



51st
ANNUAL
REPORT
2013-2014

Chettinad Cement Corporation Limited



Founder

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

Contents

Pages

Company Profile	2
Performance at a Glance	3
Notice	4
Directors' Report	10
Annexure to the Directors' Report	14
Auditors' Report	18
Balance Sheet	22
Profit & Loss Statement	23
Cash Flow Statement	24
Notes on Accounts	25

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MANAGEMENT

Chairman	:	Dr. M.A.M. Ramaswamy
Managing Director	:	Sri M.A.M.R. Muthiah
Directors	:	Sri Ramanathan Palaniappan Sri R. Krishnamoorthy Sri K. Ganapathy Sri L.Muthukrishnan Sri S.K. Prabakar, IAS - (TIIC Nominee) Sri R. Ramakrishnan
Company Secretary	:	Sri S. Hariharan
Auditors	:	M/s P.B. Vijayaraghavan & Co. M/s V. Soundararajan & Co. M/s Krishaan & Co.
Registered Office	:	“Rani Seethai Hall Building” No. 603, Anna Salai, Chennai – 600 006 Tel : 28292727 Fax : 28291558 Email : info@chettinadcement.com Website : www.chettinadcement.com CIN : U93090TN1962PLC004947

PROFILE

CHETTINAD CEMENT CORPORATION LIMITED

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

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

PRODUCTS

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

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

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

The Company later commissioned its second cement manufacturing unit with a capacity of 2 MTPA adjacent to its existing factory site at Karikkali Village, during the financial year 2010-11 taking the total capacity of the plant to 3.4 MTPA

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

The Company has commissioned its Green field Cement manufacturing Unit with a capacity of 2.5 MTPA at Chincholi Taluk, Gulbarga District, Karnataka, during the financial year 2011-12

With this, the total cement manufacturing capacity of the company is 11.00 Million Tonnes Per Annum at its four units at Puliur, Karikkali and Ariyalur in Tamil Nadu and Chincholi Taluk, Gulbarga District in Karnataka.

The Company has installed captive power plants at all its Units to cater to the entire requirement of power for its Cement Plants. The Company has in all 135 MW of Power Generation from its captive power plants.

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

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

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

PERFORMANCE AT A GLANCE

	2009-10	2010-11	2011-12	2012-13	2013-14
PRODUCTION			(In MT)		
Clinker	3029280	3474372	3887981	4766369	4584337
Cement	4003468	4562416	5139375	6160875	5816357
Capacity Utilisation (%)	78	70	52	56	53
SALES					
Cement & Clinker	4061789	4573979	5154671	6188277	5854346
FINANCIAL HIGHLIGHTS			(₹ in Lakhs)		
Turnover (Gross) including					
Other Income	153662	182184	235605	283188	256556
Gross Profit	51209	52093	69050	63476	48391
Interest & Lease rentals	7679	6299	9249	10605	7968
Depreciation	30808	36287	34681	37149	29824
Profit / (Loss) before Tax	12722	9507	25120	15722	10599
Provision for Taxation					
– Current Tax (Net)	3080	1950	5807	2240	43
– Deferred Tax - (Asset) / Liability	(21)	40	513	(272)	(48)
– Fringe Benefit Tax	-	-	-	-	-
Net Profit / (Loss) after Tax	9663	7517	18800	13754	10604
PAID - UP SHARE CAPITAL	3820	3820	3820	3820	3820
RESERVES & SURPLUS	82552	88751	104221	115740	124030
RATIOS					
PBIDT to Sales (%)	33.63	30.28	30.03	22.47	19.41
PBT to Sales (%)	8.35	5.52	10.92	5.56	4.25
EPS (₹)	30.51	19.68	49.21	36.01	27.76
Debt to Equity	0.53	0.72	0.75	0.59	0.61
Book Value per Share (₹)	226	242	283	313	335
Dividend (%)	-	50	75	50	50

NOTICE TO THE SHAREHOLDERS

Notice is hereby given that the Fifty first 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 Wednesday, the 27th day of August, 2014 at 10.00 A.M.** to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Statement of Profit and Loss of the Company for the Year ended 31st March, 2014, 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(DIN 00826351), 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. Ramanathan Palaniappan (DIN 00624986), 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 for the year 2013-14.
5. To consider appointment of auditors and to fix their remuneration. M/s V. Soundararajan & Co., M/s P.B. Vijayaraghavan & Co. and M/s Krishna & Co., Chartered Accountants, are the retiring auditors. The retiring auditors have held the office of auditors for two terms of five consecutive years, but are eligible for re-appointment pursuant to the third proviso to sub-section (2) of Section 139 of the Companies Act, 2013.

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

“RESOLVED THAT pursuant to Section 139 and other applicable provisions of the Companies Act, 2013 and Rules thereunder, M/s V. Soundararajan & Co., M/s P.B. Vijayaraghavan & Co. and M/s Krishna & Co., Chartered Accountants, who are retiring as Auditors of the Company at the ensuing 51st Annual General Meeting being eligible for reappointment in terms of third proviso to Section 139 (2) of the Companies Act, 2013, be and are hereby reappointed as Auditors of the Company on a remuneration of ₹ 3 lakhs

(Rupees Three Lakhs only) each plus applicable taxes, if any, besides reimbursement of out of pocket expenses and subject to compliance of third and fourth proviso to Section 139 (1) of the Companies Act, 2013 by the retiring Auditors, till the conclusion of the next Annual General Meeting.

SPECIAL BUSINESS:

6. To consider and if thought fit, to pass the following resolution as a Special Resolution, with or without modifications.

“RESOLVED THAT pursuant to Section 139, 140, and other applicable provisions of the Companies Act, 2013 and Rules thereunder, M/s Raghavan & Muralidharan, Chartered Accountants, in respect of whom the Company has received Special Notice in writing from a member under Section 115 of the Companies Act, 2013 signifying his intention to propose M/s Raghavan & Muralidharan, Chartered Accountants as Auditors of the Company, be and are hereby appointed as auditors of the Company, in the place of M/s V. Soundararajan & Co., M/s P.B. Vijayaraghavan & Co. and M/s Krishna & Co., Chartered Accountants, who are retiring as auditors of the Company, to hold the office from the conclusion of this annual general meeting until the conclusion of the fifth consecutive annual general meeting (subject to ratification of the appointment by the members at every annual general meeting held after this annual general meeting), on a remuneration of ₹ 9 Lakhs (Rupees Nine Lakhs Only) plus applicable taxes if any, besides reimbursement of out of pocket expenses, for the first year of their tenure and thereafter at such remuneration as may be approved by the Board of Directors of the Company and that the Board of Directors be and are hereby authorized to approve the remuneration as may be determined by the Audit Committee in consultation with the auditors for the remaining tenure of their appointment.”

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

“RESOLVED THAT Subject to Section 148 and other applicable provisions of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, a remuneration of

₹. 2,00,000/- (Rupees Two lakhs only) plus applicable Service Tax and out of pocket expenses, payable to M/s Geeyes & Co., Cost Accountants, for audit of Cost Records of the product manufactured by the company for the year ending 31st March, 2015 as approved by the Audit Committee and Board of Directors of the Company, be and is hereby ratified.”

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

“RESOLVED THAT Subject to Section 149, 152 and other applicable provisions of the Companies Act, 2013 and Rules thereunder read with Schedule IV of the Companies Act, 2013, Mr. Mamidipudi Ravindra Vikram (DIN 00008241), in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Mr. Mamidipudi Ravindra Vikram as a candidate for the Office of the Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold Office for a period of Five years from the date of his appointment at the ensuing Annual General Meeting and that he is not liable to retire by rotation.”

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

“RESOLVED THAT Subject to Section 149, 152 and other applicable provisions of the Companies Act, 2013 and Rules thereunder read with Schedule IV of the Companies Act, 2013, Mr. Aryabumi Mohan Krishna Reddy (DIN 00093185), in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Mr. Aryabumi Mohan Krishna Reddy as a candidate for the Office of the Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for a period of Five years from the date of his appointment at the ensuing Annual General Meeting and that he is not liable to retire by rotation.”

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

“RESOLVED THAT Subject to Section 149, 152 and other applicable provisions of the Companies Act, 2013 and Rules thereunder read with Schedule IV of the Companies Act, 2013, Ms. Bhavana G. Desai (DIN 06893242), in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Ms. Bhavana G. Desai as a candidate for the Office of the Director of the Company, be and is hereby appointed as an Independent Director of the company to hold office for a period of Five years from the date of her appointment at the ensuing Annual General Meeting and that she is not liable to retire by rotation.”

11. To consider and if thought fit, to pass the following resolution as a Special Resolution, with or without modifications.

“RESOLVED THAT pursuant to the provisions of Section 180(1) (a) of the Companies Act, 2013 (corresponding Section 293(1)(a) of the Companies Act, 1956) and all other applicable provisions, if any, of the Companies Act, 2013, and in supersession of the Ordinary Resolution No.8/2008 passed by the Members of the Company at the 45th Annual General Meeting held on 23rd September, 2008, consent of the Company be and is hereby accorded to the Board of Directors of the Company to create mortgages/charges/hypothecation in any manner whatsoever on all or any of the immovable and movable properties, other assets and whole or substantially the whole of the undertaking(s) of the Company present and future, ranking pari-passu or otherwise and/or second and/or subservient and/or subordinate to the mortgages /charges/hypothecation already created or to be created in future by the Company for securing any loans and/or advances and/or guarantees and/or any financial assistance obtained or may be obtained from financial institutions, banks or machinery suppliers and/or any other persons or institutions providing finance for purchase of assets and /or for the business of the Company or for working capital or for purchase of specific items of machinery and equipments under any deferred payment scheme or bills discounting scheme or in favour of trustees for Debentureholders / Bondholders, FCCB holders that may be appointed hereafter, as

security for the debentures / bonds /FCCBs that may be issued by the Company, on such terms and conditions and at such times and in such form and manner as the Board of Directors may deem fit, so that the total outstanding amount at any time so secured shall not exceed the aggregate of the amounts consented by the Company by the Resolution passed at this meeting pursuant to Section 180(1)(c) of the Companies Act, 2013 i.e., ₹ 3000 Crores (Rupees three thousand Crores only) together with interest thereon and further interest, if any, cost, charges, expenses, remuneration payable to the trustees and all other monies payable by the Company”.

“RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to and cause to prepare, finalise, approve and execute on behalf of the Company with the lenders, banks, machinery suppliers, persons, institutions and trustees for the Debenture/Bond/FCCB holders, the documents, deeds, agreements, declarations, undertakings and writings as may be necessary and expedient for giving effect to the foregoing resolution and also to delegate all or any of the above powers to the Committee of Directors or the Managing Director or the Director or the Key Managerial Personnel of the Company”.

12. To consider and if thought fit, to pass the following resolution as a Special Resolution, with or without modifications.

