



52nd
ANNUAL REPORT
2014-2015

Chettinad Cement Corporation Limited



FOUNDER

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

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MANAGEMENT

Chairman	: Sri. L Muthukrishnan
Managing Director	: Sri. M A M R Muthiah
Directors	: Sri. K Ganapathy Sri. R Ramakrishnan Sri. M Ravindra Vikram Sri. A Mohan Krishna Reddy Ms. Bhavana G Desai Sri. V Chandramoleeswaran Sri. S K Prabhakar, (Nominee Director of TIIIC)
Chief Financial Officer	: Sri. R Raghunathan
Company Secretary	: Sri. S Hariharan
Statutory Auditors	: M/s Raghavan & Muralidharan, Chartered Accountants
Cost Auditor	: M/s Geeyes & Co., Cost and Management Accountants
Secretarial Auditor	: M/s V Mahesh & Associates, Company Secretaries
Bankers	: ICICI Bank Ltd HDFC Bank Central Bank of India Hongkong & Shanghai Banking Corporation Limited
Registered Office	: "Rani Seethai Hall Building" No. 603, Anna Salai, Chennai 600 006. Tel. No. 044-28292727 / 42149955 Fax No. 044-28291558 E Mail. ID: shares@chettinadcement.com Website: www.chettinad.com

PROFILE

CHETTINAD CEMENT CORPORATION LIMITED

CIN : U93090TN1962PLC004947

“Chettinad Cement Corporation Limited” was incorporated 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 Chettinad Cement Corporation Limited is the flagship company of the most vibrant and dynamic group in South India steered under the versatile, dynamic and pragmatic Leadership of its Managing Director Sri M.A.M.R. Muthiah. Apart from cement, the Group 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 0.9MTPA 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 Karikkali 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 165 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

	2010-11	2011-12	2012-13	2013-14	2014-15
PRODUCTION			(In MT)		
Clinker	3474372	3887981	4766369	4584337	4265373
Cement	4562416	5139375	6160875	5816357	5551684
Capacity Utilisation (%)	70	52	56	53	50
SALES					
Cement & Clinker	4573979	5154671	6188277	5854346	5552297
FINANCIAL HIGHLIGHTS			(₹ in Lakhs)		
Turnover (Gross) including					
Other Income	182184	235605	283188	256556	281431
Gross Profit	52093	69050	63476	48391	62772
Interest & Lease rentals	6299	9249	10605	7968	4903
Depreciation	36287	34681	37149	29824	32151
Profit / (Loss) before Tax	9507	25120	15722	10599	25718
Provision for Taxation					
-Current Tax (Net)	1950	5807	2240	43	8267
-Deferred Tax - (Asset)/Liability	40	513	(272)	(48)	(3592)
-Fringe Benefit Tax	-	-	-	-	-
Net Profit / (Loss) after Tax	7517	18800	13754	10604	21043
PAID - UP SHARE CAPITAL	3820	3820	3820	3820	3820
RESERVES & SURPLUS	88751	104221	115740	124030	142824
RATIOS					
PBIDT to Sales (%)	30.28	30.03	22.47	19.41	23.93
PBT to Sales (%)	5.52	10.92	5.56	4.25	9.81
EPS (₹)	19.68	49.21	36.01	27.76	55.09
Debt to Equity	0.66	0.46	0.51	0.42	0.30
Book Value per Share (₹)	242	283	313	335	384
Dividend (%)	50	75	50	50	50

DIRECTORS' REPORT

Dear Shareholders,

Your Directors take pleasure in presenting the 52nd Annual Report together with the Audited Financial Statements of Chettinad Cement Corporation Limited ("the Company") for the year ended March 31, 2015.

Financial Performance

The summarized standalone and consolidated results of your Company and its subsidiary are given in the table below.

₹ in Lakhs

Particulars	Financial Year ended		Consolidated
	31/03/2015	31/03/2014	31/03/2015
Total Income	2,45,562	2,21,426	2,69,398
Profit before Interest, Depreciation & Tax	62,772	48,391	68,008
Less: Interest	4,903	7,968	7683
Less: Depreciation	32,151	29,824	33210
Less: Provision for Income Tax			
Current	8,267	43	8267
Deferred	(3,592)	(48)	(3866)
Less: Minority interest and adjustment towards acquisition	-	-	(264)
Net Profit After Tax	21,043	10,604	22978
Surplus brought from previous year	66,543	59,274	66,543
Total available for appropriation	87,586	69,878	89,521
Appropriations			
Transfer to General Reserve	2,105	1,100	2,105
Proposed Dividend	1,910	1,910	1,910
Tax on the Proposed Dividend	389	325	389
Transfer to Debenture Redemption Reserve			500
Balance Carried over to Balance Sheet	83,182	66,543	84,617

Dividend

Your Directors have recommended a dividend of ₹ 5/- per equity share for FY 2014-15. The dividend will be paid on 38198998 Equity Shares of ₹10/- each, amounting to ₹ 1910 lakhs (previous year ₹ 1910 lakhs). An Amount of ₹ 2105 lakhs have been transferred to the General Reserve. The cash outgo towards dividend is ₹ 2299 lakhs, inclusive of the corporate dividend tax.

Production and Sales for the year 2014-15

	MT
Clinker Produced	4265373
Cement Produced	5551684
Cement and Clinker Sales	5552297

MANAGEMENT DISCUSSION AND ANALYSIS :

a) Discussion on financial performance with respect to operational performance

The Production and Sale of Cement during the financial year 2014-15 was 5551684 MT and 5552297 MT, a reduction of 4.6% and 5.2% respectively over the previous year. The Gross Turnover of the company for the financial year 2014-15 stood at ₹ 280803 lakhs as against ₹ 255748 lakhs in the previous year, a growth of 9.8% over the previous year. During the year, the net revenue from operations of your Company increased by 11%, from ₹ 220618 lakhs to ₹ 244934 lakhs. For FY2015, your Company's profit after tax stood at ₹ 21043 lakhs vis-à-vis ₹ 10604 lakhs in the previous year, registering a growth of 98%. The Networth of the Company as on 31.03.2015 is ₹ 146644 lakhs as against ₹ 127850 lakhs in the previous year, an increase of 14.70%.

b) Economic Scenario and Future Outlook

Even as the major economies looms under an environment of uncertainty, the Indian Economy has continued to emerge as the one with the most promising outlook based on the foundation of stable inflation levels, rise in demand and decline in the oil prices. The Indian economy has successfully got past the worst face of economic downturn and the progress over the last couple of years show that India is definitely into the path of stable growth. The Indian economy grew at more than 7 per cent in 2014-15 and Inflation has again come down to 4% levels.

The Government's focus on investments in infrastructure development, mainly the initiative of promoting concrete roads in place of bitumen roads, would provide a great opportunity to the Cement Industry at the same time improve the longevity of the road infrastructure with minimal maintenance cost. Further the development of Tier II cities would give a boost to the dormant real estate sector and in turn the Cement sector.

The demand for Cement in India is still driven primarily by housing sector which account for more than 50% of Cement consumption. There lies a vast potential for growth of Cement Industry in the Industry and Infrastructure sector. With the economy again in the part of growth, we may soon expect the Infrastructure and Industry sector to dominate the consumption of Cement.

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. Karupiah & Co., M/s M Bhaskara Rao & Co. Chartered Accountants as Internal Auditors to conduct the Systems audit 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.

Your Company continuously invests in retention and development of talent on an ongoing basis. A number of programs that instill focused people attention are currently underway. Your Company thrust is on the promotion of talent internally through job rotation and job enlargement.

The total manpower count in the Company as on 31.03.2015 is 1483

CAPTIVE THERMAL POWER PLANTS [CPP]

a) **KARIKKALI WORKS**

The Gross power generation from the 1 x 15 MW and 2 x 30 MW Captive Thermal Power Plants during the year under review was 3545.49 lakhs Units as against 2054.99 lakhs Units for the last year. The auxiliary power consumption for the current year is 281.09 lakhs units as against 171.47 lakhs units for the last year. Out of the Net Generation of 3264.4 lakhs Units, 1531.39 lakhs units were captively consumed by the Cement Plant thereat and the remaining 1733.01 lakhs units were sold under Power Purchase Agreements.

b) **PULIYUR WORKS**

The Gross power generation from the 15 MW Captive Thermal Power Plant during the year under review was 962.85 lakhs Units as against 1004.02 lakhs Units in the previous year, with an auxiliary consumption of 80.25 lakhs units as against 82.58 lakhs units in the previous year. The Net generation for the current year was 882.59 lakhs units as against 921.44 Units last year. Out of the Net Generation of 882.59 lakhs Units, 846.52 lakhs units were captively consumed by the Cement Plant thereat and the remaining 36.07 lakhs units were sold under Power Purchase Agreements.

c) **ARIYALUR WORKS**

The Gross power generation from the 3 x 15 MW Captive Thermal Power Plants during the year under review was 2759.20 lakhs as against 2234.66 lakhs Units last year, with an auxiliary consumption of 224.04 lakhs units as against 188.77 lakhs units last year. The Net generation during the year was 2535.16 lakhs Units. Out of the Net Generation of 2535.16 Lakhs Units, 1175.93 lakhs units were captively consumed by the Cement Plant thereat and the remaining 1359.23 units were sold under Power Purchase Agreements.

d) **KALLUR WORKS**

The Gross power generation from the 1 x 30 MW Captive Thermal Power Plants during the year under review was 972.70 lakhs as against 735.60 lakhs Units last year, with an auxiliary consumption of 87.40 lakhs units as against 68.62 lakhs units last year. The Net generation during the year was 885.30 lakhs Units. Out of the Net Generation of 885.30 lakhs Units, 698.39 lakhs units were captively consumed by the Cement Plant thereat and the remaining 186.91 units were sold under Power Purchase Agreements.

The company has installed Waste Heat Generation Plant with a capacity of 7.3 MW at its kallur works. The Production during the financial year 2014-15 is 60.23 lakhs 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.

Details of Board meetings

During the year, Board meetings were held, details of which are given below:

Date of the meeting	No. of Directors attended the meeting
22.07.2014	6
30.07.2014*	6
04.09.2014	5
16.12.2014	4
20.03.2015	6

*The Meeting held on 22.07.2014 was adjourned on 30.07.2014.

Committees of Board

The details of composition of the Committees of the Board of Directors are as under:-

a. Audit Committee

Audit Committee was reconstituted pursuant to the provisions of the Section 177 of the Companies Act, 2013 with the undermentioned directors as members.

The members of Audit Committee are

1. L Muthukrishnan, Chairman
2. A Mohankrishna Reddy, Independent Director
3. Bhavana G Desai, Independent Director

During the year, the Audit Committee had met on 14.05.2014, 21.07.2014, 16.12.2014 and 20.03.2015.

b. Vigil mechanism

Pursuant to the requirement of Section 177(9) and (10) of the Companies Act, 2013, the Company has established vigil mechanism and the vigil mechanism policy has been approved by the Audit Committee. Vigil mechanism policy is uploaded in the Company's website www.chettinad.com

c. Nomination & Remuneration Committee

Nomination & Remuneration Committee was reconstituted pursuant to the provisions of Section 178 of the Companies Act, 2013 with the undermentioned directors as members.

The members of Nomination & Remuneration Committee are

1. Sri. L Muthukrishnan, Director
2. Sri. K Ganapathy, Director
3. Sri. MohanKrishna Reddy, Independent Director
4. Ms. Bhavana G Desai, Independent Director

The Company has framed Nomination and Remuneration policy.

Nomination & Remuneration Policy is uploaded in the Company's website www.chettinad.com.

During the year, the Nomination & Remuneration Committee met on 28.04.2014.

d. Corporate Social Responsibility Committee

Corporate Social Responsibility Committee was constituted pursuant to the provisions of the Companies Act, 2013 with the undermentioned directors as members.

The members of Corporate Social Responsibility Committee are

1. Sri. M A M R Muthiah, Managing Director
2. Sri. L Muthukrishnan, Director
3. Sri. MohanKrishna Reddy (Independent Director)

The Company has framed Corporate Social Responsibility policy and has been approved by the Board at its meeting held on 20th March 2015.

Corporate Social Responsibility Policy is uploaded in the Company's website www.chettinad.com.

During the year, the Committee had met on 20.03.2015 to recommend the Corporate Social Responsibility Policy as well as Corporate Social Responsibility Programme to the Board.

Further, the Report on CSR Activities/ Initiatives is enclosed as **Annexure 3**.

e. **Stakeholders Relationship Committee**

During the year, the Committee had met seven times on 01.04.2014, 30.06.2014, 22.08.2014, 31.10.2014, 07.01.2015, 10.02.2015 and 20.03.2015. On 30.06.2014 the name of the Committee has changed from Share transfer Committee to the Stakeholders Relationship Committee.

Extract of Annual Return

Pursuant to section 92(3) of the Companies Act, 2013 ('the Act') and rule 12(1) of the Companies (Management and Administration) Rules, 2014, extract of annual return is Annexed as **Annexure 1**.

Directors' Responsibility Statement

Pursuant to the requirement of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, your Directors confirm that:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and 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; and
- (e) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Statutory Auditors

In the last AGM held on 27th August 2014 M/s. Raghavan & Muralidharan Chartered Accountants have been appointed Statutory Auditors of the Company for a period of five years. As required under the Companies Act, 2013, the appointment of statutory Auditors is placed before the members in the General Meeting for their ratification. Accordingly, a Resolution seeking Member's ratification for the appointment of Statutory Auditors is included as Item no. 5 of the Notice convening the Annual General meeting.

Further, the report of the Statutory Auditors forms part of the Annual Report.

Cost Audit

Pursuant to Section 148 of the Companies Act, 2013 read with The Companies (Cost Records and Audit) Amendment Rules, 2014, the cost audit records maintained by the Company in respect of its cement activity is required to be audited. Your Directors had, on the recommendation of the Audit Committee, appointed Messrs Geeyes & Co., Cost and Management Accountants to audit the cost accounts of the Company for the financial year 2015-16 on a remuneration of ₹ 3.2 lakhs. As required under the Companies Act, 2013, the remuneration payable to the cost auditor is required to be placed before the Members in the Annual general meeting for their ratification. Accordingly, a Resolution seeking Member's ratification for the remuneration payable to M/s Geeyes & Co. Cost and Management Accountants is included as Item No. 6 of the Notice convening the Annual General Meeting.

Secretarial audit

In terms of Section 204 of the Companies Act, 2013 and Rules made there under, M/s. V Mahesh & Associates, Company Secretaries have been appointed Secretarial Auditors of the Company. The report of the Secretarial Auditors is enclosed as **Annexure 5** to this report.

Explanations or Comments by the Board on every Qualification, Reservation or Adverse Remarks or Disclaimer made in Statutory Audit Report

Nil

Explanations or Comments by the Board on every Qualification, Reservation or Adverse Remarks or Disclaimer made in Secretarial Audit Report

This is with reference to the remark regarding the appointment of Chief financial Officer, as per the Companies Act, 2013.

The Company has appointed Joint President (Finance) prior to the commencement of Companies Act, 2013 who was performing the role of Chief Financial Officer. The Company however did not redesignate him as the Chief Financial Officer at the Board Meeting.

The Company has since appointed Chief Financial Officer at its Board Meeting held on 12th August 2015.

Anti Sexual Harassment Policy

The Company has framed Anti Sexual Harassment Policy. The same is available in the website of the Company www.chettinad.com.

No complaint was filed during the financial year 2014-15.

Occupational Health and Safety Policy (OH&S)

Safety is one of our core values and part of the Company's vision statement. The Company is committed to strive for 'Zero Harm Environment' and firmly believe safety as one of the most important criteria to achieve the goal of being the 'Most Sustainable and Competitive' Company. The Company is making continuous efforts to reduce OH&S risks through the integration of OH&S requirements with other business processes.

