

Madras Cements Ltd.

Annual Report

2010-2011





Chairman & Managing Director, Shri.P.R.Ramasubrahmaneya Rajha receiving the "Pride of South Tamil Nadu 2010" award from Shri.P.Chidambaram, Honourable Union Minister for Home, instituted by Velammal Educational Trust.



Shri.P.B.Gopalakrishna, Sr. Vice President – Mfg receiving the Quality Movement Award from Shri.Sridhar Babu, Honourable Minister for Higher Education & NRI Affairs, Government of Andhra Pradesh, instituted by Quality Circle Forum of India.



MADRAS CEMENTS LTD.

Board of Directors

Shri P.R.RAMASUBRAHMANEYA RAJHA, B.Sc.,
Chairman & Managing Director

Shri G. SUNDARAMURTHI, I.A.S., (Retd.)
Nominee of Government of Tamil Nadu

Shri P.R.VENKETRAMA RAJA, B.Tech.,

Dr. A.RAMAKRISHNA, B.E., M.Sc.,

Shri R.S. AGARWAL, B.Sc., B.E.,

Shri M.B.N.Rao, B.Sc.(Agri).

Bankers

Axis Bank Ltd
Bank of Baroda
Bank of Maharashtra
Bank of Nova Scotia
Canara Bank
Citi Bank
Deutsche Bank
Dhanlaxmi Bank Ltd
HDFC Bank Ltd
ICICI Bank Ltd
IDBI Bank Ltd
Indusind Bank Ltd
ING Vysya Bank Ltd
Kotak Mahindra Bank Ltd
Punjab & Sind Bank
Standard Chartered Bank
State Bank of Patiala
Tamilnad Mercantile Bank Ltd
The Hongkong and Shanghai
Banking Corporation Ltd
Union Bank of India

Corporate Office

98-A, Dr. Radhakrishnan Road, Mylapore
Chennai - 600 004, Tamil Nadu.

Registered Office

'Ramamandiram'
Rajapalayam - 626 117, Tamil Nadu.

Website

www.madrascements.com

Auditors

M/s. M.S.Jagannathan & N.Krishnaswami
Chartered Accountants
Unit-5, Ground Floor
Abirami Apartments, No. 14, VOC Road
Cantonment
Tiruchirappalli - 620 001.

M/s. CNGSN & Associates
Chartered Accountants
20, Raja Street,
T. Nagar
Chennai - 600 017.

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MADRAS CEMENTS LTD.

FINANCIAL HIGHLIGHTS

DESCRIPTION	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
Sales & Earnings											
Sales & Other Income	62083	70937	63037	69982	74511	101335	158169	202135	247123	282125	264471
Operating Profit	17722	17898	15495	16712	16043	21552	56350	76176	79349	87729	65724
Cash Generation	9706	9841	8549	11325	11536	14771	40992	63916	62852	64497	43563
Profit After Tax	4433	2566	1296	3340	5592	7902	30802	40829	36352	35368	21098
Assets Employed											
Net Fixed Assets	95588	100684	98444	93315	98477	100119	125897	248262	363505	401022	448938
Investments	5033	5734	5728	6685	7962	8867	8875	8876	8861	8874	8883
Net Current Assets	12402	10513	10773	9647	14934	9838	22024	37773	47342	58942	50881
TOTAL	113023	116931	114945	109647	121373	118824	156796	294911	419708	468838	508702
Financed by											
Equity Shareholders' Investment	302	302	302	302	302	302	302	298	298	298	298
Bonus Shares	905	905	905	905	905	905	905	892	2082	2082	2082
Reserves and Surplus	39234	25004	25276	27398	31839	37793	65276	93897	121994	151297	168306
Shareholders' Funds (A)	40441	26211	26483	28605	33046	39000	66483	95087	124374	153677	170685
Short Term Borrowings	7812	12545	12195	4490	25982	13597	17231	55130	35987	27314	20670
Sales Tax Deferral	8850	10896	13632	17725	22276	28891	37155	48906	57833	61884	60388
Long Term Borrowings	55920	50169	44673	39207	20839	17756	13347	59528	152525	167453	198058
Borrowings (B)	72582	73610	70500	61422	69097	60244	67733	163564	246345	256651	279117
Deferred Tax Liability (C)	–	17110	17962	19620	19230	19580	22580	36260	48989	58510	58900
TOTAL (A)+(B)+(C)	113023	116931	114945	109647	121373	118824	156796	294911	419708	468838	508702



FINANCIAL HIGHLIGHTS

DESCRIPTION	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
Cement											
Capacity (lac tonnes)	57.5	59.9	59.9	59.9	59.9	59.9	59.9	79.9	99.9	104.9	104.9
Production (lac tonnes)	26.5	31.8	35.2	37.0	38.0	47.1	56.7	58.5	65.3	80.3	73.0
Windfarm											
Capacity (MW)	33.21	33.21	33.21	33.21	34.44	45.84	63.79	136	181.59	185.59	159.19
Generation (lac units)	483	490	455	485	445	378	657	1426	2611	4115	3572
Number of employees	1748	1750	1743	1669	1642	1686	1955	2260	2447	2583	2593
Contribution to Exchequer (Rs. in lacs)	18113	21081	23349	22828	27544	32137	56107	60954	71110	80933	83932
Face value per share (Rs.)	100	100	100	10	10	10	10	10	1	1	1
Earnings per share (Rs.)	367	213	107	28	46	65	255	343	15	15	9
Dividend per share (Rs.)	55	60	60	7.50	10	15	25	40	2	2	1.25
Dividend payout (Rs. in lacs)	665	726	726	907	1210	1814	3024	4803	4766	4766	2979
Dividend payout %	15	28	56	27	22	23	10	12	13	13	14
P/E ratio	11.84	20.06	31.35	27.56	21.16	33.08	10.70	9.76	4.68	8.19	11.5
Price to book value ratio	1.30	1.96	1.53	3.22	3.58	6.70	4.96	4.19	1.37	1.89	1.42
Operating profit ratio %	28.55	25.23	24.58	23.88	21.53	21.27	35.63	37.69	32.11	31.10	24.85
Gross fixed assets per share (Rs.)	10062	11618	11969	1200	1300	1358	1489	2281	165	202	221
Market price of share (Rs.)											
(a) High	5574	5150	4435	980	1170	2245	3750	5072	198	140	134
(b) Low	3360	3501	3245	330	595	932	1745	2500	55	70	85
(c) As on 31 st March	4345	4263	3365	762	980	2164	2730	3349	71	122	102
Market capitalisation (Rs. in lacs)	52468	51478	40642	92033	118362	261365	329725	398620	170029	289728	242610
Net worth per share (Rs.)	3349	2171	2193	237	274	323	550	799	52	65	72
Debt-Equity Ratio (on long term borrowings)	1.38	1.91	1.69	1.37	0.63	0.46	0.20	0.63	1.23	1.09	1.14
Current Ratio	2.05	1.85	1.85	1.65	1.90	1.43	1.56	1.94	2.08	2.08	1.86

Bonus shares were issued in the ratio of 1:1 in 1992-93, 1994-95 and 2008-09.

MADRAS CEMENTS LTD.

NOTICE TO THE MEMBERS

Notice is hereby given that the 53rd Annual General Meeting of the Company will be held at 10.15 A.M. on Wednesday, the 10th August 2011 at P.A.C.R. Centenary Community Hall, Sudarsan Gardens, P.A.C.Ramasamy Raja Salai, Rajapalayam - 626 108, Tamil Nadu to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Profit & Loss Account for the year ended 31st March 2011 and the Balance Sheet as at that date and the Reports of the Directors and the Auditors thereon.
2. To declare dividend for the year 2010-2011.
3. To appoint a Director in the place of Shri.R.S.Agarwal who retires by rotation and is eligible for reappointment.
4. To appoint Auditors and, if thought fit, to pass with or without modification the following Resolution as an ORDINARY RESOLUTION:

"RESOLVED that M/s.M.S.Jagannathan & N.Krishnaswami, Chartered Accountants and M/s.CNGSN & Associates, Chartered Accountants be and are hereby jointly appointed as Auditors of the Company to hold Office from the conclusion of this Meeting till the conclusion of the next Annual General Meeting on a remuneration of Rs.6,00,000/- (Rupees Six lacs only) each, exclusive of out-of-pocket expenses."

Chennai
25-5-2011

By Order of the Board,
For MADRAS CEMENTS LTD.,
P.R.RAMASUBRAHMANEYA RAJHA
Chairman & Managing Director

NOTES:

- (i) A member entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and vote instead of himself and the Proxy need not be a Member of the Company;
- (ii) Proxy Form is enclosed. Proxies in order to be effective must be received at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting;
- (iii) The Register of Members and the Share Transfer Books of the Company will remain closed from 4-8-2011 to 10-8-2011 (both days inclusive);
- (iv) The dividend, on declaration, will be paid in respect of shares held in physical form to the shareholders whose names appear in the Register of Members as on 10-8-2011 and in respect of shares held in electronic form to the beneficial owners whose names appear in the list furnished by the Depositories for this purpose as on 3-8-2011. The dividend will be payable on and from 10-8-2011;
- (v) The Securities and Exchange Board of India (SEBI) has made it mandatory for all companies to use the bank account details furnished by the depositories for depositing dividend. Accordingly, dividend will be credited through National Electronic Clearing Service (NECS) to investors wherever NECS and bank details are available. In the absence of NECS facilities, the Company will print the bank account details, if available, on the payment instrument for distribution of dividend. The Company is in compliance with SEBI's directive in this regard;
- (vi) Under the provisions of Section 205 C of the Companies Act, 1956, dividends remaining unpaid for a period of over 7 years will be transferred to the Investor Education & Protection Fund of the Central Government. Thereafter no claim shall lie against the Fund or the Company and no payment will be made in respect of any such claims.



Hence, the members who have not claimed their dividend relating to the earlier years may write to the Company for claiming the amount before it is so transferred to the Fund. The details of due dates for transfer of such unclaimed dividend to the said Fund are:

Financial Year Ended	Date of Declaration of Dividend	Last Date for Claiming Unpaid Dividend	Due Date for Transfer to IEP Fund
31-03-2004 Interim Dividend Final Dividend	25-10-2003 28-07-2004	24-10-2010 27-07-2011	22-11-2010 25-08-2011
31-03-2005 1 st Interim Dividend 2 nd Interim Dividend Final Dividend	25-08-2004 28-01-2005 10-08-2005	24-08-2011 27-01-2012 09-08-2012	22-09-2011 25-02-2012 07-09-2012
31-03-2006 1 st Interim Dividend 2 nd Interim Dividend Final Dividend	29-10-2005 30-01-2006 27-07-2006	28-10-2012 29-01-2013 26-07-2013	26-11-2012 27-02-2013 24-08-2013
31-03-2007 1 st Interim Dividend 2 nd Interim Dividend Final Dividend	30-10-2006 30-01-2007 27-07-2007	29-10-2013 29-01-2014 26-07-2014	27-11-2013 27-02-2014 24-08-2014
31-03-2008 1 st Interim Dividend 2 nd Interim Dividend Final Dividend	23-10-2007 31-01-2008 11-08-2008	22-10-2014 30-01-2015 10-08-2015	20-11-2014 28-02-2015 08-09-2015
31-03-2009 Interim Dividend Final Dividend	29-01-2009 05-08-2009	28-01-2016 04-08-2016	26-02-2016 02-09-2016
31-03-2010 Interim Dividend Final Dividend	27-10-2009 02-08-2010	26-10-2016 01-08-2017	24-11-2016 30-08-2017

Chennai
25-5-2011

By Order of the Board,
For MADRAS CEMENTS LTD.,
P.R.RAMASUBRAHMANEYA RAJHA
Chairman & Managing Director

MADRAS CEMENTS LTD.

ADDITIONAL INFORMATION ON DIRECTOR SEEKING RE-ELECTION AT THE ANNUAL GENERAL MEETING

Shri.R.S.AGARWAL

Shri.R.S.Agarwal, B.Sc., B.E. (Chemical Engineering) started his career in 1965 and after serving in various capacities with a leading paper mill of Northern India for 9 years and with Industrial Development Bank of India (IDBI) for 28 years, retired as Executive Director of IDBI.

While in service with IDBI, he had dealt with many subjects and projects including -

Member of "Satyam Committee" set up by Government of India in 1999-2000 for formulation of policy for textile industry and involvement in preparation of policy notes, detailed guidelines and implementation of "Technology Upgradation Fund (TUF)" introduced by the Ministry of Textiles, Government of India in April 1999.

Preparation of policy paper and guidelines on development of "Special Economic Zone" in the country for the Ministry of Commerce, Government of India in January 2002.

Head of the Infrastructure Finance Department and Project Appraisal Department of IDBI from February 1999 to March 2002, during which period about 30 large size power projects in the range of 250 MW to 500 MW were evaluated and sanctioned assistance by IDBI.

He has been on the Board of Madras Cements Ltd. since 2006.

He holds 45 shares in Madras Cements Ltd.

He is a Member in the Board of Directors of the following Companies:-

1. Ramco Industries Limited
2. Ramco Systems Limited
3. Surya Lakshmi Cotton Mills Limited
4. Surya Lata Spinning Mills Limited
5. GVK Jaipur Expressway Private Limited
6. Elegant Marbles & Grani Industries Limited
7. Unimerse India Limited
8. Deccan Cements Limited
9. NRC Limited
10. Videocon Industries Limited
11. Liberty Videocon General Insurance Company Limited

He is the Chairman of the Audit Committee and Remuneration Committee in Madras Cements Ltd., and Ramco Industries Limited.

He is also the Member of the Audit Committee in Surya Lakshmi Cotton Mills Ltd., Surya Lata Spinning Mills Ltd., GVK Jaipur Expressway Pvt Ltd., Elegant Marbles & Grani Industries Ltd., Unimerse India Ltd., NRC Ltd. and Videocon Industries Ltd.

None of the Directors is deemed to be interested in the Resolution.



DIRECTORS' REPORT

Your Directors have pleasure in presenting their 53rd Annual Report and the Audited Accounts of the Company for the year ended 31st March 2011.

FINANCIAL RESULTS

	Year ended 31-3-2011 (Rs. in lacs)	Year ended 31-3-2010 (Rs. in lacs)
Operating Profit: Profit before Interest, Depreciation and Tax (PBIDT)	65724	87729
Less: Interest	13928	15088
Profit before Depreciation and Tax (PBDT)	51796	72641
Less: Depreciation	22077	19608
	29719	53033
Add: Extraordinary items	7	11
Net Profit before Tax	29726	53044
Less: Provision for Tax		
Current Tax	8238	8155
Deferred Tax	390	9521
Net Profit After Tax	21098	35368
Add: Balance Profit from last year	5270	2974
Surplus for Appropriation	26368	38342
Appropriations:		
1. Transfer to General Reserve	17500	27500
2. Interim Dividend	—	3575
3. Final Dividend	2979	1191
4. Tax on Dividends	483	806
Balance carried over to Balance Sheet	5406	5270
TOTAL	26368	38342

SHARE CAPITAL

The paid up capital of the Company is Rs.23,79,69,380/- consisting of 23,79,69,380 shares of Rs.1/- each.

DIVIDEND

Your Directors have pleasure in recommending a dividend of Rs.1.25 per share on the equity capital of the Company, as against Rs.2.00 per share for the previous year. The dividend for the year amounts to Rs.29.79 crores as against Rs.47.66 crores for the previous year.

TAXATION

An amount of Rs.82.38 crores towards Current Tax, Rs.3.90 crores towards Deferred Tax and Rs.4.83 crores towards Dividend Tax has been provided for the year under review.

MADRAS CEMENTS LTD.

MANAGEMENT DISCUSSION & ANALYSIS REPORT

CEMENT DIVISION

PRODUCTION & SALES

Ramasamy Raja Nagar (TN) Factory

	2010-2011 (In lac tonnes)	2009-2010 (In lac tonnes)
Clinker Produced	7.05	6.90
Cement Produced	12.57	14.39
Cement Sold	13.88	14.40

Jayanthipuram (AP) Factory

Clinker Produced	15.75	19.02
Cement Produced	15.82	19.96
Cement Sold	15.69	19.90

Alathiyur (TN) Factory

Clinker Produced	19.21	21.54
Cement Produced	20.49	27.94
Cement Sold	19.20	27.60

Ariyalur (TN) Factory

Clinker Produced	12.69	12.17
Cement Produced	13.82	11.79
Cement Sold	13.33	11.54

Mathodu (Karnataka) Factory

Clinker Produced	1.03	1.60
Cement Produced	1.66	2.29
Cement Sold	1.69	2.28

Salem (TN) Grinding Plant

Cement Produced	3.51	1.57
Cement Sold	3.54	1.58

Chengalpattu (TN) Grinding Plant

Cement Produced	3.01	2.14
Cement Sold	3.03	2.11

Kolaghat (WB) Grinding Plant

Cement Produced	2.17	0.18
Cement Sold	2.19	0.13

During the year under review, the cement production was 73.05 lac tonnes, compared to 80.26 lac tonnes of the previous year.