“RESOLVED THAT pursuant to the provisions of Section 180(1) (c) of the Companies Act, 2013 (corresponding Section 293(1)(d) of the Companies Act, 1956) and all other applicable provisions, if any, of the Companies Act, 2013 and pursuant to the provisions of the Articles of Association of the Company and in supersession of the Ordinary Resolution No.7/2010 passed by the Members of the Company at the 47th Annual General Meeting held on 21st September, 2010, consent of the Company be and is hereby accorded to the Board of Directors of the Company to

borrow in any manner from time to time any sum or sums of moneys at its discretion on such terms and conditions as the Board of Directors may deem fit, notwithstanding that the moneys to be borrowed by the Company together with the moneys already borrowed (apart from temporary loans obtained from the Company’s Bankers in the ordinary course of business) from the financial institutions, Company’s bankers and /or from any person or persons, firms, bodies corporate whether by way of loans, advances, deposits, bill discounting, issue of debentures, bonds or any financial instruments or otherwise and whether secured or unsecured which may exceed the aggregate of the paid up share capital of the Company and its free reserves that is to say, reserves not set apart for any specific purpose, provided that the maximum amount of money so borrowed by the Board and outstanding at any one time shall not exceed the sum of ₹ 3000 Crores (Rupees three thousand Crores only).”

“RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors be and are hereby authorised to do and perform all such acts, deeds matters and things as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty, doubt that may arise in respect of the borrowing(s) aforesaid and also to delegate all or any of the above powers to such Committee of Directors or the Managing Director or the Director or the Key Managerial Personnel of the Company and further to do all such acts, deeds and things and to execute all documents and writings as may be necessary, proper, desirable or expedient to give effect to this resolution”.

**By order of the Board,
M.A.M. Ramaswamy
Chairman**

**Place : Chennai
Date : 30.07.2014**

Notes:

1. An Explanatory Statement as required under Section 102 of the Companies Act, 2013 for item Nos.6 to 12 is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. SUCH PROXY/PROXIES NEED NOT BE A MEMBER OF THE COMPANY. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY. THE INSTRUMENT OF PROXY IN ORDER TO BE EFFECTIVE, SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY, DULY COMPLETED AND SIGNED NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PROXY FORM IS ANNEXED HERewith. PROXIES SUBMITTED ON BEHALF OF THE COMPANIES, SOCIETIES ETC. MUST BE SUPPORTED BY AN APPROPRIATE RESOLUTION/AUTHORITY AS APPLICABLE.**
3. The Register of Members and Share Transfer Books of the company shall remain closed from **21.08.2014 To 27.08.2014** (both days inclusive) for transfer of shares.
4. The dividend as recommended by the Board of Directors and approved by the members shall be paid to those members, whose names shall appear on the Company's Register of Members on **20.08.2014**. In respect of shares in electronic form, the dividend will be payable on the basis of beneficial ownership as per details to be furnished by National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL).
5. 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.
6. The notices, Annual Reports etc., are being sent to the Shareholders through electronic mode to the Registered e-mail address of the Shareholders.

All the Shareholders those who have not furnished the e-mail details are therefore requested to register their current e-mail ID with their Depository or the Company's Registrars and Transfer Agents, as the case may be to enable the Company to send all the future corporate communications/Annual Reports electronically. The Company shall still provide a physical copy of the above to any shareholder, on request, at no additional cost.

All the shareholders who are holding the shares in Physical form are advised to get their shares dematerialized, if necessary.
7. 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.
8. As per Section 205 A of the Companies Act, 1956, the unclaimed dividend amounts out of the Dividend declared from the financial year ended 31st March, 1996 onwards shall be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government after the expiry of Seven years from the date of declaration. Accordingly, the unclaimed dividend for the financial years 1995-96 to 2005-06 except where the claim is under the dispute or kept in abeyance, has been transferred to the said Fund within the stipulated time. The next remittance of dividend declared for the financial year 2006 -07 will be made during October / November, 2014.

The members who have not claimed/encashed their dividend so far may communicate to the Company/Registrars and get the dividend amount, declared for the Financial years from 2006-07 to 2012-13. [No dividend declared for the year 2009-10].

Explanatory Statement as required under Section 102 of the Companies Act, 2013.

Item No. 6:

M/s V. Soundararajan & Co., M/s P.B. Vijayaraghavan & Co. and M/s Krishna & Co., Chartered Accountants retire as Auditors of the Company at the conclusion of the ensuing Annual General Meeting and eligible for reappointment. Meanwhile, the Company has received a Special Notice from a Shareholder pursuant to Section 140 read with Section 115 of the Companies Act, 2013 proposing a resolution for approval of the members at the 51st Annual General Meeting to be held on the 27th August, 2014 for appointment of M/s Raghavan & Muralidharan, Chartered Accountants as Auditors of the Company in place of the retiring Auditors M/s V. Soundararajan & Co., M/s P.B. Vijayaraghavan & Co. and M/s Krishna & Co. The subject resolution is appearing in Item No. 6 of the Notice convening the Annual General Meeting. A copy of the Special Notice has been forwarded to the retiring Auditors as required under Section 140 of the Companies Act, 2013. M/s Raghavan & Muralidharan, Chartered Accountants have also given their consent to act as Auditors, if appointed, and confirmed that the appointment if made, would be in compliance with Section 141 read with the Companies (Audit and Auditors) Rules, 2014.

None of the Directors and Key Managerial personnel of the Company or their relatives is concerned with or interested in, financial or otherwise in the resolution set out in item No. 6 of the Notice.

Item No.7

Pursuant to Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Board shall appoint a Cost Accountant in practice on the recommendation of the Audit Committee, which shall also recommend remuneration for such cost auditor. The remuneration recommended by Audit Committee shall be considered and approved by the Board of Directors and ratified by the shareholders.

On recommendation of Audit Committee at its meeting held on 14th May, 2014, the Board has considered and approved appointment of M/s. Geeyes & Co., Cost Accountants for conduct of Cost Audit of the Company's Cement Manufacturing Units at a remuneration of

₹.2,00,000 plus applicable service tax and reimbursement of actual travel and out of pocket expenses for the Financial Year ending 31st March, 2015.

The Resolution at item No. 7 of the Notice is set out as an Ordinary Resolution for approval and ratification by the Members in terms of Section 148 of the Companies Act, 2013.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 7.

Item No. 8, 9 and 10:

The Companies Act, 2013 stipulates that every Public Limited Company with a Share Capital of ₹. 10 crores or more shall have atleast two Independent Directors. The Independent Directors shall hold office for a term upto a consecutive period of five years in the Board of the company. The company has also received notice from Shareholders under Section 160 of the Companies Act, 2013 alongwith the requisite deposit proposing the names of Mr. Mamidipudi Ravindra Vikram, Mr. Aryabumi Mohan Krishna Reddy and Smt. Bhavana G. Desai to the office of Independent Directors not to be liable to retirement by rotation, in the Board of the Company, at the General Meeting for a period of five consecutive years. Further, Mr. Mamidipudi Ravindra Vikram, Mr. Aryabumi Mohan Krishna Reddy and Smt. Bhavana G. Desai have consented to seek appointment as an Independent Directors in the Board of the Company, at the ensuing Annual General Meeting. The Company has confirmed that Mr. Mamidipudi Ravindra Vikram, Mr. Aryabumi Mohan Krishna Reddy and Smt. Bhavana G. Desai meet the criteria of Independence as stipulated in Section 149(6) of the Companies Act, 2013 and possess the relevant experience and expertise for the said office.

The appointment of Mr. Mamidipudi Ravindra Vikram, Mr. Aryabumi Mohan Krishna Reddy and Smt. Bhavana G. Desai to the office of the Independent Directors once made at the ensuing Annual General Meeting, would be formalized by a formal letter of Appointment by the Board of Directors of the company in compliance with Schedule IV of the Companies Act, 2013.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives is

concerned or interested, financial or otherwise, in the resolution set out at Item No. 8, 9 and 10.

In the opinion of the Board of Directors of the Company Mr. Mamidipudi Ravindra Vikram, Mr. Aryabumi Mohan Krishna Reddy and Smt. Bhavana G. Desai fulfill the conditions in the Companies Act, 2013 and rules made there under as Independent Directors and they are Independent of the Management of the Company.

Item No. 11 & 12:

At the 45th General Meeting held on 23rd September, 2008 and at the 47th Annual General Meeting of the Company held on 21st September, 2010, the Members had, by way of an Ordinary Resolution and in pursuance of the provisions of Section 293(1)(a) and (d) of the Companies Act, 1956, authorized the Board to:

- (i) create a mortgage or charge or hypothecation on the Company's assets in favour of lending agencies and trustees to secure the amounts borrowed including interest, charges, etc. payable thereon; and
- (ii) borrow monies on behalf of the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) in excess of the aggregate of the paid-up capital of the Company and its free reserves, subject to the total outstanding amount so borrowed not exceeding a sum of ₹ 3,000 Crores at any point of time.

Section 180 of the Companies Act, 2013 ('the Act') was notified on September 12, 2013. Under the said section, the above powers of the Board are required to be exercised only with the consent of the Company by way of a Special Resolution. The Ministry of Corporate Affairs ("MCA") had vide its General Circular No. 4/2014 dated March 25, 2014, clarified that the Ordinary Resolutions passed under Section 293(1)(a) and (d) of the Companies Act, 1956 would be sufficient compliance of Section 180 of the Act until September 11, 2014.

The approval of the Members for the said creation of a mortgage or charge for the said borrowings

and for the borrowings limit is, therefore, now being sought, by way of Special Resolutions, pursuant to and only in compliance with the provisions of Section 180(1)(a) and (c) of the Companies Act, 2013 respectively.

The Directors recommend the Resolutions at Item Nos. 11 and 12 of the accompanying Notice for the approval of the Members of the Company.

None of the Directors of the Company or their relatives or Key Managerial Personnel of the Company or their relatives, are concerned or interested in the passing of the Resolutions at Item Nos. 11 and 12.

Interest of Directors in the Ordinary Business :

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.

INSPECTION OF DOCUMENTS:

The following documents will be kept at the Registered Office, during the working hours of the Company and are open for inspection by the Members until 48 hours before the AGM.

1. Memorandum and Articles of Association of the Company.
2. The notice received from a member under Section 115 of the Companies Act, 2013 for the appointment of M/s. Raghavan & Muralidharan, Chartered Accountants, as Auditors of the Company for the resolution mentioned in Item No. 6.
3. The notice received from the members under Section 160 of the Companies Act, 2013 Mr. Mamidipudi Ravindra Vikram, Mr. Aryabumi Mohan Krishna Reddy and Smt. Bhavana G. Desai as candidates for the office of independent Directors at the ensuing AGM for the resolutions mentioned in Item Nos.8 to 10.

DIRECTORS' REPORT

The Shareholders,

Your Directors take pleasure in presenting the Fifty first Annual Report and the Audited Accounts of the Company for the year ended 31st March, 2014.

FINANCIAL RESULTS:

(₹ in lakhs)

	Current Year ended 31/03/2014	Previous Year ended 31/03/2013
Profit before Depreciation and Interest	48391	63476
LESS : Depreciation	29824	37149
Interest	7968	10605
Profit before Tax	10599	15722
LESS : Provision for Income Tax		
– Current	43	2240
– Deferred	(48)	(272)
Profit after current and deferred tax	10604	13754
Surplus brought from previous year	69878	59353
Total available for appropriation	69878	59353
 APPROPRIATIONS		
Transfer to General Reserve	1100	1500
Proposed Dividend	1910	1909
Tax on the Proposed Dividend	325	326
Balance Carried over to Balance Sheet	66543	59353

DIVIDEND

Your Directors are pleased to recommend a Dividend of ₹ 5/- per Equity Share (i.e., 50% Dividend on the Equity Share Capital of the Company) for the Financial year ended 31st March, 2014. An amount of ₹ 1100 lakhs have been transferred to the General Reserve.

