long Term (At Cost)**

	As at 31-3-2011 (₹ in lakhs)	As at 31-3-2010 (₹ in lakhs)
Non-Trade-Unquoted Equity Shares-Fully Paid Haaciendaa Infotech & Realtors P Ltd (100000 shares of ₹ 10 each)	58	58
	<u>58</u>	<u>58</u>

SCHEDULE - 7 : CURRENT ASSETS

Inventories		
- Stores, Spares, Fuel and Packing Materials including in transit	15344	13776
- Stock of Cement	2374	1704
- Process Stock	2496	3766
- Stock of Raw Materials including in transit	2948	3163
	<u>23162</u>	<u>22409</u>
Sundry Debtors - Unsecured		
a) Debts outstanding for a period exceeding six months		
i) Considered Good	681	379
ii) Considered doubtful	0	0
	<u>681</u>	<u>379</u>
b) Other Debts Considered Good	9976	7071
	<u>10657</u>	<u>7450</u>
Less : Provision for doubtful debts	0	0
	<u>10657</u>	<u>7450</u>
Cash, Cheques, Drafts and Stamps on hand and remittance in transit	25	104
Balances with Scheduled Banks in Current Account	2048	7203
	<u>2073</u>	<u>7307</u>
Other Current Assets - Interest & Other Receivables	1	2
	<u>1</u>	<u>2</u>
LOANS AND ADVANCES		
SECURED :		
Housing loan to employees	0	2
UNSECURED :		
Advances recoverable in cash or in kind or for value to be received		
- Considered good	9182	15351
- Deposits	644	712
- Advance Tax & Tax deducted at source	24340	21910
	<u>34166</u>	<u>37975</u>

SCHEDULES TO BALANCE SHEET

	As at 31-3-2011 (₹ in lakhs)	As at 31-3-2010 (₹ in lakhs)
SCHEDULE - 8 : CURRENT LIABILITIES & PROVISIONS		
A. CURRENT LIABILITIES		
Sundry Creditors (Refer Note Nos. 6 & 8)	13426	8005
Security Deposit from Stockists	1511	1302
Customers credit balances	3317	2550
Investors Education & Protection Fund (not due)		
- Unclaimed Dividend	98	101
- Unclaimed matured Deposits	0	2
Other Liabilities	3067	2364
	<u>21419</u>	<u>14324</u>
B. PROVISIONS		
- for Taxation	23269	21319
- for Fringe Benefit Tax	173	173
- for Employees Benefit Schemes	813	721
- for Proposed Dividend	1910	0
- for Tax on Dividend	317	0
	<u>26482</u>	<u>22213</u>

SCHEDULES TO PROFIT AND LOSS ACCOUNT

	For the year ended 31-03-2011 (₹ in lakhs)	For the year ended 31-03-2010 (₹ in lakhs)
SCHEDULE - A : OTHER INCOME		
Interest on Deposits & Others (Tax deducted at source ₹ 1 lakh - Previous year ₹ 2 lakhs)	6	17
Interest on Loans	2	2
Sale of Power	4116	977
Sundry Sales	481	267
Rent	18	12
Profit on sale of Assets	5442	0
Miscellaneous Income	88	119
	<u>10153</u>	<u>1394</u>
SCHEDULE - B : INCREASE / (DECREASE) IN STOCKS		
a. CEMENT STOCK:		
Stock at the close of the year	2374	1704
Less: Stock at the beginning of the year	1704	1931
	<u>670</u>	<u>(227)</u>
b. PROCESS STOCK :		
Stock at the close of the year	2496	3766
Less: Stock at the beginning of the year	3766	4533
	<u>(1270)</u>	<u>(767)</u>
Total a + b	<u>(600)</u>	<u>(994)</u>
SCHEDULE - C : RAW MATERIALS CONSUMED		
Opening Stock	3163	3812
Add:		
Purchases	11146	7977
Own Quarrying	9610	8591
	<u>23919</u>	<u>20380</u>
Less: Closing Stock	2948	3163
	<u>20971</u>	<u>17217</u>
SCHEDULE - D : SALARIES, WAGES, BONUS & AMENITIES TO STAFF		
Salaries, Wages & Bonus (including Managerial Remuneration)	6569	4745
Welfare expenses	786	751
Contribution to Provident & Other Funds	645	958
	<u>8000</u>	<u>6454</u>

