

M A N A G E M E N T

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
Smt. Sheela Rani Chunkath (TIIC Nominee)

Company Secretary : Sri S. Hariharan

Auditors : M/s P.B. Vijayaraghavan & Co.
M/s Seshadri & Jayaraman
M/s Krishnaan & Co.

Registered Office : "Rani Seethai Hall Building"
No. 603, Anna Salai,
Chennai - 600 006
Tel : 28292727 Fax : 28291558
Email : chtdmds@vsnl.com
Website : www.chettinadcement.com

PROFILE

CHETTINAD CEMENT CORPORATION LIMITED

The history of the group "House of Chettinad" is linked with the 9 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, gemet, information technology, education, medical, plantations, shipping, transportation, stevedoring, clearing and forwarding and logistics having a combined turnover of over Rs. 15,000 million.

PRODUCTS

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

From a modest beginning of 2 Lac tonnes capacity per annum, Chettinad Cement has gradually increased its production capacity to 5 million tonnes per annum with its three cement manufacturing units at Puliur, Karikkali and Ariyalur. All the plants of the Company employ the Modern Dry Process Technology.

The Company commissioned a 15MW Captive Thermal Power Plant at its unit at Karikkali in October 2004 and at Puliur in March 2008 to cater to the entire power requirements of the Plants thereby reduce the power cost.

The company has commissioned the first of its two Greenfield Cement manufacturing units with a capacity of 2 MIPA and 2 x 15 MW Captive Thermal Power Plants at Keezhalalur Village, Ariyalur District, Tamilnadu during the financial year 2008-09.

The installation of the second unit and a third 15MW Captive Thermal Power Plant at Ariyalur is in an advanced stage of progress and is expected to be completed during the financial year 2009-10. The company is also in the process of installing a 0.5 MIPA Cement Grinding unit at its existing factory site at Puliur Village, Karur District.

The Company has proposed to set-up a second cement manufacturing unit with a capacity of 2 MIPA adjacent to its existing factory site at Karikkali Village, Dindigul District alongwith a Captive Thermal Power Plant with a capacity of 40 MW.

The company is also in the process of setting-up a Greenfield Cement manufacturing unit with a capacity of 2.5MIPA 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 social responsibility and environmental values. This is manifest in the installation of the latest pollution control equipment at 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

	2004-05	2005-06	2006-07	2007-08	2008-09
PRODUCTION			(In MT)		
Clinker	1875774	1942742	1890524	2062346	2318789
Cement	2211277	2360557	2683737	2905698	3148896
Capacity Utilisation (%)	147	118	134	145	135
SALES					
Cement & Clinker	2335605	2447313	2686961	2879187	3141914
FINANCIAL HIGHLIGHTS			(Rs. in Lakhs)		
Turnover (net) including					
Other Income	43336	50056	72621	95267	116868
Gross Profit	9421	11901	23933	34693	47064
Interest & Lease rentals	2038	1877	1725	1859	5078
Depreciation	3111	3609	5317	8150	42900
Profit / (Loss) before Tax	4272	6415	16891	24684	(914)
Provision for Taxation					
- Current Tax (Net)	342	5	5832	9262	5125
- Deferred Tax - (Asset) / Liability	1134	2271	(439)	(1005)	(5678)
- Fringe Benefit Tax	-	40	27	50	60
- Earlier years Income Tax	-	93	-	-	-
Net Profit / (Loss) after Tax	2796	4006	11471	16377	(421)
PAID - UP SHARE CAPITAL	2950	2950	2950	2950	2950
RESERVES & SURPLUS	11796	14492	23374	36299	32565
RATIOS					
PBIDT to Sales (%)	21.74	23.78	32.95	36.41	40.27
PBT to Sales (%)	9.86	12.82	23.26	25.91	(-) 0.78
EPS (Rs.)	13.32	21.59	37.39	52.10	40.87
Debt to Equity	1.59	1.37	0.57	0.71	2.09
Book Value per Share (Rs.)	50	59	89	133	120
Dividend (%)	40	50	75	100	100

NOTICE TO THE SHAREHOLDERS

Notice is hereby given that the Forty sixth 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 Monday, the 7th day of September, 2009 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, 2009, 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 Dr.M.A.M. Ramaswamy, 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 2008-09.
- 5 To appoint M/s P.B. Vijayaraghavan & Co., and M/s Krishaan & Co., Chartered Accountants as Auditors of the Company to hold office from the conclusion of the Forty sixth Annual General Meeting until the

conclusion of the next Annual General Meeting on a remuneration of Rs. 1,50,000/- (Rupees One lakh fifty thousand Only) each, plus applicable Taxes if any, besides out of pocket expenses.

SPECIAL BUSINESS:

- 6 To consider and if thought fit, to pass the following resolution as an Ordinary resolution, with or without modifications.

RESOLVED THAT pursuant to Section 190 read with Section 225 and other applicable provisions, if any, of the Companies Act, 1956, M/s V. Soundararajan & Co., Chartered Accountants be and are hereby appointed as Auditors of the Company to hold Office along with the existing Auditors M/s P.B. Vijayaraghavan & Co., and M/s Krishaan & Co., Chartered Accountants from the conclusion of the Forty Sixth Annual General Meeting until the conclusion of the next Annual General Meeting on a remuneration of Rs. 1,50,000/- (Rupees One lakh fifty thousand only) plus applicable Taxes if any, besides their out of Pocket expenses.

By order of the Board,

Place: Chennai

S.Hariharan

Date : 20th July, 2009.

Company Secretary

Notes :

1. An Explanatory Statement as required under Section 173 of the Companies Act, 1956 is annexed hereto for Item No.6 in the Notice.
 2. 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.
 3. The Register of Members and Share Transfer Books of the company shall remain closed from 01.09.2009 To 07.09.2009 (both days inclusive) for transfer of shares.
 4. 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 future correspondence directly to the above Registrars.
 5. Members are requested to intimate their change of address, if any, along with PIN CODE to the Registrars to facilitate quick receipt of the Annual Reports and other official correspondences.
 6. 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.
 7. Pursuant to the Section 205 A (before amendment) of the Companies Act, 1956, all the unclaimed dividends up to the financial year 1994-95 have been transferred to the Central Government's General Revenue Account. As per the amended Section 205-A, the unclaimed dividend amounts out of the Dividend declared from the financial year ended 31st March, 1996 onwards have to 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 relating to the dividend declared for the year 2003-04. The shareholders who have not claimed / encashed their dividend so far may communicate to the company / Registrars and get their dividend amount for the Financial Years from 2004 - 2008.
 8. All the shareholders who are holding the shares in Physical Form are advised to get their shares dematerialized.
 9. 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".
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EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173 OF THE COMPANIES ACT, 1956.

Item No. 6:

One of the Statutory Auditors M/s Seshadri & Jayaraman, Chartered Accountants have submitted a letter expressing their intention not to seek re-appointment at the ensuing 46th Annual General Meeting of the Company.

The Company subsequently received a Special Notice pursuant to Section 190 read with Section 225 of the Companies Act, 1956 from a Shareholder for moving a resolution at the ensuing Annual General Meeting for appointing M/s V. Soundararajan & Co., Chartered Accountants as Statutory Auditors of the Company to hold Office, along with the two existing Statutory Auditors M/s P.B. Vijayaraghavan & Co., and M/s. Krishnaa & Co., Chartered Accountants, from the conclusion of 46th Annual General Meeting until the conclusion of the next Annual General Meeting.

Hence this Resolution under Item No. 6 for the approval of the Shareholders.

INTEREST OF DIRECTORS:

- 1 Sri M.A.M.R. Muthiah, Managing Director of the Company is the son of Dr. M.A.M. Ramaswamy, Chairman of the Company and is therefore, deemed to be interested in the subject matter under Item No.2 in the Notice.
- 2 None of the Directors are deemed to be interested in the subject matter under item No. 6

INSPECTION OF DOCUMENTS

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

- 1 Memorandum and Articles of Association of the Company.
- 2 Special Notice dated 10.07.2009 received from the shareholder proposing the resolution in Item No.6.

DIRECTORS' REPORT

The Shareholders,

Your Directors take pleasure in presenting the Forty sixth Annual Report and the Audited Accounts of the Company for the year ended 31st March, 2009.

FINANCIAL RESULTS:

(Rs. in lakhs)

	Current Year ended 31/03/2009	Previous Year ended 31/03/2008
Profit before Depreciation and Interest	47064	34693
LESS :		
Depreciation	42900	8150
Interest	508	1859
Profit before Tax	(914)	24684
LESS :		
Provision for Income Tax		
- Current	515	922
- Deferred (Assets) / Liabilities	(568)	(1005)
- Fringe Benefit Tax	0	5
Profit after current and deferred tax	(421)	16377
ADD :		
Provision for Taxation no longer required	19	-
Surplus brought from previous year	25304	14879
Total available for appropriation	25022	31256
APPROPRIATIONS		
Transfer to General Reserve	1000	2500
Proposed Dividend	2950	2950
Tax on the Proposed Dividend	502	502
Balance Carried over to Balance Sheet	20570	25304

DIVIDEND

The company has during the financial year 2008-09, changed its accounting policy on method of charging Depreciation to rates and procedure prescribed in the Income Tax Act, 1961 under the Written Down Value Method. This resulted in the company requiring to provide arrears of Depreciation for previous years as per Accounting Standard 6 of Rs. 18147 Lakhs. In view of the same, the company has incurred a Net Loss after Tax of Rs.421 lakhs during the financial year ended 31.03.2009. However since the company has accumulated profits in its Profit & Loss Account of Rs. 25022 lakhs, your Directors are pleased to recommend a Dividend on Equity Share Capital of Rs.10/-per share (100%) for the Financial year 2008-09, from the accumulated profits of the previous years lying in the Profit & Loss Account.