Material Changes & Commitments affecting financial position of the Company, occurring between date of Financial Statements and the Board's Report

Nil

Annual Performance Evaluation of Directors

Pursuant to the provisions of the Companies Act, 2013 the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its various Committees. A structured questionnaire was prepared after taking into consideration various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance. A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgement and safeguarding the interest of the various stakeholders of the Company. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was also carried out by the Independent Directors .

Particulars of loans, guarantees or investments

During the year

1. The Company has not given any loans
2. The Company has invested in its subsidiary M/s Anjani Portland Cement Limited aggregating to ₹ 8517 lakhs.
3. The Company has provided guarantees to
 - (a) HDFC Bank for ₹ 9000 lakhs as security for term loan and working capital facilities availed by its subsidiary M/s Anjani Portland Cement Limited for business purpose
 - (b) IDBI trusteeship Services Limited for ₹ 6000 lakhs as security for issue of secured Non convertible debentures by its subsidiary M/s Anjani Portland Cement Limited.

All the statutory Compliance stipulated under Companies Act, 2013 have been complied with.

Related party transactions

All transactions with Related Parties entered during the financial year were in the ordinary course of business and on an arm's length basis. There are no materially significant related party transactions made by the Company with its Promoters, Directors, Key Managerial Personnel or their relatives which may have a potential conflict with the interest of the Company at large. There are no contracts or arrangements entered into with Related Parties during the year to be disclosed under sections 188 (1) read with 134 (h) of the Companies Act, 2013 in form AOC-2.

Subsidiary Company

During the year under review, the Company has acquired 13792197 equity shares in M/s Anjani Portland Cement Limited constituting 75% of the paid up share capital of Anjani Portland Cement Limited. On account of this investment, Anjani Portland Cement Limited has become the subsidiary of the Company.

Statement containing salient features of financial statements of subsidiaries

Pursuant to sub-section (3) of section 129 of the Act, the statement containing the salient feature of the financial statement of the company's subsidiary M/s Anjani Portland Cement Limited is given as **Annexure-2**.

Further, brief about the business of M/s Anjani Portland Cement Limited is given hereunder:-

The genesis of Anjani Portland Cement Limited (APCL) was inspired and motivated by the pioneer of the cement industry, Padma Bhushan Dr. BV Raju (former chairman of Cement Corporation of India), who has been instrumental in the growth of the cement industry in India, especially Andhra Pradesh. Trained and sculpted by this cement luminary, the architects of APCL have built its organizational structure on a very strong pedestal of infrastructure, technology, experienced human resource and strong social commitment.

Starting with an initial production capacity of 3 lakh tonnes p.a., the production capacity now stands at 12 lakh tonnes p.a. on the strength of added infrastructure and state of the art technology.

The APCL plant has a completely hands free and fully automated production process installed using SIEMENS PCS7-CEMAT Distribution Control System with 24x7 monitoring, sampling and analysis of cement production through its stages from mining to packing. Samples are sent to independent quality analysts to establish quality standards

Risk Management Policy

Risk Assessment and Mitigation procedure: Risk assessment and mitigation procedure is an on-going process. The Company has in place a concurrent process of Risk assessment and mitigation in the form of periodic review meeting of individual divisions of the Company. These review meetings are chaired by the Managing Director where the various risks faced in the operation, its current and future impact both in financial and operational terms, are discussed in detail and steps for minimizing the impact is deliberated, finalized and implemented.

Sri. M A M R Muthiah, Managing Director, primarily in-charge of conduct of the affairs of the Company appraises the Board of Directors regularly about the assessed risks and the measures taken to mitigate the same to ensure smooth conduct of the business of the company

Some of the key business risks identified by the Company and its mitigation plans are as under:

a. Competition Risks:

The Cement Industry is becoming intensely competitive with the foray of new entrants and the existing players adopting inorganic growth strategies. To mitigate this risk, the Company is leveraging on its expertise, experience and its created capacities to increase its market share, enhance brand equity / visibility and enlarge product portfolio and consolidate service offerings.

b. Project Risks:

The Cement Industry is capital intensive in nature. The execution of projects would take considerable time and statutory approvals which has the potential for cost and time over runs. To mitigate these risks, the project management team and the project accounting and governance framework has been further strengthened.

Declaration by independent directors

Sri Mohan Krishna Reddy, Director and Ms. Bhavana G Desai, Director are independent Directors on the Board of your Company. In the opinion of the Board and as confirmed by these Directors, they fulfill the conditions specified in section 149 of the Companies Act 2013 and the Rules made thereunder about their status as Independent Directors of the Company.

Details of significant & material orders passed by the regulators, courts, tribunals impacting the going concern status and company's operations in future

There were no significant and material orders passed by regulators or courts or tribunals impacting the going concern status and company operations in future.

Directors and Key Managerial Personnel

Sri L Muthukrishnan (DIN: 01758013), Director retires by rotation at the forthcoming Annual General Meeting and being eligible, offer himself for reappointment.

Sri K Ganapathy (DIN:00947364), Director retires by rotation, does not seek reappointment and is therefore retired and not appointed as Director.

Sri R Krishnamoorthy, Director resigned from the Board with effect from 01.09.2014.

Sri V Chandramoleeswaran (DIN: 00589090) has been co-opted on 16.12.2014 as Director on the Board of the Company, in the place of Sri R Krishnamoorthy.

Sri. V Srikrishnan, Joint President (Finance) resigned from the services of the Company effective 6th June 2015. The Board placed on record its appreciation for the services and valuable contribution rendered by Sri. V Srikrishnan during his tenure with this company.

The Board has appointed Sri. R Raghunathan as Chief financial officer of the Company with effect from 12th August 2015.

Transfer of Amounts to Investor Education and Protection Fund

The unclaimed dividend upto the financial year 2006-07, has been transferred to the said Fund within the stipulated time. The next remittance of dividend declared for the financial year 2007 – 08 to the fund will be made during October / November, 2015. 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 2007-08 to 2013-14. [No dividend declared for the year 2009-10].

The Unpaid dividend with respect to disputed cases (from the year 1995-96 to 2005-06) lying in the unpaid dividend account has been transferred to the investor education and protection fund in May 2015.

Fixed Deposits

Your Company has not accepted any deposits from public and has no un-matured / unpaid Fixed Deposits at the end of the financial year 2014-15.

Particulars of Employees

Pursuant to the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, statement of particulars of employees is Annexed as **Annexure 4**.

Details of conservation of energy, technology absorption, foreign exchange earnings and outgo

(a) Conservation of energy

(i)	the steps taken or impact on conservation of energy	<p>Puliyur Modification of Preheater II & III Cyclone Modification of Preheater IV & V Cyclone Installation of SPRS System for RABH FAN New Oil Firing system for Kiln Installation of VFD Control for Cooler Drive Installation of VFD Control for RABH Reverse air fan. Installation of New Feed Rotary Airlock system for Cement Mill Modification of Coal Mill2 O/L diaphragm Modification of Cement mill separator discharge airstide</p> <p>Karikkali Installation of Hot Air Duct from line- 2 cooler to Line- 1 Cement mill to avoid consumption of furnace oil during Kiln stoppage Installation of SPRS PreHeater Fan Installation of VFD for 412FN1 Bag filter fan power. Installation of VFD for 542FNC Bag filter fan power Installation of VFD for 553FN3 Bag filter fan power Installation of VFD for 312FN1 Bag filter fan power Usage of 100 % LED Lamps.</p> <p>Ariyalur: Conversion of 66DBC2A, 66DBC4A, 66EBC2A, 66FBC4A belt Conveyors from Delta to Star Connection. Removal of inlet Damper of the FD Fan in the Boiler to avoid the damper loss Reduction in the speed of Line 2 Raw mill bag house Fan motor from 65% to 62% Optimisation of the plant lighting voltage by reducing the tap in the transformer Replacement of Submersible pumps in WTD with End suction pumps for the improving the efficiency of pumps.</p> <p>Kallur Usage of pet coke Usage to reduce the fuel cost.</p>
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(ii)	the steps taken by the company for utilizing alternate sources of energy	<p>Puliyur Usage of Alternate fuel in Cement plant and CPP- 11134 MT</p> <p>Karikkali 16294 MT Alternative fuel used in Cement Plant.</p> <p>Kallur Usage of Alternative Fuels to reduce the fuel variable costs in Cement Plant and CPP.</p>
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(b) Technology absorption

(i)	the efforts made towards technology absorption	<p>Puliyur Latest versions of Variable Frequency Controllers System Latest version of Slip Power Recovery System Maintenance Management System Automatic Fire Warning & Alarm System Energy Efficient Motors Numerical Relays for the Electrical System Protection Energy Efficient - Magnetic Induction, CFL Lamps</p> <p>Kallur Improvement in the Operational stability and Output due to Raw Mill Roller</p> <p>Ariyalur “Fan Control System” was incorporated in DCS which will interface shell cooling fan vs. shell scanner temperature</p>
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution	<p>Kallur Raw Mill Roller Press - Roller Profiling done to improve the Operational stability and Output. Installation of Additional Super Heater Coils in Waste heat Recovery Plant to improve the Performance. Implementation of Rain Water Conservation Pit in Mines to collect the rain water avoiding running of bore wells for Plant Operations. Installation of Modified Limestone Crusher Rotor Clamping system to improve the reliable Operations.</p> <p>Ariyalur: Mobile screen incorporated to improve the quality of limestone for plant operation. Provision of heat pump for dormitory for hot water instead of Geysers in the individual rooms.</p>
(iii)	<p>in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-</p> <p>(a) the details of technology imported</p> <p>(b) the year of import;</p> <p>(c) whether the technology been fully absorbed</p> <p>(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof</p>	<p>-</p> <p>-</p> <p>-</p> <p>-</p>
(iv)	<p>the expenditure incurred on Research and Development</p> <p>a. Capital</p> <p>b. Recurring</p> <p>c. Total</p>	<p>Amount in ₹ Lakhs</p> <p>Nil</p> <p>93</p> <p>93</p>

(c) Foreign exchange earnings and Outgo

During the year, the total foreign exchange used was ₹ 2076 lakhs (previous year ₹ 2203 lakhs) and the total foreign exchange earned was ₹ 230 lakhs (previous year ₹ 235 lakhs)

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 laws and regulations.

Important factors that could influence the Company's operations include global and domestic supply and demand conditions affecting and 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 place on record their appreciation for employees at all levels, who have contributed to the growth and performance of your Company.

Your Directors also thank the clients, vendors, bankers, shareholders, Financial Institutions, Suppliers, Customer and advisers of the Company for their continued support.

For and on behalf of the Board
Chettinad Cement Corporation Limited

L Muthukrishnan
Chairman

Date : 12.08.2015
Place : Chennai

Form No. MGT-9
EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2015 of

Chettinad Cement Corporation Limited

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

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	U93090TN1962PLC004947
ii)	Registration Date	11.12.1962
iii)	Name of the Company	Chettinad Cement Corporation Limited
iv)	Category/Sub-Category of the Company	Public Company
v)	Address of the Registered office and contact details	Rani Seethai Hall Building, 603, Anna Salai, Chennai 600 006 Ph.No. 91 44 28292727 / 42149955 Fax: 91 44 28291558
vi)	Whether listed company	No
vii)	Name, Address and contact details of Registrar & Transfer Agents (RTA), if any	Integrated Enterprises (India) Ltd 2nd Floor, Kences Towers, 1, Ramakrishna Street, T Nagar Chennai 600 017.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	Cement	23941&23942	92.44

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

S. NO	Name And Address Of The Company	Cin/Gln	Holding/Subsidiary/ Associate	% Of Shares Held	Applicable Section
1.	Anjani Portland Cement Limited 306A, The Capital, 3rd Floor, Plot No. C-70, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051.	L26942MH1983PLC265166	Subsidiary	75%	2(87) of the Companies Act, 2013

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

Category of Shareholder	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A SHAREHOLDING OF PROMOTER AND PROMOTER GROUP									
(1) Indian									
a Individual/Hindu Undivided Family	21724733	572278	22297011	58.370	21724733	572278	22297011	58.370	
b Central Government/State Government									
c Bodies Corporate	14008435	0	14008435	36.670	14046151	0	14046151	36.770	
d Financial Institutions/Banks									
e Any other(specify)									
SUB TOTAL A (1)	35733168	572278	36305446	95.040	35770884	572278	36343162	95.140	0.100
(2) Foreign									
a Individual(Non resident/foreign)									
b Bodies corporate									
c Institutions									
d Qualified Foreign Investor									
e Any other(specify)									
SUB TOTAL A(2)	0	0	0	0.000	0	0	0	0.000	
Total Shareholding of promoter and Promoter Group(A)=A(1)+A(2)	35733168	572278	36305446	95.040	35770884	572278	36343162	95.140	0.100

Category of Shareholder	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B Public Shareholding									
(1) Institutions									
a Mutual funds/UTI	0	2200	2200	0.010	0	2200	2200	0.010	
b Financial Institutions/Banks	1235110	1300	1236410	3.240	1235110	1300	1236410	3.240	
c Central Government/State Government									
d Venture Capital Funds									
e Insurance Companies									
f Foreign Institutional Investors	0	1300	1300	0.000	0	1300	1300	0.000	
g Foreign Venture Capital Investors									
h Qualified Foreign Investor									
i Any other(specify)									
SUB TOTAL B(1)	1235110	4800	1239910	3.250	1235110	4800	1239910	3.250	0.000
(2) Non-Institutions									
a Bodies Corporate (Indian)	16331	12250	28581	0.070	11690	12250	23940	0.060	
b Individuals(Resident/NRI/Foreign National)									
(i) Individual shareholders holding Nominal share Capital upto ₹1 Lakh	250469	374031	624500	1.630	236030	355450	591480	1.550	
(ii) Individual shareholders holding Nominal share Capital above ₹ 1 Lakh									
c Qualified Foreign Investor									
d Any other(specify)									
Clearing Member	561	0	561	0.000	506	0	506	0.000	
SUB TOTAL B(2)	267361	386281	653642	1.710	248226	367700	615926	1.610	-0.100
Total Public Share Holding (B)=B(1)+B(2)	1502471	391081	1893552	4.960	1483336	372500	1855836	4.860	-0.100
TOTAL (A)+(B)									
C Shares held by Custodians and against which Depository Receipts have been issued									
GRAND TOTAL (A)+(B)+(C)	37235639	963359	38198998	100.000	37254220	944778	38198998	100.000	0.000

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change during the year
		No. of Shares	% of total shares of the Company	% of Shares Pledged / encumbered to total share	No. of Shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	
1	M A M Ramaswamy	9183834	24.04	0	9183834	24.04	0	0.00
2	Geetha Muthiah	6953690	18.20	0	6953690	18.20	0	0.00
3	M A M R Muthiah	5586709	14.63	0	5586709	14.63	0	0.00
4	Chettinad Logistics Private Limited	3695652	9.67	0	3695652	9.67	0	0.00
5	Chettinad Software Services Pvt Limited	2616535	6.85	0	2616535	6.85	0	0.00
6	Chettinad Holdings Private Limited	2522869	6.60	0	2560585	6.70	0	0.10
7	Chettinad Builders Private Limited	1521739	3.98	0	1521739	3.98	0	0.00
8	Chettinad Hospitals Private Limited	1195652	3.13	0	1195652	3.13	0	0.00
9	Chettinad Structural And Engineering Ltd	978260	2.56	0	978260	2.56	0	0.00
10	Chettinad Earth Movers Private Limited	760869	1.99	0	760869	1.99	0	0.00
11	Chettinad Lignite Transport Services Pvt Ltd	543260	1.42	0	543260	1.42	0	0.00
12	Estate of Late Dr Rajah Sir M A Muthiah Chettiar of Chettinad	419778	1.10	0	419778	1.10	0	0.00
13	South India Corporation Private Limited	173578	0.45	0	173578	0.45	0	0.00
14	Kumararajah M A M Muthiah Chettiar	152500	0.40	0	152500	0.40	0	0.00
15	Palaniappan RM	500	0.00	0	500	0.00	0	0.00
16	Chettinad Financial Management Services Pvt Ltd	21	0.00	0	21	0.00	0	0.00

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
CHETTINAD HOLDINGS PRIVATE LIMITED - AAEECC6624R				
At the Beginning of the year	25,22,869	6.60		
Date wise increase / Decrease in Promoters Shareholding during the year				
18-04-2014	1,590	0.00	25,24,459	6.61
25-04-2014	3,131	0.01	25,27,590	6.62
23-05-2014	6,165	0.02	25,33,755	6.63
20-06-2014	17,878	0.05	25,51,633	6.68
30-06-2014	10	0.00	25,51,643	6.68
08-08-2014	8,942	0.02	25,60,585	6.70
Total	25,60,585	6.70		

Note: There is no change in the shareholding of any other promoters.