At **Ramasamy Raja Nagar**, subsequent to the installation of a Vertical Roller Mill as a pre-grinder to Raw Mill, the combined clinkerisation capacity of both the kilns had increased to 3200 Tonnes Per Day (TPD).

At **Jayanthipuram**, the Line-1 kiln was stopped during October 2010 to March 2011 for upgrading the pyro processing system. The upgradation had resulted in reduction in emission levels, besides increasing the clinkerisation capacity to 3400 TPD.



At **Alathiyur**, the Line-1 kiln was stopped during November 2010 to February 2011 for carrying out upgradation activities. The upgradation included modification of the pre-heater, changing the cooler and installation of a higher size venting system. The upgradation was completed and the kiln restarted in the month of February 2011. The upgradation had resulted in increasing the clinkerisation capacity to 3500 TPD.

SALES

During the year under review, the sale of cement was at 72.55 lac tonnes compared to 79.54 lac tonnes of the previous year.

The demand growth for the cement industry as a whole for the year was 5%, compared to the growth of 11% for the previous year. The growth percentage is the lowest in last several years.

The Southern Region witnessed a decline of 4% compared to a growth of 5% during the previous year. Within the Southern Region, the States of Andhra Pradesh and Kerala, which are important market segments for the Company, had witnessed negative growth. Lower infrastructure spending and slow-down in the realty sector have contributed to this subdued growth. While there has been a decline in the demand, the cement industry has seen a growth in the capacity additions on All India basis and specifically in the Southern Region. These factors have adversely affected the sales volume of the Company for the year.

EXPORTS

During the year 6825 tonnes of cement was exported to Sri Lanka. The export turnover of the Company for the year was Rs.1.86 crores.

COST

There has been steep escalations in input costs. The cost of imported and indigenous coal has increased, thereby increasing the cost of energy. The cost of flyash has also increased.

Road transportation cost has increased due to upward revision in the administered fuel cost. The Rail transportation cost has also increased, as the Railways have increased the basic freight structure, terminal charges and demurrage and wharfage penal charges, in addition to imposing various restrictions on movement of material through wagons.

The increase in the transportation cost and the general inflationary trends has led to overall increase in the cost of raw materials.

The depreciation cost has gone up due to the capacity additions implemented by the Company in the past years.

The increase in various statutory levies has also contributed to the increase in the cost.

READY MIX CONCRETE DIVISION

The Division has produced 59,589 cu.m. of concrete during the year accounting for a revenue of Rs.18.08 crores as against 44,501 cu.m. of concrete accounting for a revenue of Rs.12.73 crores during the previous year.

DRY MORTAR DIVISION

The Division has produced 27,156 tonnes of Dry Mortar during the year as against 23,508 tonnes produced during the previous year. The Division has sold 27,089 tonnes of Dry Mortar accounting for a revenue of Rs.15.51 crores during the year as against 23,520 tonnes of Dry Mortar accounting for a revenue of Rs.13.06 crores during the previous year.

WIND FARM DIVISION

The Division has generated 3572 lac KWH as compared to 4115 lac KWH of the previous year. The income during the year from the Division was Rs.122.28 crores as against Rs.133.89 crores of the previous year.

MADRAS CEMENTS LTD.

During the year, the Company has sold 33 Nos. of Wind Electric Generators aggregating to a capacity of 26.40 MW. After this, the installed capacity of the Wind Farm Division of the Company stands at 159.19 MW comprising of 229 Wind Electric Generators.

TURNOVER AND PROFITABILITY

Due to reduction in production and sale quantity and lower realisation and reduced contribution from wind farm division, the total revenue for the year, net of Central Excise and Sales Tax was Rs.2,645 crores as against Rs.2,821 crores of the previous year. The all round increase in the cost of production has resulted in lower profit compared to the previous year. The operating profit and net profit for the year were Rs.657.24 crores and Rs.210.98 crores as against Rs.877.29 crores and Rs.353.68 crores respectively for the previous year.

CHANGES IN STATUTORY LEVIES

The following are the changes that have taken place in the Statutory Levies.

DIRECT TAX

- i) The Minimum Alternate Tax (MAT) rate which was increased from 15% to 18% for the year 2010 - 2011, had again been increased to 18.5% for the year 2011 - 2012.
- ii) Surcharge on Income Tax has been reduced from 7.5% to 5% for the year 2011 - 2012.

INDIRECT TAX

The following are the changes that have been implemented with effect from 1-3-2011.

EXCISE DUTY

I. For Cement

A) For Mini Cement Plants		Previous	Revised
1.	Cleared in packaged form-		
	(i) of Retail Sale Price (RSP) not exceeding Rs.190/- per 50 kg bag or of per tonne equivalent RSP not exceeding Rs.3800/-	Rs.185/- PMT	10% ad valorem
	(ii) of RSP exceeding Rs.190/- per 50 kg bag or of per tonne equivalent RSP exceeding Rs.3800/-	Rs.315/- PMT	10% ad valorem + Rs.30/- PMT
2.	Cleared other than in packaged form	Rs.215/- PMT	10% ad valorem
B) For Cement Plants other than mini cement plants			
1.	Cleared in packaged form-		
	(i) of RSP not exceeding Rs.190/- per 50 kg bag or of per tonne equivalent RSP not exceeding Rs.3800/-	Rs.290/- PMT	10% ad valorem + Rs.80/- PMT
	(ii) of RSP exceeding Rs.190/- per 50 kg bag or of per tonne equivalent RSP exceeding Rs.3800/-	10% of RSP	10% ad valorem + Rs.160/- PMT
2.	Cleared other than in packaged form	10% or Rs.290/- PMT, whichever is higher	10% ad valorem



- II) For Clinker, Excise Duty has been increased from Rs.375/- per tonne to 10% ad valorem + Rs.200/- per tonne.
- III) For Ready Mix Concrete, Excise Duty has been introduced at the rate of 5% with CENVAT facility or 1% without CENVAT facility.
- IV) For Fly Ash, Excise Duty has been introduced at the rate of 1% without CENVAT facility.
- V) For Coal, Pet Coke and Lignite, Excise Duty has been introduced at the rate of 5% with CENVAT facility or 1% without CENVAT facility.

CUSTOMS DUTY

For Pet Coke and Gypsum, Customs Duty has been reduced from 5% to 2.5%.

CENTRAL SALES TAX (CST)

For Iron and Steel items, Coal and Crude Oil, CST has been increased from 4% to 5%.

VALUE ADDED TAX (VAT)

- i) In West Bengal, VAT has been increased from 12.5% to 13.5% with effect from 15-11-2010.
- ii) In Orissa, VAT has been increased from 12.5% to 13.5% with effect from 1-4-2011.
- iii) In Karnataka, the VAT which had been increased from 12.5% to 13.5% with effect from 1-4-2010 has further been increased to 14% with effect from 1-4-2011.
- iv) In Jharkhand, VAT has been increased from 12.5% to 14% with effect from 7-5-2011.

Above taxes were levied, when cost of production itself has gone up. This will affect the profit margins.

NEW PROJECTS

At R R Nagar, the Company is installing a Roll Press for increasing the cement grinding capacity from the present level of 210 TPH to 260 TPH at a cost of Rs.60 crores. The project is expected to be commissioned in March 2012.

At Ariyalur, as informed in the Annual Report for the year 2009 - 2010, to further augment the production capacity, the Company is in the process of establishing a second unit with a capacity of 2 MTPA. The project is slated to be commissioned in the month of August 2011. Consequently, the cement production capacity of the Company will go up from 10.49 MTPA to 12.49 MTPA.

At Salem Grinding Unit, the cement grinding capacity is proposed to be increased from the present level of 90 TPH to 230 TPH by installation of a Roll Press, at a cost of Rs.60 crores. The project is expected to be commissioned in December 2011.

POWER PLANTS

The Company continues to lay emphasis on captive source of energy, to cater to the electrical energy requirements of its production facilities.

- In the Annual Report for the year 2009 - 2010, it was informed about the Company's proposal to install a thermal power plant of 60 MW capacity, consisting of 3 x 20 MW at Ariyalur. Accordingly, 2 Nos. of 20 MW capacity thermal power plant have been commissioned in the months of November 2010 and February 2011. The balance 20 MW is expected to be commissioned in the month of December 2011.
- At R R Nagar, the Company is in the process of installing a thermal power plant of 25 MW capacity at a cost of Rs.110 crores. The project is expected to be commissioned in the month of August 2011.
- At Salem Grinding Unit, the Company is in the process of installing a Heavy Fuel Oil based power generator of 5 MW capacity, at a cost of Rs.23 crores. The project is expected to be commissioned in the month of June 2011.

MADRAS CEMENTS LTD.

PROSPECTS FOR 2011-2012

Though, demand for cement is expected to grow at 8% in the coming year, the Southern Region will continue to bear the impact of the surplus capacity. With the capacity growth outstripping demand in the Southern Region, the prices would continue to be under pressure. The Cement industry would continue to experience lower capacity utilisation levels. The inflation would also affect the costs of various inputs of production and distribution, thereby affecting the realisation.

The expected increase in per capita consumption of cement to reach the global average and the infrastructure push being given by the Government would indicate the growth potential for the cement industry in medium and long term. The Company's enhanced capacity would enable it to participate in the growth and to increase its market share.

The Company continues its endeavour for the sale of Blended Cement, which would help in improving its capacity utilisation and achieving economies in production. By concentrating on operational efficiencies and cost reduction measures in all areas of production and distribution, the Company will strive to protect and improve its profitability.

CONSERVATION OF ENERGY, ETC.

The Company continues to take keen interest in conservation of energy and the information required under Section 217(1)(e) of the Companies Act, 1956 read with the relevant Rules, with regard to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo are set out in Annexure I to this report.

INDUSTRIAL RELATIONS & PERSONNEL

The Company has 2593 employees as on 31-3-2011. Industrial relations in all the Units continue to be cordial and healthy. Employees at all levels are extending their full support and are actively participating in the various programmes for energy conservation and cost reduction. There is a special thrust on Human Resources Development with a view to promoting creative and Group effort.

In terms of the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended, the names and other particulars of the employees are required to be set out in the Annexure to the Directors' Report. However, as per the provisions of Section 219(1)(b)(iv) of the said Act, the Annual Report excluding the aforesaid information is being sent to all the Members of the Company and others entitled thereto. Member who is interested in obtaining such particulars may write to the Company Secretary.

AWARDS

The Company's Units secured many Awards during the year in Mines Safety, Mines Environment & Mineral Conservation and Quality Circles.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Company's Articles of Association, Shri.R.S.Agarwal retires by rotation and is eligible for re-election.

PUBLIC DEPOSITS

The total deposits from the public outstanding with the Company as on 31st March 2011 were Rs.3.07 crores including the deposits renewed in accordance with Section 58A of the Companies Act, 1956. This also includes 31 deposits aggregating to Rs.5.89 lacs which had fallen due on or before 31-3-2011 but not claimed by the depositors. Reminders have been sent to these depositors for disposal instructions. On the date of this report, Rs.1.35 lacs thereof have been claimed and refunded/renewed in respect of 5 depositors.

SHARES

The Company's shares are listed in Madras Stock Exchange Limited, Bombay Stock Exchange Limited and National Stock Exchange of India Limited.



AUDITORS

M/s.M.S.Jagannathan & N.Krishnaswami, Chartered Accountants and M/s.CNGSN & Associates, Chartered Accountants, Auditors of the Company retire at the end of the 53rd Annual General Meeting and are eligible for reappointment.

COST AUDITOR

The Government has approved the Company's proposal to appoint M/s.Geeyes & Co., Cost Accountants, Chennai for audit of Company's cost accounts relating to the cement manufacturing activities for the year ended 31-3-2011 on a remuneration of Rs.1,00,000/- exclusive of out-of-pocket expenses. As per Central Government's direction, cost audit will be done every year.

The Government of India has made Cost Audit compulsory for the Companies' activities relating to generation of electricity as well from the year 2011 - 2012.

CORPORATE GOVERNANCE

The Company has complied with the requirements regarding Corporate Governance as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges. A Report on Corporate Governance followed by the Company together with a Certificate from the Statutory Auditors confirming compliance is set out in Annexure II to this Report.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm that -

- In the preparation of the annual accounts for the year ended 31st March 2011, the applicable accounting standards had been followed;
- The selected accounting policies were applied consistently and judgments and estimates that are reasonable and prudent were made 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 of the Company for that period;
- Proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act had been taken for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The Annual Accounts were prepared on a going concern basis.

ACKNOWLEDGEMENT

The Directors are grateful to the various Departments and agencies of the Central and State Governments for their help and co-operation. They are thankful to the Financial Institutions and Banks for their continued help, assistance and guidance. The Directors wish to place on record their appreciation of employees at all levels for their commitment and their contribution.

Chennai
25-5-2011

On behalf of the Board of Directors,
For MADRAS CEMENTS LTD.,
P.R.RAMASUBRAHMANEYA RAJHA
Chairman & Managing Director

ANNEXURE I TO DIRECTORS' REPORT

Information pursuant to Section 217(1)(e) of the Companies Act, 1956 read with the companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988.

A. Conservation of Energy

(a) Energy conservation measures taken

R R Nagar

Installation of Flow Control Gate in the place of Rotary Feeder in Packing Plant.

Installation of Vent Bagfilter in Cement Mill - 1.

Jayanthipuram

Re-arranging of lighting circuits in Line 2 sub-stations, Motor Central Control rooms and Cooler Inspection lights.

Installation of Grid Resistance Regulator in the place of Liquid Rotor Starter for Slag Mill Baghouse fan motor.

Trimming of Line 1 Coal Mill Baghouse fan impeller.

Replacement of Reciprocating Compressors with High Efficient Screw Compressors in Pre-heater and Slag Mill.

Alathiyur

Installation of high efficiency cyclone and ID fan in Line 1 pre-heater.

Replacement of CFG cooler by new SF cooler in Line 1.

Upgradation of Line 1 raw mill and coal mill classifiers.

Ariyalur

Installation of Speed Control in the place of Damper Control in Primary Air Fan in Line 1 Kiln.

Insulation of Hot Air Generator Duct with refractory bricks in Raw Mill.

Erection of by-pass duct for Line 1 Cement Mill Booster Fan.

(b) Additional investments and proposals if any, being implemented for reduction of consumption of energy.

R R Nagar

Installation of Variable Frequency Drives for Kiln 1 Primary Air Fan and Kiln 2 Bagfilter Fan.

Jayanthipuram

Installation of Variable Frequency Drive for Line 2 coal conveying pump blowers.

Alathiyur

Installation of slip power recovery system for Line 2 kiln ID fan.

Installation of variable frequency drives for compressor in packing plant, Line 1 kiln service, Line 2 cement mill booster fan and Calciner Fine Coal Feeding Blower.



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

The improvement in conservation of energy is reflected in Form A.

The measures would further improve the thermal and electrical energy efficiency of the units in the coming years, subject to capacity utilisation.

Reduction in cost of production.

Conservation of natural resources.

(d) Particulars relating to total energy consumption per unit of production are given in FORM A.

B Technology Absorption

(e) Particulars relating to efforts made in Technology Absorption are given in FORM B.

C Foreign Exchange Earnings and Outgo

- (f)** (i) Activities relating to exports
(ii) Initiatives taken to increase exports
(iii) Development of new export markets for products and services
(iv) Export plans

6825 tonnes of cement were exported to Sri Lanka during 2010-2011. We are in the process of developing new markets in Sri Lanka, Maldives and East African countries for exporting clinker and cement including bulk cement.

- (g)** (i) Total Foreign Exchange used
(including Capital Goods)
(ii) Total Foreign Exchange earned

Rs.24,189 lacs

Rs.186 lacs

MADRAS CEMENTS LTD.