PRODUCTION AND SALES FOR THE YEAR 2008-09

		M T
Clinker produced	-	2318789
Cement produced	-	3148896
Cement and Clinker Sales	-	3141914

OPERATIONS

This is covered under the topic Management Discussion and Analysis.

MANAGEMENT DISCUSSION AND ANALYSIS

a) Industry structure and developments

The world economy has seen one of its worst period during the last financial year. Since the economic pundits are not foreseeing any considerable recovery in the near future, it is going to be a turbulent period ahead for India too at least in the short term. But having been thoroughbred with risks associated with a fragile economy as a developing nation and with a soundly regulated financial and Industrial sector, one must admit that India has absorbed the shocks of the world economic meltdown quite resiliently with much less impact than most developed countries.

The economy registered a growth of 7% during the financial year 2008-09, as against the estimated 9% at the beginning of the financial year. This reduction can be mainly attributed to the global economic slowdown, which had its cascading affect on the demand and supply equation of major commodities as also the housing sector.

The Cement Industry was no exception to the economic slowdown worldwide and in India. During the year under review, the Industry maintained the same growth rate of about 8% in Production and Despatch as it had done in the financial year 2007-08 where itself the growth of the Cement Industry was hampered by spiralling cost of steel and fuel. Considering the economic slowdown to be an additional block on the path of the Cement Industry, the industry can be appreciated to have done well to maintain the same growth rate it had achieved last year.

The Northern region maintained its top slot in growth in production of 13% followed by the 10% growth achieved by the Southern region. However Eastern region topped the consumption growth with a 11% increase followed by Southern region which showed a 10% growth.

Your company has commissioned the Line-1 Greenfield Cement manufacturing unit with a capacity of 2 million Tonnes per Annum at Keezhapaluvur Village, Ariyalur Taluk/Dist., Tamil Nadu in the last quarter of the financial year 2008-09 thereby achieving another milestone in its path of steady but strong growth and performance policy. The company also crossed 3 million tonnes production for the first time in its history and this has been achieved without considering the output of the new plant, which shows that there is always room for growth even at the top, and your company is best equipped to harness that growth.

b) Opportunities, Threats, Risks and Concerns

It is said that in adversity lies opportunity. The same way there lie great opportunities to grow in these times when the economy of our country and the world is at a low. The price of steel, the major raw material for construction industry and coal, the major fuel for production of Cement have tumbled to its lowest in recent times. This is a great opportunity for the construction and infrastructure sector to look for growth and development. And with the new Government at the centre promising focus on development of infrastructure and impetus to housing sector, there is definitely a lot of opportunities for the Cement Industry both in short term and long term future.

Power, fuel and transportation cost have always been an impediment for growth of Cement Industry. Fuel costs may be the first to increase in a resurgent economy and that will not only increase the cost of production of cement but also the cost of transportation. So a lot of support from the Government is needed for the cement industry also, to achieve the ultimate cause of development of infrastructure and lending impetus to housing sector.

c) Segment wise or Product wise performance

The Company has no reportable segments. Given below are the Product-wise production figures for the financial year 2008-09

Grades of Cement	Quantity in M.T
OPC -43 Grade & 53 Grade	291503
SRC - PC	17827
PPC	2509198
Slag - PSC	330368
TOTAL	3148896

d) Outlook

Infrastructure development and providing impetus to housing sector being top on the agenda of the Government of India, the future surely provides a good reason to be optimistic for the Indian Cement Industry with the per capita consumption of cement well below world averages.

The optimism of the Cement Industry about its outlook is well justified and evident from the fact that a comparison of the performance of the Industry for the first two months of the current financial year with the same period in the previous financial year reveals a growth of about 12% in production and 11.5% in dispatch. This performance is commendable considering the fact that the economy is still not totally in its path of recovery.

Your company has always reposed great confidence in the strength and ability of Cement Industry to achieve a sustained growth and has always taken the lead when it comes to realize the full potential of future growth opportunities. The company has commissioned and commenced commercial production in the first of its two Greenfield Cement Plants at Ariyalur with a capacity of two million tonnes in the last quarter of the financial year 2008-09.

The second cement plant at Ariyalur with a capacity of 2 million tonnes is expected to be commissioned during the Financial year 2009-10. The company has started the process of land acquisition for its proposed Greenfield Cement Plant with a capacity of 2 Million Tonnes per Annum (MTPA) at Karnataka. Meanwhile, the Board of Directors of the company have approved a proposal for installing a second Cement manufacturing facility with a capacity of 2 MTPA adjacent to the company's existing unit at Karikkali. All these proposed plants should be commissioned and ready for production by the time the Indian and world economy is fully on the path of resurgence and your company would be in a position to make the most of the economic recovery.

e) 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.

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

The production and Sale of Cement of your company has crossed 3 Million Tonnes during the financial year 2008-09, for the first time in its history. The fact that this has been possible from its existing plants at Puliur and Karikkali due to debottlenecking and improvement in efficiency, displays the astonishing results that can be achieved through hardcore commitment towards improving efficiency of operations at all levels. The production and sale of Cement during the financial year 2008-09 was 3148896 and 3141914 tonnes respectively. Considering the economic slowdown, the Country and world is facing, a modest growth of 8.37 % in Production and 9.36% in Sales Volume, achieved by the Company is a very commendable performance. The company

recorded a turnover of Rs. 1137.45 crores for the financial year 2008-09 as against Rs. 931.93 crores in the previous year.

The Gross Profit before Depreciation and Tax for the financial year 2008-09 increased by 27% to Rs.419.86 crores as against Rs. 328.34 crores in the financial year 2007-08. The company has changed its accounting policy on the method of charging Depreciation by adopting Written Down Value rates and procedures prescribed in the Income Tax Act, 1961. This entailed the company to charge arrears of Depreciation for its previous years of Rs 181.47 Crores in compliance with the Accounting Standard 6, which resulted in the company making a Net Loss of Rs. 4.21 crores for the financial year 2008-09.

- g) 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, counseling 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 1221.

WINDMILL OPERATIONS

The Power Generation from the company's Windmills for the financial year 2008-09 was 1.88 crore units. The RKVAH import from the TNEB was 0.77% during the financial year 2008-09 (Previous year 1.18%). During the financial year 2008-09, the company sold 1.72 crore units to Tamilnadu Electricity Board (TNEB) since there was excess power available with the company after installation of 15 MW Captive Thermal Power Plant at Puliur.

The company installed a new Chettinad 600 KW Windmill at Karikalipudur in February'2009. The company conducted a preventive maintenance of its Windmills to avoid unexpected breakdowns.

CAPTIVE THERMAL POWER PLANTS

KARIKKALI FACTORY

The 15MW Captive Thermal Power Plant (CPP) commissioned at the factory at Karikkali in October'2004 is functioning satisfactorily. The

Gross power generation during the year under review was 12.31 Crore Units with a Plant load factor of 97.59%.

PULIYUR FACTORY

The 15 MW CPP commissioned at the Company's factory at Puliur on 22.03.2008 is catering to the complete requirement of Power at the Puliur Factory. The Gross Power generation during the year under review was 9.76 crore units with a Plant load factor of 80%.

PROGRESS REPORT ON ARIYALUR PROJECT

Cement Plant - Line-I

We are glad to inform that your company has completed the installation of line-1 Cement Plant at Keezhapalavur Village, Ariyalur District, Tamil Nadu with a capacity of 2 MIPA and the Plant was commissioned and commenced commercial production during the last quarter of the financial year 2008-09. The new Plant had produced 81744 tonnes of Cement during the financial year 2008-09.

The installation of two 15 MW CPP at Ariyalur was also completed and commissioned during the second quarter of the financial year 2008-09. The two units had together generated 1.98 Crore Units of Power during the financial year under review.

Cement Plant - Line-II

The company had commenced work on installation of Line-II Cement Plant at Ariyalur with a capacity of 2 MIPA during the last quarter of the financial year 2007-08. The civil work has been almost completed. The supply of the main equipments has begun and fabrication and mechanical work of the same is in progress. The installation of the Line - II Cement Plant is expected to be completed and commissioned during the financial year 2009-10.

Installation of the Third CPP

The company has taken steps to install a third 15 MW CPP at Ariyalur to fully cater to the requirements of the 2 x 2 MIPA Cement Plants. This would make the whole unit fully independent of the state's grid supply. We would require grid power only for stand-by and transmission. The civil work for the CPP has been almost completed and erection work for major machineries has begun. The third CPP is expected to be commissioned and fully operational during the financial year 2009-10.

