



THE

INDIA CEMENTS

LIMITED

ANNUAL REPORT

2 0 0 9

63rd Annual General Meeting

Date : 7th August, 2009

Time : 10.00 A.M

Venue : Sathguru Gnanananda Hall
(Narada Gana Sabha)
No.314, T.T.K. Road
Alwarpet
Chennai 600 018

A REQUEST

The practice of distributing copies of Annual Report at the Annual General Meeting has been discontinued in view of the high cost of paper and printing. Shareholders are, therefore, requested to bring their copy of the Annual Report to the meeting.

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THE INDIA CEMENTS LIMITED



BOARD OF DIRECTORS

Sri N.Srinivasan	Vice Chairman & Managing Director
Sri N.Ramachandran	Executive Director
Ms Rupa Gurunath	
Sri B.S.Adityan	
Sri Arun Datta	(Nominee of IDBI Bank Limited)
Sri R.K.Das	
Sri N.R.Krishnan	
Sri V.Manickam	(Nominee of Life Insurance Corporation of India)
Sri A.Sankarakrishnan	
Sri N.Srinivasan	
Sri K.Subramanian	(Nominee of Housing and Urban Development Corporation Limited)

Auditors

Messrs Brahmayya & Co., and
Messrs P.S. Subramania Iyer & Co.,
Chartered Accountants
Chennai

Registered Office

"Dhun Building"
827, Anna Salai
Chennai - 600 002.

Cement Factories

TAMIL NADU

Sankarnagar,
Tirunelveli District.
Sankari,
Salem District.
Dalavoi,
Perambalur District.

ANDHRA PRADESH

Chilamakur & Yerraguntla,
Cuddapah District.
Vishnupuram,
Nalgonda District.
Malkapur,
Ranga Reddy District.

Grinding Units

TAMIL NADU

Vallur Village,
Tiruvallur District.

MAHARASHTRA

Parli Vaijnath,
Beed District.



THE INDIA CEMENTS LIMITED

Registered Office: "Dhun Building", 827, Anna Salai, Chennai 600 002.

NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the Sixtythird Annual General Meeting of The India Cements Limited will be held at 10.00 A.M. on Friday, the 7th August 2009, at Sathguru Gnanananda Hall, (Narada Gana Sabha), No.314, T.T.K. Road, Alwarpet, Chennai 600 018, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Directors' Report, the accounts of the Company for the year ended 31st March 2009 and the Auditors' Report thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in the place of Sri B.S.Adityan who retires by rotation and is eligible for reappointment.
4. To appoint a Director in the place of Sri K.Subramanian who retires by rotation and is eligible for reappointment.
5. To appoint a Director in the place of Sri R.K.Das who retires by rotation and is eligible for reappointment.
6. To appoint Auditors and fix their remuneration:

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

"RESOLVED THAT M/s.Brahmayya & Co., and M/s.P.S.Subramania Iyer & Co., Chartered Accountants, Chennai, be and are hereby appointed Auditors of the Company including its branch offices to hold office from the conclusion of the sixtythird Annual General Meeting until conclusion of the sixtyfourth Annual General Meeting and that their remuneration be and is hereby fixed at Rs.40,00,000/- each, exclusive of service tax and all travelling and out of pocket expenses which shall be reimbursed to them."

SPECIAL BUSINESS:

7. To appoint Sri N.Srinivasan as a Director of the Company and for that purpose to consider and if deemed fit, to pass the following ORDINARY RESOLUTION of which notice has been received from a member of the Company as required under Section 257 of the Companies Act, 1956:

"RESOLVED THAT Sri N.Srinivasan be and is hereby appointed as a Director of the Company subject to retirement by rotation."

8. To consider and if thought fit, to pass with or without modification, the following resolutions as ORDINARY RESOLUTIONS:

"RESOLVED THAT consent of the Company be and is hereby accorded in terms of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956, to mortgaging and / or charging by the Board of Directors of the Company and / or conferring power to enter upon and to take possession of the assets of the Company in certain events to or in favour of the following banks and IDFC to secure the following loans:

- (i) by way of first pari passu mortgage and charge on the immovable and movable fixed assets of the Company both present and future save and except book debts and subject to prior charge(s) created / to be created in favour of the Company's bankers on its current assets for securing the borrowings for working capital requirements, to and in favour of Punjab National Bank for its Rupee term loan of Rs.250 Crores;
- (ii) by way of first pari passu mortgage and charge on all the Company's immovable properties, present and future, pertaining to the cement manufacturing facilities to and in favour of Infrastructure Development Finance Company Limited (IDFC) for its Rupee term loan of Rs.75 Crores and