FORM A

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

A. Power and Fuel Consumption

		2010-2011	2009-2010
1	Electricity		
	(a) Purchased (including Power purchased from APGPCL)		
	Units (lac KWH)	2207.08	2012.48
	Total amount (Rs.in lacs)	10569.76	8349.23
	Rate per Unit (Rs.)	4.79	4.15
	(b) Own Generation		
	(i) Through HFO Based Generator		
	Units (lac KWH)	706.41	1464.24
	Units per litre of HFO (KWH)	3.81	3.90
	Cost per Unit (Rs.)	7.60	6.48
	(ii) Through Thermal Generator		
	Units (lac KWH)	3113.53	3199.83
	Units per kg. of fuel (KWH)	1.02	1.27
	Cost per Unit (Rs.)	3.85	2.28
2.	Coal/Pet coke/others		
	Quantity (lac tonnes)	7.79	7.77
	Total cost (Rs.in lacs)	38107.21	34438.06
	Average rate (Rs.)	4892.43	4434.80
3.	Furnace Oil		
	Quantity (lac litres)	182.01	381.69
	Total cost (Rs.in lacs)	4655.53	8579.72
	Average rate (Rs.)	25.58	22.48
4.	Others - Diesel Oil		
	Quantity (lac litres)	8.37	10.29
	Total cost (Rs.in lacs)	327.04	361.06
	Average rate (Rs.)	39.10	35.09

B. Consumption per unit of production

Product : Cement

Unit : Tonne

	Standards		
Electricity (KWH per tonne of cement)	95	82.51	83.19
Fuel (percentage of clinker)	16	13.98	12.68



FORM B

FORM FOR DISCLOSURE OF PARTICULARS WITH REGARD TO ABSORPTION

Research & Development (R & D)

1. Specific areas in which R&D carried out by the company

- Detailed study of early strength of cement while using Gypsum obtained from different sources.
- Evaluation of the impact of different additives in the process.
- Burnability studies for new Rawmix designs.
- Microscopic studies to analyse the clinker phases and crystals size and Quartz size.
- Development of Concrete Mix designs with different admixtures to suit the customer requirements.
- Development of high grade concrete with high slump and high retention time.
- Development of Cost effective concrete mix design.

2. Benefits derived as a result of above R&D

- Utilisation of Low cost additives.
- Uniform quality of clinker.
- Maximising quality of cement with increased addition of Flyash.
- High grade concrete at competitive cost.

3. Future plan of action

- Study on scope for maximising the usage of Kankar in Rawmix.
- Evaluation of alternate fuels from new sources.
- Development of new products for Dry Mix Plant.
- Study on the effect of usage of suitable low cost admixtures.

4. Expenditure on R&D

Rs. in lacs

- | | |
|--|--------|
| a. Capital | NIL |
| b. Recurring | 825.62 |
| c. Total | 825.62 |
| d. Total R & D expenditure as percentage of total income | 0.31 |

Technology absorption, adaptation and innovation

- | | |
|--|----------------|
| 1. Efforts, in brief, made towards technology absorption, adaptation and innovation | Not applicable |
| 2. Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution, etc. | Not applicable |

ANNEXURE II TO DIRECTORS' REPORT**REPORT ON CORPORATE GOVERNANCE****1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE**

Since inception, Madras Cements Ltd. is assiduously following its self-determined goals on Corporate Governance. The object of the Company is to protect and enhance the value of all the stake holders of the Company viz., shareholders, creditors, customers and employees. It strives to achieve these objectives through high standards in dealings and following business ethics in all its activities.

The Company believes in continuous upgradation of technology to improve the quality of its production and productivity to achieve newer and better products for total customer satisfaction.

The Company lays great emphasis on team building and motivation. A contented and well developed worker will give to the Company better work and therefore better profits. The Company has strong faith in innate and infinite potential of human resources. It believes in the creative abilities of the people who work for the Company and believes in investing in their development and growth as foundation for strong and qualitative growth of the Organisation.

If there is no customer, there is no business. Customers' continued satisfaction and sensitivity to their needs are the Company's source of strength and security.

The Company also believes that as the Organisation grows, the society and the community around it should also grow.

2. BOARD OF DIRECTORS

The Board of Directors is headed by the Chairman and Managing Director, Shri.P.R.Ramasubrahmaneya Rajha. The Board consists of eminent persons with considerable professional expertise in various fields such as Administration, Banking, Finance, Engineering, etc. The Board has 6 Directors out of which 5 Directors are Non-Executive. As required by the Code of Corporate Governance, more than 50% of the Board of Directors consists of Independent Directors. For this purpose, the Director nominated by Government of Tamil Nadu is deemed to be an Independent Director. There is no pecuniary relationship or transaction of the Non-Executive Directors vis-à-vis the Company.

During the year under review, four Board Meetings were held, one each on 24-05-2010, 02-08-2010, 25-10-2010 and 10-02-2011.

Details of attendance of each Director at the Board Meetings held during the year are as follows:

Sl.No.	Name of the Director	Directorship	No. of Board Meetings attended	% of Meetings attended during the year
1	Shri. P.R. Ramasubrahmaneya Rajha	CMD	4	100
2	Shri. G. Sundaramurthi, I.A.S. (Retd.)	ND	1	25
3	Shri. P.R. Venketrama Raja	PD	3	75
4	Dr. A. Ramakrishna	ID	3	75
5	Shri. R.S. Agarwal	ID	4	100
6	Shri. M.B.N. Rao	ID	4	100

CMD – Chairman & Managing Director;
ID – Independent Director;

ND – Nominee Director;
PD – Promoter Director.



The previous Annual General Meeting of the Company was held on 2nd August 2010 at Rajapalayam. The following Directors attended the Annual General Meeting:

Sl. No.	Name of the Director
1.	Shri P.R. Ramasubrahmaneya Rajha, CMD
2.	Shri P.R. Venketrama Raja
3.	Dr. A. Ramakrishna
4.	Shri R.S. Agarwal
5.	Shri M.B.N. Rao

CODE OF CONDUCT

The Board has laid down the Code of Conduct for the Board Members and Senior Management Personnel of the Company. The Code of Conduct is given below:-

A) FOR DIRECTORS

A Director being a Trustee of the Shareholders shall -

- i. Act always in the best interest of the Shareholders.
- ii. Maintain a high standard of probity in his relations with the Company, its subsidiaries, employees, contractors, suppliers and customers.
- iii. Maintain confidentiality of the Company on matters that come to his knowledge as Director, both during his Directorship and thereafter as well.
- iv. Conduct himself in a manner that befits his position.
- v. Assist the Company to observe the provisions of the Company law and other laws applicable to the Company, both in letter and in its spirits.
- vi. Not use this position in any manner to his personal advantage or that of his family or friends.

B) FOR SENIOR MANAGEMENT PERSONNEL

A Senior Management person is one who occupies the rank of General Manager or above and notified from time to time as a Senior Management person.

A Senior Management person shall -

- i. By his personal behaviour and conduct, set an example to his fellow employees.
- ii. Conduct himself in a manner that upholds his integrity, rectitude and fair name of the Company and give no occasion to the Management to explain his actions or behaviours.
- iii. Refrain his position for personal benefit from the employees, contractors, suppliers and customers of the Company.
- iv. Maintain the confidentiality of the Company's information that has come to his notice, except where disclosure is authorised in writing by the Management.
- v. Observe all prescribed safety and environmental related norms.
- vi. Not divulge to any member of the press or media any matter concerning the company unless authorised by the Management.
- vii. Not engage himself in any business relationship or commercial activity with or without remuneration, without the prior written permission of the Management.

The Code of Conduct has also been posted on the Company's website www.madrascements.com

MADRAS CEMENTS LTD.

3. COMMITTEES OF THE BOARD OF DIRECTORS

The Board has constituted Committees of Directors to deal with matters in detail and to monitor the activities falling within the terms of reference. The Board Committees are as follows:

a) AUDIT COMMITTEE

The terms of reference of the Audit Committee include:

- i) To review the reports of Internal Audit Department;
- ii) To review the Auditors' Report on the financial statements;
- iii) To review the strength and weakness of the internal controls and to provide recommendations relating thereto.
- iv) To generally assist the Board to discharge their functions more effectively.

In addition, the Audit Committee would discharge the roles and responsibilities as prescribed by the Code of Corporate Governance and Companies Act from time to time.

Composition:

The Audit Committee consists of the following Directors:

Sl. No.	Name of the Director	No. of Meetings attended
1.	Shri R.S. Agarwal, Chairman of the Committee	4
2.	Shri P.R. Venketrama Raja	3
3.	Dr. A. Ramakrishna	4

No. of Meetings held during the year : 4

Date of the meetings : 22-05-2010, 01-08-2010, 24-10-2010 & 09-02-2011.

The Statutory Auditors, Executive Director - Finance, Head of Internal Audit Department are invitees to the Audit Committee Meetings. The Company Secretary acts as the Secretary to the Committee.

2/3rd of the members of the Audit Committee are Independent Directors as required by the Code of Corporate Governance.

(b) PROJECT MANAGEMENT COMMITTEE

Sl. No.	Name of the Director
1.	Shri P.R. Ramasubrahmaneya Rajha, CMD
2.	Shri P.R. Venketrama Raja
3.	Dr. A. Ramakrishna

No. of Meetings held during the year : Nil

(c) REMUNERATION COMMITTEE

Sl. No.	Name of the Director
1.	Shri R.S. Agarwal, Chairman of the Committee
2.	Dr. A. Ramakrishna

No. of Meetings held during the year : 1

Date of the meeting : 22-05-2010



(d) INVESTORS GRIEVANCE COMMITTEE

Sl. No.	Name of the Director
1.	Shri P.R.Ramasubrahmaneya Rajha, CMD
2.	Shri P.R.Venketrama Raja

No. of meetings held during the year : 1
 Date of the meeting : 28-03-2011
 No. of complaints received and redressed during the year : NIL

(e) SHARE/DEBENTURE COMMITTEE

Sl. No.	Name of the Director
1.	Shri P.R.Ramasubrahmaneya Rajha, CMD
2.	Shri P.R.Venketrama Raja

During the year under review, 7 meetings were held to consider transfer and transmission of Shares and Debenture matters.

The above Committees meet as and when necessity arises.

4. BOARD PROCEDURE

The details about performance of the various Units of the Company, financial position, legal action, quarterly results, market environment and all other aspects of the Company which are relevant for review of the Board of Directors are being given in a structured format at each meeting. The said information complies with the requirements of the Code of Corporate Governance with regard to the information to be placed before the Board of Directors.

No Director is a Member in more than 10 Committees or acts as Chairman of more than 5 Committees of Companies in which he is a Director. Every Director informs the Company about the position he occupies in other Companies and notifies the changes as and when they take place.

5. REMUNERATION OF DIRECTORS

The details of remuneration paid to the Managing Director are given under Note No.22 of Schedule V to the Balance Sheet.

The non-executive Directors do not draw any remuneration from the Company except Sitting Fee which were paid @ Rs.15,000/- for each meeting of the Board / Committees of the Board attended by them. No Sitting Fee is payable for attending the Meetings of the Share/Debenture Committee.

6. DISCLOSURE OF SHAREHOLDINGS OF NON-EXECUTIVE DIRECTORS

Following are the details of shareholdings of the non-executive directors in the Company as on 31-03-2011

Name of the Director	No. of Shares
Shri G.Sundaramurthi, I.A.S. (Retd.)	Nil
Shri P.R.Venketrama Raja	9,28,800
Dr. A.Ramakrishna	80,200
Shri R.S.Agarwal	45
Shri M.B.N.Rao	Nil

MADRAS CEMENTS LTD.

7. MANAGEMENT

The matters that are required to be discussed under Management Discussion and Analysis report have been included in the Directors' Report to the shareholders. Whenever commercial and financial transactions have been entered with Companies in which Directors are interested, the nature of interest is being disclosed to the Board of Directors.

8. SHAREHOLDERS

For appointment/re-appointment of Directors, shareholders are being provided with information at the Annual General Meeting about the Directors, their expertise and Companies in which they are interested. The information are also included in the Notice calling the Annual General Meeting.

AUDITORS' CERTIFICATE

This is to certify that we, the Auditors of M/s.Madras Cements Ltd., Rajapalayam, have reviewed the compliance by the Company of the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement entered into with the Stock Exchanges and report that all the conditions contained therein have been complied with by the Company.

For M.S. JAGANNATHAN & N. KRISHNASWAMI
Chartered Accountants

K. SRINIVASAN
Partner
Membership No. 21510

Chennai
25-5-2011

For CNGSN & ASSOCIATES
Chartered Accountants

C.N. GANGADARAN
Partner
Membership No. 11205



SHAREHOLDER INFORMATION

DETAILS OF LOCATION

Registered Office

'Ramamandiram'
Rajapalayam - 626 117, Tamil Nadu

Corporate Office

Auras Corporate Centre, V Floor
98-A, Dr. Radhakrishnan Road
Mylapore, Chennai - 600 004, Tamil Nadu

Cement Division

Cement Plants

Ramasamy Raja Nagar - 626 204
Virudhunagar District, Tamil Nadu

Alathiyur, Cement Nagar - 621 730
Ariyalur District, Tamil Nadu

Govindapuram Village - 621 713
Ariyalur District, Tamil Nadu

Jayanthipuram
Kumarasamy Raja Nagar - 521 457
Krishna District, Andhra Pradesh

Mathodu - 577 533, Hosadurga
Chitradurga District, Karnataka

Grinding Plants

Kattuputhur Village, Uthiramerur
Kancheepuram District - 603 107
Tamil Nadu

Singhipuram Village, Valapady
Salem District - 636 115
Tamil Nadu

Kolaghat - 721 134
Purba Medinipur District
West Bengal

Packing Plants

Kumarapuram, Aralvaimozhi-629 301
Kanyakumari District, Tamil Nadu

Pochampally Road
Malkapur - 508 252
Nalgonda District, Andhra Pradesh

Readymix Concrete Plant

Medavakkam - Mambakkam Road
Vengaivasal, Chennai - 601 302, Tamil Nadu

Dry Mortar Plant

F-14, SIPCOT Industrial Park
Sriperumbudur - 602 106
Kancheepuram District, Tamil Nadu

Ramco Research & Development Centre

11-A, Okkiyam, Thuraipakkam
Chennai - 600 096, Tamil Nadu

Wind Farm Division

a) Muppandal, Poolavadi,
Thandayarkulam, Veeranam,
Muthunaickenpatti,
Pushpathur and Udumalpet in Tamil Nadu

b) Vani Vilas Sagar and GIM II Hills in Karnataka

Person to be contacted for shareholder enquiries

K. SELVANAYAGAM
Secretary (Compliance Officer)
Madras Cements Ltd.
Auras Corporate Centre, V Floor
98-A, Dr. Radhakrishnan Road
Mylapore, Chennai - 600 004, Tamil Nadu
Phone : 28478666 Fax : 28478676
E Mail : ksn@madrascements.co.in

Share Transfer Documents are to be sent to the above address. The Share Transfer matters are being handled in-house.

Listing on Stock Exchanges

The Company's shares are listed in Madras Stock Exchange Limited, Bombay Stock Exchange Limited and National Stock Exchange of India Limited for which Listing Fees for the year 2011-2012 has been paid. The Company's application for de-listing from Calcutta Stock Exchange is under process.

Stock Code

Name of the Stock Exchange	Code
Madras Stock Exchange	.. MCM
Bombay Stock Exchange	.. 500260
National Stock Exchange	.. MADRASCEM

MADRAS CEMENTS LTD.

GENERAL MEETINGS

The last 3 Annual General Meetings were held as under:

Year ended	Date	Time	Venue
31-03-2008	11-08-2008	10.15 AM	P.A.C.R. Centenary Community Hall, Sudarsan Gardens P.A.C.Ramasamy Raja Salai, Rajapalayam - 626 108, Tamil Nadu.
31-03-2009	05-08-2009	10.15 AM	-do-
31-03-2010	02-08-2010	10.15 AM	-do-

No resolution on matters requiring postal ballot as per Section 192A of the Companies Act, were passed during the year.

Ensuing Annual General Meeting

Date	Time	Venue
10-08-2011	10.15 A.M.	P.A.C.R. Centenary Community Hall, Sudarsan Gardens P.A.C. Ramasamy Raja Salai, Rajapalayam - 626 108, Tamil Nadu.