OTHER NEW PROJECTS

CEMENT GRINDING UNIT AT PULIYUR

The company has commenced work for installation of an additional Cement Grinding Unit with a capacity of 0.5 MIPA at its existing Unit at Puliur to make use of the additional Clinkerisation capacity available on account of de-bottlenecking. The civil work for the same is in progress and the unit is expected to be commissioned during the financial year 2010-11.

NEW CEMENT PLANT AT KARIKKALI

The fact that that Indian Cement Industry has not been greatly affected by the global economic recession and the renewed pledge by the Government of India to focus on development of Infrastructure and support housing sector has been an inspiration for your company to plan for further expansion of its productive capacity.

The company has substantial Limestone reserves in its mines at Dindigul District, Tamil Nadu to cater not only to the existing requirements of its Plants at Puliur and Karikkali but also to any further expansions that can be planned there.

In view of the above, the Board of Directors have approved the proposal to install a Second Line Cement Plant adjacent to the company's existing Cement manufacturing Unit at Karikkali Village, Dindigul District, Tamil Nadu, with a capacity of 2 Million Tonnes and CPP with a capacity of 40 MW, to cater to the Power requirements of the second Unit.

PROPOSED CEMENT PLANT PROJECT AT KARNATAKA

The company has received in-principle approval from the Government of Karnataka for setting up a Cement Plant with a capacity of 2.5 MIPA alongwith a 30 MW CPP at Chincholi Taluk, Gulbarga District, Karnataka State. The company has also obtained permission and exemption under the Karnataka Land Reforms Act, to acquire land in Chincholi Taluk for mining purposes and installation of Plant as above.

The company has commenced acquisition of lands and is in the process of applying for other related Government approvals required for starting the project.

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 2008-09. Deposits totaling Rs.1.40 lakhs already matured for repayment, were not claimed by the Depositors till the end of the financial year.

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 (2-A) of the Companies Act, 1956 and the Rules made there under, are mentioned in annexure hereto.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2- AA) 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 the Stock Exchanges, a Report on Corporate Governance is given in an Annexure hereto.

DIRECTORS

Dr. M.A.M. Ramaswamy 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 Seshadri & Jayaraman and M/s Krishnaan & Co., Chartered Accountants retire at the ensuing Annual General Meeting and they are eligible for re-appointment.

One of the statutory Auditors M/s Seshadri & Jayaraman, Chartered Accountants have submitted a letter expressing their intention not to seek re-appointment at the ensuing Annual General Meeting of the Company. The Board has taken note of the same and thanked them for their services rendered as statutory auditors of the Company

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, Financial Institutions and Bankers, Suppliers, Customers and all the categories of Employees for their 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.10 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

Chairman

Date : 23rd June, 2009

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:

- a) Replaced 125 kw panel with motor in place of existing DC motor in cooler fan - 2 Nos.
- b) Replaced existing conventional chokes to energy efficient chokes - 100 Nos.
- c) Installation of Harmonic filter in cooler section .
- d) Change of "Alite & Refrathem bricks to save thermal energy.
- e) Installation of 4 Nos. of additional unit bag filters to reduce air pollution.
- f) Installation of 100 Nos. of High capacity water sprinklers to avoid fugitive emission.
- g) Captive Power Plant of 15 MW capacity is commissioned during March 2008.

KARIKKALI FACTORY:

- a) Installation of VFD for Cement Mill bag filter fan in place of dampers to reduce pressure drop and power consumption.
- b) Installation of Star - Delta starters for belt conveyors during normal loaded operations.
- c) Double flap gate provided in coal mill feeding chute to avoid air infiltration.

ARIYALUR FACTORY:

The Line I Plant has 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. Pet coke addition of 15- 20% started to reduce the fuel cost.

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

PULIYUR FACTORY:

- Multi channel "Pyroject" burner to be installed to reduce primary air quantity and hence to reduce fuel & power consumption.
- Preheater modification to reduce power consumption and to increase clinker production.
- New cement ball mill installation.

Captive Power Plant at Puliur:

No proposals are in hand as all the energy saving activities are already implemented at project stage itself. Pet coke addition of 10 - 15 % started to reduce fuel cost.

KARIKKALI FACTORY:

- Optimisation of low voltage range from 380 V to 410 V.
- All Plant lighting to be switched ON using IIR.
- 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. Pet coke addition of 10 - 15% started to reduce fuel cost.

- 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 at Puliur and Karikkali 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 exports; initiatives taken to increase exports; development of new export market for products and services; and export plans: Nil

- g) Total Foreign Exchange earned and Used :

During the Year 2008 - 09, there was no foreign exchange earned - Nil (previous year - Rs. - nil) and used was Rs. 8547 lakhs (previous year - Rs. 1280 lakhs)

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

		Year ended 31.03.2009	Year ended 31.03.2008
A. POWER & FUEL CONSUMPTION			
(1) Electricity			
a) Purchased	K wh	14705122	63407265
Total Amount	Rs in lakhs	1044.42	3450.43
Rate/Unit	Rs.	7.10	5.44
b) Own Generation			
Through Diesel Generator Unit	K wh	3290134	27948197
Units per litre of HSD / ISHS oil	K wh	3.45	4.13
Cost/Unit	Rs.	13.50	5.60
c) CPP (Coal based)			
Total Cost	K W H	219144533	116050630
Cost per Unit	Rs.in lakhs	14018.82	4523.76
	Rs.	6.40	3.90
(2) Coal / Pet coke / Others			
Quantity	Tonnes	472392	298483
Total Cost	Rs in lakhs	22884.67	14280.82
Average Rate	Rs / MT	4844	4784
(3) Furnace Oil			
Quantity (734 MT)	KL	777	122
Total Cost	Rs in lakhs	161.01	24.66
Average Rate	Rs / KL	21937	21458

B. CONSUMPTION PER UNIT OF PRODUCTION

	Standards, if any		
(1) Production (with details) unit			
OPC & SRC	M.T.	309330	151787
PPC & SLAG	M.T.	2839566	2753911
Total:	M.T.	3148896	2905698
(2) Electricity (in KWH)			
		71.37	70.86
(3) Fuel % on Clinker Production:			
(a) Coal / Pet coke / Others		10.821	10.736
(b) Furnace oil (KL)		0.032	0.006
Total : a & b (% of Clinker)	20 %	10.853	10.742

FORM B
FORM FOR DISCLOSURE OF PARTICULARS
WITH RESPECT TO TECHNOLOGY ABSORPTION

A. RESEARCH AND DEVELOPMENT (R&D)

Puliyur Factory & Karikkali Factory:	
1 Specific areas in which R&D activities carried out by the company	<p>The Company has established concrete R & D Lab at Puliyur works with the following features:</p> <p>a) Usage of alternate fuels derived from waste materials on a sustained basis.</p> <p>b) To conserve natural mineral and energy resources for Environmental management and Cost reduction.</p> <p>c) To have competitive edge in the present day cement marketing scenario.</p> <p>d) To determine optimum cement content in various concrete mixes.</p> <p>e) 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).</p> <p>f) To study the strength development of concrete at various ages/ various design mixes.</p> <p>g) To increase the usage of mineral admixtures in concrete.</p>
2 Benefits derived as a result of the above R&D	<p>a) Better and durable concrete.</p> <p>b) Better customer satisfaction.</p> <p>c) Value addition to products supplied.</p> <p>d) Control of cement manufacturing cost by reducing the consumption of input materials (Coal/Iron ore / power).</p> <p>e) Conservation of Mineral resources, use of low and marginal grade Limestone.</p> <p>Sludge consumption increase from 44.11% during the year 2007 - 08 to 45. 85% during the 2008 - 09.</p> <p>Bauxite consumption reduced from 2.3 % during 2007 - 08 to 0.83 % during 2008 -09.</p> <p>Specific heat consumption reduced from 730 K cals / kg. clinker during 2007 - 08 to 720 Kcals / Kg. clinker during 2008 -09.</p>
3 Future Plan of Action	<p>a) To standardize the types of various lubricants used in the Plant and reduce lube oil consumption.</p> <p>b) Recovery of steel materials from scrap upto 3%.</p> <p>c) Installation of multi-channel burner capable of using waste fuels.</p> <p>d) 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.</p> <p>e) 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.</p> <p>f) It is planned to integrate all the three quality system (IS/ISO 9001:2000, IS/ISO 14001:2004, IS/ISO 18001: 2000).</p>
4 Expenditure on R & D	(Amount - Rs.in Lakhs)
a Capital	: 0.00
b Recurring	: 55
c Total	: 55
d Total R&D expenditure as percentage of total turnover	: 0.04%

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, 2009.

Statement showing the particulars of Employees employed throughout the Financial year 2008-09 who were in receipt of remuneration not less than Rs.24.00 Lakhs per year.

Name (1)	Age (2)	Designation/ Nature of Duties (3)	Remuneration Received * (Rs. in lakhs) (4)	Qualification & Experience (in years) (5)	Date of commencement of Employment (6)	Particulars of Last Employment (7)
Mr.L.Muthukrishnan	64	Executive Director	30.95	B.Com., A.C.A 39	02.09.1970	M/S.Palaniappan & Viswanathan, Chartered Accountants
Mr. C.Sudhakar	60	President	43.18	M.sc. (Chemistry) 34	07.03.1989	Malabar Cement
Mr.A.Subramanian	60	Sr.Vice President (Accounts & Adm.)	28.00	M.Com 42	03.04.1967	-
Mr.N.Muthusamy	52	Vice-President (Engg.)	26.98	B.E.(Mech) 30	19.12.1979	-

Statement showing the particulars of Employees employed for the part of Financial year 2008-09 who were in receipt of remuneration not less than Rs.24.00 Lakhs per year.