- (iii) by way of second pari passu mortgage and charge on the immovable and movable properties of the Company both present and future (other than current assets) to and in favour of banks for their revised fund based working capital facilities upto Rs.400 crores and non-fund based working capital facilities upto Rs.350 crores

together with interest thereon at the agreed rate, compound interest, additional interest, liquidated damages, commitment charges, premia on prepayment, costs, charges, expenses and other monies payable by the Company to the aforesaid banks and IDFC in terms of their heads of agreements / loan agreements / hypothecation agreements / subscription agreements / letters of sanction / memorandum of terms and conditions entered into / to be entered into by the Company in respect of the said loans."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to finalise with the said banks and IDFC the documents for creating the aforesaid mortgage and/or charge and to do all such acts and things as may be necessary for giving effect to the above resolution."

9. To consider and if thought fit, to pass with or without modification the following resolutions as SPECIAL RESOLUTIONS:

"RESOLVED THAT pursuant to the provisions of Section 81 and all other applicable provisions, if any, of the Companies Act, 1956 (including any amendment thereto or re-enactment thereof for the time being in force) and subject to all applicable laws and regulations including but not restricted to the provisions of the Foreign Exchange Management Act, 1999 (FEMA) (including any amendment thereto or re-enactment thereof for the time being in force), the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through Depository Receipt Mechanism) Scheme, 1993, (including any amendment thereto), Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, (including any amendment thereto), Foreign Exchange Management (Transfer or Issue of any Foreign Security) Regulations, 2004, (including any amendment thereto), SEBI (Disclosure & Investor Protection) Guidelines, 2000, (SEBI Guidelines) (including any amendment thereto), applicable listing agreements entered into by the Company with the stock exchanges where the Company's Securities are listed (including any amendment thereto) and in accordance with the relevant provisions of the Memorandum and Articles of Association of the Company and subject to all necessary approvals, consents, permissions and/or sanctions of the Government of India (GOI), Reserve Bank of India (RBI), Securities and Exchange Board of India (SEBI), financial institutions, lenders and all other appropriate and/or relevant/concerned authorities, and subject to such conditions and modifications as may be prescribed by any of them while granting any such approval, consent, permission and/or sanction which the Board of Directors of the Company (the Board) (which term shall be deemed to include any Committee which the Board may have constituted or hereafter may constitute for exercising the powers conferred on the Board by this resolution), be and is hereby authorised to accept, if it thinks fit and in the interest of the Company, the Company do offer, issue, and allot from time to time, on such terms and conditions as may be decided and deemed appropriate by the Board in its absolute discretion at the time of issue or allotment, in one or more tranches, by way of public issue, preferential issue or private placement, offerings in Indian and / or International markets, further equity shares and/or Global Depository Shares (GDSs) and / or Global Depository Receipts (GDRs) and / or securities convertible into equity shares, and / or American Depository Receipts (ADRs) and/or Foreign Currency Convertible Bonds (FCCBs) representing Equity Shares and / or Debentures or Bonds convertible into Equity shares whether fully or partly and whether compulsorily or at the option of the Company or the holders thereof and/or any security linked to equity shares and / or Preference Shares whether cumulative / fully convertible and/or all or any of the aforesaid securities with or without detachable or non-detachable warrants, as the Company may be advised (hereinafter collectively referred to as the "Securities") to eligible resident or non-resident / foreign investors (whether institutions and/or incorporated bodies and/or individuals and/or trusts and/or otherwise) / Foreign Institutional Investors (FIIs) / Qualified Institutional Buyers (QIBs) / Foreign Corporate Bodies (FCBs) / Foreign Companies / Mutual Funds / Pension Funds / Venture Capital Funds / Banks, Indian or of foreign origin and such other persons or entities, including the general public whether or not such investors are members of the Company, to all or any of them, jointly or severally to be subscribed in Indian and/or Foreign currency(ies) through prospectus, offering letter, circular, memorandum and / or through any other mode as may be deemed appropriate by the Board for an amount not exceeding US\$ 100 million (US Dollar One hundred million only), including any premium and Green Shoe Option attached thereto, on such terms and conditions including pricing as the Board may in its sole discretion decide including the form and the persons to whom such securities may be issued and all other terms and conditions like price or prices, including premium, at