FINANCIAL CALENDAR

(For the Financial year April 2010 to March 2011)

Board Meeting for consideration of Accounts and recommendation of dividend	25-05-2011
Posting of Annual Report	On or before 15-07-2011
Book Closure date	04-08-2011 to 10-08-2011 (both days inclusive)
Last date for receipt of Proxy form	Before 10.15 A.M. on Monday 8 th August 2011
Date of the 53 rd AGM	10-08-2011
Dividend Payment date	Date of the AGM

MEANS OF COMMUNICATION

The Unaudited Quarterly and Half yearly Financial results and Audited Annual Results are published in English in Business Line (All editions), The New Indian Express and Trinity Mirror (Chennai editions) and in Tamil in Dinamani and Makkal Kural (Chennai editions). The results were also displayed on the Company's website www.madrascements.com

All the financial results are provided to the Stock Exchanges.

The unaudited financial results are, in addition, individually mailed to all the shareholders.

Official News releases are given directly to the Press.

The Ratings given by ICRA for the Company's Debt instruments are as under:

Security	Rating
Commercial Papers/MIBOR Loan and Short Term Debt	A1+
Cash Credit Facilities	LA+
Non-Fund Based Facilities	
* Short Term	A1+
* Long Term	LA+
Long Term Loans	LA+



DEPOSITORY SYSTEM

The Company's shares have been mandated for trading in dematerialized form by all categories of investors with effect from 17-1-2000. The Company's shares are available for dematerialization both under National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd. (CDSL).

The Company is having in-house facilities for the Depository Registrar Services relating to both NSDL and CDSL. As on 31st March 2011, 92.60% of the shares have been dematerialized.

In view of the advantages offered by the Depository System, members who have not yet dematerialized their shares are requested to avail the facility of dematerialization of the shares. They have the choice to open account with Depository Participants of either of the Depositories by quoting the Company's ISIN No.INE 331A01037.

SHARES HELD IN ELECTRONIC FORM

Shareholders holding shares in electronic form may please note that:

- i) all instructions regarding bank details which they wish to be incorporated in their dividend warrants will have to be submitted to their Depository Participants. As per the Regulations of NSDL and CDSL, the Company is obliged to print the bank details on the dividend warrants as furnished by these Depositories to the Company;
- ii) instructions already given by them in respect of shares held in physical form will not be applicable to the dividend paid on shares held in electronic form and the Company will not entertain any request for deletion/change of bank details already printed on dividend warrants contrary to the information received from the concerned Depositories;
- iii) all instructions regarding change of address, nomination, power of attorney, etc. should be given directly to their Depository Participants and the Company will not entertain any such requests directly from shareholders.

REDRESSAL OF GRIEVANCES

There are no pending Share or Debenture transfers as on 31-3-2011.

Complaints from shareholders with regard to Non-receipt of Certificates after transfer, Non-receipt of dividend, Non-receipt of Annual Reports, etc. are being acted upon by the Company immediately on receipt. The Company has taken steps to redress the grievances received during the year except in cases where, in the opinion of the Company, the matter is to be referred to Court or have already been referred to Courts.

Any shareholder who is having grievance may kindly e-mail to investorgrievance@madrascements.co.in

DISCLOSURES

- i) The Company has no related party transactions that may have potential conflict with the interests of the Company at large. The Audit Committee reviews the details of the significant related party transactions. A summary of the significant related party transactions have been disclosed under "Notes on accounts".
- ii) There has been no penalty/stricture imposed on the Company by Stock Exchanges or SEBI or any Statutory Authority on any matter related to capital markets during the last three years.

CORPORATE SOCIAL RESPONSIBILITY

The Company's total expenditure towards Corporate Social Responsibility (CSR) for various Charitable causes, including for renovation of temples and for social developments amounted to Rs.432.41 lacs.

DECLARATION

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, the Board Members and the Senior Management Personnel have affirmed compliance with the Company's Code of Conduct for the year ended 31st March 2011.

for MADRAS CEMENTS LTD.,

P.R.RAMASUBRAHMANEYA RAJHA
Chairman & Managing Director

Chennai
25-5-2011

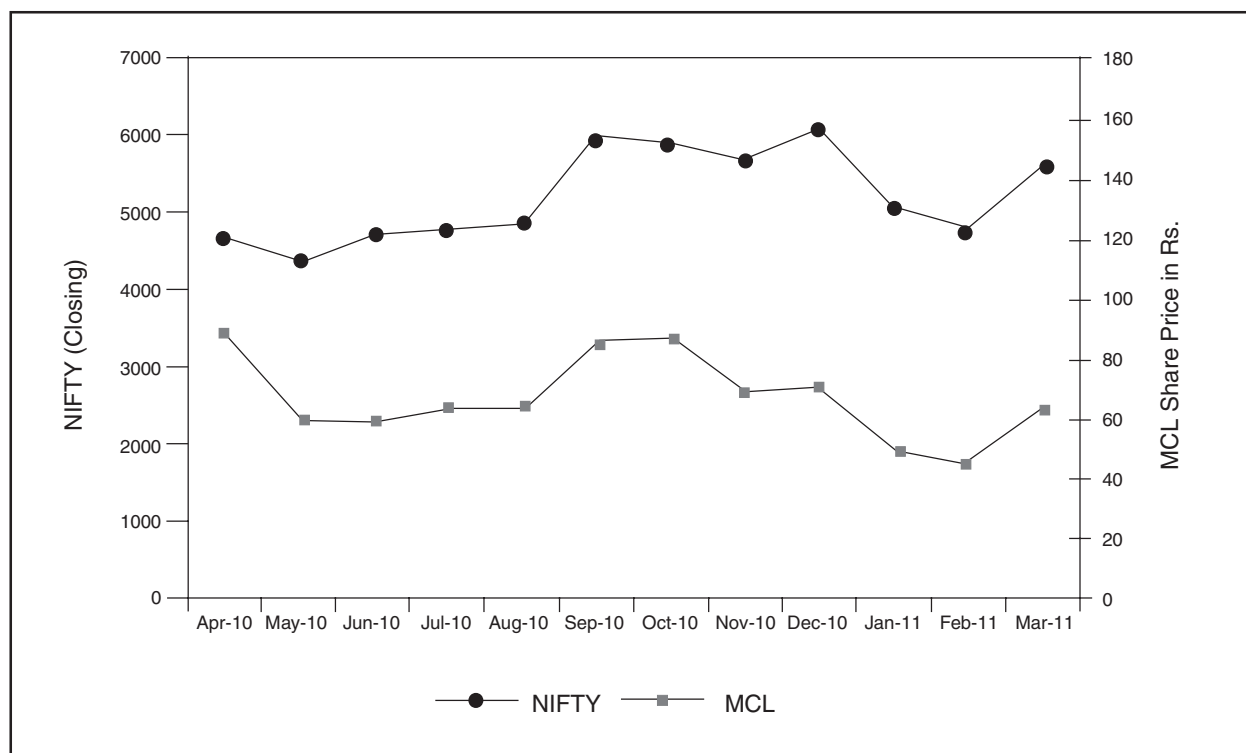
MADRAS CEMENTS LTD.

STATISTICAL DATA

Share Price - High & Low / Volume (From April 2010 to March 2011 in NSE & BSE)

Month	National Stock Exchange			Bombay Stock Exchange		
	High Rs.	Low Rs.	No. of shares Traded	High Rs.	Low Rs.	No. of shares Traded
April 2010	131	116	33,08,154	130	116	6,04,566
May	118	96	23,63,155	118	96	11,31,734
June	106	97	20,10,696	106	98	8,38,520
July	108	98	39,61,253	109	98	7,47,011
August	108	97	37,33,776	108	98	8,25,517
September	126	102	1,24,85,879	125	102	4,72,081
October	125	108	39,76,246	124	105	5,84,609
November	134	100	43,86,395	133	100	7,76,099
December	112	100	12,37,314	112	100	4,12,048
January 2011	112	90	9,90,303	111	91	3,88,322
February	100	85	13,47,146	100	85	2,74,459
March	106	88	10,12,003	106	89	4,90,981
Year 2010-11	134	85	4,08,12,320	133	85	75,45,947

MCL Share Price Movement





Pattern of Shareholding as on 31-03-2011

Description	Total Shareholders	%	Total Shares	%
A. PROMOTERS HOLDING				
1) Promoters	13	0.04	99967560	42.01
Sub-total	13	0.04	99967560	42.01
B. NON-PROMOTERS HOLDING				
1) Mutual Funds	25	0.09	17622877	7.40
2) Banks, FI's, Ins.Cos., Govt.Institutions	17	0.06	32694508	13.74
3) Foreign Institutional Investors	34	0.12	18115005	7.61
4) Non-Resident Indians	499	1.70	719645	0.30
5) Indian Companies	546	1.86	19290236	8.11
6) Residents	28239	96.14	49559549	20.83
Sub-Total	29360	99.96	138001820	57.99
Total	29373	100.00	237969380	100.00

Distribution of Shareholding as on 31-03-2011

No. of Shares held	Total Shareholders	%	Total Shares	%
Upto – 500	22712	77.32	2958679	1.24
501 to 1000	2235	7.61	1930156	0.81
1001 to 2000	1468	5.00	2524829	1.06
2001 to 3000	463	1.57	1233334	0.52
3001 to 4000	713	2.43	2776032	1.17
4001 to 5000	217	0.74	1035454	0.43
5001 to 10000	719	2.45	5495756	2.31
10001 & above	846	2.88	220015140	92.46
Total	29373	100.00	237969380	100.00

Category of Shareholding as on 31-03-2011

No. of Shares Held	Total Shareholders	%	Total Shares	%
Dematerialised Form				
CDSL	8151	27.75	6031214	2.53
NSDL	20173	68.68	214335543	90.07
Physical Form	1049	3.57	17602623	7.40
Total	29373	100.00	237969380	100.00

MADRAS CEMENTS LTD.

AUDITORS' REPORT TO SHAREHOLDERS

1. We have audited the attached Balance Sheet of **Madras Cements Ltd.**, Rajapalayam as at 31st March, 2011, the Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order 2004, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we have annexed hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - ii. In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
 - iii. The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - iv. In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - v. As per representations made by the company and its Directors, no Director is disqualified from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - vi. In our opinion, and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a. in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;
 - b. in the case of the Profit and Loss Account, of the Profit of the Company for the year ended on that date; and
 - c. in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

For M.S.JAGANNATHAN & N. KRISHNASWAMI
Chartered Accountants

K. SRINIVASAN
Partner
Membership No. : 21510
Firm Registration Number:001208S
Chennai
25-5-2011

For CNGSN & ASSOCIATES
Chartered Accountants

C.N. GANGADARAN
Partner
Membership No. 11205
Firm Registration Number:004915S



ANNEXURE TO THE AUDITORS' REPORT

With reference to paragraph 3 of our report to the shareholders of Madras Cements Ltd. of even date, in our opinion and to the best of our knowledge and belief and as per the information and explanation given to us and on the basis of the books and records examined by us in the normal course of audit, we report that:

- i (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
(b) The management at reasonable intervals has physically verified the fixed assets of the company and no material discrepancies were noticed on such verification.
(c) The fixed assets disposed during the year were not substantial and therefore the going concern status of the company has not been affected.
- ii (a) The management has conducted physical verification at reasonable intervals in respect of its inventory.
(b) The procedure for physical verification of inventory followed by the management is reasonable and is adequate in relation to the size of the company and the nature of its business.
(c) The company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- iii (a) The company has granted loans aggregating to Rs.112.20 crores (maximum outstanding at any time during the year Rs.20.00 crores, outstanding as on 31st March, 2011 - Rs.12.00 crores) to 1 party listed in the register maintained under section 301 of the Companies Act, 1956.
(b) The rate of interest and other terms and conditions of loans given by the company are not, prima facie, prejudicial to the interest of the company.
(c) The payment of the principal amounts and the interest wherever applicable are regular.
(d) There is no overdue amount with respect to above loans.
(e) The company has taken loans aggregating to Rs.9.06 crores (maximum outstanding at any time during the year Rs.3.73 crores, outstanding as on 31st March, 2011 - Rs 1.99 crores) from 1 party listed in the register maintained under section 301 of the Companies Act, 1956.
(f) The rate of interest and other terms and conditions of loan taken by the company are not, prima facie, prejudicial to the interest of the company.
(g) The loans given/taken by the company are repayable on demand and have been received/paid on demand.
- iv The company has an internal control system which is adequate and is commensurate with the size of the Company and nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. There are no major weaknesses in internal control system.
- v (a) Particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 have been so entered in the register required to be maintained under that section.
(b) These transactions have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- vi The company has accepted deposits from the public and the directives issued by the Reserve Bank of India and the provisions of section 58A and 58AA or any other relevant provisions of the Act and the rules framed there under where applicable have been complied with.
- vii The company has an internal audit system commensurate with its size and nature of its business.
- viii The cost accounts and the records prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 have been made and maintained.
- ix (a) The company is regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth tax, Service tax, Customs Duty, Excise Duty, Cess and other statutory dues with the appropriate authorities.

MADRAS CEMENTS LTD.

- (b) The disputed statutory dues aggregating to Rs.148.76 crores that have not been deposited on account of matters pending before appropriate authorities are as under

Sl. No.	Name of the statute	Forum where dispute is pending	Amount (Rs. in crores)
1	Income Tax Act	High Court	13.21
2	Sales Tax Act	Assessing Authority	0.04
		Assistant Commissioner, Appeals	4.35
		Appellate Tribunal	2.38
		High Court	0.87
3	CST Act	Assessing Authority	0.50
		Assistant Commissioner, Appeals	0.03
		Appellate Tribunal	0.10
		High Court	0.02
4	VAT Act	High Court	5.36
5	Central Excise Act & Cenvat Credit Rules	Assistant / Additional Commissioner	57.51
		Commissioner, Appeals	14.48
		Appellate Tribunal	42.51
		High Court	0.19
		Supreme Court	7.21
		Total	148.76

- x The company has no accumulated losses and has not incurred any cash losses during the financial year covered by our audit or in the immediately preceding financial year.
- xi The company has not defaulted in repayment of dues to financial institutions, banks or debentures holders.
- xii The company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii The company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- xiv The company is not dealing in or trading in shares, securities, debentures and other investments. Therefore, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- xv The terms and conditions of the guarantee given by the Company for loans taken by others from banks or financial institutions are not prima facie prejudicial to the interests of the company.
- xvi The Company has raised new term loans during the year and these have been applied for the purposes for which they were raised.
- xvii The funds raised on short-term basis have not been used for long-term investment.
- xviii The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- xix The company has no outstanding amount under Debentures that require creation of security/charge.
- xx The company has not raised any money by way of public issues during the year.
- xxi No fraud on or by the company has been noticed or reported during the year.

For M.S. JAGANNATHAN & N. KRISHNASWAMI
Chartered Accountants

K. SRINIVASAN
Partner
Membership No. 21510
Firm Registration Number:001208S

Chennai
25-5-2011

For CNGSN & ASSOCIATES
Chartered Accountants

C.N. GANGADARAN
Partner
Membership No. 11205
Firm Registration Number:004915S



BALANCE SHEET AS AT 31ST MARCH, 2011

		(In Rupees)	
		As at	As at
SOURCES OF FUNDS	Schedule	31-03-2011	31-03-2010
Shareholders' Funds			
Share Capital	A	23,79,69,380	23,79,69,380
Reserves & Surplus	B	1710,71,23,976	1534,35,72,669
		1734,50,93,356	1558,15,42,049
Loan Funds			
Secured Loans	C	2102,15,73,798	1884,27,89,002
Unsecured Loans	D	689,00,83,464	682,22,89,114
		2791,16,57,262	2566,50,78,116
Deferred Tax Liability		589,00,00,000	585,10,00,000
		5114,67,50,618	4709,76,20,165
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	E	5265,80,24,692	4811,14,32,496
Less: Depreciation		1319,83,51,265	1118,62,20,348
Net Block		3945,96,73,427	3692,52,12,148
Add: Capital Work-in-progress		543,40,77,788	317,70,01,678
		4489,37,51,215	4010,22,13,826
Investments	F	88,83,38,181	88,74,08,827
Current Assets, Loans & Advances			
Inventories	G	392,27,25,553	412,54,17,103
Sundry Debtors	H	182,66,58,619	155,50,84,287
Cash & Bank Balances	I	40,01,77,268	35,59,85,429
Loans & Advances	J	483,78,34,491	532,00,52,539
		1098,73,95,931	1135,65,39,358
Less: Current Liabilities & Provisions			
Current Liabilities	K	456,39,91,476	426,46,48,128
Provisions	L	133,52,87,093	119,77,60,298
		589,92,78,569	546,24,08,426
Net Current Assets		508,81,17,362	589,41,30,932
Miscellaneous Expenditure		27,65,43,860	21,38,66,580
		5114,67,50,618	4709,76,20,165
Significant Accounting Policies	U		
Notes on Accounts	V		

The schedules referred to above form part of the accounts

As per our report annexed

For M.S.JAGANNATHAN &
N.KRISHNASWAMI
Chartered Accountants
K.SRINIVASAN
Partner
Membership No. 21510

For CNGSN & ASSOCIATES
Chartered Accountants
C.N.GANGADARAN
Partner
Membership No.11205

P.R.RAMASUBRAHMANEYA RAJHA
Chairman & Managing Director

K.SELVANAYAGAM
Secretary

A.RAMAKRISHNA
R.S. AGARWAL
M.B.N.RAO
Directors

Chennai
25-5-2011

MADRAS CEMENTS LTD.