Name (1)	Age (2)	Designation/ Nature of Duties (3)	Remuneration Received * (Rs. in lakhs) (4)	Qualification & Experience (in years) (5)	Date of commencement of Employment (6)	Particulars of Last Employment (7)
Mr.N.Selvaraj	59	Vice-President (Tech)	41.54	B.E. (Electronics & Communication) 33	24.09.1991	T A N C E M

Note:

- 1) * Remuneration as shown includes inter - alia, Salary, House rent allowance, Medical Expenses, Leave Travel Assistance, leave encashment, Provident fund contribution and Superannuation fund contribution but excludes contribution to Gratuity fund which is not individually allocable, except in the case of Mr.N. Selvaraj as his Gratuity payment has been fully settled on his retirement.

The service of above mentioned employees is regular and governed by the rules and regulations of the company.

- 2) 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
TIIC Nominee Director	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).

S No.	Name of the Director	No. of Board meetings attended	A G M attended	No. of Membership and Chairmanship in other Boards and Committees.			
				Boards Chairman	Boards Member	Committees Chairman	Committees Member
1	Dr.M.A.M.Ramaswamy Non-executive (Promoter)	4	Yes	2	-	-	-
2	M.A.M.R.Muthiah Executive -(Promoter)	5	Yes	-	1	-	-
3	R.Krishnamoorthy Independent-Non Executive	5	Yes	-	-	-	-
4	Ramanathan Palaniappan Independent-Non Executive	4	Yes	3	2	-	-
5	SP.ST.Palaniappan Independent-Non Executive	5	Yes	-	-	-	-
6.	K.Ganapathy Independent-Non Executive	4	Yes	-	1	-	-
7.	C.Umasankar, I.A.S, (Since replaced by TIIC with Smt. Sheela Rani Chunkath 9/01/2009)	1	TIIC Officials attended	-	-	-	-
8.	Smt.Sheela Rani Chunkath I.A.S	-		1	3	-	-

B) No. of Board Meetings held : 5

Dates on which held: 17.6.2008, 15.07.2008, 23.09.2008, 16.10.2008, 27.01.2009

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	Dr. M.A.M.Ramaswamy
Date of Birth	30.09.1931
Qualification	B.A., D.Litt.
Nature of Expertise	Industrialist
Date of First Appointment	11.12.1962
Name of the other Companies in which he holds Directorship	<u>Chairman In:</u> Chettinad Morimura Semi Conductor Material Pvt.Ltd. Madras Race Club
Name of the Companies in which he holds membership of committees	Nil
No. of Shares held in the Company	9183834 Equity shares of Rs.10/- each

Name of the Director	Sri. SP.ST.Palaniappan
Date of Birth	25.3.1928
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	2525 Equity shares of Rs. 10/- each

C) BOARD PROCEDURE

The Company convened Five Board Meetings during the Financial Year 2008-09. 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 were sent to the Directors about one week to ten days before the Meeting. The Managing Director would give an over view of the performance of the Industry, in general and the Company, in particular. It is followed by a technical presentation by the President 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.

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 2008-09, on 26/5/08, 16/6/08, 14/7/08, 15/10/08, and 24/01/09.

Out of the Five meetings held, Sri. R. Krishnamoorthy attended four meetings and the other members attended all the five meetings.

The Chairman of the Committee, Sri SP.ST.Palaniappan was present at the last Annual General Meeting held on 23rd September, 2008.

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
- 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 19/4/2008 and approved the payment of monthly remuneration of Rs. 4.00 lakhs per month to Sri. M.A.M.R.Muthiah, Managing Director from 1st April 2008 to 31st March, 2009 under sub-section 1 (B) of Section II of Part II of Schedule XIII of the Companies Act, 1956. The payment of the said remuneration was approved subject to the stipulation that in the event of the company making profits, the remuneration paid would be adjusted in 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 commission on the net profits of the company as per his terms of appointment under Schedule XIII of the Companies Act, 1956. In view of the loss incurred by the company for the financial year 2008-09, he is entitled to a remuneration of Rs.48.00 Lakhs (Rs.4.00 Lakhs per month) as per Sub - section 1(B) of Section II of Part II 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 2008-09. The Traveling Expenses are being paid to the concerned Directors. The details of sitting fees paid to the Directors are given below :

Name of the Director	Sitting fees paid (Rs.)	No. of Shares held in the Company
Dr. M.A.M.Ramaswamy	8000	9183834
Sri.M.A.M.R.Muthiah	48000	5586546
Sri R.Krishnamoorthy	50000	1400
Sri.Ramanathan Palaniappan	8000	4200
Sri. SP.ST.Palaniappan	42000	2525
Sri. K.Ganapathy	18000	500
Sri.C.Umasankar [Ex-Nominee Director of TIIC]	2000	-
Total amount of Sitting fees:	176000	

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 29 complaints during the financial year 2008-09 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
2005- 06	"Rani Seethai Hall", 603, Anna Salai, Chennai - 600 006	19 th September, 2006	10.00 a.m.
2006-07	"Rani Seethai Hall", 603, Anna Salai, Chennai - 600 006	25th September, 2007	10.00 a.m.
2007-08	"Rani Seethai Hall", 603, Anna Salai, Chennai - 600 006	23rd September, 2008	10.00 a.m.

There was no requirement of passing resolutions by way of Postal Ballot in the above said three Annual General Meetings.

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

1. Special Resolution as required under Schedule XIII of the Companies Act, 1956 at the meeting held on 25.9.2007 regarding re-appointment of Managing Director.
2. Special Resolution as a required under section 81(1-A) of the Companies Act, 1956 at the Extra-ordinary General meeting held on 04.03.2008 regarding issue of Equity share on Rights basis.

8. DISCLOSURES

- a) Related party transactions have been disclosed in item No.17 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 2008-09, 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 : 7th September, 2009 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'09 - Before end July'09
 Quarter ending 30th Sept.'09 - Before end Oct.'09
 Quarter ending 31st Dec.'09 - Before end Jan.'10
 * Quarter ending 31st Mar.'10 - Before end April '10.
 * In case the Audited results are to be considered for the Financial Year 2009-10, the same will be published before end June'10. In that case, no unaudited financial results will be considered for the last quarter of the financial year 2009 -10.
- c) Date of Book closure

1st September, 2009 to 7th September, 2009
- d) Dividend payment date

Within 30 days from the date of declaration i.e., 7th September, 2009.
- 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 :

Month	High (Rs.)	Low (Rs.)
NSE, High, Low during each month in last financial year 2008-09		
April'08	490.00	380.30
May'08	502.00	445.25
June'08	505.00	450.60
July'08	555.00	450.00
August'08	577.70	432.00
September'08	509.50	455.10
October'08	505.00	383.55
November'08	460.00	372.15
December'08	450.00	380.00
January'09	468.80	335.50
February'09	501.00	392.70
March'09	492.00	344.40

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 31.03.09

i) On the basis of quantum of Shares held.

No. of Shares held	No. of Share-holders	No. of Shares	Share %
Upto 500	3720	585948	1.99
501 to 1000	392	317298	1.08
1001 to 2000	161	245206	0.83
2001 to 3000	46	118478	0.40
3001 to 4000	20	71846	0.24
4001 to 5000	8	35978	0.12
5001 to 10000	15	104481	0.35
10001 & above	32	28024115	94.99
TOTAL	4394	29503350	100.00

ii) On the basis of category of Shareholders

Category	No. of Shares	%
Promoters and Relatives	25086929	85.03
Financial Institutions	1487445	5.04
Foreign Holdings (FII / NRI)	55542	0.19
Other Corporate Bodies	1106801	3.75
Mutual Funds	2200	0.01
Banks	1700	0.01
Indian Public	1762733	5.97
TOTAL	29503350	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 31.03.2009, the total number of Dematerialized Shares are 26923358. The total number of demat shareholders are 2885. 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 Meyyanmai Nagar, Karikkali Village, Via - Palayam, Vedasandur 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
E-mail : chtdcms@vsnl.com
Website: www.chettinadcement.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 : sureshbabu@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 : investors_cccl@sanchamnet.in

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 2007-08 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 and 2002-03].

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

The shareholders are being given due intimation, by sending a letter sufficiently in advance, about the 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 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 19/4/08 and approved the payment of monthly remuneration of Rs.4.00 Lakhs per month to the Managing Director for the Financial Year 2008-09, in compliance with the provisions of Schedule XIII of the Companies Act, 1956.
An amount of Rs.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.