PRODUCTION AND SALES FOR THE YEAR 2013-14

MT

Clinker produced	-	4584337
Cement produced	-	5816358
Cement and Clinker Sales	-	5854346

OPERATIONS

This is covered under the topic Management Discussion and Analysis.

MANAGEMENT DISCUSSION AND ANALYSIS

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

The Production and Sale of Cement during the financial year 2013-14 was 5816358 MT and 5854346 MT, a reduction 6% and 5% respectively over the previous year. The Gross Turnover of the company for the financial year 2013-14 stood at Rs. 2557 crores as against ₹ 2825 crores in the previous year, a negative growth of 9.5% over the previous year, mainly owing to sluggish market conditions. The Profit before Tax of ₹ 106 crores was around 33% lower than the previous year, mainly on account of spiraling rise in Raw Material and Transportation Costs and lower realisation.

b) Economic Scenario and Future Outlook

The Indian Economic Scenario during the financial year 2013-14 was the worst in the last decade. The economic growth was at its lowest of less than 5% and inflation was also at its highest. The sluggish economic scenario affected almost all industries and the case with Cement Industry was no different, which is evident from the financial performance of the company.

The Demand potential is the biggest advantage of India today and the future lies in exploitation of the demand potential. With the continuing impetus on infrastructure development and adequate government support towards growth of economy, the future definitely augurs well for Cement Industry.

c) 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 had also appointed M/s C. Muthukumar & Co., M/s J. Karthik Bharathi & Co., M/s M. Karuppiiah & Co., and M/s Raghavan & Muralidharan, Chartered Accountants as Internal Auditors to conduct the Systems and compliance Audit of the company.

d) 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 : 1549

CAPTIVE THERMAL POWER PLANTS [CPP]

KARIKKALI WORKS

The Gross power generation from the 1 x 15 MW and 1 x 30 MW Captive Thermal Power Plants during the year under review was 205499465 Units, with an auxiliary consumption of 17147233 units. Out of the Net Generation of 188352232 Units, 140564632 units were captively consumed by the Cement Plant thereat and the remaining 47787600 units were sold under Power Purchase Agreements.

PULIYUR WORKS

The Gross power generation from the 1x15 MW Captive Thermal Power Plant during the year under review was 100402100 Units, with an auxiliary consumption of 8258000 units. The Net generation was 92143850 Units and that no sale of power was made during the year from the Puliur Captive Power Plant.

ARIYALUR WORKS

The Gross power generation from the 3 x 15 MW Captive Thermal Power Plant during the year under review was 223471825 Units, with an auxiliary consumption of 18877351 units. Out of the Net generation of 204594474 Units, 139565000 units were captively consumed by the Cement Plant thereat and the remaining 65029000 units were sold under Power Purchase Agreements.

KALLUR WORKS

The Gross power generation from the 1 x 30 MW Captive Thermal Power Plant during the year under review was 73560000 Units, with an auxiliary consumption of 6862000 units. Out of the Net generation of 66698000 Units, 64241000 units were captively consumed by the Cement

Plant thereat and the remaining 2457000 units were sold under Power Purchase Agreements.

The company has installed Waste Heat Generation Plant with a capacity of 7.3 MW. The Production during the financial year 2013-14 is 27,30,000 units.

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 un-matured/unpaid Fixed Deposits at the end of financial year 2013-14.

DELISTING OF EQUITY SHARES

The Equity Shares of the company have got delisted from all the Stock Exchanges where they were listed with effect from the 7th June, 2013. The Exit Offer period given to the residual Shareholders of the company to surrender their Shares in favour of the Promoters at the Exit Price fixed on Delisting came to an end on 6th June, 2014. The Promoter acquired 253883 Equity Shares which have been surrendered by the residual shareholders in the Exit Offer. With this, the total No. of shares of the Promoters are 36343162 (95.14 %).

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 fall within the purview of Section 217 (2-A) of the Companies Act, 1956 and the Rules made there under, are mentioned in the Annexure hereto.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- a) in the preparation of the Annual Accounts, the applicable accounting standards had been followed.

- b) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the profit or loss of the Company for that period.
- c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) The Directors had prepared the Annual Accounts on a going concern basis

DIRECTORS

Mr. SP.ST. Palaniappan, Director had passed away on 3rd March, 2014. The Board condoled on the sudden demise of Mr. SP.ST. Palaniappan.

Mr.R.Ramakrishnan (DIN 00809342) has been co-opted on 30.07.2014 as Director on the Board of the Company, in the place of Mr.SP.ST. Palaniappan.

Dr. M.A.M. Ramaswamy, Chairman and Sri Ramanathan Palaniappan, Director retire under Clause 102 of the Articles of Association of the Company and being eligible, offer themselves for re – appointment.

AUDITORS

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

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

The Cost Audit Report / Compliance report for the financial year 2012-13 were due to be filed by 27th September, 2013. As the MCA stipulated that same had to be filed under the Extensible Business Reporting Language [XBRL] mode, the Cost Audit Report and the Compliance Report, in Form I and Form A, respectively, for the Financial Year 2012-13 have been filed with the Central Government in the prescribed mode on 27.09.2013.

The Cost Audit Report and the Compliance Report for the financial year 2013-14 is due to be filed within 180 days from the closure of the financial year in XBRL mode and will be filed within the stipulated period.

CAUTIONARY STATEMENT

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

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

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

ACKNOWLEDGEMENT

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

ADDENDUM**Auditors' Report :**

Regarding the liability, if any, under the provisions of Jute Packaging Materials (Compulsory use in the Packing Commodities) Act, 1987, the Note No.42 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
Chairman**

**Place : Chennai
Date : 30.07.2014**

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 :

- 1) Commissioned Waste Heat Recovery Boiler to generate 7 MW from Kiln hot gases
- 2) All plants are provided with Expert Optimizer Control System to improve productivity and reduce fuel consumption
- 3) Variable Frequency Drive Panels installed for Cooler Drives, Ball Mill Vent Fan & Bag Filter Fans
- 4) Rotary Feeders introduced in coal mills to reduce false air entry
- 5) Removed displacer of Cement Mill to reduce power consumed by mill fan
- 6) Conversion of DELTA connected motors to STAR connection to save power
- 7) DCS System introduced for Pressure & Ventilation Plants and compressors to reduce idle running hours & save power
- 8) Temperature based Auto ON OFF System introduced for Kiln Shell Cooling Fans for optimising fan running time
- 9) Aluminum impellers of Kiln Shell Cooling Fans replaced by FRP Impellers to save power by reducing weight of impellers
- 10) Vera Bars introduced in place of Orifice plate for Process Flow Measurements to reduce pressure drop and thereby power consumption
- 11) By interconnecting all air slide pipelines, the number of Air slide Fans in operation reduced
- 12) Air leakage in compressor line arrested and number of compressors in operation reduced
- 13) Solar water Heaters installed in Guest House
- 14) Photo Light Controllers installed for general plant lightnings to reduce power consumption

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

- 1) Installation of Slip Power Recovery System in Bag House Fan to reduce energy consumption - in Puliur & Karikali Plants
- 2) Pre Heater Cyclones modification to reduce Pressure Drop & Gas Velocity across the cyclones -in Puliur, Plant

- 3) Installation of Alternative Fuel feeding system in all Plants
- 4) Introduction Waste Heat Recovery System in Pre Heater Down Comer Duct to pre-heat Captive Power Plant Boiler feed water and thereby to reduce fuel consumption -in Puliur, Plant
- 5) Upgradation of Cooler to improve specific fuel consumption and reduce thermal energy - in Puliur & Karikali Plants
- 6) Installation of Bell Mouth in Cooler Fans for better energy savings in all Plants
- 7) Variable Frequency Drive will be installed as per recommendation given by Energy Audit Team in all Plants
- 8) Upgradation of Kiln Burner to lower the specific heat consumption & primary air consumption - in Karikali Plant
- 9) Removal of Rotary Airlocks in Cooler ESP Bottom Hoppers for power savings - in Ariyalur Plant

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 are shown in Form- A

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

Please see Form A

B. TECHNOLOGY ABSORPTION

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

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

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

g) Total Foreign Exchange Used and earned:

During the Year 2013 – 14 foreign exchange earned ₹.235 Lakhs (previous year - ₹.415 Lakhs) and used was ₹.2203 Lakhs (previous year – ₹.8256 Lakhs)

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

		Year ended 31/03/2014	Year ended 31/03/2013
A. POWER & FUEL CONSUMPTION			
(1) Electricity			
a) Purchased	Units (Lakhs Kwh)	210.47	152.76
Total Amount	₹ in Lakhs	1384.88	1035.47
Rate/Unit	₹	6.58	6.78
b) Own Generation			
(i) Through Diesel Generator Unit	Units (Lakhs Kwh)	7.21	24.31
Units per litre of HSD / LSHS oil	Kwh	1.03	3.09
Cost/Unit	₹	14.44	15.80
(ii) Through WHR Generation Unit	Units (Lakhs Kwh)	25.82	-
Total Cost	₹ in Lakhs	196.45	-
Cost per Unit	₹	7.61	-
c) CPP (Coal Based) Generation	Units (Lakhs Kwh)	4364.89	4946.89
Units per Kg. of Fuel		0.81	1.42
Cost per Unit	₹	4.43	5.98
(2) Coal / Pet coke / Others			
Quantity	Tonnes in Lakhs	5.64	9.41
Total Cost	₹ in lakhs	38597.55	62020.77
Average Rate	₹/MT	6848	6592
(3) Furnace Oil			
Quantity	MT	744	2184
Total Cost	₹ in lakhs	272.34	913.38
Average Rate	₹/MT	36623	41816

B. CONSUMPTION PER UNIT OF PRODUCTION

	Standards, if any	Year ended 31/3/2014	Year ended 31/03/2013
(1) Electricity (IN KWH)	95	79.16	80.84
(2) FUEL: % on Clinker production	20%	12.310	12.435

FORM B

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION

A. RESEARCH AND DEVELOPMENT (R&D)

Puliyur, Karikkali & Ariyalur Factories:	
1. Specific areas in which R&D activities carried out by the company	<p>The Company has established Centralised concrete and R&D Lab at our Ariyalur Works and carrying out the following activities:</p> <ol style="list-style-type: none"> Usage of alternate fuels derived from municipal waste materials on a sustainable basis. To conserve natural mineral, energy resource and cost reduction. To have competitive edge in the present day cement marketing scenario. To determine optimum cement content in various concrete mixes. To ensure that our customers/consumers get the best result out of the products (Cement supplied by us, in various applications-Domestic, Industrial Coastal area construction.) To study the strength development of concrete at various ages/various design mixes. To increase the usage of mineral admixtures in concrete.
2. Benefits derived as a result of the above R&D	<ol style="list-style-type: none"> Better and durable concrete. Better customer satisfaction. Value addition to products supplied. Control of cement manufacturing cost by reducing the consumption of input materials (Coal/Iron ore/ Power). Conservation of Mineral resources, use of low and marginal grade Limestone.
3. Future Plan of Action	<ol style="list-style-type: none"> To standardize the types of various lubricants used in the Plants and reduce lube oil consumption. It is planned feeding and incineration system installation for using plastic waste from Municipal Solid Waste. Exploration of limestone availability in new lease areas around Seethainagar & Dholipatti Mines so as to augment the life of limestone mines to sustain and improve the level of clinker production in future. Setting up of Optical Microscope Laboratory at Puliyur Works for carrying out R & D work affiliated to Puliyur Plant under the guidance of NCBM, Ballabgarh. It is planned to integrate all the three quality system (IS/ISO 9001:2008, IS/ISO 14001:2004, IS 18001:2007).
4. Expenditure on R & D <ol style="list-style-type: none"> Capital Recurring Total Total R&D expenditure as percentage of total turnover 	<p>(Amount - ₹ in Lakhs)</p> <p>a Nil</p> <p>b 84</p> <p>c 84</p> <p>d 0.03</p>

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 MADE THEREUNDER FORMING PART OF THE DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2014.