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1. THE TAMILNADU INDUSTRIAL INVESTMENT CORPORATION LTD - AABCT7737M				
At the Beginning of the year	1233910	3.23	1233910	3.23
At the End of the year	1233910	3.23		
2. KALYANARAMAN R				
At the Beginning of the year	4878	0.01		
20-03-2015	-4878	-0.01	0	0.00
At the End of the year	0	0.00		
3. ICICI SECURITIES - CHETTINAD CEMENT DELISTING ESCROW ACCOUNT - AAACC3130A				
At the Beginning of the year	4212	0.01		
04-04-2014	621	0.00	4833	0.01
11-04-2014	250	0.00	5083	0.01
18-04-2014	961	0.00	6044	0.02
25-04-2014	-2429	-0.01	3615	0.01
02-05-2014	3211	0.01	6826	0.02
09-05-2014	935	0.00	7761	0.02
16-05-2014	140	0.00	7901	0.02
23-05-2014	-5064	-0.01	2837	0.01
30-05-2014	3598	0.01	6435	0.02
06-06-2014	11974	0.03	18409	0.05
13-06-2014	-17878	-0.05	531	0.00
20-06-2014	-531	0.00	0	0.00
At the End of the year	0	0.00		
4. NAGREEKA FOILS LIMITED - AAACN8548H				
At the Beginning of the year	4200	0.01	4200	0.01
At the End of the year	4200	0.01		
5. HARIKISHANDAS AGGARWAL				
At the Beginning of the year	4000	0.01	4000	0.01
At the End of the year	4000	0.01		
6. SINGARA MUDALIAR R Y				
At the Beginning of the year	4000	0.01	4000	0.01
At the End of the year	4000	0.01		
7. SEETHEVI NAIR				
At the Beginning of the year	4000	0.01	4000	0.01
At the End of the year	4000	0.01		
8. RAMASWAMY K M				
At the Beginning of the year	3750	0.01	3750	0.01
At the End of the year	3750	0.01		

Sl. No.	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
9. AMRUT CREDIT CORPORATION (INDIA) LTD				
At the Beginning of the year	3100	0.01	3100	0.01
At the End of the year	3100	0.01		
10. UMA ALLADI				
At the Beginning of the year	3000	0.01	3000	0.01
At the End of the year	3000	0.01		
11. L VALLIAMMAI - ADHPV5985B				
At the Beginning of the year	3000	0.01		
06.06.2014	-3000	0.01	0	0.00
At the End of the year	0	0.00		
12. L SUBBIAH				
At the Beginning of the year	3000	0.01		
06-06-2014	-3000	0.01	0	0.00
At the End of the year	0	0.00		
13. MANICKAM PR				
At the Beginning of the year	2750	0.01		
30-06-2014	-2750	0.01	0	0.00
At the End of the year	0	0.00		
14. MUDUMBI PARTHASARATHY				
At the Beginning of the year	2667	0.01	2667	0.01
At the End of the year	2667	0.01		
15. GORANTLA PARANDHAMAIAH				
At the Beginning of the year	2600	0.01	2600	0.01
At the End of the year	2600	0.01		

(v). Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1. M A M R MUTHIAH – AAOPM3931C				
At the Beginning of the year	5586709	14.63	5586709	14.63
At the End of the year	5586709	14.63		
2. LAKSHMANAN MUTHUKRISHNAN - AAAPM3718P				
At the Beginning of the year	500	0.00	500	0.00
At the End of the year	500	0.00		
3. GANAPATHY K - AACPG5962B				
At the Beginning of the year	500	0.00	500	0.00
At the End of the year	500	0.00		
4. CHANDRAMOLEESWARAN V - ACVPC3476D				
At the Beginning of the year	-	-		-
10-02-2015	500	0.00	500	0.00
At the End of the year	500	0.00		
5. R RAMAKRISHNAN - AAEP5083Q				
At the Beginning of the year	-	-		-
01-08-2014	500	0.00	500	0.00
At the End of the year	500	0.00		
6. BHAVANA GOVINDBHAI DESAI - ABKPD4860C				
At the Beginning of the year	-	-		-
22-08-2014	500	0.00	500	0.00
At the End of the year	500	0.00		
7. MOHANKRISHNA REDDY ARYABUMI- BLPA2405R				
At the Beginning of the year	-	-		-
22-08-2014	500	0.00	500	0.00
At the End of the year	500	0.00		
8. RAVINDRA VIKRAM MAMIDIPUDI - ACAPM9633P				
At the Beginning of the year	-	-		-
22-08-2014	500	0.00	500	0.00
At the End of the year	500	0.00		

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits*	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	321,60,46,146	264,77,82,213	85,00,00,000	671,38,28,359
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	321,60,46,146	264,77,82,213	85,00,00,000	671,38,28,359
Change in Indebtedness during the financial year				
• Addition	75,14,26,611	615,00,00,000	-	690,14,26,611
• Reduction	(177,63,15,784)	(665,40,46,636)	(85,00,00,000)	(928,03,62,420)
Net Change	(102,48,89,173)	(50,40,46,636)	(85,00,00,000)	(237,89,35,809)
Indebtedness at the end of the financial year				
i) Principal Amount	219,11,56,973	214,37,35,577	-	433,48,92,550
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	219,11,56,973	214,37,35,577	-	433,48,92,550

*Inter Corporate Deposits from Related Parties

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A Remuneration to Managing Director, Whole-time Directors and/or Manager

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount (in INR)
		Mr. M.A.M.R. Muthiah, Managing Director (in INR)	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	135,362,994	135,362,994
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		
	(c) Profits in lieu of salary under		
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission	-	-
	- as % of profit		
	- others, specify...		
5	Others, please specify (Director's Sitting Fees)	2,000	2,000
	Total (A) (subject to maximum of 5% of N.P.)	135,364,994	135,364,994
	Ceiling as per the Act		

B Remuneration to other Directors

Sl. No.	Particulars of Remuneration	Name of Directors										Total Amount ₹											
		Ms. Bhavana Desai	Mr. A. Mohan Krishna Reddy	Mr. L. Muthu krishnan	Mr. K. Ganapathy	Mr. R. Rama krishnan	Mr. M. Ravindra Vikram	Mr. S. K. Prabhakar	Mr. V. Chandra moleeswaran	* Dr. M. A. M. Ramaswamy	* Mr. Ramanathan Palaniappan		** Mr. R. Krishna moorthy										
1	Independent Directors	7,000	37,000																				
	• Fee for attending board / committee meetings																						
	• Commission																						
	• Others, please specify																						
	Total (1)	7,000	37,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	44,000
2	Other Non-Executive Directors																						
	• Fee for attending board / committee meetings			73,000	4,000	5,000	12,000	5,000	2,000	2,000	14,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	117,000
	• Commission																						
	• Others, please specify																						
	Total (2)	-	-	73,000	4,000	5,000	12,000	5,000	2,000	2,000	14,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	117,000
	Total (B) = (1 + 2)	7,000	37,000	73,000	4,000	5,000	12,000	5,000	2,000	2,000	14,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	161,000
	Total Managerial Remuneration																						
	Overall Ceiling as per the Act																						

Independent Directors are Ms. Bhavana Desai and Mr. A. Mohan Krishna Reddy.

Non Executive Directors are Mr. L. Muthukrishnan, Mr. K. Ganapathy, Mr. R. Ramakrishnan,

Mr. M. Ravindra Vikram, Mr. S. K. Prabhakar, and Mr. V. Chandramoleeswaran

* Ceased to be a director with effect from 27.08.2014

** Ceased to be a director with effect from 04.09.2014

C REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / MANAGER/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Mr.S.Hariharan, Company Secretary (in INR)	CFO	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	4,500,089	-	4,500,089
	(b) Value of perquisites u/s17(2) Income-tax Act, 1961				
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
2	Stock Option				
3	Sweat Equity				
4	Commission				
	- as % of profit				
	- others, specify...				
5	Others, please specify				
	Total	-	4,500,089	-	4,500,089

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES : NIL

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD/ NCLT / COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

Statement containing salient features of the financial statement of Subsidiaries

	Name of the subsidiary	Anjani Portland Cement Limited (₹ in lakhs)
1.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	2014-15
2.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	NA
3.	Share capital	1,838.96
4.	Reserves & surplus	5,907.17
5.	Total assets	31,397.96
6.	Total Liabilities	23,651.83
7.	Investments	-
8.	Turnover	25,966.68
9.	Profit before taxation	1,397.07
10.	Provision for taxation	(274.19)
11.	Profit after taxation	1,671.26
12.	Proposed Dividend	Nil
13.	%of shareholding	75%

Subject to our report of even date

For Raghavan & MuralidharanChartered Accountants
Firm Regn. No. 007110S**P Raghavan**Partner
Membership No : 200885

For and on behalf of the Board

L Muthukrishnan

Chairman

M A M R Muthiah

Managing Director

Bhavana G Desai**R Ramakrishnan****V Chandramoleeswaran****M Ravindra Vikram****A Mohan Krishna Reddy**

Directors

Place: Chennai

Date : 12.08.2015

R Raghunathan

Chief Financial Officer

S Hariharan

Company Secretary

REPORT ON CSR ACTIVITIES/ INITIATIVES

[Pursuant to Section 135 of the Act & Rules made thereunder]

CSR EXPENDITURE

The amount for CSR to be spent during the year 2014-15 aggregates to ₹ 3.46 Crores (2% of the average net profits of the Company made during the three immediately preceding financial years) for the current financial year.

CSR ACTIVITIES PROPOSED TO BE TAKEN UP BY THE COMPANY:

- a) Setting up old age homes, day care centres and such other facilities for senior citizens
- b) Promoting preventive health care
- c) Promoting Education including study of medicine.

REASONS FOR NOT SPENDING THE MANDATED AMOUNT DURING THE CURRENT FINANCIAL YEAR 2014-15

As the Company is in the process of establishing special purpose vehicle and infrastructure in the form of a Company established under Section 8 of the Companies Act, 2013 to pursue the goals/ activities envisaged in the CSR policy, it was not able to spend the mandated amount in the CSR activities during the current financial year.

Particulars of Employees as per Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Particulars of Employees employed throughout Financial Year 2014-15

Name	Age	Designation	Remuneration	Qualification & Experience (in years)	Date of Commencement of Employment	Particulars of Last Employment	% of Eq. Shares held along with his spouse & children
Mr.Srikrishnan.V	53	Joint President (Finance)	13,989,278	B.Com, CA	12/6/2013	Aditya Birla Group	NA
Mr.Ramesh.B	56	Sr.Vice President (Marketing)	10,729,643	B.Sc., PGDMM, PGDIM	12/2/2010	Hi-Build Coating Pvt Ltd.,	NA
Mr.Janaradhana Reddy.C	59	Joint President	8,543,952	LME (Mech)	15/7/2013	Anrak Aluminium Ltd., (Sister Company of Penna cements)	NA
Mr.Anna Durai.A	54	Sr.Vice President	6,822,015	M.Tech., MBA	27/8/1988	Sree Digvijay Cement Corporation Ltd.,	NA

Particulars of Employees employed for the part of the Financial Year 2014-15

Name	Age	Designation	Remuneration	Qualification & Experience (in years)	Date of Commencement of Employment	Particulars of Last Employment	% of Eq. Shares held along with his spouse & children
Mr.Sudhakar.C	66	Chief Operating Officer	12,205,022	M.Sc (Chemistry)	6/11/2014	Malabar Cement	NA

- 1) *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.
- 2) The service of above mentioned employees are regular and governed by the rules and regulations of the company.
- 3) None of the above employees are related to any Director of the Company

Form No. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2015

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

To,
The Members,
CHETTINAD CEMENT CORPORATION LIMITED,
Rani Seethai Hall Building,
603, Anna Salai, Chennai – 600 006

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. Chettinad Cement Corporation Limited** (hereinafter called the "**Company**"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company's books, papers, Copy of minutes, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company as given in Annexure-A for the financial year ended on 31st March, 2015 according to the provisions of:

- 1) The Companies Act, 2013 (the Act) and the rules made thereunder;

Other Laws applicable specifically to the Company are as follows:

- 2) Cement Cess Rules, 1993
- 3) Mines Act, 1952
- 4) Mines and Mineral (Regulation and Development) Act, 1957
- 5) Indian Boilers Act, 1923
- 6) The Environment (Protection) Act, 1986 and The Environment (Protection) Rules, 1986
- 7) Air (Prevention And Control of Pollution) Act, 1981
- 8) Water (Prevention And Control Of Pollution) Act, 1974
- 9) The Noise Pollution (Regulation And Control) Rules, 2000

However during the **year under purview** there were no instances attracting the following laws/regulations:

- (i) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.

The Company has NRI / FII shareholders and the dividend is paid in Indian Rupees, credited to the Bank Accounts maintained by NRI / FII shareholders in India. Hence, Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment are not attracted.

We have also examined compliance with the applicable clauses of:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review, based on the documents provided and declarations given by the Company, we are of the opinion that the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc., mentioned above subject to the following observations:

1. **Chief Financial Officer** (CFO) was appointed before the commencement of Companies Act, 2013 but the same was not in compliance with Section 203 of Companies Act, 2013 and relevant forms weren't filed with the Ministry of Corporate Affairs.
2. We did not have access to the **Minutes Book** of the Company on account of Income Tax search. All the original minutes were locked by the Income Tax Department and hence, it could not be verified.

However, we were shown the Photostat copies of the Minutes taken after the same has been signed and which were authenticated as true copies of the originals by the Company Secretary and we inspected the same and it is generally found to be in Order.

We further report that

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

Adequate notice is given to all the Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance to all the Directors of the Company. We are informed that a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the copy of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company has acquired **74.99%** of shares in **M/s. Anjani Portland Cement Limited**.

For V. Mahesh & Associates

V. Mahesh

Practising Company Secretary

M. No. : A 4162

C.P No. : 2473

Place : Chennai
Date : 12.08.2015

Note: This report is to be read with our letter of even date which is annexed as "**ANNEXURE A**" and "**ANNEXURE B**" and forms an integral part of this report.

ANNEXURE – A

List of documents verified during the process of Audit:

1. Memorandum & Articles of Association of the Company.
2. Annual Report for the financial year ended 31st March, 2012, 2013 & 2014.
3. Copy of Minutes of the meetings of the Board of Directors, Audit Committee, Nomination & Remuneration Committee, Stakeholders' Relationship Committee, CSR Committee and Share Transfer Committee along with Attendance Registers held during the financial year under review.
4. Copy of Minutes of General Body Meetings held during the financial year under review (See our observations).
5. Notices calling for Board and Committee Meetings.
6. E-Forms filed by the Company, from time-to-time, under applicable provisions of the Companies Act, 1956 and Companies Act, 2013 and attachments thereof during the financial year under review.
7. Report in connection with compliance of various Acts and regulations applicable to various Factories and Mines by the respective Managers in charge for compliances.
8. Statutory Registers maintained as per Companies Act, 2013.
9. Cement Cess returns and cess payment details.