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 Chettinad Cement Corporation Ltd (the Company) for the year ended on 31st March 2009, 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 Company's 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
P.B. Srinivasan
Partner
(M. No. 203774)

for Seshadri & Jayaraman
Chartered Accountants
V. Jayaraman
Partner
(M. No. 10163)

for Krishna & Co.
Chartered Accountants
V. Krishnan
Partner
(M. No. 10970)

Place : Chennai
Date : 23rd June 2009

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 2009 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 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 paragraph 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 account as required by law have been kept by the company, so far as appears from our 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 (3 C) 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 2009 is disqualified from being appointed as a director in the company in terms of 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. 22 regarding change in accounting policy on charging depreciation during the year, which has resulted in under statement of loss and overstatement of written down value of fixed assets by Rs.5370 lakhs,

Note no.30 regarding change in the method of accounting of foreign currency fluctuation during the year, which has resulted in understatement of loss and overstatement of written down value of Plant & Machinery by Rs.826 lakhs and subject to Note no. 10 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, 2009.
- (ii) In the case of the Profit and Loss Account, of the loss 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
P.B. Srinivasan
Partner
(M. No. 203774)

for Seshadri & Jayaraman
Chartered Accountants
V. Jayaraman
Partner
(M. No. 10163)

for Krishna & Co.
Chartered Accountants
V. Krishnan
Partner
(M. No. 10970)

Place : Chennai
Date : 23rd June 2009

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 part of fixed assets of the company have been disposed of during the year.
- i a) Inventory 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 nature of its business.
- c) The company is maintaining proper records of inventory and the discrepancies on physical verification as compared to book records were not material and have been dealt properly in the books of account.
- iii The Company has taken an unsecured inter corporate deposit of Rs 1.00 Crore 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 Rs. 1.00 Crore and the year end balance of Deposit taken was Rs. 1.00 Crore .
- 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 amount has not fallen due during the year ended 31st March 2009.
- 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 58 A and 58 AA 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.

There are no arrears of outstanding statutory dues as on 31.3.2009 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 (RS. IN LAKHS)	FORUM WHERE DISPUTE IS PENDING
TINGST 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 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
P.B. Srinivasan
Partner
(M. No. 203774)

for Seshadri & Jayaraman
Chartered Accountants
V. Jayaraman
Partner
(M. No. 10163)

for Krishna & Co.
Chartered Accountants
V. Krishnan
Partner
(M. No. 10970)

Place : Chennai
Date : 23rd June 2009

BALANCE SHEET AS AT 31ST MARCH 2009

	Schedule	As at 31-03-2009		As at 31-3-2008	
	No.	(Rs. In lakhs)		(Rs. In lakhs)	
I SOURCES OF FUNDS					
Shareholders' Funds:					
(a) Capital	1	2950		2950	
(b) Reserves and Surplus	2	32565	35515	36299	39249
Loan Funds					
(a) Secured Loans	3	28200		3761	
(b) Unsecured Loans	4	71503	99703	39858	43619
Deferred Tax					
Deferred tax liability		836		6503	
Less: Deferred tax asset		84	752	73	6430
TOTAL			135970		89298
II APPLICATION OF FUNDS					
Fixed Assets:					
(a) Gross Block	5	166039		91320	
(b) Less Depreciation		85098		42077	
(c) Net Block		80941		49243	
(d) Capital work in progress		31316	112257	35365	84608
Investments	6		58		58
Current Assets, Loans & Advances	7				
(a) Inventories		21461		16617	
(b) Sundry Debtors		3870		1487	
(c) Cash and Bank balances		4299		2585	
(d) Other Current Assets		1		0	
(e) Loans & Advances		32983		19780	
		62614		40469	
Less:					
Current Liabilities & Provisions	8				
(a) Current Liabilities		14620		15640	
(b) Provisions		24339		20197	
		38959		35837	
Net Current Assets			23655		4632
TOTAL			135970		89298

 M.A.M. Ramaswamy
 Chairman

 M.A.M.R. Muthiah
 Managing Director

 R. Krishnamoorthy
 K. Ganapathy
 Ramanathan Palaniappan
 Directors

 S. Hariharan
 Company Secretary

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

 Subject to our report of even date
 for Seshadri & Jayaraman
 Chartered Accountants
 V. Jayaraman
 Partner
 (M. No. 10163)

 for Krishna & Co.
 Chartered Accountants
 V. Krishnan
 Partner
 (M. No. 10970)

 Place : Chennai
 Date : 23/06/2009

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2009

	Schedule	For the year ended 31-03-2009 (Rs. in lakhs)	For the year ended 31-03-2008 (Rs. in lakhs)
INCOME			
Sales		132148	110720
Less : Excise Duty		18403	17527
		113745	93193
Other Income	A	614	580
Increase/(Decrease) in Stocks	B	2509	1494
	Total	116868	95267
EXPENDITURE			
Raw Materials Consumed	C	15890	15766
Stores & Spares Consumed		6090	4582
Power & Fuel		24337	18171
Excise Duty		(22)	175
Packing Charges		4328	3766
Salaries, Wages, Bonus & Amenities to Staff	D	3770	4132
Repairs & Maintenance	E	2468	2571
Loading & Transport Charges		11247	9588
Advertisement & Sales Promotion		350	291
Commission		160	183
Interest	F	5078	1859
Other Expenses	G	1186	1349
Depreciation (Refer Note No.22)		42900	8150
	Total	117782	70583
Profit for the year		(914)	24684
Taxation:-			
Current Tax		5125	9262
Deferred tax		(5678)	(1005)
Fringe Benefit Tax		60	50
Profit after Tax		(421)	16377
Add :			
Provision for taxation no longer required		139	-
Balance in P & L A/c brought forward from last year		25304	14879
		25022	31256
Transfer to General Reserve		1000	2500
Proposed dividend on Equity Shares		2950	2950
Tax on Dividend		502	502
Balance carried to Balance Sheet		20570	25304
Earning per share in Rs. (Refer Note No.18) -Basic & Diluted		40.84	52.10

M.A.M. Ramaswamy
Chairman

M.A.M.R. Muthiah
Managing Director

R. Krishnamoorthy
K. Ganapathy
Ramanathan Palaniappan
Directors

S. Hariharan
Company Secretary

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

Subject to our report of even date
for Seshadri & Jayaraman
Chartered Accountants
V. Jayaraman
Partner
(M. No. 10163)

for Krishna & Co.
Chartered Accountants
V. Krishnan
Partner
(M. No. 10970)

Place : Chennai
Date : 23/06/2009

SCHEDULES TO BALANCE SHEET

	As at 31-3-2009 (Rs. in lakhs)	As at 31-3-2008 (Rs. in lakhs)
SCHEDULE - 1 : SHARE CAPITAL		
Authorised :		
10,00,00,000 Shares of Rs.10/-each	<u>10000</u>	<u>10000</u>
Issued :		
2,96,00,100 Equity Shares of Rs. 10/- each	<u>2960</u>	<u>2960</u>
Subscribed and paid up :		
2,95,03,350 Equity Shares of Rs. 10/- each (Includes 42,15,850 Equity Shares of Rs.10/- each allotted as fully paid Bonus Shares by capitalisation of reserves)	<u>2950</u>	<u>2950</u>

	(Rs. in lakhs)			
	As at 1-4-2008	Additions during the year	Withdrawn during the year	As at 31-3-2009
Capital Reserve	372	-		372
Share Premium	4973	-		4973
General Reserve	5650	1000		6650
Profit & Loss Account	25304	20570	25304	20570
	<u>36299</u>	<u>21570</u>	<u>25304</u>	<u>32565</u>

SCHEDULES TO BALANCE SHEET

	As at 31-3-2009 (Rs. in lakhs)	As at 31-3-2008 (Rs. in lakhs)
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SCHEDULE - 3: SECURED LOANS

FROM BANKS

Project Term Loan	21500	100
Working Capital	<u>6700</u>	<u>3661</u>
	<u>28200</u>	<u>3761</u>

NOTE TO SCHEDULE - 3

The Project Loans availed from the Central Bank of India and Canara Bank are secured by pari passu first charge basis on all moveable and immoveable properties of the company situated at Ariyalur(Line-I) and collaterally secured by a charge on the remaining block assets of the company.

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 the immoveable properties of the company.

SCHEDULE - 4 : UNSECURED LOANS

	As at 31-3-2009 (Rs. in lakhs)	As at 31-3-2008 (Rs. in lakhs)
Foreign currency loan from a bank	3857	1072
Inter Corporate Deposits	49000	26500
Interest free sales tax loan	<u>18646</u>	<u>12286</u>
	<u>71503</u>	<u>39858</u>

SCHEDULE TO BALANCE SHEET

SCHEDULE - 5 : FIXED ASSETS

(Rs.in lakhs)

Particulars	GROSS BLOCK				DEPRECIATION				NETBOOK	
	As at 01.04.2008	Additions/ Adjustments during the year	Sales/ Adjustments during the year	As at 31.03.2009	As at 01.04.2008	For the year	Withdrawn during the year	As at 31.03.2009	As at 31.03.2009	As at 31.03.2008
Goodwill	467	—	—	467	448	(-) 156	—	292	175	19
Freehold Land	7465	2405	—	9870	—	—	—	—	9870	7465
Leasehold Land	4	—	—	4	—	—	—	—	4	4
Buildings	5749	10218	—	15967	1598	2528	—	4126	11841	4151
Plant & Machinery	65960	52751	—	118711	34349	35485	—	69834	48877	31611
Furniture & Fittings	485	10	—	495	243	(-) 3	—	240	255	242
Earth Moving Equipments & Vehicles	3151	481	—	3632	2123	270	—	2393	1239	1028
Pipefittings,Electrical Installations & Water Works	6863	8854	—	15717	2820	4512	—	7332	8385	4043
Railway Tracks & Sidings	1176	—	—	1176	496	385	—	881	295	680
TOTAL	91320	74719	—	166039	42077	43021	—	85098	80941	49243
Previous Year	82424	8896	—	91320	33927	8150	—	42077		