Statement showing the particulars of Employees employed throughout the Financial year 2013-14 who were in receipt of remuneration not less than ₹ 60.00 Lakhs per year.

Name	Age	Designation/ Nature of Duties	Remuneration Received * (₹ in lakhs)	Qualification & Experience (in years)	Date of commencement of Employment	Particulars of Last Employment
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Mr. C.Sudhakar	65	Technical Director	206.82	M.Sc. (Chemistry)	12.04.1989	Malabar Cement
Ramesh. B	55	Sr. Vice President (Marketing)	87.24	B.Sc., PGDMM, PGDIM	12.02.2010	Hi-build Coating Pvt. Ltd.

Statement showing the particulars of Employees employed for the part of the Financial year 2013-14 who were in receipt of remuneration not less than ₹ 60.00 Lakhs per year.

Name	Age	Designation/ Nature of Duties	Remuneration Received * (₹ in lakhs)	Qualification & Experience (in years)	Date of commencement of Employment	Particulars of Last Employment
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Srikrishnan, V	52	Jt. President (Finance)	103.99	B.com, CA	12.06.2013	Aditya Birla Group
Janaradhana Reddy C	58	Jt. President (Works)	52.91	LME (Mech)	15.07.2013	Anrak Aluminum Ltd., (Sister Company of Penna Cements)
Ravimallian, S	56	Jt. president (Engg)	80.06	M.E (Mech.)	02.07.2006	Atlas Steel Engg.
Muthusamy, N	57	Jt. president (Engg)	104.45	B.E (Mech) A.M.I.E. -Electrical	14.12.1979	-
Chidambaram, M	57	Vice President (Finance)	67.43	B.Com., ACA	16.09.1983	Gedee Associates Pvt. Ltd.

Note:

- * Remuneration as shown includes inter-alia, Salary, House rent allowance, Medical Expenses, Leave Travel Assistance, Leave encashment, Provident fund contribution but excludes contribution to Gratuity fund which is not individually allocable.
- The service of above mentioned employees is regular and governed by the rules and regulations of the company.
- The above mentioned employees are not related to any of the Directors of the Company.

INDEPENDENT AUDITORS' REPORT

To the Members of M/s Chettinad Cement Corporation Limited

Report on the Financial Statements

We have audited the accompanying financial statements of M/s Chettinad Cement Corporation Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

The Company had not used jute bags in packing cement in accordance with Jute Packing Materials (Compulsory Use in the Packing Commodities) Act, 1987 as referred to in Note No.42 of the Financial Statements. Accordingly, no provision has been made for any liability that may arise for such non-compliance, the impact of which is not quantifiable by the management.

Qualified Opinion

*In our opinion and to the best of our information and according to the explanations given to us, **except** for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:*

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;*
- b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and*
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.*

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Companies Act, 1956, 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 purpose 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, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - d) **Except** for the effects of the matter described in the Basis for Qualified Opinion paragraph, in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the accounting standards referred to in sub-section (3C) of section 211 of the Act;
 - e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.
 - f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For P.B.Vijayaraghavan & Co.,
Chartered Accountants
Firm Regn.No.004721S
P.B.Srinivasan
Partner
(Membership No. 203774)

For V.Soundararajan & Co.,
Chartered Accountants
Firm Regn.No.003943S
V.S.Ravikumar
Partner
(Membership No. 018030)

For Krishaan & Co.,
Chartered Accountants
Firm Regn.No.001453S
K.Sundar Rajan
Partner
(Membership No. 208431)

Place : Chennai
Date : 30.07.2014

Annexure to the Independent Auditors' Report

Referred to in Paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our Report of even date

- i. a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of Fixed Assets.
b) These Fixed Assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.
c) No substantial parts of fixed assets of the company have been disposed of during the year.
- ii. a) Inventories have been physically verified at reasonable intervals by the management.
b) The procedures of physical verification of Inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
c) The company is maintaining proper records of inventory and discrepancies on physical verification as compared to book records were not material and have been dealt properly in the books of account.
- iii. a) The Company has not given any loans, secured or unsecured to parties referred to Section 301 of the Companies Act, 1956.
b) The Company has taken unsecured inter corporate deposits from Companies appearing in the register maintained by the Company under Section 301 of the Companies Act, 1956. The total number of parties involved was 1 (one), the maximum amounts outstanding at any point of time during the year was ₹140 Crores and the closing balance at the end of the year is ₹ 50 Crores.
c) 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.
d) The Company is regular in payment of interest and the repayment of the principal during the year ended 31st March, 2014.
- 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. We have not come across any continuing failure to correct major weaknesses in the Internal Control System.
- v. According to the information and explanations 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. According to the information and explanations given to us, the Company has not accepted any deposit 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, however, have not 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/ Value Added Taxes, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess, Entry Tax and other statutory dues with the appropriate authorities in India.

There are no arrears of outstanding statutory dues as on 31.3.2014 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 to the Statute	Nature of Dues	Amount (₹ In Lakhs)	Period to which the amount relates	Forum where dispute is pending
Sales Tax Act	Tax Amount *	1.27	1990-91	High Court
	Tax and Penalty **	427.52	2005-06 to 2013-14	Joint/Deputy Commissioner
	Tax Amount	53.16	2010-11	Appeal yet to be filed
Income Tax Act	Tax Amount	2420.61	2010-11	Commissioner of Income Tax (Appeals)
Customs Act	Duty & Penalty	4865.13	2012-13	Commissioner of Customs
Central Excise Act	Duty & Penalty	342.39	2008-09 to 2013-14	Commissioner Appeals
	Duty & Penalty	6761.79	2006-07 to 2011-12	CESTAT
Total		14871.87		

* Net of Amount paid under protest ₹ 0.33 lakhs

** Net of Amount paid under protest ₹ 224.14 lakhs

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

For P.B.Vijayaraghavan & Co.,
Chartered Accountants
Firm Regn.No.004721S
P.B.Srinivasan
Partner
(Membership No. 203774)

For V.Soundararajan & Co.,
Chartered Accountants
Firm Regn.No.003943S
V.S.Ravikumar
Partner
(Membership No. 018030)

For Krishaan & Co.,
Chartered Accountants
Firm Regn.No.001453S
K.Sundar Rajan
Partner
(Membership No. 208431)

Place : Chennai
Date : 30.07.2014

Balance Sheet as at 31st March, 2014

(₹ in lakhs)

Particulars	Notes	31st March 2014	31st March 2013
I. EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share Capital	3	3820	3820
(b) Reserves and Surplus	4	124030	115740
(c) Money received against Share Warrants		-	-
2 Share application money pending allotment		-	-
3 Non-Current Liabilities			
(a) Long-Term Borrowings	5	43334	49539
(b) Deferred Tax Liability (Net) Refer Note 30		963	1012
(c) Other Long-Term Liabilities	6	3028	2700
(d) Long-Term Provisions	7	327	396
4 Current Liabilities			
(a) Short-Term Borrowings	8	33454	38867
(b) Trade Payables		17673	20274
(c) Other Current Liabilities	9	27810	29392
(d) Short-Term Provisions	10	2589	2537
TOTAL		257028	264277
II. ASSETS			
1 Non-Current Assets			
(a) Fixed Assets	11		
(i) Tangible Assets		166880	172663
(ii) Intangible Assets		41	54
(iii) Capital Work-in-progress		512	10923
(iv) Intangible Assets under Development		-	-
(b) Non-Current Investments		-	-
(c) Long-Term Loans and Advances	12	2600	978
(d) Other Non-Current Assets		-	-
2 Current Assets			
(a) Current Investments		-	-
(b) Inventories	13	53108	48876
(c) Trade Receivables	14	22486	21320
(d) Cash and Cash Equivalents	15	913	458
(e) Short-Term Loans and Advances	16	10269	8771
(f) Other Current Assets	17	219	234
TOTAL		257028	264277

Summary of significant accounting policies

1 & 2

The accompanying notes are an integral part of these financial statements.

M.A.M. Ramaswamy
Chairman

M.A.M.R. Muthiah
Managing Director

R. Krishnamoorthy
K.Ganapathy

L.Muthukrishnan
Ramanathan Palaniappan
Directors

S. Hariharan
Company Secretary

Subject to our Report of even date

For P.B.Vijayaraghavan & Co.,
Chartered Accountants
Firm Regn.No.004721S
P.B.Srinivasan
Partner
(Membership No. 203774)

For V.Soundararajan & Co.,
Chartered Accountants
Firm Regn.No.003943S
V.S.Ravikumar
Partner
(Membership No. 018030)

For Krishnaa & Co.,
Chartered Accountants
Firm Regn.No.001453S
K.Sundar Rajan
Partner
(Membership No. 208431)

Place : Chennai
Date : 30.07.2014

Statement of Profit & Loss for the year ended 31st March, 2014

(₹ in lakhs)

Particulars	Notes		2013-14	2012-13
I. Sale of Products (Gross)	20	249322		282519
Less : Excise Duty		(35130)		(37463)
Sale of Products (Net)		214192		245056
Add : Other Operating Revenue - Power		6426		22
Revenue from Operations (Net)			220618	245078
II. Other Income	21		808	647
III. Total Revenue			221426	245725
IV. Expenses:				
Cost of Materials Consumed	22	34644		41451
Changes in Inventories of Finished Goods and Work-in-progress	23	1251		(2369)
Employee Benefit Expenses	24	11676		12195
Finance Costs	25	7968		10605
Depreciation and Amortization Expenses (Refer Note 11)		29824		37149
Other Expenses	26	125464		130972
Total Expenses			210827	230003
V. Profit Before Exceptional and Extraordinary items and Tax			10599	15722
VI. Exceptional Items			-	-
VII. Profit Before Extraordinary items and Tax			10599	15722
VIII. Extraordinary Items			-	-
IX. Profit Before Tax			10599	15722
X. Tax Expense:				
(1) Current Tax (MAT)		2246		3164
Less: MAT Credit Entitlement		(2203)		(924)
Net Current Tax		43		2240
(2) Deferred Tax		(48)		(272)
XI Profit/(Loss) for the period from Continuing Operations			10604	13754
XII Profit/(Loss) from Discontinuing Operations		-		-
XIII Tax Expense of Discontinuing Operations		-		-
XIV Profit/(Loss) from Discontinuing operations (after tax)			-	-
XV Profit/(Loss) for the period			10604	13754
XVI Earnings per Equity Share: Refer Note No.32				
(1) Basic		27.76		36.01
(2) Diluted		27.76		36.01

The accompanying notes are an integral part of these financial statements.