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

(In Rupees)

	Schedule	For the year ended 31-03-2011	For the year ended 31-03-2010
INCOME			
Sales		2816,41,58,642	2953,54,72,427
Self consumption		18,75,75,121	18,27,80,648
Gross Sales		2835,17,33,763	2971,82,53,075
Less: Excise Duty & Cess		352,55,29,245	304,83,30,828
Net Sales		2482,62,04,518	2666,99,22,247
Value of Power generated from Wind mills		122,27,84,492	133,89,48,495
Other Income	M	39,80,65,750	20,36,71,194
Extraordinary income		7,28,860	11,07,060
Increase / (Decrease) in stock	N	19,14,06,220	4,00,35,311
		2663,91,89,840	2825,36,84,307
EXPENDITURE			
Raw Materials consumed		409,79,02,643	402,42,53,530
Power & Fuel		660,73,55,967	596,24,57,268
Stores consumed		65,65,75,404	84,35,35,191
Repairs & Maintenance	O	45,34,92,729	39,71,83,615
Salaries, Wages & Other amenities to staff	P	154,01,70,903	137,33,25,451
Administrative Expenses	Q	45,38,75,672	37,60,84,895
Rates and Taxes	R	8,40,28,750	10,00,15,266
Managing Director's Remuneration		15,62,63,759	27,91,04,756
Packing charges		103,94,52,763	108,97,35,535
Interest & Finance Charges	S	139,27,90,968	150,87,56,127
Depreciation		220,76,66,479	196,08,56,644
Transportation & Handling Expenses		464,25,82,152	468,39,41,763
Advertisement and Other Sales Promotion expenses	T	29,12,26,424	30,53,39,976
Corporate Social Responsibility Expenditure		4,32,41,068	4,47,20,895
Current tax provision		82,38,00,000	81,55,00,000
Deferred tax provision		3,90,00,000	95,21,00,000
		2452,94,25,681	2471,69,10,912



PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011 (Contd.)

(In Rupees)

	Schedule	For the year ended 31-03-2011	For the year ended 31-03-2010
Profit for the year		210,97,64,159	353,67,73,395
Add:			
Balance brought forward		52,70,61,062	29,74,49,889
Balance available for appropriation		263,68,25,221	383,42,23,284
Appropriated as:			
Transfer to General Reserve		175,00,00,000	275,00,00,000
Interim Dividend		—	35,74,65,570
Tax on Interim Dividend		—	6,07,51,274
Final Dividend		29,78,87,975	11,91,55,190
Tax on Final Dividend		4,83,24,877	1,97,90,188
Balance carried to Balance Sheet		54,06,12,369	52,70,61,062
Earnings per share (Basic & Diluted)		9	15
Significant Accounting Policies	U		
Notes on Accounts	V		

The schedules referred to above form part of the accounts

As per our report annexed

For M.S.JAGANNATHAN &
N.KRISHNASWAMI
Chartered Accountants
K.SRINIVASAN
Partner
Membership No. 21510

For CNGSN & ASSOCIATES
Chartered Accountants
C.N.GANGADARAN
Partner
Membership No.11205

P.R.RAMASUBRAHMANEYA RAJHA
Chairman & Managing Director

K.SELVANAYAGAM
Secretary

A.RAMAKRISHNA
R.S. AGARWAL
M.B.N.RAO
Directors

Chennai
25-5-2011

MADRAS CEMENTS LTD.

SCHEDULES TO BALANCE SHEET AS AT 31ST MARCH, 2011

(In Rupees)

SCHEDULE A

SHARE CAPITAL

Authorised:

25,00,00,000 Equity Shares of Rs.1/- each
(PY: 25,00,00,000 Equity Shares of Rs.1/- each)

As at
31-03-2011

25,00,00,000

As at
31-03-2010

25,00,00,000

Issued:

23,79,69,380 Equity Shares of Rs.1/- each
(PY: 23,79,69,380 Equity Shares of Rs.1/- each)

23,79,69,380

23,79,69,380

Subscribed, called and paid up:

23,79,69,380 Equity Shares of Rs.1/- each
(PY: 23,79,69,380 Equity Shares of Rs.1/- each)

23,79,69,380

23,79,69,380

Notes:

- i) 29,500 Equity Shares of Rs.1/- each were allotted as fully paid up, pursuant to a contract, without payment being received in cash.
- ii) 20,95,25,690 Equity shares of Rs.1/- each were allotted as fully paid Bonus Shares by capitalisation of General Reserve.
- iii) 3,41,000 Bonus shares of Rs.1/- each remain unallotted pending completion of required formalities.

SCHEDULE B

RESERVES AND SURPLUS

Capital Redemption Reserve

1,37,94,810

1,37,94,810

General Reserve

As per Last Balance Sheet

1480,27,16,797

1205,27,16,797

Add: Transfer from Profit & Loss Account

175,00,00,000

275,00,00,000

1655,27,16,797

1480,27,16,797

Closing balance

1655,27,16,797

1480,27,16,797

Balance in Profit & Loss Account

54,06,12,369

52,70,61,062

1710,71,23,976

1534,35,72,669



SCHEDULES TO BALANCE SHEET AS AT 31ST MARCH, 2011

(In Rupees)

SCHEDULE C

SECURED LOANS

Term Loans

- Rupee Loans from Banks (Note i)	1947,78,71,948	1671,30,38,314
- Foreign Currency Loans (Note i)	29,72,76,750	—

Working capital borrowings from Banks:

- Rupee Loans (Note ii)	46,64,25,100	87,97,50,688
- Short Term Loans (Note ii)	78,00,00,000	125,00,00,000
	2102,15,73,798	1884,27,89,002

Notes :

- Secured by a *pari-passu* charge on the fixed assets of the company.
- Secured by a *pari-passu* charge on current assets of the company.

SCHEDULE D

UNSECURED LOANS

Fixed Deposits	3,06,93,000	3,22,21,000
Interest Free Sales Tax Loans	603,88,12,590	618,83,75,357
Short Term Loans & Borrowings	82,05,77,874	60,16,92,757
	689,00,83,464	682,22,89,114

MADRAS CEMENTS LTD.

SCHEDULES TO BALANCE SHEET AS AT 31ST MARCH, 2011

SCHEDULE E

FIXED ASSETS

(In Rupees)								
Particulars	Cost as at 01-04-2010	Additions during the year	Sale during the year	Cost as at 31-03-2011	Depreciation for the year	Depreciation written off upto 31-03-2011	Net value as at 31-03-2011	Net value as a 31-03-2010
Land	431,62,93,941	30,88,80,701	73,60,538	461,78,14,104	–	–	461,78,14,104	431,62,93,941
Leasehold Land	15,72,97,071	4,25,57,800	–	19,98,54,871	13,96,277	24,62,234	19,73,92,637	15,62,31,115
Buildings	347,31,65,678	56,04,08,773	–	403,35,74,451	9,02,92,067	40,61,58,463	362,74,15,988	315,72,99,286
Plant & Machinery	3817,70,78,781	460,88,51,303	147,76,59,149	4130,82,70,935	197,20,02,960	1172,25,41,150	2958,57,29,785	2830,39,47,143
Railway Siding	31,27,86,947	24,57,02,256	–	55,84,89,203	1,62,85,270	13,25,61,229	42,59,27,974	19,65,10,987
Workshop, Quarry Equipments, etc.	41,91,20,947	8,08,13,652	5,66,68,206	44,32,66,393	2,53,16,483	21,45,50,724	22,87,15,669	17,60,51,910
Research & Development Equipments	56,66,84,395	11,82,78,390	1,62,69,468	66,86,93,317	3,45,54,002	35,95,40,149	30,91,53,168	22,62,42,255
Furniture & Office Equipments	54,65,46,202	7,20,69,357	31,02,089	61,55,13,470	5,53,23,847	29,62,14,887	31,92,98,583	30,43,60,174
Vehicles	12,86,46,993	1,55,32,976	34,92,863	14,06,87,106	1,09,89,982	5,89,93,264	8,16,93,842	7,82,87,370
Aircrafts (JV)	1,38,11,541	5,80,49,301	–	7,18,60,842	15,05,591	53,29,165	6,65,31,677	99,87,967
Total	4811,14,32,496	611,11,44,509	156,45,52,313	5265,80,24,692	220,76,66,479	1319,83,51,265	3945,96,73,427	3692,52,12,148

Notes:

- 1) Land includes cost of development and extraction of mineral rights of Rs.13,10,33,000/-.
- 2) The company owns 1/6th share and 1/2 share in two aircrafts in joint venture.
- 3) Depreciation includes amortisation of leasehold lands.



SCHEDULES TO BALANCE SHEET AS AT 31ST MARCH, 2011

	As at 31-03-2011	(In Rupees) As at 31-03-2010
SCHEDULE F		
INVESTMENTS		
Non-Trade		
a) Unquoted		
Shares in Q 1186 The Madras Cements Employees' Co-operative Stores Ltd.	2,500	2,500
Fully paid-up Equity Shares in :		
AP Gas Power Corporation Ltd. (Note No.29 of Schedule V) (16,08,000 Equity shares)	22,11,96,984	22,11,96,984
Sri Vishnu Shankar Mill Ltd. (2100 Shares including 1050 Bonus Shares)	78,750	78,750
b) Quoted		
Investment in Mutual Funds/Bonds:		
HDFC Balance Fund	13,24,593	11,24,099
12.4% Government of India Loans (Face value Rs.50,00,000/-)	50,75,000	50,75,000

MADRAS CEMENTS LTD.

SCHEDULES TO BALANCE SHEET AS AT 31ST MARCH, 2011

SCHEDULE F (Contd.)

(In Rupees)

As at
31-03-2011

As at
31-03-2010

Fully paid-up Equity Shares in Companies:

Name of the Company	No. of shares	Total face value Rs.	Cost Rs.		
Ramco Industries Ltd. (including 92,06,250 Bonus shares)	1,33,72,500	1,33,72,500	20,53,67,162		
Ramco Systems Ltd. (including 4,84,000 shares allotted pursuant to scheme of Demerger of Ramco Systems Ltd.)	21,17,810	2,11,78,100	36,91,01,577		
Associated Cement Companies Ltd. (including 4 Bonus shares)	103	1,030	2,065		
India Cements Ltd. (including 29 Bonus shares)	58	580	958		
Andhra Cements Ltd.	111	1,110	1,825		
Heidelberg Cement India Ltd (Formerly known as Mysore Cements Ltd.) (including 20 Bonus shares)	170	1,700	5,600		
Chettinad Cement Corporation Ltd. (including 50 Bonus shares)	100	1,000	500		
Rajapalayam Mills Ltd. (including 6400 Bonus shares)	3,62,800	36,28,000	8,11,96,000		
Housing Development Finance Corporation Ltd. (including 1740 Bonus shares)	3,480	34,800	46,950		
HDFC Bank Ltd.	500	5,000	5,000		
Indbank Merchant Banking Services Ltd.	50,000	5,00,000	20,00,000		
Tamil Nadu Newsprint & Papers Ltd.	22,700	2,27,000	24,97,000		
Indian Bank	2,792	27,920	2,54,072		
Industrial Development Bank of India Ltd. (including 5340 Bonus shares)	14,240	1,42,400	11,57,000		
				66,16,35,709	66,16,35,709
				88,93,13,536	88,91,13,042
Less: Provision for diminution in value of investments				9,75,355	17,04,215
				88,83,38,181	88,74,08,827
Aggregate value of :					
Quoted Investments - Cost (after Considering diminution in value)				66,70,59,947	66,61,30,593
Market value				100,66,18,211	114,19,07,574
Unquoted Investments - Cost				22,12,78,234	22,12,78,234



SCHEDULES TO BALANCE SHEET AS AT 31ST MARCH, 2011

	As at 31-03-2011	(In Rupees) As at 31-03-2010
SCHEDULE G		
INVENTORIES		
Raw Materials	80,98,67,907	65,64,12,533
Stores, Spares, Coal, Packing Materials, etc.	228,80,30,869	281,85,51,013
Process Stock	43,55,74,097	35,27,57,153
Finished Goods	38,92,52,680	29,76,96,404
	<u>392,27,25,553</u>	<u>412,54,17,103</u>
SCHEDULE H		
SUNDRY DEBTORS		
Unsecured		
Debts outstanding for a period exceeding six months:		
Considered good	22,21,87,961	9,40,10,701
Considered doubtful	10,25,00,000	10,25,00,000
Less: Provision for doubtful debts	<u>10,25,00,000</u>	<u>10,25,00,000</u>
	—	—
Other Debts, considered good	160,44,70,658	146,10,73,586
	<u>182,66,58,619</u>	<u>155,50,84,287</u>
SCHEDULE I		
CASH AND BANK BALANCES		
Cash on hand	8,29,555	6,64,069
Stamp paper & other imprest	3,31,802	4,32,413
Balances with scheduled banks:		
In Current account	37,14,86,609	32,68,51,801
In Dividend Warrant account	2,68,48,554	2,73,81,527
In Deposit account	<u>6,80,748</u>	<u>6,55,619</u>
	39,90,15,911	35,48,88,947
	<u>40,01,77,268</u>	<u>35,59,85,429</u>

MADRAS CEMENTS LTD.