Depreciation for the year includes Rs.121 lakhs being the amount capitalised

SCHEDULES TO BALANCE SHEET

SCHEDULE - 6 : INVESTMENTS- Long Term (At Cost)

	As at 31-3-2009 (Rs. in lakhs)	As at 31-3-2008 (Rs. in lakhs)
Non-Trade-Unquoted Equity Shares-Fully Paid Haaciendaa Infotech & Realtors P Ltd (100000 shares of Rs. 10 each)	58	58
	<u>58</u>	<u>58</u>

SCHEDULE - 7 : CURRENT ASSETS

Inventories

- Stores, Spares, Fuel and Packing Materials including in transit	11185	10504
- Stock of Cement	1931	1636
- Process Stock	4533	2319
- Stock of Raw Materials including in transit	3812	2158
	<u>21461</u>	<u>16617</u>

Sundry Debtors - Unsecured

a) Debts outstanding for a period exceeding six months Considered Good	486	443
b) Other Debts Considered Good	3384	1044
	<u>3870</u>	<u>1487</u>

Cash, Cheques, Drafts and Stamps on hand and remittance in transit

Balances with Scheduled Banks in Current Account	75	13
	4224	2572
	<u>4299</u>	<u>2585</u>

Other Current Assets - Interest & Other Receivables

	<u>1</u>	<u>0</u>
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LOANS AND ADVANCES

SECURED :

Housing loan to employees	5	8
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UNSECURED :

Advances recoverable in cash or in kind or for value to be received

- Considered good	13315	6650
- Deposits	998	747
- Advance Tax & Tax deducted at source	18665	12375
	<u>32983</u>	<u>19780</u>

SCHEDULES TO BALANCE SHEET

	As at 31-3-2009 (Rs. in lakhs)	As at 31-3-2008 (Rs. in lakhs)
SCHEDULE - 8 : CURRENT LIABILITIES & PROVISIONS		
A. CURRENT LIABILITIES		
Sundry Creditors (Refer Note No. 7 & 9)	10123	11282
Security Deposit from Stockists	1151	983
Customers credit balances	2181	2314
Investors Education & Protection Fund (not due)		
- Unclaimed Dividend	74	54
- Unclaimed matured Deposits	2	2
Other Liabilities	1089	1005
	<u>14620</u>	<u>15640</u>
B. PROVISIONS		
- for Taxation	20219	16167
- for Fringe Benefit Tax	173	113
- for Employees Benefit Schemes	495	465
- for Proposed Dividend	2950	2950
- for Tax on Dividend	502	502
	<u>24339</u>	<u>20197</u>

SCHEDULES TO PROFIT AND LOSS ACCOUNT

	For the year ended 31-03-2009 (Rs. in lakhs)	For the year ended 31-03-2008 (Rs. in lakhs)
SCHEDULE - A : OTHER INCOME		
Interest on Deposits & Others (Tax deducted at source Rs. 7 lakhs - Previous year Rs. 9 lakhs)	46	43
Interest on Loans	2	1
Wind Energy Sales	467	-
Sundry Sales	79	320
Rent	15	14
Miscellaneous Income	5	13
Provision for doubtful debts & advances no longer required	0	189
	<u>614</u>	<u>580</u>
SCHEDULE - B : INCREASE / (DECREASE) IN STOCKS		
a. CEMENT STOCK :		
Stock at the close of the year	1931	1636
Less: Stock at the beginning of the year	1636	747
	<u>295</u>	<u>889</u>
b. PROCESS STOCK :		
Stock at the close of the year	4533	2319
Less: Stock at the beginning of the year	2319	1714
	<u>2214</u>	<u>605</u>
Total a + b	<u>2509</u>	<u>1494</u>
SCHEDULE - C : RAW MATERIALS CONSUMED		
Opening Stock	2158	1488
Add:		
Purchases	10956	8806
Own Quarrying	6588	7630
	<u>19702</u>	<u>17924</u>
Less: Closing Stock	3812	2158
	<u>15890</u>	<u>15766</u>
SCHEDULE - D : SALARIES, WAGES, BONUS & AMENITIES TO STAFF		
Salaries, Wages & Bonus (including Managerial Remuneration)	2615	3185
Welfare expenses	471	361
Contribution to Provident & Other Funds	684	586
	<u>3770</u>	<u>4132</u>

SCHEDULES TO PROFIT AND LOSS ACCOUNT

	For the year ended 31-03-2009 (Rs. in lakhs)	For the year ended 31-03-2008 (Rs. in lakhs)
SCHEDULE - E : REPAIRS & MAINTENANCE		
Buildings	1051	976
Plant and Machinery	454	944
Others	963	651
	<u>2468</u>	<u>2571</u>
SCHEDULE - F : INTEREST		
Fixed loans	4768	1701
Others	310	158
	<u>5078</u>	<u>1859</u>
SCHEDULE - G : OTHER EXPENSES		
Rent	14	90
Rates, Taxes and Licences	62	46
Insurance	140	159
Directors' Sitting Fees	2	2
Remuneration to Auditors:		
- Audit Fees	5	5
- For Certification	2	2
- Expenses	1	1
Legal Fees & Expenses	4	9
Bank Charges	148	103
Travelling & Conveyance	298	264
Postage & Telephone	74	63
Printing and Stationery	47	3
Miscellaneous Expenses	289	227
Bad debts and advances written off	0	290
Donation	100	55
	<u>1186</u>	<u>1349</u>

ADDITIONAL INFORMATION PURSUANT TO THE PROVISIONS OF
PART II OF SCHEDULE VI OF THE COMPANIES ACT, 1956

	For the year ended 31.03.2009		For the year ended ended 31.03.2008	
	Quantity (MT)	Value (Rs. in Lakhs)	Quantity (MT)	Value (Rs. in Lakhs)
A) SALES, OPENING & CLOSING STOCK OF GOODS PRODUCED				
CEMENT				
Opening Stock	60425	1636	33914	747
Sales*	3140812	132117	2879187	110720
Closing Stock	68509	1931	60425	1636
CLINKER				
Opening Stock	104456	1745	87864	1178
Sales	1102	3	0	0
Closing Stock	202224	4199	104456	1745
* Includes self consumption 69862 MT (previous year 53339 MT)				
B) DETAILS OF RAW MATERIALS CONSUMED				
Limestone	3362777	8108	2958107	8982
Fire Clay	12329	35	-	-
Bauxite & Red Mud	12158	110	32528	220
Iron Ore	102728	1403	98114	1183
Gypsum	171394	1985	166922	1595
Fly Ash	588932	2283	528279	2000
Slag	166538	1877	165107	1724
Filter cake	0	0	17	0
Lime sludge	18627	89	14995	62
C) LICENCED, INSTALLED CAPACITY & PRODUCTION FOR THE YEAR				
Annual Licenced/Installed Capacity				
Cement	4000000		2000000	
Production				
Cement	3148896		2905698	
Clinker	2318789		2062346	

	For the year ended 31.03.2009 Value (Rs. in Lakhs)		For the year ended 31.03.2008 Value (Rs. in Lakhs)	
D) VALUE OF IMPORTS (CIF BASIS)				
Capital Goods	7135		632	
Spares & Components	1410		634	
E) EXPENDITURE IN FOREIGN CURRENCIES				
Travelling & Other Expenses	2		14	
F) VALUE OF RAW MATERIALS, STORES, SPARE PARTS AND COMPONENTS CONSUMED		%		%
Raw materials - Imported	Nil	Nil	Nil	Nil
- Indigenous	15183	100	15632	100
Stores, Spare parts & components		%		%
- Imported	879	3	1194	10
- Indigenous	25095	97	10179	90
<p>Note : Stores & Spare parts consumed includes Rs.2387 Lakhs being the value of materials consumed on Raw material (Previous year Rs.2737 Lakhs) and includes items shown under other heads of expenses. It also includes stores Rs.16408 Lakhs for Capital Items (Previous year Rs.1927 Lakhs)</p>				
G) AMOUNT REMITTED IN FOREIGN CURRENCIES TOWARDS DIVIDEND		Nil		Nil
H) EARNINGS IN FOREIGN CURRENCIES		Nil		Nil

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	18
Balance Sheet Date	31.03.2009		
II. Capital raised during the year (Amount - Rs. in Thousands)			
Public Issue	-	Rights Issue	-
Bonus Issue	-	Private Placement	-
III. Position of Mobilisation and Deployment of Funds (Amount - Rs. in Thousands)			
Total Liabilities	17492871	Total Assets	17492871
Sources of Funds :			
Paid-up Capital	295034	Reserves & Surplus	3256508
Secured Loans	2819973	Unsecured Loans	7150326
		Deferred Tax	75202
Application of Funds :			
Net Fixed Assets	11225670	Investments	5800
Net Current Assets	2365573	Misc. Expenditure	-
Accumulated Losses	-		
IV. Performance of Company (Amount - Rs. in Thousands)			
Turnover	13527097	Total Expenditure	13618498
Profit / (Loss) before Tax	(91,401)	Profit / (Loss) after Tax	(42,066)
Earning per Share Rs.	40.84	Dividend	100%
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
K. Ganapathy
Ramanathan Palaniappan
Directors