M.A.M. Ramaswamy M.A.M.R. Muthiah R. Krishnamoorthy L.Muthukrishnan S. Hariharan
Chairman **Managing Director** **K.Ganapathy** **Ramanathan Palaniappan** **Company Secretary**
Directors

Subject to our Report of even date

For P.B.Vijayaraghavan & Co.,
Chartered Accountants
Firm Regn.No.004721S
P.B.Srinivasan
Partner
(Membership No. 203774)

For V.Soundararajan & Co.,
Chartered Accountants
Firm Regn.No.003943S
V.S.Ravikumar
Partner
(Membership No. 018030)

For Krishnaa & Co.,
Chartered Accountants
Firm Regn.No.001453S
K.Sundar Rajan
Partner
(Membership No. 208431)

Place : Chennai
Date : 30.07.2014

Cash Flow Statement for the year ended 31st March, 2014

(₹ in lakhs)

Particulars	2013-14	2012-13
Cash flow from Operating activities		
Net Profit/(Loss) before Tax and Extraordinary Items	10599	15722
Adjustments for:		
Depreciation	29824	37149
Interest	7958	10598
Provision for Doubtful Debts & Debts written off	541	177
Profit on sale of Investments	-	(2)
Loss on sale of assets (Net) & Assets written off	-	-
Operating Profit Before Working Capital Changes	48922	63,645
Adjustments for:		
Trade and Other Receivables	(429)	(3074)
Inventories	(4232)	(11392)
Trade and Other Payables	(2261)	10569
Cash Generated from Operations	42000	59748
Income Tax Paid	(3591)	(5480)
Net Cash from Operating activities A	38409	54268
Cash flow from Investing activities :		
Purchase of Fixed Assets	(14962)	(31068)
Sale of Investments	-	60
Sale of Fixed Assets	1	2
Net Cash Used in Investing activities B	(14961)	(31006)
Cash flow from Financing activities :		
Proceeds of Long-Term Borrowings - Net	(7643)	11279
Short-Term & Unsecured Loans	(21900)	(17100)
Increase/(Decrease) in Working Capital Finance	16487	(3796)
Interest paid	(7958)	(10598)
Dividend paid	(1910)	(2865)
Net Cash from Financing activities C	(22924)	(23080)
Net increase /(decrease) in Cash & Cash equivalents (A+B+C)	524	182
Opening balance of Cash & Cash equivalents D	271	89
Closing balance of Cash & Cash equivalents -		
(a) Balance in Earmarked Account	738	-
(b) Others	57	271
Total E	795	271
Net increase / (decrease) in Cash & Cash equivalents (E - D)	524	182
Balances in Statutorily Restricted Accounts F	118	187
Cash & Cash Equivalents (Note 15) (E+F)	913	458

M.A.M. Ramaswamy
Chairman

M.A.M.R. Muthiah
Managing Director

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For Krishnaa & Co.,
Chartered Accountants
Firm Regn.No.001453S
K.Sundar Rajan
Partner
(Membership No. 208431)

Place : Chennai
Date : 30.07.2014

1. Basis of Accounting, Presentation and Disclosure of Financial Statements

Financial Statements have been prepared complying in all material respects with the Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant Provisions of the Companies Act, 1956. Financial Statements have been prepared under the historical cost convention on an accrual basis. The Accounting Policies have been consistently applied by the Company and are consistent with those used in the previous year. Previous year figures are regrouped wherever necessary.

2. Summary of Significant Accounting Policies

a. Use of Estimates

Financial Statements are prepared in conformity with Indian GAAP that requires Management to make Estimates and Assumptions which affect the reported amounts of Assets and Liabilities and disclosure of Contingent Liabilities at the date of the Financial Statements and the Results of Operations during the reporting period. Although these estimates are based upon Management's best knowledge of current events and actions, actual results may differ.

b. Fixed Assets

Fixed Assets including Capital Work-in-progress are stated at cost net of CENVAT and Input Tax Credit. Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalised.

Depreciation is provided on Fixed Assets as per the rates and procedures prescribed under the Income Tax Act, 1961 & Income Tax Rules, 1962 on Written Down Value Method as follows :

1. Goodwill	25%
2. Buildings	
a) Factory Buildings	10%
b) Residential Buildings	5%
3. Furniture & Fixtures	10%
4. Plant & Machinery	
a) General	15%
b) Pollution Control Equipments	100%
c) Computers	60%
5. Windmill	80%
6. Earth Moving Equipment & Vehicles	15%
7. Railway Sidings	15%

Government Grants relating to specific fixed assets are shown as deduction from gross value of such assets.

Leasehold Land is amortised over the period of lease.

Depreciation/ Depletion is provided on Quarry Freehold Lands based on the proportion of quantity of Limestone extracted to the Total Mineable Reserves.

c. Investments

Long-Term Investments are carried at Cost. However, Provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

d. Revenue recognition

Sales are inclusive of Excise Duty and Net of Rebate and Value Added Tax.

Excise Duty payable is accounted on production of Finished Goods.

e. Retirement and Other Employee Benefits

- i. Liability towards Gratuity is covered by a Group Gratuity Scheme with Life Insurance Corporation of India and annual contribution is based on actuarial valuation.
- ii. Provident Fund contribution is made at the prescribed rates under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952
- iii. Leave Encashment is accounted on the basis of actuarial valuation.
- iv. Expenditure in respect of voluntary retirement as per Company's Scheme is written off in the year in which they are incurred.

f. Inventories

Inventories are valued at lower of Cost computed on Weighted Average Method and Net Realisable Value.

g. Foreign Exchange Transactions

Foreign Currency transactions are recorded at the Exchange Rates prevailing on the date of the transaction.

Monetary Foreign currency Assets and Liabilities (Monetary Items) are reported at the exchange rate prevailing on the Balance Sheet date. Pursuant to the notification of the Companies (Accounting Standards) Amendment Rules, 2006 on 31st March, 2009, which amended Accounting Standard 11 on The Effects of Change in Foreign Exchange Rates, exchange differences relating to Long Term Monetary Items are dealt with in the following manner :-

- i. Exchange differences relating to Long-Term Monetary Items, arising during the year, in so far as they relate to the acquisition of a depreciable capital asset are added to/deducted from the cost of the asset and depreciated over the balance life of the asset.
- ii. In other cases such differences are accumulated in a "Foreign Currency Monetary Item Transaction Difference Account" and amortized to the Statement of Profit and Loss over the balance life of the Long-Term Monetary Item, however that the period of amortization is upto 31st March 2020.

All other exchange differences are dealt with in the Statement of Profit and Loss.

Non-Monetary Items such as Investments are carried at historical cost using the exchange rates on the date of the transaction.

h. Income Taxes

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 is not 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.

- i. Liabilities of Contingent nature have been disclosed separately.

j. Cash and Cash Equivalents

Cash and Cash Equivalents for the purposes of Cash Flow Statement comprise Cash at Bank and in Hand and Short-Term Investments with an original maturity of three months or less.

- k. 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.

NOTE 3

(₹ in lakhs)

Share Capital	31st March 2014	31st March 2013
Authorised 500000000 Shares of ₹ 10 each	50000	50000
Issued 38295748 Equity Shares of ₹10 each	3830	3830
Subscribed & Paid up 38198998 Equity Shares of ₹10 each fully paid	3820	3820
Total	3820	3820

NOTE 3A

Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Particulars	Equity Shares as on 31.03.2014		Equity Shares as on 31.03.2013	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	38198998	3820	38198998	3820
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	38198998	3820	38198998	3820

NOTE 3B

The Company has not issued any shares with differential rights.

NOTE 3C

The Company is not a subsidiary Company, hence disclosure of share holding by Holding Company is not applicable.

NOTE 3D

Details of shareholders holding more than 5% shares in the Company

Name of Shareholder	As at 31st March 2014		As at 31st March 2013	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
1. Dr. M.A.M.Ramaswamy	9183834	24%	9183834	24%
2. Smt. Geetha Muthiah	6953690	18%	6953690	18%
3. Sri. M.A.M.R.Muthiah	5586709	15%	5586709	15%
4. Chettinad Logistics (P) Ltd	3695652	10%	3695652	10%
5. Chettinad Software Services (P) Ltd	2616535	7%	2616535	7%
6. Chettinad Holdings (P) Ltd	2522869	7%	2306702	6%

Refer : Note No.35

NOTE 3E

The Company has not reserved any shares for issue under options and contracts/commitments for the sale of shares/disinvestment.

NOTE 4

(₹ in lakhs)

Reserves & Surplus	As at 31st March 2014	As at 31st March 2013
a. Capital Reserves		
Opening Balance	40414	40414
Add : Current Year Transfer	-	-
Less : Written Back in Current Year	-	-
Closing Balance	40414	40414
b. Securities Premium Account		
Opening Balance	4973	4973
Add : Securities premium credited on Share issue	-	-
Less : Premium Utilised for various reasons	-	-
Closing Balance	4973	4973
c. Other Reserves- General Reserve		
Opening Balance	11000	9500
Add : Current Year Transfer	1100	1500
Less : Written Back in Current Year	-	-
Closing Balance	12100	11000
d. Surplus		
Opening balance	59353	49334
Add/(Less): Net Profit/(Net Loss) for the current year	10604	13754
Add : Transfer from Reserves	-	-
Less : Proposed Dividend & Dividend Tax	2235	2235
Less : MAT entitlement reversal	79	-
Less : Transfer to Reserves	1100	1500
Closing Balance	66543	59353
Total	124030	115740

NOTE 5

(₹ in lakhs)

Long-Term Borrowings	As at 31st March 2014	As at 31st March 2013
Secured		
Term loans		
- from banks (The Term Loan of ₹ 250 crores and ₹ 100 crores availed from HDFC Bank Limited are secured by pari passu first charge basis and second charge basis respectively on all moveable properties at Cement Plant (Line 1) situated at Keelapalavur Village, Ariyalur District, all immoveable properties of the Company pertaining to the plant area situated at Keelapalavur Village, Ariyalur District and Captive Power Plant thereat.	14890	23817
-from SIPCOT (The Soft Loan availed from SIPCOT is secured by pari passu first charge on all fixed assets and immoveable properties pertaining to the Cement plant situated at Keelapalavur Village, Ariyalur District and Cement Grinding Unit at Puliur Village, Karur District.) Terms of Repayment: The Term Loan of ₹ 250 crores availed from HDFC Bank Limited is repayable in 19 quarterly instalments commencing from May 2013 and the Term Loan of ₹ 100 crores also availed from HDFC Bank is repayable in 24 monthly instalments commencing from May 2013. The Term Loan availed from SIPCOT is repayable in one instalment after a period of 10 years from the year of availment.	7007	4244
	21897	28061
Unsecured		
Term loans		
- from SIPCOT Terms of Repayment: The loan is repayable after 12 years from the date of availment.	21437	21478
	21437	21478
Total	43334	49539

NOTE 6
(₹ in lakhs)

Other Long-Term Liabilities	As at 31st March 2014	As at 31st March 2013
Security deposit	3028	2700
Total	3028	2700

NOTE 7
(₹ in lakhs)

Long-Term Provisions	As at 31st March 2014	As at 31st March 2013
Provision for employee benefits Leave Encashment	327	396
Total	327	396

NOTE 8
(₹ in lakhs)