ANNEXURE – B

To,
The Members,
CHETTINAD CEMENT CORPORATION LIMITED,
Rani Seethai Hall Building,
603, Anna Salai, Chennai– 600 006

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

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

For V. Mahesh & Associates

V. Mahesh
Practising Company Secretary
M. No. : A 4162
C.P No. : 2473

Place : Chennai
Date : 12.08.2015

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF CHETTINAD CEMENT CORPORATION LIMITED

Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of Chettinad Cement Corporation Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
4. We conducted our audit in accordance with the standards on auditing specified under Section 143(10) of the Act. 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.
5. An audit involves performing procedures to obtain audit evidence about the amounts and the 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
6. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015 and its profit and its cash flows for the year ended on that date.

Emphasis of Matter

8. We draw attention to Note 37 to the standalone financial statements which describe the uncertainty related to the outcome of the regulatory action in respect of non-usage of Jute bags in packing cement as per Jute Packaging Materials (Compulsory use in Packing Commodities) Act 1987. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

9. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraph 3 of the Order.

10. As required by Section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d) The aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e) On the basis of the written representations received from the directors as on March 31, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164(2) of the Act;
- f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has, in accordance with the generally accepted accounting practice has disclosed the impact of pending litigations on its financial position in its financial statements. (Refer Notes 19 and 37 to the stand alone financial statements).
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses under the applicable law or accounting standards.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company except a sum of ₹ 2.23 Lakhs, which are held in abeyance due to pending legal cases / prohibitory orders from statutory authorities.

For Raghavan & Muralidharan
Chartered Accountants
Firm No.007110S

Place: Chennai
Date : 12.08.2015

P Raghavan
Partner
Membership No.200885

Annexure to the Independent Auditors' Report

(Referred to in paragraph 9 under 'Report on Other Legal and Regulatory Requirements' section of our Report of even date on the accounts of Chettinad Cement Corporation Limited ("the company") for the year ended March 31, 2015)

- I. In respect of its fixed assets:
 - a) The Company has maintained proper records showing full particulars including the quantitative details and situation of fixed assets.
 - b) The fixed assets were physically verified during the year by the Management in accordance with a phased programme of verification, which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals having regard to the size of the Company, nature and value of its assets. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- II. In respect of its inventories:
 - a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
 - b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- III. The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013 and accordingly, the provisions of clause (iii) of paragraph 3 of the Order are not applicable to the Company.
- IV. In our opinion and according to the information and explanations given to us, there are adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventories and fixed assets and for the sale of goods and services, and during the course of our audit, we have not observed any continuing failure to correct major weaknesses in such internal control system.
- V. According to information and explanations given to us, the Company has not accepted any deposits and accordingly, the provisions of clause (v) of paragraph 3 of the Order are not applicable to the Company.
- VI. We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of Cost Records under Section 148(1) of the Act and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
- VII. According to the information and explanations given to us and the books of account examined by us, in respect of statutory dues:
 - a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities during the year. There were no undisputed amounts payable in respect of the aforesaid statutory dues outstanding as at March 31, 2015 for a period of more than six months from the date they became payable.
 - b) There are no dues of Wealth Tax which have not been deposited on account of any dispute with the relevant authorities. Details of dues towards Income Tax, Sales Tax, Service Tax, Excise Duty, Customs Duty, Value Added Tax and Cess that have not been deposited as at March 31, 2015 on account of disputes are as stated below:

Name of the Statue	Nature of Dues	Period to which the amount relates	Forum where the dispute is pending	Amount [₹ in Lakhs]
Sales Tax Act	Tax Amount *	1990-91	High Court	1.27
	Tax & Penalty **	2005-06 to 2013-14	Joint/Deputy Commissioner	605.20
Income Tax Act	Tax Amount	2006-07, 2008-09 & 2011-12	Commissioner of Income Tax (Appeals)	5812.46

Customs Act	Duty & Penalty	2012-13	Commissioner of Customs	4346.69
Central Excise Act	Duty & Penalty	2008-09 to 2013-14	Commissioner of Appeals	259.23
	Duty & Penalty	2006-07 to 2011-12	CESTAT	6761.79

*Net of amount paid under protest ₹ 0.33 lakhs

**Net of amount paid under protest ₹ 346.26 lakhs

- c) The amounts required to be transferred to Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder, have been transferred to such fund within time except a sum of ₹ 2.23 Lakhs, which are held in abeyance due to pending legal cases / prohibitory orders from statutory authorities.
- VIII. The Company does not have accumulated losses at the end of the financial year and the Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- IX. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to financial institutions, banks and debenture holders.
- X. In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantee given by the company for loans taken by the Subsidiary from bank and financial institutions are not, prima facie, prejudicial to the interests of the Company.
- XI. In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were obtained.
- XII. To the best of our knowledge and belief, and according to the information and explanations given to us, and considering the size and nature of the Company's operations, no fraud of material significance on the Company or no fraud by the Company has been noticed or reported during the year.

For Raghavan & Muralidharan
Chartered Accountants
Firm No.007110S

Place: Chennai
Date : 12.08.2015

P Raghavan
Partner
Membership No.200885

Balance Sheet

as at 31st March, 2015

₹ in Lakhs

Particulars	Notes	As at 31st March 2015	As at 31st March 2014
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	3820	3820
Reserves and surplus	4	142824	124030
Non-current liabilities			
Long-term borrowings	5	37208	43334
Deferred tax liability (Net) Refer Note 30		-	963
Other long term liabilities	6	3433	3028
Long-term provisions	7	429	327
Current liabilities			
Short-term borrowings	8	2316	35119
Trade payables		15647	19951
Other current liabilities	9	23077	25532
Short-term provisions	10	2881	2589
		231635	258693
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	11	138026	166880
Intangible assets		-	41
Capital work-in-progress		653	512
Non-current investments	12	8517	-
Deferred tax assets (Net) Refer Note 30		2629	-
Long-term loans and advances	13	3744	2600
Current assets			
Inventories	14	43257	53108
Trade receivables	15	28972	22486
Cash and bank balances	16	1589	2578
Short-term loans and advances	17	4230	10475
Other current assets	18	18	13
		231635	258693
Summary of significant accounting policies	1 & 2		

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

Subject to our report of even date

For Raghavan & Muralidharan
Chartered Accountants
Firm Regn. No. 007110S

P Raghavan
Partner
Membership No : 200885

Place: Chennai
Date : 12.08.2015

For and on behalf of the Board

L Muthukrishnan
Chairman

M A M R Muthiah
Managing Director

Bhavana G Desai
R Ramakrishnan
V Chandramoleeswaran
M Ravindra Vikram
A Mohan Krishna Reddy

Directors

R Raghunathan
Chief Financial Officer

S Hariharan
Company Secretary

Statement of Profit and Loss

for the year ended 31st March, 2015

₹ in Lakhs

Particulars	Notes		For the year ended 31 st March 2015	For the year ended 31 st March 2014
Sale of Products (Gross)	20	262281		249322
Less: Excise Duty		(35869)		(35130)
Sale of Products (Net)		226412		214192
Add: Other Operating Revenue - Power		18522		6426
Revenue from Operations (Net)			244934	220618
Other Income	21		628	808
Total Revenue			245562	221426
Expenses:				
Cost of Materials Consumed	22		33296	34644
Changes in Inventories of Finished Goods and Work-in-progress	23		1792	1251
Employee Benefit Expenses	24		13371	11676
Finance Costs	25		4903	7968
Depreciation and Amortization Expenses (Refer Note 11)			32151	29824
Other Expenses	26		134331	125464
Total Expenses			219844	210827
Profit Before Tax			25718	10599
Tax Expense:				
(1) Current Tax			8267	2246
Less: MAT Credit Entitlement			-	(2203)
Net Current Tax			8267	43
(2) Deferred Tax (Refer Note: 30)			(3592)	(48)
Profit/(Loss) for the period			21043	10604
Earnings per Equity Share: Refer Note No. 32				
(1) Basic			55.09	27.76
(2) Diluted			55.09	27.76

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

Subject to our report of even date

For Raghavan & Muralidharan
Chartered Accountants
Firm Regn. No. 0071105

P Raghavan
Partner
Membership No : 200885

Place: Chennai
Date : 12.08.2015

For and on behalf of the Board

L Muthukrishnan
Chairman

Bhavana G Desai
R Ramakrishnan
V Chandramoleeswaran
M Ravindra Vikram
A Mohan Krishna Reddy

R Raghunathan
Chief Financial Officer

M A M R Muthiah
Managing Director

Directors

S Hariharan
Company Secretary

Cash Flow Statement

for the year ended 31st March, 2015

₹ in Lakhs

Particulars		For the year ended 31st March 2015	For the year ended 31st March 2014
Cash flow from Operating activities :			
Net Profit/(Loss) before Tax and Extraordinary Items		25718	10599
Adjustments for:			
Depreciation		32151	29824
Finance Cost		4903	7968
Provision for Doubtful Debts & Debts written off		(2)	541
Income from Investments		(32)	-
Operating Profit Before Working Capital Changes		62738	48932
Adjustments for:			
Trade and Other Receivables		(4935)	(429)
Inventories		9851	(4232)
Trade and Other Payables		(1953)	(2261)
Cash Generated from Operations		65701	42010
Income Tax Paid		(4039)	(3591)
Net Cash from Operating activities	A	61662	38419
Cash flow from Investing activities :			
Purchase of Fixed Assets		(4305)	(14962)
Purchase of Investments in Subsidiary		(8517)	-
Income from Investments		32	-
Capital Subsidy Received		50	-
Sale of Fixed Assets		-	1
Net Cash Used in Investing activities	B	(12740)	(14961)
Cash flow from Financing activities :			
Proceeds of Long-Term Borrowings - Net		(10289)	(7643)
Short-Term & Unsecured Loans		(13500)	(21900)
Increase/(Decrease) in Working Capital Finance		(19303)	18152
Finance Cost		(4903)	(7968)
Dividend paid		(1910)	(1910)
Net Cash from Financing activities	C	(49905)	(21269)
Net increase /(decrease) in Cash & Cash equivalents	(A+B+C)	(983)	2189
Opening balance of Cash & Cash equivalents	D	2460	271
Closing balance of Cash & Cash equivalents -			
(a) Balance in Earmarked Account		-	738
(b) Others		1477	1722
Total	E	1477	2460
Net increase /(decrease) in Cash & Cash equivalents	(E - D)	(983)	2189
Balances in Unclaimed Dividend Accounts	F	112	118
Cash and Cash Equivalents (Note 16)	(E + F)	1589	2578

Subject to our report of even date

For Raghavan & Muralidharan
Chartered Accountants
Firm Regn. No. 007110S

P Raghavan
Partner
Membership No : 200885

Place: Chennai
Date : 12.08.2015

For and on behalf of the Board

L Muthukrishnan
Chairman

Bhavana G Desai
R Ramakrishnan
V Chandramoleeswaran
M Ravindra Vikram
A Mohan Krishna Reddy

R Raghunathan
Chief Financial Officer

M A M R Muthiah
Managing Director

Directors

S Hariharan
Company Secretary

Note 1 : Basis of accounting, presentation and disclosure of financial statements

1.1 The Financial statements are prepared in accordance with the Generally Accepted Accounting Principles in India ("Indian GAAP") to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of the Companies (Accounts) Rules, 2014. Financial statements have been prepared under the historical cost convention on accrual basis. The Accounting Policies have been consistently applied by the Company and are consistent with those used in the previous year.

1.2 Use of estimates

The 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.

1.3 The Company has considered its operating cycle as 12 months for the purpose of Current or Non-current classification of Assets and Liabilities.

Note 2 : Summary of Significant Accounting Policies

2.1 Fixed Assets

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

In respect of fixed assets (other than freehold/leasehold land and capital work-in-progress) acquired during the year, depreciation/amortisation is charged on a written down value basis so as to write off the cost of the assets over the useful lives and for the assets acquired prior to April 1, 2014 depreciation is charged over the remaining useful life, as provided under Schedule II to the Act after retaining the residual value (being 5% of the Cost). The carrying amount of the asset as on 01.04.2014 where the remaining useful life of Assets is Nil, is debited to Profit & Loss Account for the year ended 31.03.2015.

Leasehold land is amortised over the period of lease.

Depreciation/ Depletion on Quarry freehold land is provided on its cost based on the proportion of quantity of Limestone extracted to the total mineable reserves.

The amortisation amount of an intangible asset is computed on the basis of its useful life estimated by the Management on written down value method.

2.2 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.

Current Investments are valued at lower of cost and market value.

2.3 Revenue recognition

Sales are inclusive of excise duty and net of rebate and Value Added Tax.

2.4 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.

2.5 Inventories

Inventories are valued at lower of cost and net realisable value; Cost being ascertained on the following basis:-

Raw Materials & Components, Packing Materials, Stores & Spares and Work-in-Progress (WIP) - Weighted Average Method.

Work-in-progress - cost also includes applicable Production overheads.

Finished Goods - cost also includes applicable Production overheads, Excise Duty and applicable Freight.

2.6 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 profit and loss account 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 profit and loss account.

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

2.7 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 asset 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 asset can be realised.

2.8 Provisions and Contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the notes. Contingent assets are neither recognised nor disclosed in the financial statements.

2.9 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

2.10 Research & Development Expenses

Revenue expenditure including overheads on Research & Development is charged as an expense through the relevant heads of account in the year in which they are incurred. Research & Development expenditure which results in the creation of Capital assets is taken as Fixed Assets and Depreciation is provided over such assets.

2.11 Government Grants

Government grants relating to specific fixed assets are shown as deduction from gross value of such assets. Grants in the form of capital/investment subsidy are treated as Capital reserve. Grants given by the Government are reckoned based on compliance with the relevant conditions attached to it and on assurance of disbursement of the grants.

2.12 Leases

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vests with the Lessor are recognised as operating lease.

Operating lease receipts and payments are recognised in the Statement of Profit and Loss on accrual basis as per the lease terms.

Note 3 : Share Capital

(₹ in Lakhs)

	As at 31st March 2015	As at 31st March 2014
Authorised 500000000 (500000000) Shares of ₹ 10 each	50000	50000
Issued 38295748 (38295748) Equity Shares of ₹ 10 each	3830	3830
Subscribed & Paid up 38198998 (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 at 31.03.15		Equity Shares as at 31.03.14	
	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 31 March 2015		As at 31 March 2014	
		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 Private Ltd	3695652	10%	3695652	10%
5	Chettinad Software Services P Ltd	2616535	7%	2616535	7%
6	Chettinad Holdings Private Ltd	2560585	7%	2522869	7%

Note 3E : The Company has not reserved any shares for issue under options and contracts/commitments for the sale of shares/disinvestment.