SCHEDULES TO PROFIT AND LOSS ACCOUNT

	For the year ended 31-03-2011 (₹ in lakhs)	For the year ended 31-03-2010 (₹ in lakhs)
SCHEDULE - E : REPAIRS & MAINTENANCE		
Buildings	468	421
Plant and Machinery	1947	1554
Others	1725	1234
	<u>4140</u>	<u>3209</u>
SCHEDULE - F : INTEREST		
Fixed loans	5482	6895
Others	817	784
	<u>6299</u>	<u>7679</u>
SCHEDULE - G : OTHER EXPENSES		
Rent	42	36
Rates, Taxes and Licences	171	179
Insurance	254	233
Directors' Sitting Fees	2	2
Remuneration to Auditors:		
– Audit Fees	6	5
– For Certification	3	6
– Expenses	1	1
Legal Fees & Expenses	8	8
Bank Charges	158	112
Travelling & Conveyance	605	420
Postage & Telephone	113	95
Printing and Stationery	67	67
Miscellaneous Expenses	696	713
Bad debts written off	0	311
Donation	51	0
	<u>2177</u>	<u>2188</u>

STATEMENT PURSUANT TO PART IV OF SCHEDULE VI OF THE COMPANIES ACT, 1956

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details			
Registration No./CIN	L93090TN1962PLC004947		State Code
Balance Sheet Date	31.03.2011		18
II. Capital raised during the year (Amount - ₹ in Thousands)			
Public Issue	—	Rights Issue	—
Bonus Issue	—	Private Placement	—
Amalgamation	—		
III. Position of Mobilisation and Deployment of Funds (Amount - ₹ in Thousands)			
Total Liabilities	23084804	Total Assets	23084804
<i>Sources of Funds :</i>			
Paid-up Capital	381990	Reserves & Surplus	8875143
Secured Loans	4062764	Unsecured Loans	4897782
		Deferred Tax	77035
<i>Application of Funds :</i>			
Net Fixed Assets	16073089	Investments	5800
Net Current Assets	2215825	Misc. Expenditure	—
Accumulated Losses	—		
IV. Performance of Company (Amount - ₹ in Thousands)			
Turnover	17203130	Total Expenditure	15034829
Profit / (Loss) before Tax	950698	Profit / (Loss) after Tax	751730
Earning per Share Rs.	19.68	Dividend	50%
V. Generic Names of Three Principal Products / Services of Company			
Item Code No. (ITC Code)	252329.01		
Product	Cement		

M.A.M. Ramaswamy
Chairman

M.A.M.R. Muthiah
Managing Director

R. Krishnamoorthy
SP.ST.Palaniappan
K. Ganapathy
Directors

S. Hariharan
Company Secretary

for P.B. Vijayaraghavan & Co.
Chartered Accountants
Firm Regn.No.004721S
P.B. Srinivasan
Partner
(M. No. 203774)

Subject to our Report of even date
for V.Soundararajan & Co
Chartered Accountants
Firm Regn.No.003943S
V.S.Ravikumar
Partner
(M. No. 018030)

for Krishna & Co.
Chartered Accountants
Firm Regn.No.001453S
V. Krishnan
Partner
(M. No. 010970)

Place : Chennai
Date : 27.05.2011

CASH FLOW STATEMENT

	For the year 2010 - 11 (₹ in lakhs)	For the year 2009 - 10 (₹ in lakhs)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and Extraordinary Items	9507	12722
Adjustments for:		
Depreciation	36286	30808
Interest	6299	7679
Provision for Doubtful Debts & Debts written off	(19)	237
Profit on sale of assets (Net)	(5442)	0
Operating Profit Before Working Capital Changes	46631	51446
Adjustments for:		
Trade and other Receivables	3051	(5563)
Inventories	(753)	(948)
Trade and Other Payables	7189	(32)
Cash Generated from operations	56118	44903
Interest paid	(6299)	(7744)
Income Tax Paid	(2430)	(3727)
Net Cash from Operating activities	47389	33432
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(73157)	(43757)
Sale of Fixed Assets	6817	0
Net Cash Used in Investing Activities	(66340)	(43757)

	For the year 2010 - 11 (₹ in lakhs)	For the year 2009 - 10 (₹ in lakhs)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Share capital issued	0	870
Reserve on Amalgamation	0	39203
Proceeds of Long term Borrowings	13232	5000
Short Term & Unsecured Loans	7480	(30005)
Increase in Working Capital	(6993)	1189
Dividend paid	(2)	(2924)
Net Cash from Financing Activities	13717	13333
Net increase in Cash & Cash equivalents	(5234)	3008
Cash & Cash equivalents - Opening balance	7307	4299
Cash & Cash equivalents - Closing balance	2073	7307