Short-Term Borrowings	As at 31st March 2014	As at 31st March 2013
Secured Loans repayable on demand - from Central Bank of India & HDFC Bank Limited (The Working Capital facility with Central Bank of India and HDFC Bank Limited are secured by hyphothecation of Raw Materials, Stores, Spares, Packing Materials, Fuel, Process Stock, Finished Goods and Book Debts of the Company on pari paasu first charge basis)	19954	3467
	19954	3467
Unsecured - from Banks (Terms of Repayment: The loan is repayable at the end of 6 months from the date of availment in one bullet payment.)	5000	5000
Inter-Corporate Deposit from related parties	8500	30400
	13500	35400
Total	33454	38867

NOTE 9

(₹ in lakhs)

Other Current Liabilities	As at 31st March 2014	As at 31st March 2013
(a) Current maturities of long-term debt	10304	11743
(b) Unpaid dividend	118	187
(c) Creditors for Capital Goods	680	3699
(d) Other payables - Customer Credit Balances	5506	4571
(e) Others		
Tax Deducted at Source	212	224
Duties & Taxes Payable	3119	3422
Expenses	4464	3077
Miscellaneous	3407	2469
Total	27810	29392

NOTE 10

(₹ in lakhs)

Short-Term Provisions	As at 31st March 2014	As at 31st March 2013
(a) Provision for Employee Benefits		
Leave Salary	56	128
Gratuity	124	-
b) Others		
Provision for Fringe Benefit Tax	174	174
Provision for Proposed Dividend	1910	1910
Provision for Tax on Proposed Dividend	325	325
Total	2589	2537

NOTE 11

(₹ in lakhs)

	GROSS BLOCK			ACCUMULATED DEPRECIATION/DEPLETION			NET BLOCK	
	As at 01.04.2013	Additions	Deductions	As at 31.03.2014	For the year	On deductions	As at 31.03.2014	As at 31.03.2013
FIXED ASSETS								
a.Tangible Assets								
Freehold land	13465	1480	-	14945	205	-	13730	12455
Leasehold land	4	-	-	4	-	-	4	4
Buildings	29404	3628	-	33032	1979	-	21656	20007
Plant and Machinery	336930	18613	-	355543	26938	-	127778	136103
Furniture and Fixtures	762	97	-	859	78	-	372	353
Earth Moving Equipment								
& Vehicles	4146	71	5	4212	163	3	905	999
Railway Sidings	5648	140	-	5788	447	-	2435	2742
Total	390359	24029	5	414383	29810	3	166880	172663
b.Intangible Assets								
Goodwill	467	-	-	467	14	-	41	54
Total	467	-	-	467	14	-	41	54
Total	390826	24029	5	414850	29824	3	166921	172717
Previous Year	355324	35507	5	390826	37149	3		

Additions includes expenses during Construction Period of ₹ 178 lakhs (₹ 3338 lakhs)

NOTE 12

(₹ in lakhs)

Long-Term Loans and Advances	As at 31st March 2014	As at 31st March 2013
a. Capital Advances		
Secured, considered good	-	-
Unsecured, considered good	1395	51
Doubtful	-	-
Less: Provision for doubtful advances	-	-
	1395	51
b. Security Deposits		
Secured, considered good	-	-
Unsecured, considered good	1205	927
Doubtful	-	-
Less: Provision for doubtful deposits	-	-
	1205	927
Total	2600	978

NOTE 13

(₹ in lakhs)

Inventories	As at 31st March 2014		As at 31st March 2013	
a. Raw Materials and Components	21759		23056	
Goods-in transit	8205	29964	1	23057
b. Work-in-progress		6464		6425
c. Finished goods		3594		4884
d. Packing Materials		1177		1111
d. Stores and Spares		11909		13399
Method of Valuation : Refer Note 2 (f)				
Total		53108		48876

NOTE 14

(₹ in lakhs)

Trade Receivables	As at 31st March 2014	As at 31st March 2013
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Secured, considered good	-	-
Unsecured, considered good	21059	20127
Unsecured, considered doubtful	-	-
Less: Provision for doubtful debts	-	-
	21059	20127
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Secured, considered good	-	-
Unsecured, considered good	1427	1193
Unsecured, considered doubtful	481	125
	1908	1318
Less: Provision for doubtful debts	(481)	(125)
	1427	1193
Total	22486	21320

NOTE 15

(₹ in lakhs)

Cash and Cash Equivalents	As at 31st March 2014	As at 31st March 2013
a. Balances with banks		
(i) On Current Accounts	44	233
(ii) Earmarked Balances - Escrow Account & Unpaid Dividend Accounts	856	187
b. Cash on hand	13	38
Total	913	458

NOTE 16

(₹ in lakhs)

Short-Term Loans and Advances	As at 31st March 2014	As at 31st March 2013
a. Advances recoverable in cash or in kind		
Secured, considered good	-	-
Unsecured, considered good	5482	7128
Doubtful	-	-
Less: Provision for doubtful loans and advances	-	-
MAT Credit Entitlement	3048	924
Advance Tax and Tax Deducted at Source (Net of Provision)	1739	719
Total	10269	8771

NOTE 17

(₹ in lakhs)

Other Current Assets	As at 31st March 2014	As at 31st March 2013
a. Other Sundry Receivables	219	234
Total	219	234

NOTE 18

(₹ in lakhs)

Contingent Liabilities and Commitments (to the extent not provided for)	As at 31st March 2014	As at 31st March 2013
(i) Contingent Liabilities		
Claims against the Company not acknowledged as Debt		
(a) Sales Tax Act	706	472
(b) Income Tax Act	2421	657
(c) Customs Act	4865	-
(d) Royalty on Limestone	547	547
(e) Lease Rent on Govt. Lands	74	74
(f) Others	332	-
Bills Discounted, Guarantees & Letters of Credit	1831	2371
	10776	4121
(ii) Commitments		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	13725	6123
	13725	6123
Total	24501	10244

Note 19

The CENVAT credit disallowance on some of the Inputs and Capital Goods, Service Tax on goods transports and levy of differential Excise Duty, amounting to ₹ 7104 lakhs as on 31.3.2014 (₹ 19046 lakhs) which remains unpaid and against which the Company has preferred appeals. Based on the earlier favourable decisions on similar issues by the Appellate Authorities, in the opinion of the Management, no Provision is considered necessary.

NOTE 20

(₹ in lakhs)

Revenue from Operations	For the year ended 31st March 2014	For the year ended 31st March 2013
Sale of products	249151	281589
Self Consumption	171	930
Total	249322	282519

NOTE 21

(₹ in lakhs)

Other Income	For the year ended 31st March 2014	For the year ended 31st March 2013
Interest Income	21	15
Other non-operating income	787	632
Total	808	647

NOTE 22

(₹ in lakhs)

Raw Materials Consumed	For the year ended 31st March 2014	For the year ended 31st March 2013
Opening Stock	10645	5965
Add: Purchases	16479	24415
Own Quarrying	19522	21716
	46646	52096
Less: Closing Stock	(12002)	(10645)
Total	34644	41451

Own Quarrying Includes

- Salaries & Wages, PF and ESI ₹ 166 lakhs (₹ 147 lakhs)
- Power ₹ 195 lakhs (₹ 678 lakhs)
- Stores and Spares ₹ 597 lakhs (₹ 1143 lakhs)

Details of Raw Materials Consumed	For the year ended 31st March 2014	For the year ended 31st March 2013
Limestone	18669	21049
Gypsum	4920	4947
Fly ash	6935	6888
Others	4120	8567

NOTE 23

(₹ in lakhs)

Change in Inventories of Finished Goods and Work-in-progress	For the year ended 31st March 2014	For the year ended 31st March 2013
Opening Stock:		
Finished goods	4884	3969
Work-in-progress	6425	4971
Sub-total	11309	8940
Closing Stock:		
Finished goods	3594	4884
Work-in-progress	6464	6425
Sub-total	10058	11309
Changes in Inventory	1251	(2369)

NOTE 24

(₹ in lakhs)

Employee Benefits Expense	For the year ended 31st March 2014	For the year ended 31st March 2013
(a) Salaries and wages	10443	10988
(b) Contributions to -		
(i) Provident fund	618	570
(ii) Gratuity fund	124	-
(c) Staff welfare expenses	491	637
Total	11676	12195

Salaries & Wages includes Remuneration paid to the managing director ₹ 577 lakhs (₹ 834 lakhs)

NOTE 25

(₹ in lakhs)

Finance Costs	For the year ended 31st March 2014	For the year ended 31st March 2013
Interest Expense	7958	10598
Bank Charges	10	7
Total	7968	10605

NOTE 26
(₹ in lakhs)

Other Expenses	For the year ended 31st March 2014	For the year ended 31st March 2013
(A) Manufacturing Expenses		
Power & Fuel	60938	65975
Stores & Spares Consumed	6746	10499
Packing Charges	9507	9662
Repairs & Maintenance		
Plant & Machinery	2292	2034
Buildings	285	900
Others	2559	3003
Other manufacturing expenses	119	130
Sub-total	82446	92203
(B) Selling & Distribution Expenses		
Loading & Transport Charges	34826	32205
Advertisement & Sales Promotion	3428	2306
Sub-total	38254	34511
(C) Administrative Expenses		
Rent	145	146
Insurance	407	299
Rates & Taxes	887	1344
Auditor's Remuneration & Expenses	13	14
Legal & Professional Charges	296	193
Travelling Expenses	885	848
Communication Expenses	135	119
Donation	1	-
Other Expenses	1995	1295
Sub-total	4764	4258
Total	125464	130972

Audit fees	For the year ended 31st March 2014	For the year ended 31st March 2013
Payments to the auditors as		
1 Auditor	9	9
2 For other services	3	4
3 For reimbursement of expenses	1	1

NOTE 27

(₹ in lakhs)

Dividend	For the year ended 31st March 2014	For the year ended 31st March 2013
Amount of Proposed Dividend (₹ in lakhs)	1910	1910
Proposed dividend per share	5.00	5.00

28. Disclosure on Micro and Small Enterprises

There are no Micro, Small and Medium enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006 to whom the company owes dues on account of Principal amount together with Interest. The above information has been determined to the extent such parties have been identified on the basis of information available with the company and the same has been relied by the Auditors.

29. Buildings include ownership Flat at Mumbai and value of shares in Bombay Middle Class Co-operative Housing Society Ltd., which are in the process of being transferred to the name of the Company.

30. Deferred Taxes

(₹ in lakhs)

	As at 31st March 2014	As at 31st March 2013
Deferred Tax Liability on account of		
Depreciation	1042	1103
Revenue	51	79
Total	1093	1182
Deferred tax asset on account of:		
Expenses allowable on payment for Tax purpose	-	-
Leave encashment provision	130	170
Net Liability / (Asset)	963	1012

31. Power & Fuel is net of Captive Power Plant Income of ₹ 30582 lakhs (₹ 34601 lakhs)

32. Earnings per share

(₹ in lakhs)

	2013-14	2012-13
Profit as per Statement of Profit and Loss	10604	13754
Number of equity shares (in lakhs)	382	382
Basic and diluted earnings per share (in ₹)	27.76	36.01
Face value of ₹ 10 per share		

33. 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.