Note 4 : Reserves & Surplus

(₹ in Lakhs)

	As at 31st March 2015	As at 31st March 2014
a. Capital Reserves		
Opening Balance	40414	40414
(+) Additions during the year (Refer Note No.36)	50	-
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	40464	40414
b. Securities Premium Account		
Opening Balance	4973	4973
(+) Securities premium credited on Share issue	-	-
(-) Premium Utilised for various reasons	-	-
Closing Balance	4973	4973
c. Other Reserves- General Reserve		
Opening Balance	12100	11000
(+) Current Year Transfer	2105	1100
(-) Written Back in Current Year	-	-
Closing Balance	14205	12100
d. Surplus		
Opening balance	66543	59353
(+) Net Profit/(Net Loss) for the current year	21043	10604
(+) Transfer from Reserves	-	-
(-) Proposed Dividend & Dividend Tax	2299	2235
(-) MAT entitlement reversal	-	79
(-) Transfer to Reserves	2105	1100
Closing Balance	83182	66543
Total	142824	124030

Note 5 : Long-Term Borrowings

(₹ in Lakhs)

	As at 31st March 2015	As at 31st March 2014
Secured		
Term loans		
- from banks	1711	14890
(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. 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 Limited is repayable in 24 monthly instalments commencing from May 2013.		
- from SIPCOT	14521	7007
The company has availed the said Soft Loan Financial Assistance from State Industrial Promotion Corporation of Tamilnadu Limited (SIPCOT) under the Structured Incentive Package for its Ariyalur Cement Project and Cement Grinding Unit at Puliur, sanctioned by the Government of Tamilnadu under The New Industrial Policy, 2007. The soft loan availed 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 Soft loan availed in the first year (2009-10) will be repaid in the month of April in the eleventh financial year i.e., 2019-20 and so on.		
	16232	21897
Unsecured		
Term loans		
- from SIPCOT	20976	21437
The Company has been granted eligibility certificate by State Industries Promotion Corporation of Tamilnadu Limited (SIPCOT) for its Karikkali Line I Project, 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. Terms of Repayment: The loan is repayable after 12 years from the date of availment. The repayment has commenced from March 2015.		
	20976	21437
Total	37208	43334

Note 6 : Other Long-Term Liabilities

(₹ in Lakhs)

	As at 31st March 2015	As at 31st March 2014
Security deposit from Stockists	3433	3028
Total	3433	3028

Note 7 : Long-Term Provisions

(₹ in Lakhs)

	As at 31st March 2015	As at 31st March 2014
Provision for employee benefits		
Leave Salary	429	327
Total	429	327

Note 8 : Short-Term Borrowings

(₹ in Lakhs)

	As at 31st March 2015	As at 31st March 2014
Secured		
Loans repayable on demand		
- from Central Bank of India, HDFC Bank Limited, ICICI Bank Limited and The Hongkong and Shanghai Banking Corporation Limited (The Working Capital facility with Central Bank of India, HDFC Bank Limited, ICICI Bank Limited and The Hongkong and Shanghai Banking Corporation Limited are secured by hypothecation of Raw Materials, Stores, Spares, Packing Materials, Fuel, Process Stock, Finished Goods and Book Debts of the Company on pari passu first charge basis.)	2316	21619
	2316	21619

	As at 31st March 2015	As at 31st March 2014
Unsecured		
- from banks	-	5000
- Inter-Corporate Deposit from related parties	-	8500
	-	13500
Total	2316	35119

Note 9 : Other Current Liabilities (₹ in Lakhs)

	As at 31st March 2015	As at 31st March 2014
Current maturities of long-term debts	6141	10304
Unclaimed dividend	112	118
Creditors for Capital Goods	520	680
Other payables - Customer credit balances	4930	5506
Others		
Tax deducted at source	283	212
Duties & taxes payable	3515	3119
Expenses	6041	4464
Miscellaneous	1535	1129
Total	23077	25532

Note 10 : Short-Term Provisions (₹ in Lakhs)

	As at 31st March 2015	As at 31st March 2014
(a) Provision for employee benefits		
Leave Salary	38	56
Gratuity	267	124
(b) Others		
Provision for Fringe Benefit Tax	174	174
Provision for Proposed Dividend	1910	1910
Provision for Tax on Proposed Dividend	389	325
Provision for Tax FY 2014-15 after adjustment of MAT Utilization (8267 lakhs less 2710 lakhs)	5557	
Less: Advance tax and Tax deducted at source	(5454)	
Total	2881	2589

Note 11 : Fixed Assets (₹ in lakhs)

	Gross Block			Accumulated Depreciation/Depletion				Net Block	
	As at 01-04-2014	Additions *	Deductions	As at 31-03-2015	As at 01-04-2014	For the year	On deductions	As at 31-03-2015	As at 31-03-2014
a Tangible Assets									
Freehold land	14945	498	-	15443	1215	169	-	1384	14059
Leasehold land	4	-	-	4	-	-	-	-	4
Buildings	33032	1590	-	34622	11376	2167	-	13543	21079
Plant and Equipment	355543	1057	-	356600	227765	28677	-	256442	100158
Furniture and Fixtures	859	63	-	922	487	190	-	677	245
Earth Moving Equipment & Vehicles	4212	19	6	4225	3307	486	6	3787	438
Railway Sidings	5788	29	-	5817	3353	421	-	3774	2043
Sub Total	414383	3256	6	417633	247503	32110	6	279607	138026
b Intangible Assets									
Goodwill	467	-	-	467	426	41	-	467	-
Sub Total	467	-	-	467	426	41	-	467	-
Total	414850	3256	6	418100	247929	32151	6	280074	138026
Previous year	390826	24029	5	414850	218108	29824	3	247929	166921

*a. Additions includes expenses during Construction Period - Nil (₹ 246 Lakhs)

b. Depreciation includes depletion of freehold quarry land amounting to ₹ 169 Lakhs (₹ 205 lakhs).

c. Consequent to the enactment of the Companies Act 2013., depreciation has been charged based on the useful life of the assets as prescribed in Schedule II to the Companies Act 2013. The effect of such change in the estimate is ₹ 10030.11 Lakhs and the same is debited to the Statement of Profit & Loss (Ref. Note 2.1).

Note 12 : Non-Current Investments (₹ in Lakhs)

	As at 31st March 2015	As at 31st March 2014
Quoted Equity Instruments (Valued at cost less provision for diminution in value, other than temporary in nature, if any)		
Subsidiary Company		
Anjani Portland Cement Limited	8517	-
13792197 Equity shares of ₹ 10 each (Nil)		
(Market Value of Quoted Instrument on 31.03.2015 - ₹ 15888.61 lakhs)		
Total	8517	-

Note 13 : Long-Term Loans and Advances

(₹ in Lakhs)

	As at 31st March 2015	As at 31st March 2014
Capital Advances		
Unsecured, considered good	2302	1395
Security Deposits		
Unsecured, considered good	1442	1205
Total	3744	2600

Note 14 : Inventories

(₹ in Lakhs)

	As at 31st March 2015		As at 31st March 2014	
a. Raw Materials and components	20637		21759	
Goods-in transit	5839	26476	8205	29964
b. Work-in-progress		4598		6464
c. Finished goods		3668		3594
d. Packing material		621		1177
e. Stores and spares		7894		11909
Total		43257		53108

Note 15 : Trade Receivables

(₹ in Lakhs)

	As at 31st March 2015	As at 31st March 2014
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	1850	1427
Unsecured, considered doubtful	483	481
Less: Provision for doubtful debts	(483)	(481)
	1850	1427
Others		
Unsecured, considered good*	27122	21059
Total	28972	22486

* Includes receivable from related party of ₹ 6 Lakhs (Nil)

Note 16 : Cash and Bank Balances

(₹ in Lakhs)

	As at 31st March 2015	As at 31st March 2014
Cash and Cash Equivalents		
a. Cash on hand	7	13
b. Balances with banks		
In Current Accounts	1470	1709
Earmarked Balances - Escrow Account & Unclaimed Dividend Accounts	112	856
Total	1589	2578

Note 17 : Short-Term Loans and Advances

(₹ in Lakhs)

	As at 31st March 2015	As at 31st March 2014
Advances recoverable in cash or in kind		
Unsecured, considered good	3892	5688
MAT Credit Entitlement	338	3048
Advance tax and Tax deducted at source (Net of provision)	-	1739
Total	4230	10475

Note 18 : Other Current Assets

(₹ in Lakhs)

	As at 31st March 2015	As at 31st March 2014
Other sundry receivables	18	13
Total	18	13

Note 19 : Contingent Liabilities and Commitments (to the extent not provided for) (₹ in Lakhs)

	As at 31st March 2015	As at 31st March 2014
(i) Contingent Liabilities		
Claims against the Company not acknowledged as Debt		
(a) Sales Tax Act	953	706
(b) Income Tax Act	5812	2421
(c) Customs Act	4347	4865
(d) Excise Duty	7021	7104
(e) Royalty on Limestone	547	547
(f) Lease Rent on Govt.Lands	74	74
(g) Others	507	332
Note: The above liabilities are disputed by the Company before respective authorities on account of issues of applicability and classification.		
Bills Discounted, Guarantees & Letters of Credit	1449	1831
	20710	17880
(ii) Commitments		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	13786	13725
	13786	13725
(iii) Corporate Guarantees given to bank and body corporate on behalf of Anjani Portland Cement Limited, a Subsidiary for the following purposes:-		
For Term Loan and Working Capital facilities	9000	-
For Issue of Secured Redeemable Non-Convertible Debentures	6000	-
	15000	-
Total	49496	31605

Note 20 : Revenue from Operations : (₹ in Lakhs)

	For the year ended 31st March 2015	For the year ended 31st March 2014
Sale of products	262201	249151
Self consumption	80	171
Total	262281	249322

Note 21 : Other Income (₹ in Lakhs)

	For the year ended 31st March 2015	For the year ended 31st March 2014
Interest Income	22	21
Income From Investments	32	-
Realised Gain on Exchange Fluctuations	7	-
Other non-operating income	567	787
Total	628	808

Note 22 : Raw Materials Consumed (₹ in Lakhs)

	For the year ended 31st March 2015	For the year ended 31st March 2014
Opening Stock	20208	10645
Add:		
Purchases	21119	29534
Own Quarrying	14038	14673
	55365	54852
Less: Closing Stock	(22069)	(20208)
Total	33296	34644

Own Quarrying includes

- (i) Salaries & wages, PF and ESI ₹ 173 lakhs (₹ 166 lakhs)
- (ii) Power ₹ 181 lakhs (₹ 195 lakhs)
- (iii) Stores and spares ₹ 266 lakhs (₹ 597 lakhs)

Details of Raw Materials Consumed

(₹ in Lakhs)

	For the year ended 31st March 2015	For the year ended 31st March 2014
Limestone	19234	18669
Gypsum	4405	4920
Fly ash	5650	6935
Others	4007	4120

Note 23 : Change in Inventories of Finished Goods and Work-in-progress

(₹ in Lakhs)

	For the year ended 31st March 2015	For the year ended 31st March 2014
Inventories (Opening)		
Finished goods	3594	4884
Work-in-progress	6464	6425
Sub-Total (A)	10058	11309
Inventories (Closing)		
Finished goods	3668	3594
Work-in-progress	4598	6464
Sub-Total (B)	8266	10058
Changes in Inventory (A -B)	1792	1251

Note 24 : Employee Benefit Expenses

(₹ in Lakhs)

	For the year ended 31st March 2015	For the year ended 31st March 2014
(a) Salaries and wages*	11999	10443
(b) Contributions to -		
(i) Provident fund	650	618
(ii) Gratuity fund	267	124
(c) Staff welfare expenses	455	491
Total	13371	11676

* Includes Remuneration to the Managing Director ₹1354 lakhs (₹ 577 lakhs)

Note 25 : Finance Costs

(₹ in Lakhs)

	For the year ended 31st March 2015	For the year ended 31st March 2014
Interest Expenses	4884	7958
Bank Charges	19	10
Total	4903	7968

Note 26 : Other Expenses

(₹ in Lakhs)

	For the year ended 31st March 2015	For the year ended 31st March 2014
(a) Manufacturing expenses		
Power & Fuel	66003	60938
Stores & Spares consumed	8324	6746
Packing Charges	9396	9507
Repairs & Maintenance		
Plant & Machinery	2846	2292
Buildings	616	285
Others	2151	2559
Other manufacturing expenses	114	119
Sub-total	89450	82446
(b) Selling & Distribution Expenses		
Loading & Transport Charges	38501	34337
Advertisement & Sales Promotion	1884	3428
Sub-total	40385	37765

	For the year ended 31st March 2015	For the year ended 31st March 2014
(c) Administrative Expenses		
Rent	796	634
Insurance	291	407
Rates & taxes	967	887
Auditor's Remuneration & expenses	10	13
Legal & Professional charges	285	296
Travelling Expenses	808	885
Communication expenses	129	135
Donation	-	1
Other Expenses	1210	1995
Sub-total	4496	5253
Total (a+b+c)	134331	125464

Audit fees

	For the year ended 31st March 2015	For the year ended 31st March 2014
Payments to the auditors		
1 as Auditor - statutory audit	9	9
2 for other services		
Company Law Matters	-	1
Taxation Matters	-	2
3 towards reimbursement of expenses	1	1

Note 27 : Dividend

	As at 31st March 2015	As at 31st March 2014
Amount of Proposed Dividend (₹ in lakhs)	1910	1910
Proposed dividend per share	₹ 5/-	₹ 5/-

28. Disclosures 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 upon by the Auditors.

29. Buildings include Flat at Mumbai and value of shares held in Bombay Middle Class Cooperative Housing Society Ltd., the ownership of which is held in the name of a representative of the Company and is in the process of being transferred to the name of the Company.

Note 30 - Deferred Taxes

(₹ in Lakhs)

Particulars	As at 31st March 2015	As at 31st March 2014
Deferred Tax Liability on account of :		
Depreciation	-	1042
Revenue	51	51
Total	51	1093
Deferred Tax Asset on account of :		
Expenses allowable on payment for Tax purpose	-	-
Depreciation	2521	-
Provision for Leave salary	159	130
Total	2680	130
Net Liability / (Asset)	(2629)	963

31. Power & Fuel is net of Captive Power Plant Income of ₹ 28742 lakhs (₹ 30582 Lakhs)

32. Earnings per share

	2014-15	2013-14
Profit as per Statement of Profit and Loss (₹ in lakhs)	21043	10604
Number of equity shares (in lakhs)	382	382
Basic and Diluted earnings per share (in ₹)	55.09	27.76
(Face value of ₹ 10/- per share)		

33. Disclosures 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 :
- 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.
 - 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 31.03.2015	Accumulated Depreciation As at 31.03.2015	Depreciation (Corresponding to the period of lease rentals)
Freehold Building	32.46	6.53	0.23

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. Confirmation of balances have been obtained from parties covering substantial amount of outstanding and wherever applicable, necessary adjustments have been made in the financial statements. In respect of others, the balances as appearing in the books of account have been adopted.
35. There is no impairment of assets as per Accounting Standard 28.
36. Additions to Capital Reserve represents Anchor Unit subsidy received from the Government of Karnataka in respect of Kallur Project. This subsidy is given to the first two Projects in the most backward Districts of Karnataka.
37. 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.
38. Research and development expenditure for the year is ₹ 93 lakhs (₹ 84 lakhs) including Depreciation of ₹ 7 lakhs (₹ 0.22 lakhs)

39. Value of Imports on CIF Basis

(₹ in Lakhs)

	For the year ended 31.03.15	For the year ended 31.03.14
(a) Raw Materials	1718	1342
(b) Spares & Components	244	502
(c) Capital Goods	24	312

40. Earnings In Foreign Exchange

(₹ in Lakhs)

	For the year ended 31.03.15	For the year ended 31.03.14
Export (FOB) Cement - Value	230	235

41. Expenditure In Foreign Currency

(₹ in Lakhs)

	For the year ended 31.03.15	For the year ended 31.03.14
Travelling & Other Expenses	90	47

42. Details of Imported and Indigenous materials consumed during the year

(₹ in Lakhs)

	For the year ended 31.03.15	For the year ended 31.03.14
Raw materials		
Imported	3400	4709
Indigenous	29896	29935
Total	33296	34644

Percentage to Total Consumption

Raw materials		
Imported	10.21	13.59
Indigenous	89.79	86.41
Total	100.00	100.00

Spare Parts and Consumption

Imported	2491	436
Indigenous	5833	6310
Total	8324	6746

Percentage to Total Consumption

Spare Parts and Consumption		
Imported	29.93	6.46
Indigenous	70.07	93.54
Total	100.00	100.00

43. The Company identifies Business Segment as the Primary Segment as per AS-17 and under the Primary Segment, there are two reportable segments 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)