S. Hariharan
Company Secretary

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

Subject to our report of even date
for Seshadri & Jayaraman
Chartered Accountants
V. Jayaraman
Partner
(M. No. 10163)

for Krishna & Co.
Chartered Accountants
V. Krishnan
Partner
(M. No. 10970)

Place : Chennai
Date : 23/06/2009

CASH FLOW STATEMENT

	For the year 2008 - 09 (Rs. in lakhs)	For the year 2007 - 08 (Rs. in lakhs)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and Extraordinary Items	(914)	24684
Adjustments for:		
Depreciation	42900	8150
Interest	5078	1859
Provision for Doubtful Debts & Debts written off	-	97
	<hr/>	<hr/>
Operating Profit Before Working Capital Changes	47064	34790
Adjustments for:		
Trade and other Receivables	(9297)	(3695)
Inventories	(4843)	(8790)
Trade and Other Payables	(1069)	8354
	<hr/>	<hr/>
Cash Generated from operations	31855	30659
Interest paid	(5020)	(1853)
Income Tax Paid	(7725)	(6916)
	<hr/>	<hr/>
Net Cash from Operating activities	<u>19110</u>	<u>21890</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(70549)	(40414)
Investments	-	-
Sale of Fixed Assets	-	-
	<hr/>	<hr/>
Net Cash Used in Investing Activities	<u>(70549)</u>	<u>(40414)</u>

C. CASH FLOW FROM FINANCING ACTIVITIES

Proceeds of Long term Borrowings-Net	21400	100
Short Term & Unsecured Loans	31645	17625
Increase in Working Capital	3038	2758
Dividend paid	(2930)	(2199)
Net Cash from Financing Activities	<u>53153</u>	<u>18284</u>
Net increase in Cash & Cash equivalents	1714	(240)
Cash & Cash equivalents - Opening balance	2585	2825
Cash & Cash equivalents - Closing balance	4299	2585

M.A.M. Ramaswamy
Chairman

M.A.M.R. Muthiah
Managing Director

R. Krishnamoorthy
K. Ganapathy
Ramanathan Palaniappan
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, 2009. 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 23rd June, 2009 to the Members of the Company.

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

for Seshadri & Jayaraman
Chartered Accountants
V. Jayaraman
Partner
(M. No. 10163)

for Krishna & Co.
Chartered Accountants
V. Krishnan
Partner
(M. No. 10970)

Place : Chennai
Date : 23.06.2009

NOTES FORMING PART OF ACCOUNTS
FOR THE YEAR ENDED 31.03.2009

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 Value Added 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 has been provided on Fixed Assets as per the rates and procedures prescribed under Income Tax Act, 1961 on Written Down Value Method.
- 2) Leasehold land is amortised over the period of lease.
- 3) No depreciation is provided on quarry freehold lands.
- 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. Contribution to Superannuation Fund is accounted as per Company's scheme.
- iii. Provident Fund contribution is made at the prescribed rates under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952
- iv. Leave encashment is accounted on the basis of actuarial valuation.
- v. Expenditure in respect of voluntary retirement as per Company's Scheme is written off in the year in which they are incurred.
- g) Transactions in foreign currencies are accounted at exchange rates prevailing on the dates, such transactions take place.

Foreign currency loans obtained for acquisition of fixed assets and monetary items denominated in foreign currencies not covered by forward contracts, are translated at the exchange rate on the Balance sheet date.

Exchange difference arising on translation of Foreign currency loans availed for acquisition of fixed assets are adjusted in the carrying amount of the respective fixed assets and in respect of others such exchange differences are recognised as income or as expenses in the period in which they arise.

Gains/Losses on account of Forward Exchange contracts are recognised as income or expense over the life of the contract, except in respect of fixed assets where gains or losses are adjusted in the carrying amount of the respective fixed assets.

Profit/Loss arising on cancellation or renewal of Forward Exchange contracts are accounted as income/ expenses for period except in case of Forward exchange contracts relating to liabilities incurred for acquiring Fixed Assets in which case such Profit/Loss are adjusted in the carrying amount of the respective fixed assets.

- 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 Rs. 23586 Lakhs (Rs.36410 Lakhs)
- 3) a) Salaries, Wages, PF & ESI allocated to other heads Rs 269 Lakhs (Rs.230 Lakhs).
b) Power allocated to other heads Rs. 142 Lakhs (Rs.160 Lakhs)
c) Stores & Spares allocated to other heads Rs. 160 Lakhs (Rs.360 Lakhs)
- 4) Contingent Liabilities not provided for
a) Letter of Credit given by Banks Rs. 1869 Lakhs (Rs.729 Lakhs)
b) Guarantees given by the Banks Rs. 477 Lakhs (Rs.262 Lakhs)
c) Disputed amount of VAT credit of Rs.201 Lakhs (Rs.Nil)
d) Disputed Sales Tax penalty Rs.1.27 Lakhs (Rs.1.27 Lakhs)
e) Disputed Royalty on Limestone Rs.547 Lakhs (Rs.547 Lakhs)
f) Disputed Lease Rent on Government Lands Rs.74 Lakhs (Rs. 74 lakhs)
- 5) Buildings include ownership Flat at Mumbai and value of shares in Bombay Middle Class Cooperative Housing Society Ltd., in the name of the representative of the Company.
- 6) Sales includes self consumption value of Rs.1857 Lakhs (Rs.982 Lakhs)
- 7) 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 Principle 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.
- 8) The Managing Director has been paid a remuneration of Rs. 48 lakhs as per sub-section 1B of section II of part II of Schedule XIII of the Companies Act, 1956, due to inadequacy of profits for the financial year 2008-09. (Rs.1289 Lakhs)
- 9) The Sundry Creditors includes Rs. Nil (Rs.1241 Lakhs) due to Managing Director being the balance remuneration for the year 2008-09.
- 10) 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.

- 11) Capital Work in Progress includes Rs. 31316 Lakhs (Rs. 34982 lakhs) towards amount spent for Ariyalur Project as detailed below :-

	(Rs.in Lakhs)	
	As at 31.3.09	As at 31.3.08
Work in Progress	20894	25199
Capital Stores	3282	2810
Capital Advances	6488	6159
Preoperative Expenses (Net)	652	814
Total	31316	34982

12) **DEFERRED TAX DETAILS**

	(Rs.in Lakhs)	
	As at 31.03.2009	As at 31.03.2008
Deferred Tax liability on account of		
Depreciation	629	6176
Revenue	207	327
Total	836	6503
Deferred tax asset on account of:		
Expenses allowable on payment for tax purpose		
Leave encashment provision	7	62
VRS Provision	77	11
Total	84	73

- 13) Power & Fuel is net of Wind Energy Generation income of Rs. 58 Lakhs (Rs.668 Lakhs) and Captive Power Plant Income of Rs. 7671 Lakhs (Rs.4062 Lakhs)
- 14) Other Income includes Sale of Power from the company's Windmills to Tamilnadu Electricity Board to the tune of Rs. 467 lakhs (Rs. Nil)
- 15) The Company is mainly engaged in the business of manufacturing cement. All other activities of the company revolve around such main business and as such there are no reportable segments.
- 16) Employee Benefits : Details as per AS-15 (As revised in 2005)

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

A) Employee Plan

- a) Provident Fund
- b) Superannuation Fund

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

The Superannuation Fund is managed by the Life Insurance Corporation of India.

B) In respect of Gratuity and Leave Encashment	(Rs.in Lakhs)			
	2008-09		2007-08	
	Gratuity (Funded)	Leave Encashment (Unfunded)	Gratuity (Funded)	Leave Encashment (Unfunded)
Reconciliation of liability recognized in the Balance Sheet				
Present value of commitments	(1081)	228	(824)	(181)
Fair value of Plan Assets	814	-	545	-
Net liability in the Balance Sheet	(267)	228	(279)	(181)
Movement in net liability recognized in the Balance Sheet				
Net liability as at beginning of the year	(279)	(181)	(144)	(152)
Net expense recognised in the Profit and Loss account	(277)	(68)	(263)	(47)
Contribution during the year	289	21	128	18
Net liability as at end of the year	(267)	228	(279)	(181)
Expense recognised in the Profit and Loss account				
Current service cost	56	54	37	34
Interest cost	63	13	42	12
Expected return on plan assets	(52)	-	(36)	-
Actuarial (gains)/losses	210	1	220	1
Expense charged to the Profit and Loss Account	277	68	263	47
Return on plan assets				
Expected return on plan assets	52	-	36	-
Actuarial (gains)/losses	13	-	11	-
Actual return on plan assets	65	-	47	-
Reconciliation of defined-benefit commitments				
Commitments as at beginning of the year	(279)	(181)	(144)	(152)
Current service cost	(56)	(54)	(37)	(34)
Interest cost	(63)	(13)	(42)	(12)
Paid benefits	289	21	128	18
Actuarial (gains)/losses	(210)	1	(220)	(1)
Expected return on Plan	52	-	36	-
Commitments as at end of the year	267	(228)	(279)	(181)
Reconciliation of plan assets				
Plan assets at beginning of the year	545	-	452	-
Expected return on plan assets	52	-	36	-
Contributions during the year	289	-	128	-
Paid benefits	(85)	-	(82)	-
Actuarial gains/(losses)	13	-	11	-
Plan assets as at end of the year	814	-	545	-
Principle Assumption				
Discount Rate	8 %	8 %	8 %	8 %
Expected return on Plan Assets	8 %	-	8 %	-
Expected rate of salary Increase	5 %	4 %	4.5 %	4 %
Mortality				LIC (1994-96) Ultimate