M.A.M. Ramaswamy
Chairman

M.A.M.R. Muthiah
Managing Director

R. Krishnamoorthy
SP.ST.Palaniappan
K. Ganapathy
Directors

S. Hariharan
Company Secretary

AUDITORS' CERTIFICATE

We have examined the attached Cash Flow Statement of Chettinad Cement Corporation Ltd, for the year ended 31st March, 2011. The Statement has been prepared in accordance with the Clause 32 of the Listing Agreement with the Madras Stock Exchange Ltd. and National Stock Exchange of India Ltd. and is based on and in agreement with the corresponding Profit & Loss Account and Balance Sheet of the Company covered by our Report of 27th May, 2011 to the Members of the Company.

for P.B. Vijayaraghavan & Co.
Chartered Accountants
Firm Regn.No.004721S
P.B. Srinivasan
Partner
(M. No. 203774)

Place : Chennai
Date : 27.05.2011

for V.Soundararajan & Co
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V.S.Ravikumar
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for Krishna & Co.
Chartered Accountants
Firm Regn.No.001453S
V. Krishnan
Partner
(M. No. 010970)

**NOTES FORMING PART OF ACCOUNTS
FOR THE YEAR ENDED 31.03.2011**

- 1) Significant Accounting Policies
- a) The Financial statements are prepared under historical cost convention and in accordance with generally accepted accounting practices and mandatory accounting standards prescribed by the Companies (Accounting Standards) Rules, 2006 and the relevant Provisions of the Companies Act, 1956. Revenues are recognised and expenses are accounted on accrual basis.
 - b) Sales are inclusive of excise duty and net of rebate and Value Added Tax.
 - c) Fixed assets including capital work in progress are stated at cost net of CENVAT and Input Tax Credit. The borrowing cost directly attributable to the acquisition, construction or production of qualifying assets are capitalised. In respect of new projects the interest on loans and expenses (net) relating thereto are capitalised as part of cost till the assets are put to use.
 - d) 1) Depreciation is provided on Fixed Assets as per the rates and procedures prescribed under Income Tax Act, 1961 on Written Down Value Method as follows :-

1. Goodwill	25%
2. Building	
a) Factory Buildings	10%
b) Residential Buildings	5%
3. Furniture & Fittings	10%
4. Plant & Machinery	
a) General	15%
b) Pollution Control Equipments	100%
c) Computers	60%
5. Wind Mill	80%
6. Earth Moving Equipments & Vehicles	15%
7. Railway Tracks & Sidings	15%
 - 2) Leasehold land is amortised over the period of lease.
 - 3) Depreciation/ Depletion is provided on quarry freehold lands based on the proportion of quantity of Limestone extracted to the total mining reserves.
 - e) Long Term Investments are carried at Cost less any diminution in value, that is other than temporary.
 - f) Retirement Benefits:
 - i. Liability towards Gratuity is covered by a group gratuity scheme with Life Insurance Corporation of India and annual contribution is based on actuarial valuation.
 - ii. Provident Fund contribution is made at the prescribed rates under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952
 - iii. Leave encashment is accounted on the basis of actuarial valuation.
 - iv. Expenditure in respect of voluntary retirement as per Company's Scheme is written off in the year in which they are incurred.

- g) Foreign Currency transactions are recorded at the exchange rates prevailing on the date of the transaction.

Monetary Foreign currency assets and liabilities (monetary items) are reported at the exchange rate prevailing on the balance sheet date. Pursuant to the Notification of the Companies (Accounting Standards) Amendment Rules, 2006 on 31st March, 2009, which amended Accounting Standard 11 on The Effects of Change in Foreign Exchange Rates, exchange differences relating to long term monetary items are dealt with in the following manner :-

- i. Exchange differences relating to long-term monetary items, arising during the year, in so far as they relate to the acquisition of a depreciable capital asset are added to / deducted from the cost of the asset and depreciated over the balance life of the asset.
- ii. In other cases such differences are accumulated in a "Foreign Currency Monetary Item Transaction Difference Account" and amortized to the profit and loss account over the balance life of the long-term monetary item, however that the period of amortization does not extend beyond 31st March 2012.

All other exchange differences are dealt with in the profit and loss account.

Non-monetary items such as investments are carried at historical cost using the exchange rates on the date of the transaction.