such interest or additional interest, at a discount or at a premium on the market price or prices and in such form and manner and on such terms and conditions or such modifications thereto, including the number of Securities to be issued, face value, rate of interest, redemption period, manner of redemption, amount of premium on redemption / prepayment, number of further equity shares to be allotted on conversion / redemption / extinguishment of debt(s), exercise of rights attached to the warrants, the ratio of exchange of shares and / or warrants and/or any other financial instrument, period of conversion, fixing of record date or book closure and all other related or incidental matters as the Board may in its absolute discretion think fit and decide in consultation with the appropriate authority(ies), the merchant banker(s) and/or book runner(s) and/or lead manager(s) and / or underwriter(s) and / or advisor(s) and / or trustee(s) and / or such other person(s), but without requiring any further approval or consent from the shareholders and also subject to the applicable regulations / guidelines for the time being in force."

"RESOLVED FURTHER THAT without prejudice to the generality of the above and subject to all applicable laws, the aforesaid issue of Securities may have all or any terms or combination of terms including but not limited to conditions in relation to payment of interest, additional interest, premium on redemption, prepayment and any other debt service payments whatsoever and all such terms as are provided in issue of securities of this nature internationally including terms for issue of equity shares upon conversion of the Securities or variation of the conversion price of the Securities during the term of the Securities."

"RESOLVED FURTHER THAT the Board be and is hereby authorised if it deems fit in its absolute discretion, to allot Securities upto 15% (fifteen percent) of issue if relevant and appropriate, so however, the overall quantum of money raised including any premium shall be for an amount not exceeding US\$ 100 million, to the Stabilisation Agent by availing a Green Shoe Option subject to the provisions of relevant guidelines, as may be applicable, and enter into and execute all such agreements and arrangements with any Merchant Banker(s), Book Runner(s), Lead Manager(s), Co-Lead Manager(s), Manager(s), Advisor(s), Underwriter(s), Guarantor(s), Depository(ies), Custodian(s), Trustee(s), Stabilisation Agent as the case may be, involved or concerned in such offerings of Securities and to pay all such fee / expenses as may be mutually agreed between the Company and the said Stabilisation Agent."

"RESOLVED FURTHER THAT in the event of issue of securities by way of Global Depository Shares (GDSs) and / or Global Depository Receipts (GDRs) and / or securities convertible into equity shares, and / or American Depository Receipts (ADRs) and / or Foreign Currency Convertible Bonds(FCCBs), the relevant date on the basis of which price of resultant shares shall be determined as specified under applicable law, shall be the date of the meeting in which the Board or the Committee of Directors duly authorized by the Board decides to open the proposed issue of securities."

"RESOLVED FURTHER THAT in the event of issue of securities by way of a Qualified Institutional Placement in terms of Chapter XIII-A of SEBI (Disclosure & Investor Protection) Guidelines, 2000:

- (i) the relevant date on the basis of which price of resultant shares shall be determined as specified under applicable law, shall be the date of the meeting in which the Board or the Committee of Directors duly authorized by the Board decides to open the proposed issue of securities;
- (ii) the allotment of securities shall be completed within 12 months from the date of this resolution approving the proposed issue or such other time as may be allowed by the relevant SEBI Guidelines from time to time; and
- (iii) the Securities shall not be sold for a period of one year from the date of allotment, except on a recognized stock exchange, or except as may be permitted from time to time by the relevant SEBI Guidelines."

"RESOLVED FURTHER THAT the Securities issued in foreign markets shall be deemed to have been made abroad and / or in the market and / or at the place of issue of the securities in the international market and may be governed by applicable foreign laws."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to enter into and execute all such agreements and arrangements with any merchant banker(s), book runner(s), lead manager(s), co-lead manager(s), manager(s), advisor(s), underwriter(s), guarantor(s), depository(ies), custodian(s), trustee(s), Stabilisation agent and all such agencies as may be



involved or concerned in such offerings of Securities and to remunerate all such agencies by way of commission, brokerage, fees, expenses incurred in relation to the issue of Securities and other expenses, if any, or the like and also to seek listing of underlying shares / securities in one or more Indian / International stock exchanges."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to finalise and approve the offering circular / placement document for the proposed issue of the securities and to authorize any director or directors of the Company or any other officer or officers of the Company to sign the above documents for and on behalf of the Company together with the authority to amend, vary or modify the same as such authorized persons may consider necessary, desirable or expedient and for the purpose aforesaid to give such declarations, affidavits, certificates, consents and/or authorities as may, in the opinion of such authorized person, be required from time to time, and to arrange for the submission of the offering circular / placement document, and any amendments and supplements thereto, with any applicable stock exchanges (whether in India or abroad), government and regulatory authorities, institutions or bodies, as may be required."