17) Related Party Disclosures

	Year ended 31.03.2009 (Rs. in Lakhs)		Year ended 31.03.2008 (Rs. in Lakhs)	
	Associates	Key management Personnel	Associates	Key management Personnel
Purchase of Goods	8729		17746	
Sale of Goods	956		829	
Services availed	11652		9004	
Deposits Accepted (ICD)	28100		18500	
Deposits Repaid (ICD)	5600		7000	
Interest on Deposits	5847		1701	
Dividend	261	1476	13	1107

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 31.03.2009 (Rs. in Lakhs)		Year ended 31.03.2008 (Rs. in Lakhs)	
	Associates	Key management Personnel	Associates	Key management Personnel
Purchase of Goods				
Chettinad Logistics P.Ltd	7634		16643	
Chettinad Structural & Engg. P.Ltd	1088		1102	
Sale of Goods				
Chettinad Builders P.Ltd	932		752	
Services				
Chettinad Builders P.Ltd	6652		4522	
Chettinad Logistics P.Ltd	2264		2672	
South India Corpn.Ltd	67		30	
Chettinad Earthmovers P.Ltd	2128		1527	
Chettinad Structural & Engg. P.Ltd	541		263	
Deposit Accepted				
Chettinad Lignite Transport Services P. Ltd.	3000		7000	
Chettinad Hospitals P.Ltd	17000		9500	
Chettinad Logistics P.Ltd	8000		2000	
Deposit Repaid				
Chettinad Port Services P.Ltd	-		1000	
Chettinad Hospitals P.Ltd	600		6000	
Chettinad Lignite Transport Services P. Ltd	4000		-	
Chettinad Logistics (P) Ltd.	1000		-	
Interest				
Chettinad Logistics P.Ltd	1303		-	
Chettinad Lignite Transport Services P. Ltd.	1068		347	
Chettinad Hospitals P.Ltd	3471		1308	
Dividend				
Dr. M. A. M. Ramaswamy		918		688
Sri M.A.M.R.Muthiah		558		419
Chettinad Software Services P.Ltd	261		-	
Remuneration				
Sri M.A.M.R.Muthiah		48		1290

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

i) Name of Associate

1. South India Corporation Ltd.
2. Chettinad Structural & Engineering P. Ltd
3. Chettinad Logistics Private Ltd.
4. Chettinad Builders Private Ltd.
5. Chettinad Port Services Private Ltd.
6. Chettinad International Coal Terminal Private Ltd.
7. Chettinad Financial Management Services Private Ltd.
8. Chettinad Software Services Private Ltd.
9. Haaciendaa Infotech and Realtors Private Ltd.
10. Chettinad Hospitals Private Ltd
11. Chettinad Corporation Private Ltd.
12. Chettinad Plantations Private Ltd.
13. SIC Travancore Private Ltd.
14. Chettinad Morimura Semiconductor Material Private Ltd.
15. Chettinad Quartz Product Private Ltd.
16. Chettinad Lignite Transport Services Private Ltd.
17. Chettinad Realtors Private Ltd.
18. Chettinad Energy Private Ltd.
19. Chettinad Pharmaceuticals Private Ltd.
20. Chettinad Electronics Private Ltd.
21. Chettinad e-publishing Private Ltd.
22. Chettinad Trucks and Equipments Private Ltd.
23. Chettinad Earth Movers Private Ltd.
24. Chennai Computer and Software Services Private Ltd.
25. Chettinad Clearing and Forwarding Private Ltd.
26. Chettinad Land and Building Development Private Ltd.
27. Chettinad Projects Development Private Ltd.
28. Chettinad Inland Water Transport Private Ltd.

ii) Closing Balance Cr. Rs. 49037 Lakhs (Cr. Rs. 29088 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 Rs.8000/- (Rs.12000/-) paid to Dr. M.A.M. Ramaswamy, Chairman.

Remuneration and sitting fees of Rs.48.48 Lakhs (Rs.1290 Lakhs) paid to Sri M.A.M.R. Muthiah, Managing Director.

18) Earning per share

	(Rs.in lakhs)	
	2008-09	2007-08
Profit as per Profit & Loss account	(6099)	15372
Add: Arrears of Depreciation	18147	-
Adjusted Net Profit for the year	12048	15372
Number of equity shares	295	295
Basic and Diluted earnings per share (In Rs.)	40.84	52.10
(Face value of Rs.10 per share)		

19) Research and Development Expenditure for the year is Rs. 55 Lakhs (Rs.202 Lakhs) including Depreciation of Rs. 3.70 Lakhs (Rs.1.56 Lakhs)

20) 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 31.03.2009 (Rs.in Lakhs)	Accumulated Depreciation As at 31.03.2009 (Rs.in Lakhs)	Depreciation (Corresponding to the period of lease rentals) (Rs.in Lakhs)
Freehold Building	32	16	4.70

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.

21) 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.

22) For the year ended 31.03.2009, the company has changed its accounting Policy on charging of Depreciation on all its Fixed Assets to rates and procedures as prescribed under the Income Tax Act, 1961 on Written Down Value method.

For the Previous year, the company adopted the following policy:

- Depreciation was provided on assets (other than Captive Thermal Power Plant assets, new Cement Mill assets and assets acquired on amalgamation) at rate, arrived based on technical evaluation of the remaining useful life of those Assets.
- Depreciation was provided in respect of Captive Thermal Power Plant assets and new Cement Mill Assets under Written Down Value Method as per the rates prescribed under Schedule XIV of the Companies Act, 1956.
- In respect of Captive Power Plant Assets at Puliur Works, Depreciation was charged at the rate prescribed under the Income Tax Act, 1961 on Written Down Value Method.
- In respect of assets acquired on amalgamation Depreciation was provided at the rate prescribed under Income Tax Act, 1961 on Written Down Value method.

This has resulted in provision of arrears of Depreciation prescribed under AS-6 of the Companies (Accounting Standard) Rules, 2006 to the tune of Rs. 18306 lakhs and excess depreciation of Rs. 159 lakhs shown under Depreciation in the Profit & Loss Account for the financial year 2008-09.

The change in accounting policy has resulted in reduction in current year depreciation of Rs. 5370 lakhs in the Profit & Loss Account.

23) The company has incurred a Net Loss of Rs. 421 lakhs for the year ended 31.03.2009. The company has accumulated Profits in the Profit & Loss Account to the tune of Rs.25022 lakhs after adjusting the current year losses and providing for Depreciation of all the previous years. The company has recommended the payment of Dividend of Rs.10/- per share amounting to Rs.3452 lakhs (including Dividend Tax of Rs.502 lakhs) from the accumulated Profits available in the Profit & Loss Account.

- 24) Confirmation 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 balance as appearing in the books of accounts have been adopted.
- 25) There is no impairment of assets as per Accounting Standard 28.
- 26) Previous years figures have been regrouped wherever necessary and figures in brackets, unless otherwise mentioned, relate to previous year.
- 27) The Company has been granted eligibility certificate whereby the company is entitled to the benefit of IFST deferral scheme for manufacturing cement for 12 years ending 2013 for deferral of sales tax not exceeding Rs.21477.84 Lakhs against which the company has availed 18646 Lakhs. Such sales tax deferral has to be repaid in stipulated instalments commencing from Financial Year 2014-15.
- 28) The Interest of Rs. 724 Lakhs has been capitalised during the year towards borrowing cost attributed to the acquisition of qualifying Assets.
- 29) The Exchange difference of Rs. Nil (Loss) accounted in the Profit & Loss Account (Previous year Rs. 6.18 lakhs)
- 30) During the year a loss of Rs 826 lakhs (Previous year Rs. Nil) 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.

M.A.M. Ramaswamy
Chairman

M.A.M.R. Muthiah
Managing Director

R. Krishnamoorthy
K. Ganapathy
Ramanathan Palaniappan
Directors

S. Hariharan
Company Secretary

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

Subject to our report of even date
for Seshadri & Jayaraman
Chartered Accountants
V. Jayaraman
Partner
(M. No. 10163)

for Krishna & Co.
Chartered Accountants
V. Krishnan
Partner
(M. No. 10970)

Place : Chennai
Date : 23/06/2009



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 : investors_cccl@sanchamet.in

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 46th Annual General Meeting.

Date : 07th September 2009 (Monday)
 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 : investors_cccl@sanchamet.in

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 46th Annual General Meeting of the
 Company to be held on Monday, the 07th September, 2009 at 10.00 a.m. and at any adjournment thereof.

Signed this the day of 2009.

Folio No. / Client ID : No. of Shares :

For Office Use :	
Proxy No.	Date of Receipt

Signature

Affix 15 Paise 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 15 paise 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.