- h) Inventories are valued at lower of cost computed on weighted average method and net realisable value.
- i) Liabilities of contingent nature have been disclosed separately.
- j) Government grants relating to specific fixed assets are shown as deduction from gross value of such assets.
- k) Excise duty payable is accounted on production of finished goods.
- l) Current tax is the amount of tax payable in respect of taxable income for the year. Deferred tax is recognised, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets will not be recognised on unabsorbed depreciation and carry forward losses unless there is a virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.
- m) Revenue expenditure including overheads on Research & Development is charged as an expense through the relevant heads of account in the year in which they are incurred. Research & Development expenditure which results in the creation of Capital assets is taken as Fixed Assets and Depreciation is provided over such assets.
- 2) Estimated amount of contracts remaining to be executed on capital account not provided for ₹ 42701 Lakhs (₹ 30938 Lakhs)
- 3) a) Salaries, Wages, PF & ESI allocated to other heads ₹ 438 Lakhs (₹ 405 Lakhs).
 b) Power allocated to other heads ₹ 302 Lakhs (₹ 148 Lakhs)
 c) Stores & Spares allocated to other heads ₹ 1069 Lakhs (₹ 139 Lakhs)

- 4) Contingent Liabilities not provided for
- a) Letter of Credit given by Bankers ₹1355 Lakhs (₹ 257 Lakhs)
 - b) Guarantees given by the Banks ₹ 808 Lakhs (₹ 102 Lakhs)
 - c) Disputed amount of VAT credit of ₹ 472 Lakhs (₹ 315 Lakhs)
 - d) Disputed Royalty on Limestone ₹ 547 Lakhs (₹ 547 Lakhs)
 - e) Disputed Lease Rent on Government Lands ₹ 74 Lakhs (₹ 74 lakhs)
 - f) Disputed Income tax of ₹ 1082 lakhs (Nil)
- 5) Buildings include ownership Flat at Mumbai and value of shares in Bombay Middle Class Co-operative Housing Society Ltd., in the name of the representative of the Company.
- 6) There are no Micro, Small and Medium enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006 to whom the company owes dues on account of Principal amount together with Interest. The above information has been determined to the extent such parties have been identified on the basis of information available with the company and the same has been relied by the Auditors.
- 7) Remuneration paid to the Managing Director is ₹ 500 lakhs (₹ 623 lakhs)

Computation of Net Profit under section 349 of the Companies Act 1956

	2010-11 (₹ In lakhs)	2009-10 (₹ In lakhs)
Net profit before tax as per Profit & Loss Account	9507	12722
Add: Remuneration to the Managing Director	500	623
Directors Sitting Fees	2 502	2 625
	10009	13347
Less: Prior Period expenses	0	880
	10009	12467
Remuneration to the Managing Director at 5% :	500	623

- 8) The Sundry Creditors includes ₹ 452 Lakhs (₹ 575 Lakhs) due to Managing Director being the balance remuneration for the year 2010-11
- 9) The Company did not use jute bags in packing cement as per Jute Packaging Materials (Compulsory use in the Packing Commodities) Act 1987 in view of the Consumer's preference and resistance from workers who are handling the packing materials. The Supreme Court upheld the validity of the said Act. The Government did not include cement for compulsory packaging in Jute Bags from 1st July 1997. The Liability that may arise for non compliance of the said Act for the earlier period is not ascertainable.
- 10) Capital Work in Progress includes ₹ 23354 lakhs (₹ 8521 lakhs) towards amount spent for the Projects as detailed below :-

	(₹ in Lakhs)	
	As at 31.3.11	As at 31.3.10
Work in Progress	21924	8096
Preoperative Expenses (Net)	1430	425
Total	23354	8521

11) DEFERRED TAX DETAILS

(₹ in Lakhs)

	As at 31.03.2011	As at 31.03.2010
Deferred Tax liability on account of		
Depreciation	676	676
Revenue	300	196
TOTAL	976	872
Deferred tax asset on account of		
Expenses allowable on payment for tax purpose :		
Leave encashment provision	205	141
NET	771	731

12) Power & Fuel is net of Captive Power Plant Income of ₹ 20660 Lakhs (₹ 18680 Lakhs)

13) The Company identifies business segment as the primary segment as per AS-17 and under the primary segment, there are two reportable segment viz., cement and power generation. These were identified considering the nature of the products, differing risk and returns.

The company caters mainly to the needs of the domestic market and thus there are no reportable geographical segments.