SCHEDULES TO BALANCE SHEET AS AT 31ST MARCH, 2011

	As at 31-03-2011	(In Rupees) As at 31-03-2010
SCHEDULE J		
LOANS AND ADVANCES (Considered Good, Unsecured)		
Advances recoverable in cash or in kind	357,94,50,296	375,60,06,462
Advance Income-tax paid, Income-Tax Deducted at Source and Refund receivable	79,13,65,829	113,44,98,693
Deposits with Govt. Departments and others	24,53,19,111	22,63,46,544
MAT Credit Entitlement	16,90,00,000	16,90,00,000
Prepaid Expenses	5,26,99,255	3,42,00,840
	483,78,34,491	532,00,52,539
SCHEDULE K		
CURRENT LIABILITIES		
Sundry Creditors	168,21,60,761	164,81,58,696
Other Liabilities	13,82,02,152	15,00,02,993
Deposits and Customers' Balances	269,13,98,248	243,34,97,415
Interest accrued but not due on loans	2,53,31,676	55,57,412
Unclaimed Dividends	2,68,48,554	2,73,81,527
Unclaimed Redeemable Preference Shares	50,085	50,085
	456,39,91,476	426,46,48,128
SCHEDULE L		
PROVISIONS		
Provision for Taxation	87,88,57,083	96,52,88,920
Equity Dividend and Tax thereon	34,62,12,852	13,89,45,378
Provision for Leave Encashment	11,02,17,158	9,35,26,000
	133,52,87,093	119,77,60,298



SCHEDULES TO PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

	For the year ended 31-03-2011	(In Rupees) For the year ended 31-03-2010
SCHEDULE M		
OTHER INCOME		
Interest Receipts (TDS Rs.22,45,334)	2,92,05,391	3,42,40,039
Income from Investments - Non-Trade	1,47,02,347	1,05,68,673
Scrap sales	14,11,12,571	8,78,58,607
Other Receipts (Note No.33 of Schedule V)	11,92,16,743	69,97,259
Rent Receipts	7,20,41,727	6,40,06,616
Profit on sale of assets (net)	2,17,86,971	—
	39,80,65,750	20,36,71,194
SCHEDULE N		
INCREASE/(DECREASE) IN STOCK		
Closing Stock:		
Process stock	43,55,74,097	35,27,57,153
Finished goods	38,92,52,680	29,76,96,404
	82,48,26,777	65,04,53,557
Opening Stock:		
Process stock	35,27,57,153	42,04,40,771
Finished goods	29,76,96,404	15,79,68,444
	65,04,53,557	57,84,09,215
Increase/(Decrease) in stock	17,43,73,220	7,20,44,342
ED on stock variance	1,70,33,000	-3,20,09,031
Net increase/(decrease) in stock	19,14,06,220	4,00,35,311
SCHEDULE O		
REPAIRS AND MAINTENANCE		
Repairs to Buildings	6,96,00,661	7,42,73,863
Repairs to Plant & Machinery	32,27,36,751	27,72,23,125
Repairs to Vehicles/Locomotives	5,21,75,838	3,52,58,458
Repairs - General	89,79,479	1,04,28,169
	45,34,92,729	39,71,83,615

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SCHEDULES TO PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

		(In Rupees)
	For the year ended 31-03-2011	For the year ended 31-03-2010
SCHEDULE P		
SALARIES, WAGES AND OTHER AMENITIES TO STAFF		
Salaries, Wages & Bonus	127,76,20,864	112,18,00,677
Contribution to Gratuity Fund	3,51,49,304	4,82,67,444
Contribution to Provident Fund	7,29,89,709	6,50,12,285
Contribution to Superannuation Fund	3,66,63,382	3,38,99,831
Workmen & Staff Welfare Expenses	11,77,47,644	10,43,45,214
	<u>154,01,70,903</u>	<u>137,33,25,451</u>
SCHEDULE Q		
ADMINISTRATIVE EXPENSES		
Insurance	10,07,73,046	4,76,59,806
Travelling Expenses	5,62,81,704	5,65,87,385
Postage, Telegrams and Telephones	1,76,00,374	1,79,59,404
Rent	4,90,53,958	3,82,66,518
Bank Charges	61,78,270	65,80,487
Stationery, Printing & EDP Expenses	11,11,44,726	11,38,68,545
Security Charges	4,50,22,302	3,87,93,529
Other Miscellaneous Expenses	2,52,94,313	1,80,15,536
Subscription	40,82,834	30,93,243
Newspapers & Periodicals	8,68,607	6,75,952
Office Lighting	1,58,29,783	1,51,28,950
Consulting & Retainer Fees	70,73,720	46,76,254
Cement Cess	52,22,246	58,91,006
Legal Expenses	42,93,874	34,79,718
Laboratory Expenses	19,54,158	16,57,361
Filing Fees & Registration Fees	6,19,094	9,13,712
Remuneration to Auditors & Audit Expenses	17,38,376	14,19,466
Board Meeting Expenses	4,24,287	5,16,948
Directors' Sitting Fees	4,20,000	4,65,000
Loss on Sale of Assets (net)	—	4,36,075
	<u>45,38,75,672</u>	<u>37,60,84,895</u>



SCHEDULES TO PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

	(In Rupees)	
	For the year ended 31-03-2011	For the year ended 31-03-2010
SCHEDULE R		
RATES & TAXES		
Input VAT Credit Reversals	2,82,85,447	4,40,25,580
Others	5,57,43,303	5,59,89,686
	8,40,28,750	10,00,15,266
SCHEDULE S		
INTEREST AND FINANCE CHARGES		
Interest on Debentures & Other Fixed Loans	137,41,59,323	139,38,71,578
Interest on Other Loans	1,86,31,645	11,48,84,549
	139,27,90,968	150,87,56,127
SCHEDULE T		
ADVERTISEMENT AND OTHER SALES PROMOTION		
Advertisement Expenses	12,77,39,955	8,70,87,208
Agency Commission	5,80,25,597	5,42,19,020
Other Selling Expenses	8,08,24,246	14,41,39,954
Discounts, Rebates, etc.	1,56,74,790	1,78,38,899
Bad debts	89,61,836	20,54,895
	29,12,26,424	30,53,39,976

MADRAS CEMENTS LTD.

SCHEDULE U

SIGNIFICANT ACCOUNTING POLICIES

A Basis of preparation of financial statements

1. The financial statements have been prepared under the historical cost convention and in accordance with the generally accepted accounting principles, the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956 as adopted consistently by the Company.
2. The company generally follows mercantile system of accounting and recognizes significant items of income and expenditure on accrual basis.

B Investments

All investments being long term & non-trade are valued at cost. Provision for diminution is made to recognise the decline other than temporary, in the value of investments.

C Fixed assets

Fixed Assets are accounted at acquisition cost (net of CENVAT / VAT wherever applicable) less accumulated depreciation. Depreciation has been provided on straight-line basis at the rates specified under rules/Schedule XIV to the Companies Act, 1956, prevailing at the time of acquisition of the asset. The lands acquired under lease, other than the cost of development and extraction of mineral rights, are amortised equally over the lease period and such amount is included in Depreciation.

D Inventories

1. Raw materials, stores, spares, coal, packing materials, etc. are valued at cost, computed on a moving weighted average basis including the cost incurred in bringing the inventories to their present location and condition or net realizable value whichever is lower.
2. Process Stock is valued at weighted average cost, including the cost of conversion. The cost of conversion includes direct costs, including a systematic allocation of production and administration overheads.
3. Finished goods are valued at cost or net realisable value whichever is lower. Cost includes cost of conversion and other costs incurred in bringing the inventory to their present location and condition including excise duty.

E Sales

Net Sales exclude Excise Duty, Education Cess, Secondary and Higher education Cess and VAT / CST.

F Income from Wind Mills

1. Under wheeling and banking arrangement:
Units generated from windmills are adjusted against the consumption of power at factories. The monetary value of the units so adjusted, calculated at the prevailing EB rates net of wheeling charges has been included in power & fuel. The value of unadjusted units as on the Balance Sheet date has been included in Advances recoverable in cash or in kind under the schedule loans and advances.
2. Under Power purchase agreement:
Units generated from windmills are sold to State Electricity Board at agreed rates and the income is included in Value of power generated from wind mills.

G Employee Benefits

1. Short-term employee benefits viz., Salaries and Wages are recognized as an expense at the undiscounted amount in the profit and loss account for the year in which the related service is rendered.
2. Defined Contribution plan viz., Contributions to Provident fund and Superannuation fund are recognized as an expense in the profit and loss account for the year in which the employees have rendered services. The company contributes monthly to Provident fund administered by the Government at 12% of employee's basic salary. The company also contributes annually for superannuation a sum equivalent to 15% of the employee's eligible annual basic salary subject to a maximum of Rs.1 Lac per annum to funds administered by trustees and managed by LIC of India. There are no other obligations other than the above defined contribution plans.
3. Defined Benefit Plan:
Gratuity:
The Company has its own approved Gratuity Fund. It is in the form of lump sum payments to vested employees on resignation, retirement, death while in employment or on termination of employment of an amount equivalent



to 15 Days' basic salary for each completed year of service. Vesting occurs upon completion of five years of continuous service. The company makes annual contributions to funds administered by trustees and managed by LIC of India, based on the Actuarial Valuation by an independent external actuary as at the Balance sheet date using the projected unit credit method.

Leave Encashment:

The company has a policy of encashing unavailed leave for its employees. The obligation for the leave encashment is recognised based on an independent external actuarial valuation as at the Balance Sheet date. The expense is recognized at the present value of the amount payable determined based on actuarial valuation using projected unit credit method.

H Provisions, Contingent liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Unprovided contingent liabilities are disclosed in the Accounts by way of Notes. Contingent Assets are not recognised.

I Research & Development Expenditure

Expenditure on Research & Development of revenue nature incurred by the Company is charged to Profit & Loss Account under the respective revenue heads, while those of capital nature are treated as fixed assets.

J Borrowing costs

Borrowing Costs that are directly attributable to the acquisition and construction of qualifying assets are capitalised as part of the cost of those assets as per AS-16. All other borrowing costs are charged to revenue.

K Foreign currency transactions

1. Transactions in Foreign Currency are accounted at the exchange rates prevailing at the time of transaction.
2. Covered liabilities in foreign currencies are accounted at the rate at which they have been covered. Uncovered liabilities in Foreign Currency are accounted at the rates as on the Balance Sheet date.
3. The difference between the forward rate and the exchange rate at the inception of a forward exchange contract is recognised as income or expense over the life of the contract.
4. Exchange difference in respect of uncovered foreign currency liabilities are recognised in the profit and loss account.

L Earnings per share

Net profit after tax is divided by the weighted average number of equity shares including un-allotted Bonus shares outstanding during the year.

M Government Grants

Revenue related grants are recognised on accrual basis wherever there is reasonable certainty and are disclosed under other income. Receivables of such grants are shown under Loans and advances. Capital related grants are accounted upon fulfilment of conditions attached thereto.

N Income-tax

The tax provision is considered as stipulated in AS-22 (Accounting for Taxes on income) and includes current and deferred tax liability. The company recognises the deferred tax liability based on the accumulated timing difference using the current tax rate.

O Segment Reporting

The company identifies business segment as the primary segment as per AS-17. Under the primary segment, there are two reportable segments viz., Cement and Power generation from Windmills. These were identified considering the nature of the products, the differing risks and returns. The valuation of inter segment transfers are based on prevailing market prices.

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

P Miscellaneous Expenditure

Mining development expenditure and amount spent for installation of fly ash handling equipments in Thermal power stations in connection with collection of fly ash which are expected to yield enduring benefits are held under Miscellaneous Expenditure and amortised over the expected beneficial period, not exceeding five years.

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SCHEDULE V NOTES ON ACCOUNTS

	As at 31-3-2011	Rs. in lacs As at 31-3-2010
1. Contingent Liabilities:		
1.1 Estimated amount of contracts remaining to be executed on capital account and not provided for	38736.85	73925.42
1.2 Liability on letters of credit opened by bankers for purchase of :		
– Spares, Raw material & Fuel	4084.89	380.13
– Capital Goods	11419.68	21719.26
1.3 Liability on guarantees given by the bankers	2561.75	3256.08
1.4 Liability on guarantees given to bankers	20538.00	17538.00

2. The current tax liability for the company for the financial year 2010-11 is Rs.8238 lacs. The break up of net deferred tax liability of Rs.58900 lacs as at 31-3-2011 is as under:

Rs. in lacs

Timing differences on account of:	Net deferred tax liability
Tax effect on difference between book depreciation and depreciation under the Income-tax Act, 1961	59452
Tax effect of Amortization of Deferred Revenue Expenditure	154
Tax effect of provision for Leave encashment	(-) 366
Tax effect of provision for bad and doubtful debts	(-) 340
Deferred tax liability (Net)	58900

Income tax assessments have been completed up to the accounting year ended on 31st March 2008 i.e., Assessment Year 2008-09. The company has preferred appeals before appellate authorities in respect of various disallowances in assessments and the appeals are pending. As against the tax demand of Rs.3660.68 lacs, the department has adjusted Rs.2339.71 lacs. In the opinion of Management, there may not be any tax liability with regard to the said disallowances and the refunds so adjusted are held under "Loans and advances".

3. In respect of Sales Tax matters appeals are pending with the Appellate Authorities in respect of tax demands amounting to Rs.2259.11 lacs, (PY: Rs.2122.66 lacs) against which Rs.894.45 lacs (PY: Rs.1222.43 lacs) have been paid under protest and is held under "Loans and advances". In the opinion of the management, there may not be any tax liability with regard to the said demands.
4. The demands due to CENVAT credit disallowance on some of the inputs, capital goods, service tax on goods transports and levy of differential excise duty with consequential penalty, amounts to Rs.12189.97 lacs as at 31-3-2011 (PY: Rs.10898.43 lacs) remain unpaid, against which the company has replied / preferred appeals. In the opinion of the management, there may not be any liability with regard to the said demands.
5. Our petition filed against the judgement upholding the validity of "The Cess and Other Taxes on Minerals (Validation) Act, 1992" in the Honourable Supreme Court has been ruled in company's favour. Pursuant to the above judgement, the company is entitled to receive a sum of Rs.150 lacs from the Government of Tamil Nadu and Rs.174 lacs from the Government of Andhra Pradesh.



6. The Writ Petitions filed by the company in the Honourable Madras High Court against Tamil Nadu Electricity Board (TNEB) towards levy of electricity tax at 15% on the generation of power from captive generator sets using furnace oil are pending. The levy pertains to the period 1-1-1992 to 30-10-1997. The amount remaining unpaid is Rs.84.93 lacs.
7. Tamil Nadu Electricity Board (TNEB) has imposed Rs.138.67 lacs towards penalty, alleging shortfall in lifting of flyash as per the terms of Memorandum of Understanding entered into with the Company. TNEB has made the calculation based on the estimation of flyash quantity that could have been generated for the quantity of coal used by them, instead of ascertaining the actual availability of flyash generated by them. The Company has obtained stay orders against the penalty from Honourable Madras High Court.
8. We have entered into MoU with TNEB for sourcing flyash from their thermal power stations. Ignoring our right, it was proposed to introduce auction unilaterally, for disposal of flyash. Further TNEB has also proposed to increase the rate to Rs.700/- per tonne of flyash. In the writ petitions filed by the Company and other similarly affected companies, the Honourable Madras High Court has stayed the proposals.
9. Tamil Nadu Generation and Distribution Corporation Limited has raised a demand towards compensation charges of Rs.75.05 lacs alleging that the Company has exceeded the quota of power consumption during evening peak hours. The Company has deposited the amount under protest, filed writ petition before the Honourable Madras High Court and the same has been admitted.
10. Government of Karnataka has imposed Environmental Protection Fee of Rs.5.60 crores, in connection with Company's mining leases. In the writ petitions filed by the Company and other similarly affected companies, the Honourable High Court of Karnataka, has stayed the imposition of the fee. As per the order, the Company has deposited a sum of Rs.2.90 crores and provided bank guarantees for the balance amount.
11. Competition Commission of India has ordered their Office of Director General to investigate into the matter of alleged increase in the prices of cement by cement manufacturing companies and working as a cartel. The Company has provided the information as required by the Director General. Similar notices have also been served to other cement manufacturing companies.
12. Southern Power Distribution Company of Andhra Pradesh Limited has demanded an amount of Rs.32.26 lacs towards alleged excess load factor incentives allowed by them. The Company has filed an appeal before Honourable High Court of Andhra Pradesh and obtained an order of interim stay.
13. In June 2010, Transmission Corporation of Andhra Pradesh Limited has demanded Rs.1.13 crores as Fuel Surcharge Adjustment pertaining to the year 2008-09. The Company has filed a writ petition in the Honourable High Court of Andhra Pradesh and obtained an interim stay.
14. The Cess Commissioner has demanded additional cess amount of Rs.0.53 lacs for the year 2008-09, based on theoretical conversion factors, instead of taking the actual quantity of minerals used in the production. Challenging this demand the Company has filed a writ petition before the Honourable Madras High Court and obtained an interim stay.
15. Under the Jute Packing Materials (Compulsory use of packing commodities) Act, 1987, 50% of the cement produced should be supplied in jute bags. Failure to do so attracts a maximum fine equal to twice the cost of jute bags not used as required by the Act. In view of the competitive conditions prevailing in the market and consumer preference for paper and HDPE bags, the company was not able to use gunny bags. The Supreme Court upheld the Constitutional validity of the above Act. However, the Madras High Court and also a few other High Courts have stayed the implementation of the Jute Control Order, in the Writ Petitions filed by the Trade Unions, taking into account the health hazards associated with Jute Packing. Subsequently, Cement has been removed from the schedule of items required to be packed in Jute Packing Materials with effect from 1-7-1997 vide Government of India Gazette Extraordinary No.472E dated 30-6-1997. The amount that may become payable in case it is ultimately held that penalty is leviable for non-compliance of the Act during the intervening period is presently not quantifiable.
16. The Andhra Pradesh State Electricity Board (APSEB) had hiked the wheeling charges with effect from 24-3-2002. As a result, the cost of power the company is getting from A P Gas Power Corporation Ltd; (APGPCL) had gone up

MADRAS CEMENTS LTD.

by Rs.0.84 per unit. APGPCL and other affected consumers including our company had filed appeals in the Honourable High Court of Andhra Pradesh. The court passed orders in favour of the industries. The APSEB has preferred an appeal to the Honourable Supreme Court and no stay has been granted.