Particulars	Cement		Power		Total	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
REVENUE						
External sales (incl. Excise Duty)	262201	249151	18522	6426	280723	255577
Inter segment sale	-	-	28742	30582	-	-
Intra segment sale	80	171	-	-	80	171
Total Sales	262281	249322	47264	37008	280803	255748
Less: Excise Duty	(35869)	(35130)			(35869)	(35130)
Total Revenue from Operations	226412	214192	47264	37008	244934	220618
RESULT						
Segment result	16193	9061	13800	8698	29993	17759
Finance Cost					(4903)	(7968)
Other Income					628	808
Income Tax						
- Current					(8267)	(43)
- Deferred					3592	48
Profit from ordinary activities					21043	10604
Extraordinary Expenses					-	-
Net Profit					21043	10604
OTHER INFORMATION						
Segment Assets	157397	192941	74204	65711	231601	258652
Unallocated Assets	-	-	-	-	34	41
Total Assets	157397	192941	74204	65711	231635	258693
Segment Liabilities	38696	5912	630	36174	39326	42086
Unallocated Liabilities	-	-	-	-	192309	216607
Total Liabilities	38696	5912	630	36174	231635	258693
Capital Expenditure	2987	16908	269	7121	3256	24029
Unallocated Capital Expenditure	-	-	-	-	-	-
Depreciation	29605	23907	2505	5903	32110	29810
Non Cash Expenses other than Depreciation	41	14	-	-	41	14

44 Related Party Disclosures

(A) Names of related parties and description of relationship

- 1 Subsidiary
Anjani Portland Cement Limited
- 2 Enterprises significantly influenced by Key Management Personnel
Chettinad Educational Institutions
South India Corporation Private Ltd
South India Corporation (T) Private Ltd
Chettinad Logistics Private Ltd
Chettinad Lignite Transport Services (P) Ltd
Chettinad Software Services Private Ltd
Chettinad Realtors Private Ltd
Chennai Computer and Software Services (P) Ltd
Chettinad Inland Water Transport Services (P) Ltd
Chettinad Morimura Semiconductor Material (P) Ltd
Chettinad Holdings Private Ltd
- 3 Key Management Personnel and their relatives-
Sri. M.A.M.R.Muthiah
Smt. Geetha Muthiah (w/o Sri. M.A.M.R.Muthiah)
Dr. M.A.M.Ramaswamy(f/o Sri. M.A.M.R.Muthiah)

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

(B) Details of Related Party Transactions: (₹ in Lakhs)

Particulars	Year ended 31.03.2015				Year ended 31.03.2014			
	Subsidiaries	Associates	Key Management Personnel	Relative of Key Management Personnel	Subsidiaries	Associates	Key Management Personnel	Relative of Key Management Personnel
Purchase of Goods	-	30747	-	-	-	45303	-	-
Sale of Goods	-	16	-	-	-	-	-	-
Services availed/rendered	-	16492	-	-	-	15399	-	-
Deposits Accepted (ICD)	-	-	-	-	-	3400	-	-
Deposits Repaid (ICD)	-	3500	-	-	-	24800	-	-
Interest on Deposits	-	72	-	-	-	906	-	-
Investments	8517	-	-	-	-	-	-	-
Dividend	-	479	279	807	-	475	279	807
Remuneration	-	-	1354	-	-	-	577	-
Closing Balance (Cr.)	-	4531	-	-	-	11554	-	-
Closing Balance (Dr.)	-	16	-	-	-	-	-	-

45. Employee Benefits : Disclosure under Accounting Standard 15.

A) Post Employment Benefit - Defined contribution Plan

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)

Particulars	Gratuity		Leave Encashment	
	(Funded)		(Unfunded)	
	2014-15	2013-14	2014-15	2013-14
(i) Reconciliation of liability recognized in the Balance Sheet				
Present value of commitments	(1569)	(1451)	(467)	(382)
Fair value of Plan Assets	1299	1328		
Net asset/(liability) in the Balance Sheet	(270)	(123)	(467)	(382)
(ii) Movement in net liability recognized in the Balance Sheet				
Net asset/(liability) as at beginning of the year	(123)	-	(382)	(525)
Net expense recognised in the Profit and Loss account	(267)	(123) *	(229)	(406)
Contribution during the year	120	-	144	549
Net asset/(liability) as at end of the year	(270)	(123)	(467)	(382)

Particulars	Gratuity		Leave Encashment	
	(Funded)		(Unfunded)	
	2014-15	2013-14	2014-15	2013-14
(iii) Expense recognised in the Profit and Loss account				
Current service cost	124	113	62	45
Interest cost	116	111	28	20
Expected return on plan assets	(112)	(117)	-	-
Actuarial (gains)/losses	139	162	139	341
Expense charged to the Profit and Loss Account	267	269	229	406
(iv) Return on plan assets				
Expected return on plan assets	112	117		
Actuarial (gains)/losses	-	-		
Actual return on plan assets	112	117		
(v) Reconciliation of defined-benefit commitments				
Commitments as at beginning of the year	(1451)	(1386)	(382)	(525)
Current service cost	(124)	(113)	(62)	(45)
Interest cost	(116)	(111)	(28)	(20)
Paid benefits	261	321	144	549
Actuarial gains/ (losses)	(139)	(162)	(139)	(341)
Commitments as at end of the year	(1569)	(1451)	(467)	(382)
(vi) Reconciliation of plan assets				
Plan assets at beginning of the year	1328	1532		
Expected return on plan assets	112	117		
Contributions during the year	120	-		
Paid benefits	(261)	(321)		
Actuarial gains/(losses)	-	-		
Plan assets as at end of the year	1299	1328		
(vii) Principle Assumption				
Discount Rate	8%	8%	8%	9.2%
Expected return on Plan Assets				
Expected rate of salary Increase	5%	5%	6%	6%
Mortality	LIC (1994-96) Ultimate	LIC (1994-96) Ultimate	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate

* After netting ₹145 lakhs, surplus plan assets in FY 2013-14

46. Previous year figures are regrouped/reclassified wherever necessary.

Subject to our report of even date

For Raghavan & Muralidharan
Chartered Accountants
Firm Regn. No. 007110S

P Raghavan
Partner
Membership No : 200885

Place: Chennai
Date : 12.08.2015

For and on behalf of the Board

L Muthukrishnan
Chairman

Bhavana G Desai
R Ramakrishnan
V Chandramoleeswaran
M Ravindra Vikram
A Mohan krishna Reddy

R Raghunathan
Chief Financial Officer

M A M R Muthiah
Managing Director

Directors

S Hariharan
Company Secretary

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF CHETTINAD CEMENT CORPORATION LIMITED

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of Chettinad Cement Corporation Limited (hereinafter referred to as "the Holding Company") and Anjani Portland Cement Limited (hereinafter referred to as "the Subsidiary Company") (the Holding Company and its subsidiary together referred to as "the Group") comprising of the Consolidated Balance Sheet as at 31st March, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
4. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.
6. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditor in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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, of the consolidated state of affairs of the Group as at 31st March, 2015, and the consolidated profit and the consolidated cash flows for the year ended on that date.

Emphasis of Matter

8. We draw attention to Note 37 to the consolidated financial statements which describe the uncertainty related to the outcome of the regulatory action in respect of non-usage of Jute bags in packing cement by the Holding Company as per Jute Packaging Materials (Compulsory use in Packing Commodities) Act 1987. Our opinion is not qualified in respect of this matter.

Other Matters

9. We did not audit the financial statements / financial information of the subsidiary, whose financial statements / financial information reflect total assets [net] of ₹31,397.96 Lakhs as at 31st March, 2015,

total revenues [net] of ₹ 26,080.08 Lakhs and net cash flows amounting to ₹ (-) 175.98 Lakhs for the year ended on that date, as considered in the consolidated financial statements.

10. These financial statements / financial information have been audited by other auditor whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditor.
11. Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditor and the financial statements / financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

12. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding company and subsidiary company, we give in the Annexure a statement on the matters specified in paragraphs 3 of the Order, to the extent applicable.
13. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditor.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group companies, is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Group has, in accordance with the generally accepted accounting practice has disclosed the impact of pending litigations on its financial position in its consolidated financial statements. (Refer Notes 21 and 37 to the consolidated financial statements.)
 - ii. The Group did not have long-term contracts including derivative contracts for which there were any material foreseeable losses under the applicable law or accounting standards.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group, except that a sum of ₹ 2.23 Lakhs, which are held in abeyance by the Holding Company due to pending legal cases / prohibitory orders from statutory authorities.

For Raghavan & Muralidharan
Chartered Accountants
Firm No.007110S

Place: Chennai
Date : 12.08.2015

P Raghavan
Partner
Membership No.200885

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 12 under 'Report on Other Legal and Regulatory Requirements' section of our Report of even date on the accounts of Chettinad Cement Corporation Limited ("the Holding Company") for the year ended March 31, 2015)

Our reporting on the Order includes the Subsidiary Company, to which the Order is applicable, which has been audited by other auditor and our report in respect of the entity is based solely on the report of the other auditor, to the extent considered applicable for reporting under the Order in the case of the Consolidated Financial Statements.

- I. In respect of the fixed assets of the Holding Company and its Subsidiary:
 - a) The respective entities have maintained proper records showing full particulars including the quantitative details and situation of fixed assets.
 - b) The fixed assets were physically verified during the year by the Management in accordance with a phased programme of verification, which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals having regard to the size of the entities, nature and value of their assets. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- II. In respect of the inventories of the Holding Company and its Subsidiary:
 - a) As explained to us and the other auditor, the inventories were physically verified during the year by the Management at reasonable intervals.
 - b) In our opinion and the opinion of the other auditor and according to the information and explanations given to us and the other auditor, the procedures of physical verification of inventories followed by the Management of the respective entities were reasonable and adequate in relation to the size of the respective entities and the nature of their business.
 - c) In our opinion and the opinion of the other auditor and according to the information and explanations given to us and the other auditor, the respective entities have maintained proper records of their inventories and no material discrepancies were noticed on physical verification.
- III. The Holding Company and the Subsidiary Company have not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013 by the respective entities and accordingly, the provisions of clause (iii) of paragraph 3 of the Order are not applicable to the Company.
- IV. In our opinion and the opinion of other auditor and according to the information and explanations given to us and the other auditor, there is an adequate internal control system in the Holding Company and its Subsidiary commensurate with the size of the respective entities and the nature of their business, for the purchase of inventories and fixed assets and for the sale of goods and services, and during the course of our audit and other auditor's audit, we and other auditor have not observed any continuing failure to correct major weaknesses in such internal control system.
- V. According to information and explanations given to us, the Holding Company has not accepted any deposits and accordingly, the provisions of clause (v) of paragraph 3 of the Order are not applicable to the Holding Company. According to information and explanations given to the other auditor, the Subsidiary Company has complied with the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder, in respect of deposits accepted. The other auditor was informed that no Order has been passed by the Company Law Board or National Company Law Tribunal or any other Tribunal with regard to such deposits.
- VI. We and the other auditor have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the Holding Company and its Subsidiary pursuant to the Rules made by the Central Government for the maintenance of Cost Records under Section 148(1) of the Act and we and the other auditor are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
- VII. According to the information and explanations given to us and the other auditor and the books of account examined by us and the other auditor, in respect of statutory dues:
 - a) The respective entities have been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to them with the appropriate authorities during the year. There were no undisputed amounts payable in respect of the aforesaid statutory dues outstanding as at March 31, 2015 for a period of more than six months from the date they became payable.

- b) There are no dues of Wealth Tax which have not been deposited on account of any dispute with the relevant authorities. Details of dues towards Income Tax, Sales Tax, Service Tax, Excise Duty, Customs Duty, Value Added Tax and Cess that have not been deposited as at March 31, 2015 on account of disputes are as stated below:

Name of the Statute	Nature of Dues	Period to which the amount relates	Forum where the dispute is pending	Amount [₹ in Lakhs]
Sales Tax Act	Tax Amount *	1990-91	High Court	1.27
	Tax & Penalty **	2005-06 to 2013-14	Joint/Deputy Commissioner	605.20
Income Tax Act	Tax Amount	2006-07, 2008-09 & 2011-12	Commissioner of Income Tax (Appeals)	5812.46
Customs Act	Duty & Penalty	2012-13	Commissioner of Customs	4372.73
	Duty	2011-12 to 2013-14	CESTAT	89.91
Central Excise Act	Duty & Penalty	2008-09 to 2013-14	Commissioner of Appeals	261.58
	Duty & Penalty	2006-07 to 2011-12	CESTAT	6943.12

*Net of amount paid under protest ₹ 0.33 lakhs

**Net of amount paid under protest ₹ 346.26 lakhs

- c) The amounts required to be transferred by the Holding Company to Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder, have been transferred to such fund within time except a sum of ₹ 2.23 Lakhs, which are held in abeyance due to pending legal cases / prohibitory orders from statutory authorities. As per the information and explanations given to the other auditor, the amounts required to be transferred by the Subsidiary Company to Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder, have been transferred to such fund within time.
- VIII. The Group does not have consolidated accumulated losses at the end of the financial year and the Group have not incurred consolidated cash losses during the financial year covered by our audit. As this being the first year of preparation of Consolidated Financial Statements by the Group, the provisions of clause (viii) of paragraph (3) of the Order, with respect to consolidated cash losses in the immediately preceding financial year, does not apply.
- IX. In our opinion and according to the information and explanations given to us and the other auditor, the Holding Company and the Subsidiary have not defaulted in the repayment of dues to financial institutions, banks and debenture holders.
- X. In our opinion and according to the information and explanations given to us and the other auditor, the terms and conditions of the guarantee given by the Holding Company for loans taken by its Subsidiary from bank and financial institutions and the terms and conditions of the guarantee given by the Subsidiary for loans taken by its erstwhile subsidiary company and associate company are not, prima facie, prejudicial to the interests of the Company.
- XI. In our opinion and according to the information and explanations given to us and the other auditor, the term loans have been applied by the Holding Company and the Subsidiary during the year for the purposes for which they were obtained other than the amounts temporarily invested by the Subsidiary pending utilisation of the funds for the intended use.
- XII. To the best of our knowledge and belief, and according to the information and explanations given to us and the other auditor, and considering the size and nature of the consolidated operations of the Holding Company and its Subsidiary, no fraud of material significance on the Holding Company and its Subsidiary or no fraud by the Holding Company and its Subsidiary have been noticed or reported during the year.