(₹ in Lakhs)

	CEMENT		POWER		Total	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
REVENUE						
External sales	178068	152651	4116	977	182184	153628
Inter segment sale	0	34	20660	18680	0	34
Total Sales	178068	152685	24776	19657	182184	153662
Other Income					0	0
Total Revenue					182184	153662
RESULT						
Segment result	12733	17867	3066	2517	15799	20384
Unallocated income					0	0
Unallocated Expenses					0	0
Operating Profit					15799	20384
Interest expense					6299	7679
Interest Income					6	17
Income Tax						
- Current					1950	3080
- Deferred					40	-21
Profit from ordinary activities					7517	9663
Extraordinary expenses					0	0
Net Profit					7517	9663

OTHER INFORMATION

Segment Assets	186589	166927	44260	32600	230849	199527
Unallocated Assets	0	0	0	0	0	0
Total Assets	186589	166927	44260	32600	230849	199527
Segment liabilities	119372	99515	16680	12908	136052	112423
Unallocated liabilities	0	0	0	0	0	0
Total liabilities	119372	99515	16680	12908	136052	112423
Capital Expenditure	51505	64343	7871	7419	59376	71762
Unallocated capital						
Expenditure	0	0	0	0	0	0
Depreciation	31425	27092	4888	3719	36313	30811
Unallocated Depreciation	0	0	0	0	0	0
Non-Cash expenses						
other than deprecation	0	0	0	0	0	0

14) Employee Benefits : Details as per As 15.

The company has calculated the various employee benefits provided to employees as under:

A) Employee Plan

Provident Fund

The company's contribution to Provident Fund is vested with the Employees Provident Fund Scheme of the Government of India.

B) In respect of Gratuity and Leave Encashment

(₹ in Lakhs)

	2010-11		2009-10	
	Gratuity (Funded)	Leave Encashment (Unfunded)	Gratuity (Funded)	Leave Encashment (Unfunded)
Reconciliation of liability recognized in the Balance Sheet				
Present value of commitments	(1468)	(604)	(1352)	414
Fair value of Plan Assets	1262	-	1045	-
Net liability in the Balance Sheet	(206)	(604)	(307)	414
Movement in net liability recognized in the Balance Sheet				
Net liability as at beginning of the year	(307)	(414)	(267)	(228)
Net expense recognised in the Profit and Loss account	(196)	(263)	(307)	(221)
Contribution during the year	297	73	267	35
Net liability as at end of the year	(206)	(604)	(307)	(414)
Expense recognised in the Profit and Loss account				
Current service cost	96	203	70	165
Interest cost	108	30	86	16
Expected return on plan assets	(93)	-	(84)	-
Actuarial (gains)/losses	85	30	235	40
Expense charged to the Profit and Loss Account	196	263	307	221
Return on plan assets				
Expected return on plan assets	93	-	84	-
Actuarial (gains)/losses	0	-	0	-
Actual return on plan assets	93	-	84	-
Reconciliation of defined-benefit commitments				
Commitments as at beginning of the year	(307)	(414)	(267)	(228)
Current service cost	(96)	(203)	(70)	(165)
Interest cost	(108)	(30)	(86)	(16)
Paid benefits	297	73	267	35
Actuarial (gains)/losses	(85)	(30)	(235)	(40)
Expected return on Plan	93	-	84	-
Commitments as at end of the year	(206)	(604)	(307)	414
Reconciliation of plan assets				
Plan assets at beginning of the year	1045	-	814	-
Expected return on plan assets	93	-	84	-
Contributions during the year	297	-	268	-
Paid benefits	(173)	-	(121)	-
Actuarial gains/(losses)	0	-	0	-
Plan assets as at end of the year	1262	-	1045	-
Principle Assumption				
Discount Rate	8%	8%	8%	8%
Expected return on Plan Assets	-	-	8%	-
Expected rate of salary Increase	5%	4%	5%	4%
Mortality		LIC (1994-96) Ultimate		LIC (1994-96) Ultimate

15) Related Party Disclosures

	Year ended 31.03.2011 (₹ in Lakhs)		Year ended 31.03.2010 (₹ in Lakhs)	
	Associates	Key management Personnel	Associates	Key management Personnel
Purchase of Goods	1477		3680	
Sale of Goods	889		1409	
Services availed	14673		12306	
Deposits Accepted (ICD)	23280		59275	
Deposits Repaid (ICD)	15800		88255	
Interest on Deposits	2087		4418	
Dividend	0	0	279	1476

Details of Transaction with Associates/Key Management Personnel the amount of which is in excess of 10% of the Total Related Party Transactions of similar nature.