(₹ in lakhs)

Particulars	Gross Block as at 31.03.2014	Accumulated Depreciation As at 31.03.2014	Depreciation (Corresponding to the period of lease rentals)
Freehold Building	130	21	0.01

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

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

34. The Company has, with a view to expand its Cement manufacturing activities at pan India levels, had entered into a Share Purchase Agreement with the Promoters of Anjani Portland Cement Limited (“Target Company”), a listed company having its manufacturing unit in Nalgonda District, Telangana on the 12th March, 2014. The company agreed to acquire upto a maximum of 75% of the total Equity Share Capital and voting power in the Target Company from its Promoters and from its Public Shareholders through an Open Offer as per SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011 (“SAST Regulation”) at a price of ₹ 61.75 per Equity Share. In line with the requirements of the Open Offer, the Company had deposited a sum of ₹ 738.25 lakhs in an Escrow account being 25% of the Open Offer consideration.

The Company then acquired 9010901 Equity Shares constituting 49% of the Equity Share Capital of the Target Company, from its Promoters in May 2014 and thereafter acquired 3141752 Equity Shares from the Public Shareholders of the Target Company in July 2014, constituting 17% of the Equity Share Capital of the company, through the Open Offer given as per SAST Regulations.

With these acquisitions, the Company currently holds 66% of the Equity Share Capital of the Target Company and the Target Company has become a subsidiary of our Company. The Company will be acquiring further 9% from the erstwhile Promoters to take the overall holding to 75% in the company.

35. Voluntary Delisting from Stock Exchanges

The Company has completed the process of voluntary delisting of its securities from all the Stock Exchanges where they were listed. The National Stock Exchange vide their Letter NSE/LIST/204482-X dated 17.05.2013, the Bombay Stock Exchange vide their Notice 20130527-6 dated 27.05.2013 and the Madras Stock Exchange vide their Letter No. MSE/LD/PSK/738/140/13 dated 24.05.2013 have communicated to the Company that the admission to dealings in the securities of the Company will be withdrawn (delisted) with effect from the 7th June, 2013.

The Company had made an Exit Offer to the remaining Public Shareholders of the Company, as required by the Delisting Regulations, to surrender their Shares at the Delisting Exit Price to the Promoters for a period of one year from the date of delisting. The Exit Offer period ended on 6th June, 2014.

36. Confirmations of balance have been sought and obtained from Parties covering substantial amount of outstanding and wherever applicable necessary adjustments have been made in the financial statements. In respect of other Parties, the balances as appearing in the books of account have been adopted.
37. There is no impairment of assets as per Accounting Standard 28.
38. The Company has been granted eligibility certificate whereby the Company is entitled to the benefit of Interest Free Sales Tax Deferral Scheme for manufacturing cement for 12 years ending March, 2014 for deferral of Sales Tax not exceeding ₹ 21477.82 lakhs . The Company has availed the entire benefit as on 31.03.2010. Such Sales Tax Deferral has to be repaid in stipulated instalments commencing from Financial Year 2014-15.
39. The Company has availed Soft Loan Financial Assistance of ₹ 7007 lakhs (₹ 4244 lakhs) from State Industrial Promotion Corporation of Tamilnadu Limited (SIPCOT) under the Structured Incentive Package for its Ariyalur Cement Project, sanctioned by the Government of Tamilnadu under The New Industrial Policy, 2007.
40. Depletion in the Freehold Quarry Land to the value of ₹ 205 lakhs (₹195 lakhs) has been accounted.
41. Other Current Liabilities (Note 9) includes ₹ 541 lakhs (₹ 786 lakhs) due to Managing Director being the balance remuneration for the year 2013-14.
42. 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 and the impact on the Profits and Current Liabilities is not quantifiable.
43. Capital Work in Progress includes ₹ 512 lakhs (₹ 10923 lakhs) towards amount spent for the Projects as detailed below :-

	As at 31st March 2014	As at 31st March 2013
Work in Progress	512	10865
Pre-operative Expenses (Net)	-	58
Total	512	10923

44. Research and development expenditure for the year is ₹ 84 lakhs (₹ 86 lakhs) including Depreciation of ₹ 0.22 lakhs (₹ 0.26 lakhs)

(₹ in lakhs)

45. Value of Imports on CIF Basis	For the year ended 31st March 2014	For the year ended 31st March 2013
(a) Raw Materials	1342	6477
(b) Spares & Components	502	705
(c) Capital Goods	312	949

46. Earnings In Foreign Exchange	For the year ended 31st March 2014	For the year ended 31st March 2013
Export (FOB) Cement - Value	235	415

47. Expenditure In Foreign Currency	For the year ended 31st March 2014	For the year ended 31st March 2013
Travelling & Other Expenses	47	125

48. Details of Imported and indigenous materials consumed during the year	For the year ended 31st March 2014	For the year ended 31st March 2013
Raw materials		
Imported	4709	7108
Indigenous	29935	34343
Total	34644	41451
Percentage to Total Consumption Raw materials		
Imported	13.59	17.15
Indigenous	86.41	82.85
Total	100.00	100.00
Spare Parts and Consumption		
Imported	436	4554
Indigenous	6310	5945
Total	6746	10499
Percentage to Total Consumption Spare Parts and Consumption		
Imported	6.46	43.37
Indigenous	93.54	56.63
Total	100.00	100.00

- 49.** The Company identifies Business Segment as the Primary Segment as per AS-17 and under the Primary Segment, there are two reportable segment viz Cement and Power Generation. These were identified considering the nature of the products, differing risk and returns.

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

(₹ in lakhs)

	CEMENT		POWER		Total	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
REVENUE						
External sales (incl. ED)	249151	281589	6426	22	255577	281611
Inter segment sale	-	-	30582	34601	-	-
Total Sales	249151	281589	37008	34623	255577	281611
Other Income	808	647	-	-	808	647
Total Revenue					256385	282258
RESULT						
Segment result	9848	21302	8698	5010	18546	26312
Unallocated Income					-	-
Unallocated Expenses					-	-
Operating Profit					18546	26312
Interest Expense					7968	10605
Interest Income					21	15
Income Tax						
- Current					43	2240
- Deferred					(48)	(272)
Profit from ordinary activities					10604	13754
Extraordinary Expenses					-	-
Net Profit					10604	13754
OTHER INFORMATION						
Segment Assets	191317	204217	65711	60060	257028	264277
Unallocated Assets	-	-	-	-	-	-
Total Assets	191317	204217	65711	60060	257028	264277
Segment Liabilities	90769	113832	36174	30885	126943	144717
Unallocated Liabilities	-	-	-	-	-	-
Total Liabilities	90769	113832	36174	30885	126943	144717
Capital Expenditure	16908	25558	7121	9949	24029	35507
Unallocated Capital Expenditure	-	-	-	-	-	-
Depreciation	23921	30345	5903	6804	29824	37149
Unallocated Depreciation	-	-	-	-	-	-
Non-Cash Expenses other than Depreciation	-	-	-	-	-	-

50.Related Party Disclosures
A) Details of Related Party Transactions:

(₹ in lakhs)

	Year ended 31st March 2014			Year ended 31st March 2013		
	Associates	Key Managerial Personnel	Relative of Key Managerial Personnel	Associates	Key Managerial Personnel	Relative of Key Managerial Personnel
Purchase of Goods	45303			49204		
Sale of Goods	972			924		
Services availed	25714			25090		
Deposits Accepted (ICD)	3400			50100		
Deposits Repaid (ICD)	25300			72200		
Interest on Deposits	1490			5865		
Investments	-			-		
Dividend	439	738	348	473	1108	522

B) Details of Transaction with Associates / Key Managerial Personnel / Relative of Key Managerial Personnel, the total amount of which is in excess of 10% of the Total Related Party Transactions of similar nature.

	Year ended 31st March 2014			Year ended 31st March 2013		
	Associates	Key Managerial Personnel	Relative of Key Managerial Personnel	Associates	Key Managerial Personnel	Relative of Key Managerial Personnel
Purchase of Goods						
Chettinad Logistics (P) Ltd	45303			49188		
Sale of Goods						
Chettinad Builders (P) Ltd	922			758		
Chettinad Power Corporation (P) Ltd	50			164		
Services						
Chettinad Builders (P) Ltd	2957			5565		
Chettinad Logistics (P) Ltd	15371			12829		
Chettinad Earthmovers (P) Ltd	6291			5044		
Deposits Accepted						
Chettinad Morimora						
Semiconductor (P) Ltd	400			300		
Chettinad Logistics (P) Ltd	-			5100		
South India Corporation Ltd	3000			15950		
Chettinad Holdings (P) Ltd	-			23000		
Chettinad Coal Washeries (P) Ltd	-			5500		

(₹ in lakhs)

	Year ended 31st March 2014			Year ended 31st March 2013		
	Associates	Key Managerial Personnel	Relative of Key Managerial Personnel	Associates	Key Managerial Personnel	Relative of Key Managerial Personnel
Deposits Repaid						
Chettinad Logistics (P) Ltd	5800			-		
Chettinad Holdings (P) Ltd	6400			36700		
Chettinad Lignite Transport Services (P) Ltd	100			19400		
South India Corporation Ltd	10450			15600		
Interest						
Chettinad Logistics (P) Ltd	485			135		
Chettinad Lignite Transport Services (P) Ltd	5			2080		
South India Corporation Ltd	247			317		
Chettinad Holdings (P) Ltd	135			3147		
Chettinad Coal Washeries (P) Ltd	585			-		
Dividend						
Dr.M.A.M.Ramaswamy		459			689	
Sri M.A.M.R.Muthiah		279			419	
Smt. Geetha Muthiah			348			522
Chettinad Logistics (P) Ltd	185			277		
Chettinad Software Services (P) Ltd	131			196		
Chettinad Holdings (P) Ltd	123			-		
Remuneration						
Sri M.A.M.R.Muthiah		577			834	

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

i) Name of Associates

1 South India Corporation Ltd	28 Chettinad Apparels (P) Ltd
2 South India Corporation (T) Private Ltd	29 Chettinad Packers and Movers (P) Ltd
3 Chettinad Corporation (P) Ltd	30 Chettinad Power Corporation (P) Ltd
4 Chettinad Plantations (P) Ltd	31 Chettinad TV Network (P) Ltd
5 Chettinad Structural & Engineering Ltd	32 Chettinad Radio Network (P) Ltd
6 Chettinad Logistics (P) Ltd	33 Durandel Property Developers (P) Ltd
7 Chettinad Lignite Transport Services (P) Ltd	34 Chettinad Container Terminal (P) Ltd
8 Chettinad Financial management Services (P) Ltd	35 Chettinad Energy Resource (P) Ltd
9 Chettinad Software Services (P) Ltd	36 Chettinad Electric Company (P) Ltd
10 Chettinad Builders (P) Ltd	37 Chettinad Enterprises (P) Ltd
11 Chettinad Realtors (P) Ltd	38 Chettinad Dairy & Poultry Farms (P) Ltd
12 Chettinad Hospitals (P) Ltd	39 Chettinad Coal Washeries (P) Ltd
13 Chettinad Pharmaceuticals (P) Ltd	40 Chettinad Micro Business (P) Ltd
14 Chettinad Electronics (P) Ltd	41 Chettinad Developers (P) Ltd
15 Chettinad e-Publishing (P) Ltd	42 Chettinad Security Services (P) Ltd
16 Chettinad Trucks & Equipments (P) Ltd	43 Chettinad Properties (P) Ltd
17 Chettinad Earth Movers (P) Ltd	44 Chettinad Refineries (P) Ltd
18 Haaciendaa Infotech and Realtors (P) Ltd	45 Chettinad Oil & Gas Enterprises (P) Ltd
19 Chettinad International Coal Terminal (P) Ltd	46 Chettinad Natural Resources (P) Ltd
20 Chettinad Clearing & Forwarding (P) Ltd	47 Chettinad Oil Corporation (P) Ltd
21 Chettinad Land & Building Development (P) Ltd	48 Belaire Apartments (P) Ltd
22 Chettinad Projects Development (P) Ltd	49 Chettinad Holdings (P) Ltd
23 Chennai Computer and Software Services (P) Ltd	
24 Chettinad Inland Water Transport Services (P) Ltd	
25 Chettinad Infrastructures & Property Developers (P) Ltd	
26 Chettinad Morimura Semi Conductor Material (P) Ltd	
27 Chettinad Engineering and Allied Services (P) Ltd	

ii) Closing Balance Cr. ₹ 17127 lakhs (Cr. ₹ 41723 lakhs)

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

D) Key Managerial Personnel : Dr. M.A.M. Ramaswamy & Sri M.A.M.R. Muthiah

Relative of Key Managerial Personnel : Smt. Geetha Muthiah, w/o Sri M.A.M.R. Muthiah

Sitting Fees of ₹ 0.06 lakhs (₹ 0.1 lakhs) paid to Dr. M.A.M. Ramaswamy, Chairman. Remuneration and Sitting Fees of ₹ 576.94 lakhs (₹ 834.61 lakhs) paid to Sri M.A.M.R. Muthiah, Managing Director.