For Raghavan & Muralidharan
Chartered Accountants
Firm No.007110S

Place: Chennai
Date : 12.08.2015

P Raghavan
Partner
Membership No.200885

Consolidated Balance Sheet

as at 31st March, 2015

₹ in Lakhs

Particulars	Notes	As at 31st March 2015
EQUITY AND LIABILITIES		
Shareholders' funds		
Share capital	3	3820
Reserves and surplus	4	144759
Minority Interest	5	1812
Non-current liabilities		
Long-term borrowings	6	53797
Other long term liabilities	7	4615
Long-term provisions	8	647
Current liabilities		
Short-term borrowings	9	3889
Trade payables		16347
Other current liabilities	10	26147
Short-term provisions	11	3018
		258851
ASSETS		
Non-current assets		
Fixed assets		
Tangible assets	12	158471
Capital work-in-progress		719
Goodwill on Consolidation	13	4518
Deferred tax assets (Net) Refer Note 31		2448
Long-term loans and advances	14	4298
Current assets		
Current Investments	15	3
Inventories	16	46998
Trade receivables	17	30503
Cash and bank balances	18	1898
Short-term loans and advances	19	8977
Other current assets	20	18
		258851
Basis of consolidation, Significant accounting policies and Principles of Consolidation.	1 & 2	

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

Subject to our report of even date

For Raghavan & Muralidharan
Chartered Accountants
Firm Regn. No. 007110S

P Raghavan
Partner
Membership No : 200885

Place: Chennai
Date : 12.08.2015

For and on behalf of the Board

L Muthukrishnan
Chairman

M A M R Muthiah
Managing Director

Bhavana G Desai
R Ramakrishnan
V Chandramoleeswaran
M Ravindra Vikram
A Mohan Krishna Reddy

Directors

R Raghunathan
Chief Financial Officer

S Hariharan
Company Secretary

Consolidated Statement of Profit and Loss

for the year ended 31st March, 2015

₹ in Lakhs

Particulars	Notes	For the year ended 31st March 2015
Sale of Products (Gross)	22	290252
Less: Excise Duty		(40224)
Sale of Products (Net)		250028
Add: Other Operating Revenue - Power		18522
Revenue from Operations (Net)		268550
Other income	23	848
Total Revenue		269398
Expenses:		
Cost of materials consumed	24	35796
Changes in inventories of finished goods and work-in-progress	25	2318
Employee benefit expenses	26	14872
Finance costs	27	7683
Depreciation and amortization expenses (Refer Note 12)		33210
Other expenses	28	148404
Total Expenses		242283
Profit before tax		27115
Tax Expense:		
(1) Current tax		8303
Less: MAT Credit Entitlement		(36)
Net Current tax		8267
(2) Deferred tax		(3866)
Profit / (Loss) for the period before Minority interest and adjustment towards acquisition		22714
Less: (a) Minority Share in Profit		293
(b) Share of Profit/(loss) upto the date of acquisition		(557)
Profit / (Loss) for the period		22978
Earnings per equity share: Refer Note 33		
(1) Basic		60.15
(2) Diluted		60.15

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

Subject to our report of even date

For Raghavan & Muralidharan
Chartered Accountants
Firm Regn. No. 007110S

P Raghavan
Partner
Membership No : 200885

Place: Chennai
Date : 12.08.2015

For and on behalf of the Board

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R Raghunathan
Chief Financial Officer

M A M R Muthiah
Managing Director

Directors

S Hariharan
Company Secretary

Consolidated Cash Flow Statement

for the year ended 31st March, 2015

₹ in Lakhs

Particulars		For the year ended 31st March 2015
Cash flow from Operating activities :		
Net Profit/(Loss) before Tax and Extraordinary Items		27115
Adjustments for:		
Depreciation		33210
Finance Cost		7683
Loss / (Profit) on sale of Fixed Assets		61
Provision for Doubtful Debts & Debts written off		188
Advances written off		126
Diminution in value of current investments		3
Income from Investments		(32)
Operating Profit Before Working Capital Changes		68354
Adjustments for:		
Trade and Other Receivables		(4194)
Inventories		9147
Trade and Other Payables		(6482)
Cash Generated from Operations		66825
Income Tax Paid		(4059)
Net Cash from Operating activities	A	62766
Cash flow from Investing activities :		
Purchase of Fixed Assets		(4658)
Purchase of Investments in Subsidiary		(8517)
Purchase of Current Investments (REC Bonds)		(2)
Income from Investments		32
Capital Subsidy Received		50
Sale of Fixed Assets		68
Net Cash Used in Investing activities	B	(13027)
Cash flow from Financing activities :		
Proceeds of Long-Term Borrowings - Net		(11703)
Proceeds from issue of NCDs		6000
Short-Term & Unsecured Loans		(12981)
Increase/(Decrease) in Working Capital Finance		(23096)
Finance Cost		(7208)
Dividend paid		(1910)
Net Cash from Financing activities	C	(50898)
Net increase / (decrease) in Cash & Cash equivalents	(A+B+C)	(1159)
Opening balance of Cash & Cash equivalents	D	2911
Closing balance of Cash & Cash equivalents -		
(a) Balance in Earmarked Account		-
(b) Others		1752
Total	E	1752
Net increase / (decrease) in Cash & Cash equivalents	(E - D)	(1159)
Balances in Unclaimed Dividend Accounts	F	146
Cash and Cash Equivalents (Note 18)	(E + F)	1898

Subject to our report of even date

For Raghavan & Muralidharan
Chartered Accountants
Firm Regn. No. 007110S

P Raghavan
Partner
Membership No : 200885

Place: Chennai
Date : 12.08.2015

For and on behalf of the Board

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R Raghunathan
Chief Financial Officer

M A M R Muthiah
Managing Director

Directors

S Hariharan
Company Secretary

Note 1 : Basis of accounting, presentation and disclosure of Consolidated Financial Statements ("CFS")

1.1 The CFS are prepared in accordance with the Generally Accepted Accounting Principles in India ("Indian GAAP") to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of the Companies (Accounts) Rules, 2014. Financial statements have been prepared under the historical cost convention on accrual basis.

The Company has invested in the subsidiary company only during the reporting period and hence previous year's figures is not applicable.

1.2 Basis of Consolidation

The CFS relate to Chettinad Cement Corporation Limited (the Holding Company) and Anjani Portland Cement Limited (the Subsidiary). The Holding and the Subsidiary together constitute 'the Group'.

1.3 Principles of Consolidation

1.3.1 The CFS comprises of the financial statements of the Company and its subsidiary. The details of the subsidiary is as under :

Name of the company	Country of Incorporation	Proportion of Ownership Interest	Financial statement as on
Anjani Portland Cement Ltd	India	75%	March 31, 2015

1.3.2 The financial statements of the Company and its subsidiary company have been combined on a line-by-line basis by adding together like items of Assets, Liabilities, Income and Expenses. The Intra group balances and Intra group transactions and unrealised profits or losses, if any, are fully eliminated.

1.3.3 The CFS has been prepared using uniform accounting policies for like transactions and other events in similar circumstances and is presented, to the extent possible, in the same manner as the parent company's standalone financial statements

1.3.4 The difference between the cost of investment in the subsidiary and the share of net assets at the time of acquisition of shares in the subsidiary is identified in the financial statements as Goodwill or Capital Reserve as the case may be.

1.3.5 Minority interest in the net income of consolidated subsidiary for the reporting period is identified and adjusted against the income of the group to arrive at the net income attributable to the owners of the parent company.

1.3.6 Minority interest in the net assets of consolidated subsidiary is identified and presented in the Consolidated Balance sheet separately from Liabilities and Equity of the Parent company's Shareholders.

1.3.7 Minority interest in the net assets of Consolidated subsidiary consists of :

- The amount of equity share capital attributable to minority shareholders at the date on which investment in subsidiary is made and
- The minority share of movement in equity since the date the parent subsidiary relationship came into existence

1.4 Use of estimates

The 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 CFS 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.

1.5 The Company has considered its operating cycle as 12 months for the purpose of Current or Non-current classification of Assets and Liabilities.

Note 2 : Summary of Significant Accounting Policies

2.1 Fixed Assets

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

In respect of fixed assets (other than freehold/leasehold land and capital work-in-progress) of the Holding Company acquired during the year, depreciation/amortisation is charged on a written down value basis so as to write off the cost of the assets over the useful lives and for the assets acquired prior to April 1,2014 depreciation is charged over the remaining useful life, as provided under Schedule II to the Act after retaining the residual value (being 5% of the Cost). The carrying amount of the asset as on 01.04.2014 where the remaining useful life of Assets is Nil, is debited to Profit & Loss Account for the year ended 31.03.2015.

Leasehold land is amortised over the period of lease.

Depreciation/ Depletion on Quarry freehold land of Holding Company is provided on its cost based on the proportion of quantity of Limestone extracted to the total mineable reserves.

The amortisation amount of an intangible asset is computed on the basis of its useful life estimated by the management on written down value method.

In respect of fixed assets of the Subsidiary Company, depreciation is charged on straight line method so as to write off the cost of the assets, acquired during the year, over the useful lives and for the assets acquired prior to April 1,2014 depreciation is charged over the remaining useful life, as provided under Schedule II to the Act, except Plant & Machinery. The Management has estimated the useful life for the Plant & Machinery as 25 years and no residual value for all the assets. The carrying amount of the assets as on 01.04.2014 where the remaining useful life of Assets is Nil, is adjusted against the opening retained earnings as at 01.04.2014.

2.2 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.

Current Investments are valued at lower of cost and market value.

2.3 Revenue recognition

Sales are inclusive of excise duty and net of rebate and Value Added Tax.

2.4 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.
- v. Retirement benefits in the form of Superannuation Fund are defined contribution scheme and the contribution is charged to Profit and Loss Account of the year.

2.5 Inventories

Inventories are valued at lower of cost and net realisable value; Cost being ascertained on the following basis:- Raw Materials & Components, Packing Materials, Stores & Spares and Work-in-Progress (WIP) - Weighted Average Method.

Work-in-progress - cost also includes applicable Production overheads.

Finished Goods - cost also includes applicable Production overheads, Excise Duty and applicable Freight.

2.6 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 profit and loss account 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 profit and loss account.

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

2.7 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 asset 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 asset can be realised.

2.8 Provisions and Contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the notes. Contingent assets are neither recognised nor disclosed in the financial statements.

2.9 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and on short-term investments with an original maturity of three months or less.

2.10 Research & Development Expenses

Revenue expenditure including overheads on Research & Development is charged as an expense through the relevant heads of account in the year in which they are incurred. Research & Development expenditure which results in the creation of Capital assets is taken as Fixed Assets and Depreciation is provided over such assets.

2.11 Government Grants

Government grants relating to specific fixed assets are shown as deduction from gross value of such assets. Grants in the form of capital/investment subsidy are treated as Capital reserve. Grants given by the Government are reckoned based on compliance with the relevant conditions attached to it and on assurance of disbursement of the grants.

2.12 Leases

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vests with the Lessor are recognised as operating lease.

Operating lease receipts and payments are recognised in the Statement of Profit and Loss on accrual basis as per the lease terms.

Note 3 : Share Capital

(₹ in Lakhs)

Share Capital	As at 31st March 2015
Authorised 500000000 Shares of ₹ 10 each	50000
Issued 38295748 Equity Shares of ₹ 10 each	3830
Subscribed & Paid up 38198998 Equity Shares of ₹ 10 each fully paid	3820
Total	3820

Note 3A : Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Particulars	Equity Shares as at 31.03.15	
	Number	Amount
Shares outstanding at the beginning of the year	38198998	3820
Shares issued during the year	-	-
Shares bought back during the year	-	-
Shares outstanding at the end of the year	38198998	3820

Note 3B : The Company has not issued any shares with differential rights.

Note 3C: Details of shareholders holding more than 5% shares in the Company

	Name of Shareholder	As at 31st March, 2015	
		No. of Shares held	% of Holding
1	Dr. M.A.M.Ramaswamy	9183834	24%
2	Smt. Geetha Muthiah	6953690	18%
3	Sri. M.A.M.R.Muthiah	5586709	15%
4	Chettinad Logistics Private Ltd	3695652	10%
5	Chettinad Software Services P Ltd	2616535	7%
6	Chettinad Holdings Private Ltd	2560585	7%

Note 3D : The company has not reserved any shares for issue under options and contracts/commitments for the sale of shares/disinvestment.

Note 4 : Reserves & Surplus

(₹ in Lakhs)

	As at 31st March 2015
a. Capital Reserves	
Opening Balance	40414
(+) Additions during the year (Refer Note No. 36)	50
(+) Current Year Transfer	-
(-) Written Back in Current Year	-
Closing Balance	40464
b. Securities Premium Account	
Opening Balance	4973
(+) Securities premium credited on Share issue	-
(-) Premium Utilised for various reasons	-
Closing Balance	4973
c. Debenture Redemption Reserve	
Opening Balance	-
(+) Current Year Transfer	500
Closing Balance	500
d. Other Reserves- General Reserve	
Opening Balance	12100
(+) Current Year Transfer	2105
(-) Written Back in Current Year	-
Closing Balance	14205
e. Surplus	
Opening balance	66543
(+) Net Profit/(Net Loss) for the current year	22978
(+) Transfer from Reserves	-
(-) Proposed Dividend & Dividend Tax	2299
(-) MAT entitlement reversal	-
(-) Transfer to Reserves	2105
(-) Transfer to Debenture Redemption Reserve	500
Closing Balance	84617
Total	144759

Note 5: Minority Interest

(₹ in Lakhs)

Name of the Subsidiary	Net Assets, i.e., total assets minus total liabilities		Share in Profit or (Loss)		Total
	as percentage of subsidiary's net assets	Amount	as percentage of subsidiary's profit or loss	Amount	Amount
Anjani Portland Cement Ltd (Indian Subsidiary)	25%	1519	25%	293	1812

Note 6 : Long Term Borrowings

(₹ in Lakhs)

	As at 31st March 2015
Secured	
Term loans	
- from banks	1711
(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. 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 Limited is repayable in 24 monthly instalments commencing from May 2013.	
- from banks	5250
The Term loan of ₹ 5250 lakhs availed from HDFC Bank Limited is secured by a First Pari Passu charge on all moveable fixed assets of subsidiary company and corporate guarantee by the Holding Company Terms of Repayment: In the second year ₹ 1500 lakhs and third to fifth year is ₹ 3750 lakhs.	
- from SIPCOT	14521
The company has availed the said Soft Loan Financial Assistance from State Industrial Promotion Corporation of Tamilnadu Limited (SIPCOT) under the Structured Incentive Package for its Ariyalur Cement Project and Cement Grinding Unit at Puliur, sanctioned by the Government of Tamilnadu under The New Industrial Policy, 2007. The soft loan availed 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 Soft loan availed in the first year (2009-10) will be repaid in the month of April in the eleventh financial year i.e., 2019-20 and so on.	
Non Convertible Debentures (NCD's)	6000
Secured by pari passu charge on Plant & Machinery, Furniture & Fixtures, Vehicles and Office Equipments of the subsidiary company and corporate guarantee by the Holding Company. Terms of Repayment: Series A of 300 NCDs @ 10.5% interest with Face Value of ₹ 10 lakh each repayable on November 14, 2017. Series B of 300 NCDs @ 10.5% interest with Face Value of ₹ 10 lakh each repayable on April 14, 2018.	
	27482
Unsecured	
Term loans	
- from SIPCOT	20976
The Company has been granted eligibility certificate by State Industries Promotion Corporation of Tamilnadu Limited (SIPCOT) for its Karikkali Line I Project, 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. Terms of Repayment: The loan is repayable after 12 years from the date of availment. The repayment has commenced from March 2015.	
Inter Corporate Deposits	5339
Terms of Repayment: ₹ 5339 lakhs will be repaid in the third to fifth year	
	26315
Total	53797

Note 7 : Other Long Term Liabilities

(₹ in Lakhs)

	As at 31st March 2015
Security deposit from Stockists/Dealers	4377
Interest accrued but not due on NCD's	238
Total	4615

Note 8 : Long-Term Provisions

(₹ in Lakhs)

	As at 31st March 2015
Provision for employee benefits	
Leave salary	435
Gratuity	212
Total	647

Note 9 : Short-Term Borrowings

(₹ in Lakhs)

	As at 31st March 2015
Secured	
Loans repayable on demand	
Cash Credit facilities	2316
- from Central Bank of India, HDFC Bank Limited, ICICI Bank Limited and The Hongkong and Shanghai Banking Corporation Limited	
The Working Capital facility with Central Bank of India, HDFC Bank Limited, ICICI Bank Limited and The Hongkong and Shanghai Banking Corporation Limited are secured by hypothecation of Raw Materials, Stores, Spares, Packing Materials, Fuel, Process Stock, Finished Goods and Book Debts of the Company on pari passu first charge basis.	
Cash Credit facilities	573
Working capital Demand Loan	1000
Cash Credit Facility and Working Capital Demand Loan with HDFC Bank Limited is secured by first pari passu charge on Current assets of the subsidiary company and Corporate Guarantee by the Holding Company	
Total	3889

Note 10 : Other Current Liabilities

(₹ in Lakhs)

	As at 31st March 2015
Current maturities of long-term debts	6918
Unclaimed dividend	147
Creditors for capital goods	523
Other payables -Customer credit balances	5983
Others	
Tax deducted at source	326
Duties & taxes payable	3987
Expenses	6728
Miscellaneous	1535
Total	26147

Note 11 : Short Term Provisions

(₹ in Lakhs)

	As at 31st March 2015
(a) Provision for employee benefits	
Leave Salary	106
Gratuity	269
Superannuation	68
(b) Others	
Provision for Fringe Benefit Tax	174
Provision for Proposed Dividend	1910
Provision for Tax on Proposed Dividend	389
Provision for Tax FY 2014-15 after adjustment of MAT Utilization (8267 lakhs less 2710 lakhs)	5557
Less: Advance tax and Tax deducted at source	(5455)
Total	3018

Note 12 : Fixed Assets

(₹ in lakhs)

Fixed Assets	Gross Block			Accumulated Depreciation/Depletion				Net Block	
	As at 01-04-2014	Additions	Deductions	As at 31-03-2015	As at 01-04-2014	For the year	Deductions/ Adjustments	As at 31-03-2015	As at 31-03-2015
a Tangible Assets									
Freehold land	15784	805	-	16589	1215	169	-	1384	15205
Leasehold land	4	-	-	4	-	-	-	-	4
Buildings	35664	1591	-	37255	11879	2238	-	14117	23138
Plant and Equipment	380830	1057	-	381887	235028	29560	-	264588	117299
Furniture and Fixtures	1332	67	170	1229	746	271	90	927	302
Earth Moving Equipment & Vehicles	4461	20	82	4399	3452	510	43	3919	480
Railway Sidings	5788	29	-	5817	3353	421	-	3774	2043
Sub total	443863	3569	252	447180	255673	33169	133	288709	158471
b Intangible Assets									
Goodwill	467	-	-	467	426	41	-	467	-
Sub total	467	-	-	467	426	41	-	467	-
Total	444330	3569	252	447647	256099	33210	133	289176	158471

a. Depreciation includes depletion of freehold quarry land amounting to ₹ 169 Lakhs.

b. Consequent to the enactment of the Companies Act, 2013, depreciation has been charged based on the useful life of the assets as prescribed in Schedule II to the Act. In the case of the Holding Company, the effect of such change in the estimate is ₹ 10030.11 lakhs and the same is debited to the Consolidated Statement of Profit & Loss. In respect of the subsidiary company, the effect of such change is ₹ 44.58 lakhs (net of Deferred Tax effect of ₹ 19.93 lakhs) which is adjusted in opening surplus in the CFS and the same has been considered in determining the Minority interest and Goodwill on acquisition. (Ref. Note No.2.1).