17. The Director of Geology & Mining, Government of Tamil Nadu had raised additional Royalty demand on limestone, based on production of cement by a company instead of basing it on actual quantity of limestone mined. The demand for the company is Rs.9.66 crores for the period from the year 1989 to year 2001. In the Writ petitions filed by the company and other similarly affected companies, the Honourable Madras High court has stayed the demands of the Government.
18. Water Resources Department of Public Works Department, Government of Tamil Nadu had raised a demand of Rs.1.13 crores contending that water charges are to be paid on the contracted quantity and not on the actual quantity of water drawn by the company from Arjuna River in Virudhunagar District. The demand pertains to the period from the year 1990 to year 2009. The company has obtained interim stay from the Honourable Madras High Court. As per the interim order, the Company has deposited a sum of Rs.30.00 lacs with the Department.
19. Environment, Forests Science & Technology Department, Government of Andhra Pradesh has increased the Royalty on the Limestone mined from the Forest Area from Rs.5/- per permit to Rs.10/- per tonne. We have filed a writ petition before the Honourable High Court of Andhra Pradesh and obtained an interim order, to pay 1/3rd of the demand. As per the Court order, we have paid Rs.0.70 lacs, being the 1/3rd portion upto 31-3-2011.
20. Central Power Distribution Company of Andhra Pradesh Limited has demanded a sum of Rs.5.28 lacs by revising the tariff rate, alleging that the packing plant of the Company near Hyderabad is not engaged in manufacturing / processing activity and hence should be classified under HT Category-II, instead of HT Category-I. Against the demand, the Company has filed a writ petition in the Honourable High Court of Andhra Pradesh and obtained a stay order against the re-classification.
21. New Industries set up in Tamil Nadu were eligible for Power Tariff Concession as per G.O.Ms. No.29 dated 31-1-1995, which was sought to be withdrawn to Industries set up after 14-2-1997 as per G.O.Ms. No.17 dated 14-2-1997. The eligibility for Power Tariff Concession for Alathiyur unit became a dispute between the Company and Tamil Nadu Electricity Board (TNEB). Based on the interim order of the Honourable Madras High Court, the Company had availed power tariff concession to the tune of Rs.11.41 crores and sought refund of unavailed concession of Rs.1.80 crores. The matter was finally settled by Honourable Supreme Court, vide its judgement dated 16-5-2008, wherein it laid down criteria for ascertaining the eligibility for Power Tariff Concession for new industries and directed the TNEB to decide the eligibility for the Company based on the said criteria. However, vide its order dated 30-6-2008, the TNEB sought to introduce new criteria not enumerated in the Supreme Court judgement. Aggrieved, the Company filed a writ petition (WP No:16348 of 2008) before the Honourable Madras High Court, which by its judgement dated 13-11-2008 set aside the additional criteria not mentioned in the Supreme Court Judgement and confirmed the eligibility of Power Tariff Concession for the Company. TNEB has filed a writ appeal (WA No:629 of 2010) in the Honourable Madras High Court against the said order seeking disentitlement of power tariff concession already availed by the Company and matter is pending for hearing.

22. Managing Director's Remuneration for the year 2010-2011:

	(In Rupees)
Salary	24,00,000
Commission	15,33,14,513
Provident fund	2,88,000
Medical reimbursements	1,21,646
Contribution to Superannuation fund	1,00,000
Other amenities	39,600
Total	15,62,63,759



Computation of net profits in accordance with Section 349 of the Companies Act, 1956, for the purpose of calculating Managing Director's remuneration for the year ended 31-3-2011:

	(In Rupees)	
Net Profit after tax as per Profit & Loss Account		210,97,64,159
Add: Remuneration to Managing Director	15,62,63,759	
Provision for Current tax	82,38,00,000	
Provision for Deferred tax	3,90,00,000	
Sitting fees to Directors	4,20,000	101,94,83,759
		312,92,47,918
Less: Profit on sale of assets u/s 349(3)(d) of the Companies Act		32,43,888
Provision for diminution in value of investments written back		7,28,860
Net profit u/s 349 of the Companies Act, 1956		312,52,75,170
Remuneration to Managing Director @ 5% of the above		15,62,63,759

23. "Short term Loans & Borrowings" under "Unsecured Loans" include Loans from Directors as detailed below:

	(In Rupees)	
Name	Closing balance as on 31-3-2011	Interest @ 8% p.a. for the year 2010-11
Shri P.R. Ramasubrahmaneya Rajha	1,98,77,874	5,87,449

24. Extraordinary income represents reversal of provision for diminution in value of investments created in earlier years for Rs.7.29 lacs (PY: Rs.11.07 lacs).

25. The company has incurred Rs.601.13 lacs during the current year (PY: Rs.687.44 lacs) towards development of certain mines. The total expenses of Rs.1331.88 lacs will be charged off in subsequent years after the commencement of its mining operations.

The company has also charged off Rs.242.46 lacs during the current year out of the total amount spent for mining expenses in the earlier years. The balance of Rs.484.92 lacs would be charged off to revenue during the next two years.

The company has also charged off Rs.121.23 lacs during the current year out of the total amount spent for mining expenses in the earlier years for Rs.360.65 lacs and additional amount of Rs.245.51 lacs incurred during current year. The balance of Rs.484.93 lacs would be charged off to revenue during the next four years.

The company has also charged off Rs.62.87 lacs during the current year out of the total amount spent for installation of fly ash handling equipments in Thermal power stations in connection with collection of fly ash in earlier years. The balance of Rs.125.73 lacs would be charged off during next two years.

The company has also charged off Rs.32.82 lacs during the current year out of the total amount spent for installation of fly ash handling equipments in Thermal power stations in connection with collection of fly ash in earlier years. The balance of Rs.98.46 lacs would be charged off during next three years.

The company has incurred Rs.299.39 lacs during the current year (PY: Rs.164.10 lacs) towards installation of fly ash handling equipments in Thermal power stations in connection with collection of fly ash, out of which Rs.59.87 lacs was charged off during the current year. The balance of Rs.239.52 lacs would be charged off during next four years.

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26. Auditors' remuneration (excluding Service Tax) & expenses:

	2010-2011	2009-2010
	Rs.	Rs.
A. Statutory Auditors:		
a. As Auditors	10,00,000	10,00,000
b. In Other Capacities		
(i) For Tax Audit	65,000	65,000
(ii) Certification Work	2,50,000	50,000
(iii) Management services	50,000	—
(iv) Expenses reimbursed	2,67,776	2,06,316
B. Cost Auditors:		
a. As Auditors	1,00,000	90,000
b. Expenses reimbursed	5,600	8,150
	17,38,376	14,19,466

27. The Company's shares are listed in Madras Stock Exchange Limited, Bombay Stock Exchange Limited and National Stock Exchange of India Limited for which Listing fees for the year 2010-11 have been paid. The Company's application for de-listing from Calcutta Stock Exchange is under process.

28. There are no dues to Micro and Small Enterprises as at 31-3-2011 (PY: Nil). This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company.

29. The company has invested Rs.2211.97 lacs in Andhra Pradesh Gas Power Corporation Ltd (APGPCL) by purchasing its 16,08,000 equity shares. The investment entitles the company to source 6 MW power from APGPCL at economical rates compared to the rates charged by Andhra Pradesh State Electricity Board. Considering the availability of captive power sources at Jayanthipuram plant 11,12,200 shares equivalent to 4.15 MW power is being held jointly with the following related parties:

Name of the Related Party	Number of shares	Entitlement of power (MW)	Security Deposit Received (in Rs)
Rajapalayam Mills Limited	2,27,800	0.85	8,50,000
The Ramaraju Surgical Cotton Mills Ltd	2,14,400	0.80	8,00,000
Sri Vishnu Shankar Mill Ltd	2,27,800	0.85	8,50,000
Sandhya Spinning Mill Ltd	2,27,800	0.85	8,50,000
Sri Harini Textiles Limited	2,14,400	0.80	8,00,000

APGPCL will supply the entitled power to the above related parties for which the charges will be paid by them directly. The Company is entitled to receive 10 paise per unit for the power consumed by them by virtue of the joint ownership of the shares.

30. Research and Development expenses for the year are Rs.825.62 lacs (PY: Rs.896.50 lacs) including Rs.415.33 lacs towards Depreciation (PY: Rs.473.04 lacs).

31. The unadjusted units generated from the Windmills as on 31-3-2011 are 7.48 lacs KWH (PY: 835.99 lacs KWH) and its monetary value of Rs.33.18 lacs (PY: Rs.2822.86 lacs) has been included in Loans & Advances.

32. The Pre-operative expenses incurred on account of insurance premium of Rs.52.53 lacs (PY: Rs.31.66 lacs) and borrowing costs of Rs.2224.49 lacs (PY: Rs.1906.62 lacs) relating to acquisition / construction of assets have been capitalized during the year.



33. The Company is eligible for incentives under "West Bengal Incentive Scheme 2004" in respect of the clinker grinding unit at Kolaghat in the State of West Bengal. A sum of Rs.11.33 crores accrued as Industrial Promotional Assistance (IPA), being 90% of taxes paid, is credited to Profit and Loss Account, under Other Income. Out of this Rs.0.51 crores relates to the FY 2009-10.

34. As per AS-15, the disclosures pertaining to "Employee Benefits", are given below:

Defined Contribution Plan:

	2010-11	Rs. in lacs 2009-10
Employer's Contribution to Provident Fund	729.90	650.12
Employer's Contribution to Superannuation Fund	366.63	339.00

Details of the post retirement gratuity plan (Funded) are as follows:

Reconciliation of opening and closing balances of obligation:

Defined Benefit obligation as at the beginning of the year	1808.26	1284.62
Current Service Cost	155.05	132.00
Interest Cost	137.20	93.03
Actuarial loss	212.59	387.00
Benefits paid	(-) 186.47	(-) 88.39
Defined Benefit obligation as at the end of the year	2126.63	1808.26

Reconciliation of opening and closing balances of fair value of plan assets:

Fair value of plan assets as at the beginning of the year	1808.26	1284.62
Expected return on plan assets	117.61	92.17
Actuarial gain	35.74	37.19
Employer contribution	351.49	482.67
Benefits paid	(-) 186.47	(-) 88.39
Fair value of plan assets as at the end of the year	2126.63	1808.26

Actual Return on plan assets:

Expected return on plan assets	117.61	92.17
Actuarial gain on plan assets	35.74	37.19
Actual return on plan assets	153.35	129.36

Reconciliation of fair value of assets and obligations:

Fair value of plan assets	2126.63	1808.26
Present value of obligation	2126.63	1808.26
Difference	Nil	Nil
Unrecognized past service cost – non-vested benefits	Nil	Nil
Amount recognized in Balance Sheet	Nil	Nil

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Expenses recognized during the year:		Rs. in lacs
	2010-11	2009-10
Current Service Cost	155.05	132.00
Interest Cost	137.20	93.03
Expected return on plan assets	(-) 117.61	(-) 92.17
Actuarial loss	176.85	349.81
Past service cost – non-vested benefits	Nil	Nil
Past service cost – vested benefits	Nil	Nil
Net Cost	351.49	482.67
Investment Details as on 31-3-2011:		
GOI Securities	10.30	10.30
State Government Securities	1.10	3.40
High Quality Corporate Bonds	8.09	9.54
Funds with LIC	1943.04	1665.84
Bank balance	1.88	0.34
Interest & IT refund receivable	162.22	118.82
Total	2126.63	1808.26
Actuarial assumptions:		
LIC 1994-96 Ultimate Table applied for service mortality rate	Yes	Yes
Discount rate p.a	8.00%	8.00%
Expected rate of return on plan assets p.a	6.22%	6.22%
Rate of escalation in salary p.a	4%	4%
Details of the Leave encashment plan (Un-funded) are as follows:		
Reconciliation of opening and closing balances of obligation:		
Defined Benefit obligation as at the beginning of the year	935.26	753.81
Current Service Cost	52.58	49.81
Interest Cost	71.19	54.44
Actuarial loss	134.02	133.02
Benefits paid	(-) 90.88	(-) 55.82
Defined Benefit obligation as at the end of the year	1102.17	935.26
Reconciliation of opening and closing balances of fair value of plan assets:		
Fair value of plan assets as at the beginning of the year	Nil	Nil
Expected return on plan assets	Nil	Nil
Actuarial (gain) / loss	Nil	Nil
Employer contribution	90.88	55.82
Benefits paid	(-) 90.88	(-) 55.82
Fair value of plan assets as at the end of the year	Nil	Nil



Actual Return on plan assets:

	2010-11	Rs. in Lacs 2009-10
Expected return on plan assets	Nil	Nil
Actuarial (gain) / loss on plan assets	Nil	Nil
Actual return on plan assets	Nil	Nil

Reconciliation of fair value of assets and obligations:

Fair value of plan assets	Nil	Nil
Present value of obligation	1102.17	935.26
Difference	1102.17	935.26
Unrecognized past service cost – non-vested benefits	Nil	Nil
Amount recognized in Balance Sheet	1102.17	935.26

Expenses recognized during the year:

Current Service Cost	52.58	49.81
Interest Cost	71.19	54.44
Expected return on plan assets	Nil	Nil
Actuarial loss	134.02	133.02
Past service cost – non-vested benefits	Nil	Nil
Past service cost – vested benefits	Nil	Nil
Net Cost	257.79	237.27

Investment Details as on 31-3-2011:

GOI Securities	Nil	Nil
State Government Securities	Nil	Nil
High Quality Corporate Bonds	Nil	Nil
Funds with LIC	Nil	Nil
Bank balance	Nil	Nil
Total	Nil	Nil

Actuarial assumptions:

LIC 1994-96 Ultimate Table applied for service mortality rate	Yes	Yes
Discount rate p.a	8.00%	8.00%
Expected rate of return on plan assets p.a	Nil	Nil
Rate of escalation in salary p.a	4%	4%

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35. The Segment Information for the year ended 31st March, 2011 is detailed below:

Rs.in Lacs

	Cement		Windmill Power		Total	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
REVENUE						
External Sales (Net)	248262.05	266699.22	6294.38	11180.43	254556.43	277879.65
Inter Segment Sale			5933.47	2209.06	5933.47	2209.06
Total Sales	248262.05	266699.22	12227.85	13389.49	260489.90	280088.71
Other income					3980.66	2036.71
Total Revenue					264470.56	282125.42
RESULT						
Segment Result	46442.26	70375.45	6203.39	7118.92	52645.65	77494.37
Unallocated Income					985.20	979.25
Unallocated Expenses					10276.64	10695.80
Operating Profit					43354.21	67777.82
Interest Expense					13927.91	15087.56
Interest Income					292.05	342.40
Income tax - Current					8238.00	8155.00
- Deferred					390.00	9521.00
Profit from ordinary activities					21090.35	35356.66
Extraordinary Income					7.29	11.07
Net Profit					21097.64	35367.73
OTHER INFORMATION						
Segment Assets	449838.92	382810.69	70200.32	88969.33	520039.24	471780.02
Unallocated Assets					50421.05	53820.27
Total Assets					570460.29	525600.28
Segment Liabilities	109569.40	107631.43	14.04	18.86	109583.44	107650.29
Unallocated Liabilities					287425.91	262134.58
Total Liabilities					397009.35	369784.87
Capital Expenditure	81573.79	56113.84	110.25	2236.65	81684.04	58350.49
Unallocated Capital Expenditure					1998.16	1276.60
Depreciation	16617.94	13827.14	4925.71	5303.47	21543.65	19130.61
Unallocated Depreciation Expenditure					533.01	477.96
Non-Cash expenses other than Depreciation						



36. Earnings per Share:

Particulars	2010-11 (Rs.)	2009-10 (Rs.)
Net profit after tax (A)	210,97,64,159	353,67,73,395
Adjusted Weighted average number of Equity shares including un-allotted Bonus shares (B)	23,83,10,380	23,83,10,380
Nominal Value per Equity Share	1	1
Basic & Diluted earnings per share (A)/(B)	8.85	14.84
Net profit after tax but before extraordinary items (C)	210,90,35,299	353,56,66,335
Basic & Diluted earnings per share excluding extraordinary items (C)/(B)	8.85	14.84

37. Related party transactions:

As per AS-18, the Company's related parties are given below:

Key Managerial personnel and relatives:

P.R.Ramasubrahmaneya Rajha

P.R.Venketrama Raja

The reportable transactions with the above persons by the company are furnished in Note No.22 and 23 above.