"RESOLVED FURTHER THAT the Board and/or an agency or body authorised by the Board may issue or authorise the issue of Depository Receipt(s) / Share Certificate(s) / foreign currency convertible bonds and/or other forms of securities, representing the Securities issued by the Company in registered or bearer form with such features and attributes as are prevalent in Indian and/or International capital markets for instruments of this nature and to provide for the tradability or free transferability thereof, as per the Indian / International practices and regulations and the recording of any amendment thereto with the United States Securities and Exchange Commission and such other relevant regulatory authority as may be necessary and under the norms and practices prevalent in the Indian / International markets."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to issue and allot such number of equity shares as may be required to be issued and allotted upon conversion of any securities or as may be necessary in accordance with the terms of the offering, all such equity shares ranking pari passu with the existing equity shares of the Company in all respects including dividend."

"RESOLVED FURTHER THAT subject to the applicable laws, such of these Securities to be issued, as are not subscribed, may be disposed of by the Board to such person(s) and in such manner and on such terms as the Board may in its absolute discretion think most beneficial to the Company, including offering or placing them with resident or non-resident / foreign investor(s) (whether institutions and/or incorporated bodies and/or individuals and/or trusts and/or otherwise) / Foreign Institutional Investors (FIIs) / Qualified Institutional Buyers (QIBs)/ Foreign Corporate Bodies (FCBs)/ Foreign Companies/ Mutual Funds / Pension Funds / Venture Capital Funds / banks and/or employees and business associates of the Company or such other person(s) or entity(ies) or otherwise, to all or any of them, jointly or severally, whether or not such investors are members of the Company, as the Board may in its absolute discretion decide."

"RESOLVED FURTHER THAT for the purpose of giving effect to the above resolutions, the Board be and is hereby authorised on behalf of the Company to agree to and make and accept such conditions, modifications and alterations stipulated by any of the relevant authorities while according approvals, consents or permissions to the issue as may be considered necessary, proper and expedient and to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable for such purpose, including without limitation the entering into of underwriting, marketing, depository, custodian and trustee arrangements and with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in regard to any such issue(s) / offer(s) or allotment(s) or otherwise and utilisation of the issue proceeds and / or otherwise to alter or modify the terms of issue, if any, as it may in its absolute discretion deem fit and proper without being required to seek any further consent or approval of the Company to the end and intent and the Company shall be deemed to have given its approval thereto expressly by the authority of this resolution."

"RESOLVED FURTHER THAT the Board or any director(s) or any officer(s) of the Company designated by the Board be and is/are hereby authorised on behalf of the Company to do such acts, deeds, matters and things as it/they may at its/their discretion deem necessary or desirable for such purpose, including without limitation, if required, filing a Registration Statement and other relevant documents with United States Securities and Exchange Commission, or such other regulatory authority



as may be necessary for listing the Securities on the Luxembourg Stock Exchange and/or New York Stock Exchange ("NYSE") and/or NASDAQ and/or London Stock Exchange and/or Singapore Exchange Securities Trading Limited and/or such other international stock exchanges and the entering into of depository arrangements in regard to any such issue or allotment as it/they may in its/their absolute discretion deem fit."

"RESOLVED FURTHER THAT pursuant to Sec.293 (1)(a) and other applicable provisions of the Companies Act, 1956, the Board be and is hereby authorised to secure, if deemed fit and relevant, the entire or any part of the Securities together with interest, costs, charges and other amounts payable in respect thereof by creation of mortgage/charge on the whole or part of the Company's immovable and/or movable properties/undertakings, present and/or future with such ranking and other terms as may be decided by the Board and for that purpose to accept such terms and conditions and to execute such documents and writings as the Board may consider necessary or proper. "

"RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any committee of Directors or Managing Director or any Director or any other officer or officers of the Company to give effect to the aforesaid resolutions."

