



**47<sup>th</sup>**  
**ANNUAL**  
**REPORT**  
**2009-2010**

# 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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## List of Awards Received

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



## **CHETTINAD CEMENT CORPORATION LIMITED**

### **Registered Office :**

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

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

Cable : Bestcement,

email : [info@chettinadcement.com](mailto:info@chettinadcement.com) website : [www.chettinadcement.com](http://www.chettinadcement.com)

**MANAGEMENT**

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

## PROFILE

### CHETTINAD CEMENT CORPORATION LIMITED

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

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

#### PRODUCTS

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

From a modest beginning of 2 Lac tonnes capacity per annum, Chettinad Cement has gradually increased its production capacity to 6.5 million tonnes per annum with its three cement manufacturing units at Puliur, Karikkali and Ariyalur. All the plants of the Company employ the Modern Dry Process Technology.

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

The company has commissioned the first of its two Greenfield Cement manufacturing units with a capacity of 2MTPA and 2x15 MW Captive Thermal Power Plants at Keezhapaluvur Village, Ariyalur District, Tamilnadu during the financial year 2008-09.

The Company has commissioned the second Cement manufacturing unit with a capacity of 2MTPA and third 15 MW captive Thermal Power Plant at its Ariyalur works during the financial year 2009-10. The Company has also commissioned the 0.5MTPA Cement Grinding Unit at its existing factory site at Puliur Village, Karur District, during the financial year 2009-10.

The Company is currently working on setting up a second cement manufacturing unit with a capacity of 2 MTPA adjacent to its existing factory site at Karikkali Village, Dindigul District along with a Captive Thermal Power Plant with a capacity of 30 MW.

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

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

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

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

**PERFORMANCE AT A GLANCE**

	2005-06	2006-07	2007-08	2008-09	2009-10
<b>PRODUCTION</b>			(In MT)		
Clinker	1942742	1890524	2062346	2318789	3029280
Cement	2360557	2683737	2905698	3148896	4003468
Capacity Utilisation (%)	118	134	145	135	78
<b>SALES</b>					
Cement & Clinker	2447313	2686961	2879187	3141914	4061789
<b>FINANCIAL HIGHLIGHTS</b>			(Rs. in Lakhs)		
Turnover (Gross) including					
Other Income	58715	84307	111300	132762	153662
Gross Profit	11901	23933	34693	47064	51209
Interest & Lease rentals	1877	1725	1859	5078	7679
Depreciation	3609	5317	8150	42900	30808
Profit / (Loss) before Tax	6415	16891	24684	(914)	12722
Provision for Taxation					
– Current Tax (Net)	5	5832	9262	5125	3080
– Deferred Tax - (Asset) / Liability	2271	(439)	(1005)	(5678)	(21)
– Fringe Benefit Tax	40	27	50	60	-
– Earlier years Income Tax	93	-	-	-	-
Net Profit / (Loss) after Tax	4006	11471	16377	(421)	9663
<b>PAID - UP SHARE CAPITAL</b>	2950	2950	2950	2950	3820
<b>RESERVES &amp; SURPLUS</b>	14492	23374	36299	32565	82552
<b>RATIOS</b>					
PBIDT to Sales (%)	23.78	32.95	36.41	40.27	37.55
PBT to Sales (%)	12.82	23.26	25.91	(-) 0.78	9.33
EPS (Rs.)	21.59	37.39	52.10	40.87	30.51
Debt to Equity	1.37	0.57	0.71	2.09	0.53
Book Value per Share (Rs.)	59	89	133	120	226
Dividend (%)	50	75	100	100	-



## NOTICE TO THE SHAREHOLDERS

Notice is hereby given that the **Forty Seventh Annual General Meeting** of the members of Chettinad Cement Corporation Limited will be held at "**Rani Seethai Hall**" No.603, Anna Salai, Chennai – 600 006 on **Tuesday, the 21<sup>st</sup> day of September, 2010** at **10.00 A.M.** to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Profit and Loss Account for the Year ended 31<sup>st</sup> March, 2010, the Balance Sheet as at that date and the Reports of the Directors and the Auditors thereon.
2. To appoint a Director in the place of **Sri K. Ganapathy**, who retires by rotation in accordance with the Articles of Association of the Company and being eligible, offers himself for re-appointment.
3. To appoint a Director in the place of **Sri R. Krishnamoorthy**, who retires by rotation in accordance with the Articles of Association of the Company and being eligible, offers himself for re-appointment.
4. To appoint M/s P.B. Vijayaraghavan & Co., M/s Krishna & Co., and M/s V. Soundararajan & Co., Chartered Accountants as Auditors of the Company to hold office from the conclusion of the Forty seventh Annual General Meeting until the conclusion of the next Annual General Meeting on a remuneration of Rs. 2,00,000/- (Rupees Two Lakhs Only) each, plus Service Tax if any, besides out of pocket expenses.