	Year ended 31.03.2011 (₹ in Lakhs)		Year ended 31.03.2010 (₹ in Lakhs)	
	Associates	Key management Personnel	Associates	Key management Personnel
Purchase of Goods				
South India Corporation Ltd.	1465		0	
Chettinad Logistics P.Ltd	0		3649	
Sale of Goods				
Chettinad Builders P.Ltd	531		1263	
Chettinad International Coal Terminal (P) Ltd.	358		0	
Services				
Chettinad Builders P.Ltd	5974		6604	
Chettinad Logistics P.Ltd	1686		1230	
South India Corpn.Ltd	3905		1840	
Chettinad Earthmovers P.Ltd	2343		2109	
Deposit Accepted				
Chettinad Lignite Transport Services P. Ltd.	4705		9295	
Chettinad Hospitals P.Ltd	5100		4000	
Allied Minerals & Metals P Ltd	0		39980	
Chettinad Logistics P.Ltd	0		5300	
South India Corporation Ltd	9500		0	
Deposit Repaid				
Chettinad Logistics (P) Ltd.	5200		9875	
Chettinad Hospitals P.Ltd	5100		37900	
Chettinad Lignite Transport Services P. Ltd	3100		500	
Allied Minerals & Metals P Ltd **	0		39980	
Interest				
Chettinad Logistics P.Ltd	0		888	
Chettinad Lignite Transport Services P. Ltd.	1546		9330	
Chettinad Hospitals P.Ltd	236		2472	
Dividend				
Dr.M.A.M.Ramaswamy		0		918
Sri M.A.M.R.Muthiah		0		558
Chettinad Software Services P.Ltd	0		261	
Remuneration				
Sri M.A.M.R.Muthiah		501		623

** Amount adjusted on Amalgamation.

A) Names of related parties and description of relationship and closing balance.

i) Name of Associate

1. South India Corporation Ltd.
2. South India Corporation (Travancore) Private Ltd.
3. Chettinad Corporation Private Ltd.
4. Chettinad Plantations Private Ltd.
5. Chettinad Structural & Engineering Ltd
6. Chettinad Logistics Private Ltd.
7. Chettinad Lignite Transport Services Private Ltd
8. Chettinad Financial Management Services Private Ltd.
9. Chettinad Software Services Private Ltd.
10. Chettinad Builders Private Ltd.
11. Chettinad Realtors Private Ltd
12. Chettinad Hospitals Private Ltd
13. Chettinad Pharmaceuticals Private Ltd
14. Chettinad Electronics Private Ltd
15. Chettinad e-Publishing Private Ltd
16. Chettinad Trucks & Equipments Private Ltd
17. Chettinad Earth Movers Private Ltd
18. Haaciendaa Infotech and Realtors Private Ltd.
19. Chettinad International Coal Terminal Private Ltd.
20. Chettinad Clearing & Forwarding Private Ltd
21. Chettinad Land & Building Development Private Ltd.
22. Chettinad Projects Development Private Ltd
23. Chennai Computer and Software Services Private Ltd
24. Chettinad Inland Water Transport Services Private Ltd
25. Chennai Organic Chemicals and Fertilizers Private Ltd
26. Chettinad Morimura Semi Conductor Material Private Ltd
27. Chettinad Engineering and Allied Services Private Ltd
28. Chettinad Apparels Private Ltd
29. Chettinad Packers and Movers Private Ltd
30. Chettinad Power Corporation Private Ltd
31. Chettinad TV Network Private Ltd
32. Chettinad Radio Network Private Ltd
33. Durandel Foods Pvt.Ltd
34. Chettinad Container Terminal Private Ltd
35. Chettinad Energy Resource Private Ltd
36. Chettinad Electric Company Private Ltd
37. Chettinad Enterprises Private Ltd
38. Chettinad Dairy & Poultry Farms Private Ltd
39. Chettinad Coal Washeries Private Ltd
40. Chettinad Hitech Semi Conductor Materials Private Ltd

ii) Closing Balance Cr. ₹ 28204 Lakhs (Cr. ₹ 20487 Lakhs)

iii) The related party relationship is as identified by the Company and relied upon by the Auditors.

B) Key Management Personnel : Dr. M.A.M. Ramaswamy & Sri M.A.M.R. Muthiah.

Sitting fees of ₹ 6000/- (₹ 12000/-) paid to Dr. M.A.M. Ramaswamy, Chairman.

Remuneration and sitting fees of ₹ 500.93 Lakhs (₹ 623.54 Lakhs) paid to Sri M.A.M.R. Muthiah, Managing Director.

16) Earning per share

	(₹ in lakhs)	
	2010-11	2009-10
Profit as per Profit & Loss account	7517	9663
Number of equity shares (in Lakhs)	382	382
Basic and Diluted earnings per share (In ₹)	19.68	30.51
(Face value of ₹ 10 per share)		

17) Research and Development Expenditure for the year is ₹ 55 Lakhs (₹ 55 Lakhs) including Depreciation of ₹ 0.34 Lakhs (₹ 0.38 Lakhs)

18) The CENVAT credit disallowance on some of the inputs, capital goods, service tax on goods transports and levy of differential excise duty, amounts to ₹ 3069 Lakhs as on 31.3.2011 (₹ 4979 Lakhs) and remain unpaid against which the company has preferred appeals. Based on the earlier favourable decisions on similar issues by the Appellate Authorities, in the opinion of the management, there may not be any liability.