Note 13 : Goodwill on Consolidation

(₹ in lakhs)

	As at 31st March 2015
Purchase Value of Investment in Subsidiary	8517
Less : Share of Opening Reserves & Surplus	3177
Less : Share of Profit/(loss) upto the date of acquisition	(557)
Less : Face value of Investment	1379
Total	4518

Note 14 : Long Term Loans and Advances

(₹ in lakhs)

	As at 31st March 2015
Capital Advances	
Unsecured, considered good	2412
Security Deposits	
Unsecured, considered good	1886
Total	4298

Note 15 : Current Investments

(₹ in lakhs)

	As at 31st March 2015
Investments in Bonds	
52 No's Renewable energy Certificates - Solar	2
67 No's Renewable energy Certificates - Non-Solar	1
Total	3

Note 16 : Inventories

(₹ in lakhs)

	As at 31st March 2015
a. Raw Materials and components	22316
Goods-in transit	5839
b. Work-in-progress	5464
c. Finished goods	4019
d. Packing material	723
e. Stores and spares	8637
Grand Total	46998

Note 17 : Trade Receivables

(₹ in lakhs)

	As at 31st March 2015
Trade receivables outstanding for a period exceeding six months from the date they are due for payment	
Unsecured, considered good	2066
Unsecured, considered doubtful	508
Less: Provision for doubtful debts	(508)
	2066
Others	
Secured, considered good	390
Unsecured, considered good*	28047
	28437
Total	30503

* Includes receivable from related party of ₹ 6 Lakhs

Note 18 : Cash and Bank Balances

(₹ in lakhs)

	As at 31st March 2015
Cash & Cash Equivalents	
a. Cash on hand	16
b. Balances with banks	
On Current Accounts	1736
Earmarked Balances - Escrow Account & Unclaimed Dividend Accounts	146
Total	1898

Note 19 : Short-term loans and advances

(₹ in lakhs)

	As at 31st March 2015
Advances recoverable in cash or in kind	
Unsecured, considered good	7794
MAT Credit Entitlement	1183
Total	8977

Note 20 : Other Current Assets

(₹ in lakhs)

	As at 31st March 2015
Other sundry receivables	18
Total	18

Note 21 : Contingent Liabilities and Commitments (to the extent not provided for)

(₹ in lakhs)

	As at 31st March 2015
(i) Contingent Liabilities	
Claims against the Company not acknowledged as Debt	
(a) Sales Tax Act	953
(b) Income Tax Act	6107
(c) Customs Act	4477
(d) Excise Duty	7201
(e) Royalty on Limestone	547
(f) Lease Rent on Govt. Lands	74
(g) Others	750
Note: The above liabilities are disputed by the Company before respective authorities on account of issues of applicability and classification.	
Bills Discounted, Guarantees & Letters of Credit	1449
	21558
(ii) Commitments	
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	14068
	14068
Total	35626

Note 22 : Revenue from Operations

(₹ in lakhs)

Particulars	For the year ended 31st March 2015
Sale of products	290172
Self consumption	80
Total	290252

Note 23 : Other Income

(₹ in lakhs)

	For the year ended 31st March 2015
Interest Income	92
Income from Investments	32
Realised Gain on Exchange Fluctuations	7
Other non-operating income	717
Total	848

Note 24 : Raw Materials Consumed

(₹ in lakhs)

	For the year ended 31st March 2015
Opening Stock	20343
Add:	
Purchases	22914
Own Quarrying	14778
	58035
Less: Closing Stock	(22239)
Total	35796

Own Quarrying includes

- (i) Salaries & wages, PF and ESI ₹ 173 lakhs
- (ii) Power ₹ 181 lakhs
- (iii) Stores and spares ₹ 266 lakhs

Details of Raw materials consumed

(₹ in lakhs)

	For the year ended 31st March 2015
Limestone	20773
Gypsum	4955
Fly ash	6031
Others	4037

Note 25 : Change in Inventories of Finished Goods and Work-in-Progress

(₹ in lakhs)

	For the year ended 31st March 2015
Inventories (Opening)	
Finished goods	3797
Work-in-progress	8004
Sub-Total (A)	11801
Inventories (Closing)	
Finished goods	4019
Work-in-progress	5464
Sub-Total (B)	9483
Changes in Inventory (A-B)	2318

Note 26 : Employee Benefit Expenses

(₹ in lakhs)

	For the year ended 31st March 2015
(a) Salaries and wages	13236
(b) Contributions to -	
(i) Provident fund	727
(ii) Gratuity fund	392
(c) Staff welfare expenses	517
Total	14872

Note 27 : Finance costs

(₹ in lakhs)

	For the year ended 31st March 2015
Interest Expenses	7524
Other Borrowing charges	140
Bank Charges	19
Total	7683

Note 28 : Other expenses

(₹ in lakhs)

	For the year ended 31st March 2015
(a) Manufacturing expenses	
Power & Fuel	74084
Stores & Spares consumed	9071
Packing Charges	10507
Repairs & Maintenance	
Plant & Machinery	2988
Buildings	621
Others	2170
Other manufacturing expenses	344
Sub-total	99785
(b) Selling & Distribution Expenses	
Loading & Transport Charges	41244
Advertisement & Sales Promotion	1907
Sub-total	43151
(c) Administrative Expenses	
Rent	866
Insurance	333
Rates & taxes	984
Auditor's Remuneration & expenses	21
Legal & Professional charges	373
Travelling Expenses	937
Communication expenses	141
Donation	-
Diminution in value of Current Investments	3
Secretarial Expenses	10
Other Expenses	1800
Sub-total	5468
Total (a + b + c)	148404

	For the year ended 31st March 2015
Audit fees	
Payments to the auditors	
1 as Auditor - statutory audit	18
2 for other services	
Taxation Matters	1
3 towards reimbursement of expenses	2

Note 29 : Dividend

	For the year ended 31st March 2015
Amount of Proposed Dividend (₹ In Lakhs)	1910
Proposed dividend per share	₹ 5/-

30. Buildings include Flat at Mumbai and value of shares held in Bombay Middle Class Cooperative Housing Society Ltd., the ownership of which is held in the name of a representative of the Company and is in the process of being transferred to the name of the Holding Company.

31. Deferred Taxes

(₹ in lakhs)

Particulars	As at 31st March 2015
Deferred Tax Liability on account of	
Depreciation	2819
Revenue	51
Total	2870
Deferred Tax Asset on account of :	
Expenses allowable on payment for Tax purpose	2474
Unabsorbed Depreciation	2521
Provision for Employee benefits	323
Total	5318
Net Liability / (Asset)	(2448)

32. Power & Fuel is net of Captive Power Plant Income of ₹ 28742 lakhs.

33. Earnings per share

Profit as per Profit and loss statement (₹ in lakhs)	22978
Number of equity shares (in lakhs)	382
Basic and diluted earnings per share (in ₹)	60.15
Face value of ₹ 10 Per share	

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

- a. Where the Group is a Lessee :
 - i) The Group 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 Group is a Lessor :

Details in respect of assets given on Operating Lease

(₹ In Lakhs)

Particulars	Gross Block as at 31.03.2015	Accumulated Depreciation As at 31.03.2015	Depreciation (Corresponding to the period of lease rentals)
Freehold Building	32.46	6.53	0.23

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.

35. There is no impairment of assets as per Accounting Standard 28.
36. The Additions to Capital Reserve represents Anchor Unit subsidy received from the Government of Karnataka in respect of Kallur Project. This subsidy is given to the first two Projects in the most backward Districts of Karnataka.
37. The Holding 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.
38. Research and development expenditure for the year is ₹ 93 lakhs including Depreciation of ₹ 7 lakhs.
39. The Group identifies Business Segment as the Primary Segment as per Accounting Standard-17 and under the Primary Segment, there are two reportable segments viz Cement and Power Generation. These were identified considering the nature of the products, differing risk and returns.

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

Particulars	Cement	Power	Total
REVENUE			
External sales (incl. Excise Duty)	292523	18522	311045
Inter segment sale	-	28742	28742
Intra segment sale	80	-	80
Total Sales	292603	47264	339867
Less: Excise Duty	(40224)		(40224)
Total Revenue from Operations	252379	47264	299643

RESULT

Segment result	20150	13800	33950
Finance Cost			(7683)
Other Income			848
Income Tax			
- Current			(8267)
- Deferred			3866
Profit from ordinary activities			22714
Extraordinary Expenses			-
Net Profit			22714

OTHER INFORMATION

Segment Assets	184613	74204	258817
Unallocated Assets	-	-	34
Total Assets	184613	74204	258851
Segment Liabilities	39226	630	39856
Unallocated Liabilities	-	-	218995
Total Liabilities	39226	630	258851
Capital Expenditure	3300	269	3569
Unallocated Capital Expenditure	-	-	-
Depreciation	30664	2505	33169
Non Cash Expenses other than Depreciation	41	-	41

40. Related Party Disclosures
(A) Names of related parties and description of relationship

- Enterprises significantly influenced by Key Management Personnel
Chettinad Educational Institutions
South India Corporation Private Ltd
South India Corporation (T) Private Ltd
Chettinad Logistics Private Ltd
Chettinad Lignite Transport Services (P) Ltd
Chettinad Software Services Private Ltd
Chettinad Realtors Private Ltd
Chennai Computer and Software Services (P) Ltd
Chettinad Inland Water Transport Services (P) Ltd
Chettinad Morimura Semiconductor Material (P) Ltd
Chettinad Holdings Private Ltd
- Key Management Personnel and their relatives-
Sri. M.A.M.R.Muthiah
Smt. Geetha Muthiah (w/o Sri. M.A.M.R.Muthiah)
Dr. M.A.M.Ramaswamy(f/o Sri. M.A.M.R.Muthiah)

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

(B) Details of Related Party Transactions: (₹ in Lakhs)

Particulars	Amount		
	Associates	Key management Personnel	Relative of Key management Personnel
Purchase of Goods	33362	-	-
Sale of Goods	16	-	-
Services availed/rendered	16784	-	-
Deposits Accepted (ICD)	15700	-	-
Deposits Repaid (ICD)	19200	-	-
Interest on Deposits	555	-	-
Investments	8517	-	-
Dividend	479	279	807
Remuneration	-	1354	38
Advances Received	-	-	-
Advances Given	-	-	-
Sale of Assets	40	-	-
Closing Balance (Cr.)	4531	-	-
Closing Balance (Dr.)	16	-	-

41. Employee Benefits : Disclosure under Accounting Standard 15

A) Post Employment Benefit - Defined contribution Plan

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)

Particulars	Gratuity	Leave Encashment
	(Funded)	(Unfunded)
(i) Reconciliation of liability recognized in the Balance Sheet		
Present value of commitments	(1791)	(467)
Fair value of Plan Assets	1307	-
Net asset/(liability) in the Balance Sheet	(484)	(467)
(ii) Movement in net liability recognized in the Balance Sheet		
Net asset/(liability) as at beginning of the year	(123)	(382)
Net expense recognised in the Profit and Loss account	(267)	(229)
Contribution during the year	120	144
Net asset/(liability) as at end of the year	(270)	(467)
(iii) Expense recognised in the Profit and Loss account		
Current service cost	135	65
Interest cost	127	33
Expected return on plan assets	(111)	-
Actuarial (gains)/losses	205	140
Past Service Cost	56	-
Expense charged to the Profit and Loss Account	412	238
(iv) Return on plan assets		
Expected return on plan assets	112	-
Actuarial (gains)/losses	-	-
Actual return on plan assets	112	-
(v) Reconciliation of defined-benefit commitments		
Commitments as at beginning of the year	(1372)	(317)
Current service cost	(113)	(59)
Interest cost	(105)	(23)
Past Service Cost	56	-
Paid benefits	242	144
Actuarial gains/ (losses)	(54)	(138)
Commitments as at end of the year	(1346)	(393)
(vi) Reconciliation of plan assets		
Plan assets at beginning of the year	1354	-
Expected return on plan assets	113	-
Contributions during the year	120	-
Paid benefits	(280)	-
Actuarial gains/(losses)	-	-
Plan assets as at end of the year	1307	-
(vii) Principle Assumption		
Discount Rate	8%	8%
Expected rate of salary Increase	*	**
Mortality	LIC (1994-96) Ultimate	IALM (2006-08) Ultimate

*In respect of Holding company-5%

*In respect of Subsidiary company-8%

**In respect of Holding company-6%

**In respect of Subsidiary company-8%

Note 42

Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary / Associates / Joint Ventures.

(₹ in lakhs)

Name of the Enterprise	Net Assets, i.e., total assets minus total liabilities		Share in Profit or (Loss)	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
Parent Chettinad Cement Corporation Ltd	99%	146644	93%	21043
Subsidiary Indian Anjani Portland Cement Ltd	5%	7746	7%	1671

Subject to our report of even date

For Raghavan & Muralidharan
Chartered Accountants
Firm Regn. No. 007110S

P Raghavan
Partner
Membership No : 200885

Place: Chennai
Date : 12.08.2015

For and on behalf of the Board

L Muthukrishnan
Chairman

Bhavana G Desai
R Ramakrishnan
V Chandramoleeswaran
M Ravindra Vikram
A Mohan krishna Reddy

R Raghunathan
Chief Financial Officer

M A M R Muthiah
Managing Director

Directors

S Hariharan
Company Secretary

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	1985-86 1986-87 1995-96 1996-97 1998-99
b) BEST PRODUCTIVITY AWARD (Issued by Govt. of Tamilnadu)	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- 1 st prize Best improvement in Thermal Energy Performance	2000-01
11 MINISTRY OF ENERGY National Energy Conservation Award National Energy Conservation Award for the Cement Sector	2000-01 2002
12 TAMILNADU GOVERNMENT AWARDS State Safety Awards 1 st & 3 rd Prize	1998
13 NATIONAL AWARDS 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 1 st Prize	2005
16 TAMILNADU GOVERNMENT AWARDS State Safety Awards 1 st Prize	2007
17 NATIONAL AWARD FROM NCCBM Best Environment 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
20 Environment Health and Safety Best Practices Award from CII	2014-15



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