NOTES:

1. Explanatory Statement is annexed to the Notice of the Sixtythird Annual General Meeting of the Company as required by Section 173(2) of the Companies Act, 1956 in respect of item nos.7 to 9.
2. Details pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges in respect of Directors seeking appointment/ reappointment at the Annual General Meeting are separately annexed hereto for items no. 3, 4, 5 & 7.
3. ANY MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. THE PROXIES SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 4th August 2009 to 7th August 2009 (both days inclusive).
5. The Equity dividend, if declared, will be paid on or before 5th September 2009 to those Members (or their mandatees) whose names will appear in the Company's Register of Members as on 7th August 2009. In respect of shares held in electronic form, the dividend will be paid on the basis of beneficial ownership as per details furnished by the depositories for this purpose.
6. Members are requested to contact the Registrar and Share Transfer Agent for all matters connected with the Company's shares at: Integrated Enterprises (India) Limited, 2nd Floor, 'Kences Towers', No.1, Ramakrishna Street, North Usman Road, T. Nagar, Chennai 600017. Tel.:044-28140801 to 28140803 & Fax : 044-28142479 Email: sureshbabu@iepindia.com

Members holding shares in physical form are requested to notify change of address, if any, to the Registrar and Share Transfer Agent (RTA). Members holding shares in physical form in more than one folio are requested to write to the RTA immediately enclosing their share certificates for consolidation of their holdings into one folio. In order to provide protection against fraudulent encashment of dividend warrants, Members are requested to provide, if not already provided, their bank account number, name of the bank and address of the branch, quoting their folio numbers, to the Registered Office of the Company or RTA.

7. Members holding shares in the dematerialised mode are requested to intimate all changes with respect to their bank details, mandate, nomination, power of attorney, change of address, etc. to their Depository Participant (DP). These changes will be automatically reflected in the Company's records.



8. Unclaimed dividends upto and including for the financial year 1994-95 have been transferred to the General Revenue Account of the Central Government. Shareholders who have not encashed their dividend warrants relating to financial year(s) upto 1994-95 may claim the same from the Registrar of Companies, Tamil Nadu-I, Chennai, No.26, Haddows Road, Chennai 600006, in the prescribed form which will be supplied by the Company/RTA on request.
9. Unclaimed dividends for the financial years from 1995-96 to 2000-01 have been transferred to Investor Education and Protection Fund. Dividend for the financial years ended 31st March, 2007 and 31st March, 2008, which remain unpaid or unclaimed for a period of 7 years will be transferred to the Investor Education and Protection Fund established under Section 205C of the Companies Act, 1956. Shareholders who have not encashed the dividend warrant(s) so far for the financial years ended 31st March, 2007 and 31st March, 2008 are requested to make their claim forthwith to the Registered Office of the Company/RTA. It may be noted that once the unclaimed dividend is transferred to the Investor Education and Protection Fund, as above, no claim shall lie in respect thereof.
10. Under the provisions of Section 109A and 109B of the Companies Act, 1956, shareholder(s) is/are entitled to nominate in the prescribed manner, a person to whom his/her/their shares in the Company, shall vest after his/her/their lifetime. Members who are holding shares in physical form and are interested in availing this nomination facility are requested to write to the Company/RTA.
11. The Company provides the facility of ECS to all shareholders, holding shares in electronic and physical forms, subject to availability of such facility at the respective location of such shareholders.

Shareholders holding shares in the physical form who wish to avail ECS facility, may authorise the Company with their ECS Mandate in the prescribed form, which can be obtained from the Company / RTA.

(By order of the Board)

for THE INDIA CEMENTS LIMITED
G BALAKRISHNAN
President & Company Secretary

Place : Chennai
Date : 27th June, 2009



PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGES, FOLLOWING INFORMATION ARE FURNISHED ABOUT THE DIRECTORS PROPOSED TO BE APPOINTED / REAPPOINTED, VIDE ITEMS NO. 3, 4, 5 & 7 OF NOTICE DATED 27TH JUNE, 2009.