19) Disclosure as required by Accounting Standard 19, "Leases" prescribed by the Companies (Accounting Standard) Rules, 2006 are given below:

a. Where the Company is a lessee

i) The Company has taken various residential, office, and godown premises under operating lease or leave & licence agreements. These are generally not non-cancellable and the period of lease is 11 months and longer and are renewable by mutual consent on mutually agreeable terms.

ii) Lease payments are recognised in the statement of Profit and Loss Account under "Rent"

b. Where the Company is a lessor:

Details in respect of assets given on operating lease.

Particulars	Gross Block as at 31.03.2011 (₹ in Lakhs)	Accumulated Depreciation As at 31.03.2011 (₹ in Lakhs)	Depreciation (Corresponding to the period of lease rentals) (₹ in Lakhs)
Freehold Building	130	21	0.01

These assets are in respect of premises given on lease for an initial period with option to renew the lease as per terms in the agreements.

Initial direct costs are recognised as expenses in the year in which it is incurred.

20) The company has filed writ petitions challenging the validity of levy of Fringe Benefit Tax before the High Court of Madras. Interim stay has been obtained. However as an abundant caution, provision has been made for the above.

21) Confirmations of balances have been sought and obtained from Parties covering substantial amount of outstanding and wherever applicable necessary adjustments have been made in the Accounts. In respect of other Parties, the balances as appearing in the books of accounts have been adopted.

22) There is no impairment of assets as per Accounting Standard 28.

23) The Company has been granted eligibility certificate whereby the company is entitled to the benefit of Interest free sales tax deferral scheme for manufacturing cement for 12 years ending March, 2013 for deferral of sales tax not exceeding ₹ 21477.84 Lakhs. The company has availed the entire benefit as on 31.03.2010. Such sales tax deferral has to be repaid in stipulated instalments commencing from Financial Year 2014-15.

24) The company has availed Soft Loan Financial Assistance of ₹ 1757 lakhs from State Industrial Promotion Corporation of Tamilnadu Limited (SIPCOT) under the Structured Incentive Package for its Ariyalur Cement Project, sanctioned by the Government of Tamilnadu under The New Industrial Policy, 2007.

- 25) During the year a loss of ₹ Nil (Previous year ₹ 20 lakhs) arising out of exchange difference on translation of Foreign Currency loans availed for acquisition of Fixed Assets has been capitalised as per the option provided under AS-11 of Companies (Accounting Standard) Rules, 2006.
- 26) During the year, the company has depleted the value of freehold quarry lands by providing depreciation of ₹ 612.13 lakhs upto 31.3.2011. There is a change in the accounting policy which has resulted a reduction in profit to the extent of ₹ 612.13 lakhs which includes an amount of ₹ 460.32 lakhs pertaining to earlier years.
- 27) During the year the company has discontinued the superannuation scheme and has not made any contribution to the said scheme. There is a change in the accounting policy; however there is no impact in the profit and loss account, since the amount equal to the contribution to the superannuation fund is given as part of remuneration.
- 28) Previous years figures have been regrouped wherever necessary and figures in brackets, unless otherwise mentioned, relate to previous year.

M.A.M. Ramaswamy
Chairman

M.A.M.R. Muthiah
Managing Director

R. Krishnamoorthy
 SP.ST.Palaniappan
 K. Ganapathy
Directors

S. Hariharan
Company Secretary

for P.B. Vijayaraghavan & Co.
 Chartered Accountants
 Firm Regn.No.004721S
 P.B. Srinivasan
Partner
 (M. No. 203774)

Subject to our Report of even date
 for V.Soundararajan & Co
 Chartered Accountants
 Firm Regn.No.003943S
 V.S.Ravikumar
Partner
 (M. No. 018030)

for Krishna & Co.
 Chartered Accountants
 Firm Regn.No.001453S
 V. Krishnan
Partner
 (M. No. 010970)

Place : Chennai
Date : 27.05.2011



CHETTINAD CEMENT CORPORATION LIMITED

Regd. Office : "Rani Seethai Hall Building", 603, Anna Salai, Chennai - 600 006.
Tel : 42149955, 28292727 Fax : 28291558. P.B. No. : 748
Email ID : shares@chettinadcement.com

ATTENDANCE SLIP

PLEASE SIGN THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

I
hereby record my presence, at the 48th Annual General Meeting.