51. Employee Benefits : Details as per AS 15

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

A) Employee Plan

Provident Fund

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

B) In respect of Gratuity and Leave Encashment
(₹ in lakhs)

	2013-14		2012-13	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
	(Funded)	(Unfunded)	(Funded)	(Unfunded)
(i) Reconciliation of liability recognized in the Balance Sheet				
Present value of commitments	(1452)	(382)	(1386)	(525)
Fair value of Plan Assets	1328	-	1530	-
Net Asset/(Liability) in the Balance Sheet	(124)	(382)	-	(525)
(ii) Movement in Net Liability recognized in the Balance Sheet				
Net Asset/(Liability) as at beginning of the year	-	(525)	(222)	(634)
Net Expense recognised in the Statement of Profit and Loss *	(124)	(406)	-	(185)
Contribution during the year	-	549	222	294
Net Asset/(Liability) as at end of the year	(124)	(382)	-	(525)
(iii) Expense recognised in the Statement of Profit and Loss				
Current Service Cost	113	45	125	52
Interest cost	111	20	137	39
Expected return on plan assets	(117)	-	(128)	-
Actuarial (gains)/losses	162	341	(278)	94
Expense charged to the Statement of Profit and Loss	269	406	(144)	185
(iv) Return on plan assets				
Expected return on plan assets	117		128	
Actuarial (gains)/losses	-		-	
Actual return on plan assets	117		128	
(v) Reconciliation of defined-benefit commitments				
Commitments as at beginning of the year	145	(525)	(222)	(634)
Current service cost	(113)	(45)	(125)	(52)
Interest cost	(111)	(20)	(137)	(39)
Paid benefits	-	549	222	294
Actuarial (gains)/losses	(162)	(341)	278	(94)
Expected return on Plan	117		128	
Commitments as at end of the year	(124)	(382)	144	(525)

(₹ in lakhs)

	2013-14		2012-13	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
	(Funded)	(Unfunded)	(Funded)	(Unfunded)
(vi) Reconciliation of plan assets				
Plan assets at beginning of the year	1530		1486	
Expected return on plan assets	117		128	
Contributions during the year	-		222	
Paid benefits	(319)		(306)	
Actuarial gains/(losses)				
Plan assets as at end of the year	1328		1530	
(vii) Principle Assumption				
Discount Rate	8%	9.2%	8%	8%
Expected return on Plan Assets				
Expected rate of salary Increase	5%	6%	5%	4%
Mortality	LIC (1994-96) Ultimate	IALM (2006-08) Ultimate	LIC (1994-96) Ultimate	IALM (2006-08) Ultimate

* After netting ₹145 lakhs, surplus plan assets in the Fund as on 31.03.2013.

M.A.M. Ramaswamy Chairman	M.A.M.R. Muthiah Managing Director	R. Krishnamoorthy K.Ganapathy	L.Muthukrishnan Ramanathan Palaniappan	S. Hariharan Company Secretary
		Directors		

Subject to our Report of even date

For P.B.Vijayaraghavan & Co.,
Chartered Accountants
Firm Regn.No.004721S
P.B.Srinivasan
Partner
(Membership No. 203774)

For V.Soundararajan & Co.,
Chartered Accountants
Firm Regn.No.003943S
V.S.Ravikumar
Partner
(Membership No. 018030)

For Krishnaa & Co.,
Chartered Accountants
Firm Regn.No.001453S
K.Sundar Rajan
Partner
(Membership No. 208431)

Place : Chennai
Date : 30.07.2014



PROXY FORM

CHETTINAD CEMENT CORPORATION LIMITED

Regd.Office: "Rani Seethai Hall Building", 603, Anna Salai, Chennai-600006
Tel:044-28292727,42149955, Fax:044-28291558,43090202, P.B.No.748
Email ID:shares@chettinadcement.com (CIN:U93090TN1962PLC004947)

FORM NO.MGT-11

(Pursuant to Section 105(6) of The Companies Act, 2013 and rule 19(3) of The Companies
(Management and Administration) Rules, 2014)

Name of the Member(s) : _____ Folio No/DP ID-Client ID: _____
Registered address: _____ E-mail ID : _____

I/We, being the Member (s) holding _____ Equity Shares of the above named company, hereby appoint

1. Name : _____	Address : _____
E-mail Id : _____	Signature : _____ or failing him
2. Name : _____	Address : _____
E-mail Id : _____	Signature : _____ or failing him
3. Name : _____	Address : _____
E-mail Id : _____	Signature : _____

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 51st Annual General Meeting of the Company, to be held on Wednesday, the 27th August, 2014 at 10.00 A.M. "Rani Seethai Hall" No.603, Anna Salai, Chennai-600006 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolu- tion No.	Ordinary Business
1.	Adoption of Financial Statements for the financial year ended 31st March 2014
2.	Re –appointment of Dr.M.A.M.Ramaswamy (DIN 00826351) as Director
3.	Re-appointment of Sri.Ramanathan Palaniappan (DIN 00624986) as Director
4.	Declaration of Dividend for the year 2013-14
5.	Re-appointment of M/s V. Soundararajan & Co., M/s P.B. Vijayaraghavan& Co. and M/s Krishnaan & Co., Chartered Accountants as Auditors
	Special Business
6.	Appointment of M/s.Raghavan & Muralidharan, Chartered Accountants, as Auditors
7.	Ratification of payment of fees to the Cost Auditors M/s. Geeyes & Co.,
8.	Appointment of Mr.Mamidipudi Ravindra Vikram (DIN 00008241) as Independent Director
9.	Appointment of Mr.Aryabumi Mohan Krishna Reddy (DIN 00093185) as Independent Director
10.	Appointment of Ms.Bhavana G.Desai (DIN 06893242) as Independent Director
11.	Creation of Mortgage under Section 180 (1) (a) of the Companies Act 2013.
12.	Borrowing Limits under Section 180 (1) (c) of the Companies Act 2013.

Signed this _____ day of _____ 2014

Signature of Shareholder _____

Signature of Proxy holder (s) _____

Affix
₹ 1/-
Revenue
Stamp

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company at "Rani Seethai Hall Building" No.603, Anna Salai, Chennai-600006 not less than 48 hours before the commencement of the Meeting.



CHETTINAD CEMENT CORPORATION LIMITED

Regd. Office: "Rani Seethai Hall Building", 603, Anna Salai, Chennai-600006
Tel: 044-28292727, 42149955, Fax: 044-28291558, 43090202, P.B.No.748
Email ID: shares@chettinadcement.com
(CIN: U93090TN1962PLC004947)

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 51st Annual General Meeting.

Date : 27th August 2014 (Wednesday)

Time : 10.00 a.m

Venue : "Rani Seethai Hall", No.603, Anna Salai, Chennai-600006

.....
Signature of the Shareholder

.....
Signature of the Proxy

To be filled in by the Shareholder :-

Folio No./Client ID :

No. of Shares :

List of Awards Received

Awards	Year
1. NATIONAL SAFETY AWARD (For outstanding performance in Industrial Safety in achieving Lowest frequency rate in Industry). Runners up. Highest % reduction in frequency rate.	1976 1977
2. MERIT AWARDS from Regional Directorate of Workers Education	1982 1985
3. TAMILNADU FILM ARTS ASSOCIATION, Chennai. Shield	1978
4. a). NATIONAL PRODUCTIVITY AWARD (Best Productivity Performance in Cement Industry Issued by NPC) Second Best Best Best Second Best Second Best b). BEST PRODUCTIVITY AWARD (Issued by Govt. of Tamilnadu)	1985-86 1986-87 1995-96 1996-97 1998-99 1994-95 1995-96
5. NATIONAL SAFETY AWARD (Mines - For Lowest injury frequency rate Metal Mines Mechanised Open cast). Longest Accident Free Period. Highest % reduction in frequency rate. Best Performance of the year.	1986 1986 1987 1989
6. CONSERVATIONIST OF THE YEAR (For outstanding progress in the field of conservation of Energy, Metal Components & Machinery)	1987
7. NCBM NATIONAL AWARDS (Improvement in Energy Performances) Second Best Best Best (Manufacture of Blended Cement) Best (Manufacture of Blended Cement) Best (Manufacture of Blended Cement)	1994-95 1995-96 1998-99 1999-2000 2000-01
8. TNEB ENERGY CONSERVATION AWARD (One Among the 15 Energy Efficient H.T. Industries of 2000 KVA)	1998-99
9. NCBM NATIONAL AWARDS (Improvement in Electrical Energy Performance) Second Best	1998-99
10. NCBM NATIONAL AWARDS Awarding for Energy Efficiency - 1st Prize Best Improvement in Thermal Energy Performance	2000-01
11. MINISRTY OF ENERGY National Energy Conservation Award National Energy Conservation Award for the Cement Sector	2000-01 2002
12. TAMILNADU GOVERNMENT AWARDS State Safety awards 1st & 3rd Prize	1998
13. NATIONAL AWARD FROM NCCBM Best Environmental Excellence in Cement Industry	2004-05
14. AWARDED THREE LEAVES by the Centre for Science and Environment in Green Rating Project	2004-05
15. TAMILNADU GOVERNMENT AWARDS State Safety Awards 1st Prize	2005
16. TAMILNADU GOVERNMENT AWARDS State Safety Awards 1st Prize	2007
17. NATIONAL AWARD FROM NCCBM Best Environmental Excellence in Cement Industry	2007-08
18. NATIONAL AWARD FROM NCCBM Best Improvement in Thermal Energy Performance	2007-08
19. Water Efficient Unit Award from CII	2012-13



CHETTINAD CEMENT CORPORATION LIMITED

Registered Office :

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

Tel : 091-44-28292727, 42149955, Fax : 091-44-28291558.

Cable : Bestcement,

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