Enterprises over which the above persons exercise significant influence and with which the company had transactions during the year:

Rajapalayam Mills Ltd

The Ramaraju Surgical Cotton Mills Limited

Ramco Industries Limited

Sri Vishnu Shankar Mill Ltd

Ramco Systems Limited

Sandhya Spinning Mill Ltd

Thanjavur Spinning Mill Limited

Sri Harini Textiles Limited

Rajapalayam Spinners Pvt Ltd

The Company's transactions with the above related parties are summarised below:

1. *Remuneration to Managing Director:*

The details are provided under Note No.22

2. *Investments held jointly:*

The details are provided under Note No.29

3. *Inter corporate Deposits given:*

Name of the Related Party	Maximum outstanding during the Year (Rs.)	Interest (Rs.)	Outstanding as on 31-3-2011(Rs.)
Ramco Systems Limited	20,00,00,000	1,04,47,534	12,00,00,000

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4. Goods supplied:

Cement:

Name of the Related Party	Quantity (Tonnes)	Value (Rs.)	Outstanding as on 31-3-2011 (Rs.)
Rajapalayam Mills Ltd	161	6,62,900	Nil
Ramco Industries Limited	1,21,066	40,82,46,341	93,54,599
Sandhya Spinning Mill Ltd	30	1,32,650	Nil
Sri Vishnu Shankar Mill Ltd	41	1,79,450	Nil
Thanjavur Spinning Mill Limited	188	8,15,250	Nil
Rajapalayam Spinners Pvt Ltd	26	1,08,900	Nil
Sri Harini Textiles Limited	67	2,83,400	Nil
The Ramaraju Surgical Cotton Mills Limited	123	5,22,050	Nil

Electrical energy:

Name of the Related Party	Quantity (Units)		
Thanjavur Spinning Mill Limited	28,72,804	1,80,77,917	Nil
The Ramaraju Surgical Cotton Mills Limited	20,49,473	1,31,91,454	Nil
Sri Vishnu Shankar Mill Ltd	18,94,406	1,22,64,799	Nil
Rajapalayam Mills Ltd	41,02,214	2,67,11,671	Nil
Sandhya Spinning Mill Ltd	15,09,416	1,00,57,557	Nil
Rajapalayam Spinners Pvt Ltd	6,02,658	38,88,784	Nil
Ramco Industries Limited	9,95,990	67,35,142	Nil

Others:

Ramco Industries Limited

Flyash		11,69,973	Nil
Grinding media		1,18,417	Nil

5. Cost of goods & services purchased/availed:

Name of the Related Party	Value of Goods and Services (Rs.)	Outstanding as on 31-3-2011 (Rs.)	Nature of goods / services
Ramco Industries Limited	5,12,766	Nil	Purchase of fibre sheets & silicate boards
Ramco Systems Limited	12,54,60,200	16,90,571	Purchase of software/ hardware products and availing software related services.
The Ramaraju Surgical Cotton Mills Limited	2,081	Nil	Purchase of cotton & bandages
Rajapalayam Mills Ltd	3,134	Nil	Cotton waste
Sri Harini Textiles Limited	3,636	Nil	Yarn waste



6. *Corporate Guarantee given:*

Beneficiary	Bank Name	Guarantee Amount (Rs.)
Thanjavur Spinning Mill Limited	Axis Bank Ltd	10,00,00,000
	Tamilnad Mercantile Bank Ltd	21,00,00,000
Ramco Systems Limited	Canara Bank	50,00,00,000
	Punjab & Sind Bank	15,00,00,000
	Kotak Mahindra Bank Ltd	10,00,00,000
	Indian overseas Bank	20,00,00,000
	Karur Vysya Bank Ltd	20,00,00,000
Sandhya Spinning Mill Ltd	Indian Bank	59,38,00,000

7. *Rent Receipts:*

Name of the Related Party	Rent receipts (Rs.)	Outstanding as on 31-3-2011 (Rs.)
Ramco Systems Limited	7,82,28,129	Nil

8. *Amount received by virtue of joint ownership of shares of APGPCL:*

Name of the Related Party	Amount (Rs.)	Outstanding receivable as on 31-3-2011 (Rs.)
Rajapalayam Mills Ltd	3,88,076	Nil
The Ramaraju Surgical Cotton Mills Limited	3,63,787	Nil
Sri Vishnu Shankar Mill Ltd	3,87,406	Nil
Sandhya Spinning Mill Ltd	3,82,476	Nil
Sri Harini Textiles Limited	3,65,245	Nil

9. *Sale of Wind electric generators with capacity of 800 KW each:*

Name of the Related Party	No. of machines	Amount (Rs.)	Outstanding as on 31-3-2011 (Rs.)
Rajapalayam Mills Ltd	11	47,59,15,985	Nil
The Ramaraju Surgical Cotton Mills Limited	3	13,05,53,142	Nil
Sri Vishnu Shankar Mill Ltd	4	17,41,15,675	Nil
Sandhya Spinning Mill Ltd	7	30,40,96,790	Nil
Rajapalayam Spinners Pvt Ltd	3	12,97,75,020	Nil
Thanjavur Spinning Mill Limited	5	21,80,07,603	Nil

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38. Additional information pursuant to provision of paragraphs III & IV of part II of the Schedule VI of the Companies Act, 1956.

(a) Annual Capacities and Production Installed		UOM	2010-11	2009-10
– Cement (*)	Tons		1,04,90,000	1,04,90,000
– Readymix Concrete	Cu.Mtr/Hour		112	112
– Dry Mortar Mix	Tons		3,00,000	3,00,000
– Wind Mills	MW		159.19	185.59
– Satellite Clinker Grinding facility (*)	Tons		19,50,000	19,50,000
Production				
– Cement	Tons		73,04,675	80,26,118
– Readymix Concrete	Cu.Mtr		59,589	44,501
– Dry Mortar Mix	Tons		27,156	23,508
– Power from Wind Mills	Lac-KWH		3,571.99	4,115.73

Note: (*) Capacity utilisation of clinker grinding facilities are subject to availability of clinker from mother plants.

(b) Particulars in respect of Sales, Opening and Closing Stock of goods manufactured:

	UOM	2010-11		2009-10	
		Quantity	Value (Rs.)	Quantity	Value (Rs.)
Opening Stock					
– Cement	Tons	1,17,755	29,45,78,033	52,444	15,38,53,091
– Dry Mortar Mix	Tons	629	31,18,371	641	41,15,353
Sales					
– Cement (Ref: Note 1)	Tons	71,84,416	2782,82,75,797	78,88,207	2927,82,78,432
– Clinker	Tons	198	4,31,993	–	–
– RMC	Cu.Mtr	59,589	18,08,45,485	44,501	12,72,80,815
– Dry Mortar Mix	Tons	27,089	15,46,05,367	23,344	12,99,13,180
Self consumption:					
– Cement	Tons	70,548	18,71,10,444	65,681	18,21,27,600
– Dry Mortar Mix	Tons	179	4,64,677	176	6,53,048
Closing Stock :					
– Cement (Ref: Note 2)	Tons	1,56,930	38,53,82,819	1,17,755	29,45,78,033
– Dry Mortar Mix	Tons	653	38,69,861	629	31,18,371

Note:

- 1) Including Exports of 6,825 Tons (PY: 13,287 Tons)
- 2) After adjusting handling loss, samples for testing and loss in transit.



(c) Raw Materials consumed

Raw Materials consumed	UOM	2010-11		2009-10	
		Quantity	Value (Rs.)	Quantity	Value (Rs.)
1) Cement					
Captive Limestone	Tons	67,85,326	138,53,29,264	72,33,294	131,47,93,855
Purchased Limestone	Tons	15,64,908	53,80,94,260	16,67,333	47,60,00,646
Imported Limestone	Tons	7,446	1,09,10,272	41,283	6,57,52,734
Pozzolana Material	Tons	14,31,941	71,95,64,575	15,66,686	70,61,29,663
Gypsum	Tons	2,95,066	42,05,11,813	2,99,013	41,42,52,628
Laterite	Tons	1,31,094	15,87,04,980	1,52,583	17,73,13,461
Red Mud	Tons	78,639	3,81,07,653	55,362	2,46,65,793
Iron Ore	Tons	48,565	4,50,64,999	38,972	4,22,34,353
Clay	Tons	45,582	1,35,01,925	55,221	1,56,62,497
Feldspar	Tons	25,430	1,91,78,215	81,640	8,10,76,827
Slag	Tons	5,248	36,54,309	4,503	40,45,399
Blue Dust	Tons	2,877	26,40,975	34,310	3,04,18,121
Lime Sludge	Tons	1,620	1,19,406	16,481	11,10,290
Bauxite	Tons	630	6,12,019	14,549	1,42,04,732
Freight & Handling - Inter unit clinker transfer	—	—	51,77,75,111	—	42,74,66,971
Material Handling Expenses	—	—	4,76,79,309	—	8,34,02,059
2) Ready Mix Concrete					
Cement	Tons	14,375	4,54,63,938	11,883	3,91,23,118
Sand / Crushed sand	Tons	27,443	1,35,45,234	32,504	95,44,153
Blue Metal	Tons	66,957	3,05,82,895	50,492	2,22,13,792
Admixtures	Kgs	1,02,971	29,90,569	92,630	27,94,820
Blue Metal Dust	Tons	18,560	34,50,547	—	—
Others	Tons	5,308	30,92,343	3,463	12,14,169
3) Dry Mortar Mix					
Cement	Tons	16,026	4,40,45,485	14,730	4,50,41,027
White Cement	Tons	620	54,26,212	428	35,73,629
Hydrated lime	Tons	17	73,813	177	7,53,652
Flyash	Tons	3,960	22,26,341	3,841	13,36,042
Sand	Tons	4,677	24,72,549	2,933	11,56,003
Additives	Kgs	94,291	2,30,83,632	69,039	1,89,73,096
			409,79,02,643	402,42,53,530	

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(d) Value of imports calculated on C.I.F. basis	2010-11 (Rs.)	2009-10 (Rs.)
Raw Materials	5,33,00,883	4,85,32,825
Components and Spare Parts	9,25,95,725	44,32,28,313
Capital Goods	96,03,05,801	46,28,29,202
(e) Expenditure in Foreign Currencies	131,27,37,475	177,84,21,630
(f) Earnings in Foreign Exchange	1,86,41,271	4,65,98,430
(g) Exports	1,86,41,271	4,65,98,430
(h) Value of Raw Materials, Stores & Spare parts consumed:	2010-11	2009-10
	Rs. %	Rs. %
(i) Raw materials		
Imported	5,88,63,436 1.44	17,44,53,131 4.34
Indigenous	403,90,39,207 98.56	384,98,00,399 95.66
	<u>409,79,02,643 100.00</u>	<u>402,42,53,530 100.00</u>
(ii) Components & Spare parts		
Imported	4,95,20,832 7.54	10,68,05,260 12.66
Indigenous	60,70,54,572 92.46	73,67,29,931 87.34
	<u>65,65,75,404 100.00</u>	<u>84,35,35,191 100.00</u>

39. The figures of previous year have been regrouped / restated wherever necessary.

As per our report annexed

Signatures to Schedules 'A' to 'V'

For M.S.JAGANNATHAN &
N.KRISHNASWAMI
Chartered Accountants
K.SRINIVASAN
Partner
Membership No. 21510

For CNGSN & ASSOCIATES
Chartered Accountants
C.N.GANGADARAN
Partner
Membership No.11205

P.R.RAMASUBRAHMANEYA RAJHA
Chairman & Managing Director

K.SELVANAYAGAM
Secretary

A.RAMAKRISHNA
R.S. AGARWAL
M.B.N.RAO
Directors

Chennai
25-5-2011



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

		2010-11	(Rs. in lacs) 2009-10
Cash flow from operating activities			
Net profit before tax		29718.35	53032.66
Adjustments for:			
(Profit)/Loss on sale of assets		(217.87)	4.36
Depreciation		22076.67	19608.57
Interest & Dividend received		(439.08)	(448.09)
Interest paid		13927.91	15087.56
Deferred revenue expenditure written off		459.38	325.93
Operating profit before working capital changes		65525.36	87610.99
Adjustments for:			
Trade and other receivables		(579.72)	(11214.74)
Inventories		2026.92	(8365.28)
Trade payables		2988.95	9034.95
Cash generated from operations		69961.51	77065.92
Direct Taxes paid		(7330.92)	(8931.29)
Net cash from operating activities	A	62630.59	68134.63
Cash flow from Investing activities			
Purchase of fixed assets		(83682.21)	(58704.92)
Sale of fixed assets		13908.03	1574.94
Interest & Dividend received		439.08	448.09
Purchase of Investments		(2.00)	(1.78)
Redemption of Investments		0.00	0.25
Net cash used in investing activities	B	(69337.10)	(56683.42)
Cash flow from financing activities			
Proceeds from long term borrowings		138640.08	54035.82
Proceeds from short term borrowings		8188.85	6006.35
Repayment of long term borrowings		(109529.88)	(35057.42)
Repayment of short term borrowings		(6000.00)	(11840.25)
Increase/(decrease) in working capital borrowings		(8833.26)	(2838.90)
Payment of dividend and tax thereon		(1389.45)	(6970.28)
Interest paid		(13927.91)	(15087.56)
Net cash from financing activities	C	7148.43	(11752.24)
Net increase / (decrease) in cash and cash equivalents	(A+B+C)	441.92	(301.03)
Opening balance of cash and cash equivalents	D	3559.85	3860.88
Closing balance of cash and cash equivalents	E	4001.77	3559.85
Net increase / (decrease) in cash and cash equivalents (E-D)		441.92	(301.03)

As per our report annexed

For M.S.JAGANNATHAN &
N.KRISHNASWAMI
Chartered Accountants
K.SRINIVASAN
Partner
Membership No. 21510

For CNGSN & ASSOCIATES
Chartered Accountants
C.N.GANGADARAN
Partner
Membership No.11205

P.R.RAMASUBRAHMANEYA RAJHA
Chairman & Managing Director

K.SELVANAYAGAM
Secretary

A.RAMAKRISHNA
R.S. AGARWAL
M.B.N.RAO
Directors

Chennai
25-5-2011

MADRAS CEMENTS LTD.

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

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I Registration Details

Registration No State Code

Balance Sheet Date

II Capital raised during the year (Rs. in Thousands)

Public Issue Rights Issue

Bonus Issue Private Placement

III Position of Mobilisation and Deployment of Funds (Rs. in Thousands)

Total Liabilities Total Assets

SOURCES OF FUNDS

Paid-up Capital Reserves & Surplus

Secured Loans Unsecured Loans

Deferred Tax Liability

APPLICATION OF FUNDS

Net Fixed Assets Investments

Net Current Assets Misc. Expenditure

Accumulated Losses

IV Performance of Company (Rs. in Thousands)

Turnover* Total Expenditure

*Turnover includes sale of Cement, RMC, Dry Mortar Mix, Wind Mill Generation and Other Income

Profit before tax Profit after tax

Earnings per share (Rs.) Dividend Rate %

V Generic Names of Three Principal Products of the Company

Item Code No. (ITC Code)

Product Description

MADRAS CEMENTS LTD.

"RAMAMANDIRAM", RAJAPALAYAM - 626 117, TAMIL NADU

PROXY FORM

I/We Son of/Wife of/Daughter of.....
residing at being a member/
members of MADRAS CEMENTS LTD., do hereby appoint Sri/Smt/Miss.....
Son of/Wife of/Daughter of..... residing at
..... or failing him Sri/Smt/Miss
Son of/Wife of/Daughter of..... residing at.....
..... as my/our proxy to vote for
me/us on my/our behalf at the 53rd Annual General Meeting of the Company to be held on
Wednesday, the 10th August 2011 at 10.15 a.m. and at any adjournment thereof.

Signed this day of July / August 2011.

Folio No / DP ID / CL ID	No. of Shares

Affix 30 P
Revenue
Stamp and
Sign over it

N.B. : Any member entitled to attend and vote at the meeting is entitled to attend and either vote in person or by Proxy and that the Proxy need not be a member of the Company. This form thus completed should be deposited at the Registered Office of the Company at Rajapalayam before 10.15 a.m. on Monday, the 8th August 2011.

*Chairman & Managing Director,
Shri.P.R.Ramasubrahmaneya Rajha
visiting the Thermal Power Plant under
erection in Ariyalur.*



*Chairman & Managing Director,
Shri.P.R.Ramasubrahmaneya Rajha
inaugurating the re-use of non-bio
degradable wastes for co-processing in
the cement kiln at Ramasamy Raja Nagar.*

*Circular Stacker Reclaimer for Limestone
under erection at Ariyalur Line 2*



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YOU SURE HAVE A HEART,
SO YOU MUST HAVE SOME BLOOD TO DONATE



LET YOUR BLOOD RUSH IN
WHEN SOMEONE'S LIFE IS RUNNING OUT

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