Date : 9th August 2011 (Tuesday)
Time : 10.00 a.m.
Venue : "Rani Seethai Hall", No. 603, Anna Salai, Chennai - 600 006.

Signature of the Shareholder

Signature of the Proxy

To be filled in by the Shareholder :-

Folio No. / Client ID :

No. of Shares :



CHETTINAD CEMENT CORPORATION LIMITED

Regd. Office : "Rani Seethai Hall Building", 603, Anna Salai, Chennai - 600 006.
Tel : 42149955, 28292727 Fax : 28291558. P.B. No. : 748
Email ID : shares@chettinadcement.com

FORM OF PROXY

I/We
of in the district of being a Member / Members of
the above named Company, hereby appoint of
or failing him of
as my/our Proxy to attend and vote for me/us on my / our behalf at the 48th Annual General Meeting of the
Company to be held on Tuesday, the 9th August, 2011 at 10.00 a.m. and at any adjournment thereof.

Signed this the day of 2011.

Folio No. / Client ID :

No. of Shares :

For Office Use :	
Proxy No.	Date of Receipt

Signature

Affix
₹ 1/-
Revenue
Stamp

NOTE :

- Any member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself.
- A Proxy need not be a member.
- A ₹ 1/- Revenue Stamp should be affixed to this and it should then be signed by the member.
- The Form thus completed should be deposited at the Registered Office of the Company at "Rani Seethai Hall Building", 603, Anna Salai, Chennai - 600 006, not less than forty eight hours before the meeting.

List of Awards Received

Awards	Year
1. NATIONAL SAFETY AWARD (For outstanding performance in Industrial Safety in achieving Lowest frequency rate in Industry). Runners up, Highest % reduction in frequency rate	1976 1977
2. MERIT AWARDS from Regional Directorate of Workers Education	1982 1985
3. TAMILNADU FILM ARTS ASSOCIATION, Chennai. Shield	1978
4. a). NATIONAL PRODUCTIVITY AWARD (Best Productivity Performance in Cement Industry Issued by NPC) Second Best Best Best Second Best Second Best b). BEST PRODUCTIVITY AWARD (Issued by Govt. of Tamilnadu)	1985-86 1986-87 1995-96 1996-97 1998-99 1994-95 1995-96
5. NATIONAL SAFETY AWARD (Mines - For Lowest injury frequency rate Metal Mines Mechanised Open cast). Longest Accident Free Period. Highest % reduction in frequency rate. Best Performance of the year.	1986 1986 1987 1989
6. CONSERVATIONIST OF THE YEAR (For outstanding progress in the field of conservation of Energy, Metal Components & Machinery)	1987
7. NCBM NATIONAL AWARDS (Improvement in Energy Performances) Second Best Best Best (Manufacture of Blended Cement) Best (Manufacture of Blended Cement) Best (Manufacture of Blended Cement)	1994-95 1995-96 1998-99 1999-2000 2000-01
8. TNEB ENERGY CONSERVATION AWARD (One Among the 15 Energy Efficient H.T. Industries of 2000 KVA)	1998-99
9. NCBM NATIONAL AWARDS (Improvement in Electrical Energy Performance) Second Best	1998-99
10. NCBM NATIONAL AWARDS Awarding for Energy Efficiency - 1st Prize Best Improvement in Thermal Energy Performance	2000-01
11. MINISTRY OF ENERGY National Energy Conservation Award National Energy Conservation Award for the Cement Sector	2000-01 2002
12. TAMILNADU GOVERNMENT AWARDS State Safety awards 1st & 3rd Prize	1998
13. NATIONAL AWARD FROM NCCBM Best Environmental Excellence in Cement Industry	2004-05
14. AWARDED THREE LEAVES by the Centre for Science and Environment In Green Rating Project	2004-05
15. TAMILNADU GOVERNMENT AWARDS State Safety Awards 1st Prize	2005
16. TAMILNADU GOVERNMENT AWARDS State Safety Awards 1st Prize	2007
17. NATIONAL AWARD FROM NCCBM Best Environmental Excellence in Cement Industry	2007-08
18. NATIONAL AWARD FROM NCCBM Best Improvement in Thermal Energy Performance	2007-08



CHETTINAD CEMENT CORPORATION LIMITED

Registered Office :

"Rani Seethai Hall Building", 603, Anna Salai, Chennai - 600 006, India.

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email : info@chettinadcement.com website : www.chettinad.com