### SPECIAL BUSINESS:

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

**"RESOLVED THAT** in accordance with the provisions of Sections 198, 269, 309, Schedule XIII and other applicable provisions (including any Statutory modifications or any enactments thereof for the time being in force) of the Companies Act, 1956 and subject to the approval of the Financial Institutions/Banks wherever required, the Consent of the Company be and is hereby accorded to the re-appointment of **Sri M.A.M.R. MUTHIAH**, as the Managing Director of the Company for a period of three years with effect from the 28<sup>th</sup> September, 2010 subject to the provisions of the Articles of Association of the Company and control, superintendence and direction of the Board of Directors of the Company, who are hereby authorized to delegate to him such further powers of substantial management of the Company as they may deem fit."

**"RESOLVED FURTHER THAT** Sri M.A.M.R. MUTHIAH, Managing Director be paid a remuneration, by way of Commission which shall not exceed 5% of the Net Profits of the Company each year during the tenure of his Office."

**"RESOLVED FURTHER THAT** in the event of Loss or inadequacy of Profits, in any Financial year, the Board of Directors of the Company be and are hereby authorized to sanction such



minimum (Monthly) remuneration payable to Sri M.A.M.R. MUTHIAH, Managing Director, such that the remuneration shall not exceed the maximum limits prescribed under Sub-section 1(B) of Section II of Part II of Schedule XIII of the Companies Act, 1956 based on the Effective Capital of the Company."

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

**"RESOLVED THAT** in supersession of the Ordinary Resolution No. 7/2008 passed by the Members of the company at the 45th Annual General Meeting held on 23rd September, 2008, the consent of the Company be and is hereby accorded under the provisions of Section 293 (1)(d) of the Companies Act, 1956 to the Board of Directors of the company to borrow

monies, from time to time, from the Financial Institutions, Banks, Central or State Government undertakings, Bodies Corporate, Shareholders and Public by way of Rupee Term Loan, Foreign Currency Loan and Debentures etc., (apart from the temporary loans obtained from the company's bankers in the ordinary course of business) in excess of the aggregate of the paid-up share capital of the company and its free reserves that is to say, reserves not set apart for any specific purpose, provided however, that the total amount of such borrowings shall not exceed the sum of Rs.3000.00 Crores (Rupees Three thousand Crores only) at any one time".

**By order of the Board**

**S.Hariharan**  
**Company Secretary**

**Place: Chennai**

**Date : 27th July, 2010.**

**Notes :**

1. An Explanatory Statement as required under the provisions of Section 173 of the Companies Act, 1956 for item No.5 & 6 is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF ON A POLL AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM TO BE VALID MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FIXED FOR THE MEETING.**
3. The Register of Members and Share Transfer Books of the company shall remain closed from 16.09.2010 To 21.09.2010 (inclusive of both days)
4. The Company has appointed M/s Integrated Enterprises (India) Ltd., "Kences Towers", 2<sup>nd</sup> Floor, No.1, Ramakrishna Street, T. Nagar, Chennai – 600 017 as the Registrar & Share Transfer Agents to undertake all investor servicing activities, both demat and physical segments with effect from 01/04/2003. All concerned are requested to send their documents and address all their future correspondence directly to the above Registrars.
5. Members are requested to intimate their change of address, if any, along with PIN CODE to the Registrars to facilitate quick receipt of the Annual Reports and other official correspondences.
6. Non-resident Shareholders are requested to inform us immediately :
  - a) The change of residential status on return to India permanently.
  - b) The particulars of the NRE Account, if not furnished earlier.
7. Pursuant to the Section 205 A (before amendment) of the Companies Act, 1956, all the unclaimed dividends up to the financial year 1994-95 have been transferred to the Central Government's General Revenue Account. As per the amended Section 205-A, the unclaimed dividend amounts out of the Dividend declared from the financial year ended 31<sup>st</sup> March, 1996 onwards shall be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government after the expiry of seven years from the date of declaration. Accordingly, the unclaimed dividend for the financial years 1995-96 to 2000-01, except where the claim is under dispute or kept in abeyance, have been transferred to the said Fund. No dividend had been declared for the years 2001-02 and 2002-03. The unclaimed dividend for the financial year 2003-04 will be remitted into IEPF during November, 2011.

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