(i) Name of the Director Date of Birth Date of appointment on the Board as Director Date of last reappointment as Director Expertise in specific functional areas Qualification Number of Equity Shares held in the Company by the Director or for other persons on a beneficial basis List of outside Directorships held in Public Companies Chairman / Member of the Committees of Board of Directors of the Company Chairman / Member of the Committees of Board of Directors of other Companies in which he is a Director Relationship with other Directors	: Sri B.S.Adityan : 24th September 1936 : 7th March 1967 : 24th September 2007 : Industry : Bachelor of Arts : 12704 : 1. Sun Paper Mill Limited : 2. India Cements Capital Limited : 3. MIOT Hospitals Limited : 1. Audit Committee - Chairman : 2. Shareholders'/Investors' Grievance Committee - Chairman : India Cements Capital Limited - Audit Committee - Chairman : Nil
(ii) Name of the Director Date of Birth Date of appointment on the Board as Director Date of last reappointment as Director Expertise in specific functional areas Qualification Number of Equity Shares held in the Company by the Director or for other persons on a beneficial basis List of outside Directorships held in Public Companies Chairman / Member of the Committees of Board of Directors of the Company Chairman / Member of the Committees of Board of Directors of other Companies in which he is a Director Relationship with other Directors	: Sri K.Subramanian : 15th February 1954 : 20th April 2007 : 24th September 2007 : Executive Director (Consultancy & Works), Housing and Urban Development Corporation Limited, Chennai : B.E.(Civil), M.E.(P.H.E.), PGD SanEngg.(Delft) : Nil : 1. Ind Bank Housing Limited : 2. Signa Infrastructure India Limited : Nil : Ind Bank Housing Limited : - Audit Committee - Member : - Shareholders'/Investors' Grievance Committee - Member : Nil
(iii) Name of the Director Date of Birth Date of appointment on the Board as Director Date of last reappointment as Director Expertise in specific functional areas Qualification Number of Equity Shares held in the Company by the Director or for other persons on a beneficial basis List of outside Directorships held in Public Companies	: Sri R.K.Das : 23rd May 1933 : 1st October 2004 : 28th August 2008 : Technical : B.E (Mech.) M.I.E : 1500 : 1. Coromandel Sugars Limited : 2. ICL Financial Services Limited : 3. ICL International Limited : 4. ICL Securities Limited

	5. ICL Shipping Limited 6. Industrial Chemicals & Monomers Limited 7. Raasi Cement Limited
Chairman / Member of the Committees of Board of Directors of the Company	: Nil
Chairman / Member of the Committees of Board of Directors of other Companies in which he is a Director	: Nil
Relationship with other Directors	: Nil
(iv) Name of the Director	: Sri N.Srinivasan
Date of Birth	: 27th July 1931
Date of appointment on the Board as Director	: 30th September 2006
Date of last reappointment as Director	: Not Applicable
Expertise in specific functional areas	: Chartered Accountant
Qualification	: B.Com., F.C.A.
Number of Equity Shares held in the Company by the Director or for other persons on a beneficial basis	: Nil
List of outside Directorships held in Public Companies	: 1. Ador Fontech Limited 2. Amco Batteries Limited 3. Best & Crompton Engg. Limited 4. Essar Shipping Ports & Logistics Limited 5. GATI Limited 6. India Cements Capital Limited 7. Mcdowell Holdings Limited 8. Redington (India) Limited 9. TAFE Motors & Tractors Limited 10. The Andhra Pradesh Paper Mills Limited 11. The United Nilgiri Tea Estates Co. Limited 12. Tractors & Farm Equipments Limited 13. UB Engineering Limited 14. United Breweries (Holdings) Limited
Chairman / Member of the Committees of Board of Directors of the Company	: Audit Committee - Member
Chairman / Member of the Committees of Board of Directors of other Companies in which he is a Director	: 1. Amco Batteries Limited - Audit Committee - Member 2. Essar Shipping Ports & Logistics Limited - Audit Committee - Member 3. GATI Limited - Audit Committee - Chairman 4. India Cements Capital Limited - Audit Committee - Member 5. TAFE Motors & Tractors Limited - Audit Committee - Chairman 6. The Andhra Pradesh Paper Mills Limited - Audit Committee - Member 7. Tractors & Farm Equipments Limited - Audit Committee - Chairman 8. UB Engineering Limited - Audit Committee - Chairman 9. United Breweries (Holdings) Limited - Audit Committee - Chairman
Relationship with other Directors	: Nil



EXPLANATORY STATEMENT ANNEXED TO THE NOTICE OF THE SIXTYTHIRD ANNUAL GENERAL MEETING OF THE COMPANY IN RESPECT OF ITEMS NO. 7 to 9 OF NOTICE DATED 27th JUNE, 2009.

Item No.7:

Sri N.Srinivasan was appointed by the Board as a Director of the Company on 30th September 2006 to fill in the casual vacancy caused by the resignation of Sri V.M.Mohammed Meeran. Under the provisions of Article 105 of the Articles of Association of the Company read with Section 262 of the Companies Act, 1956, Sri N.Srinivasan will hold the office upto the date of sixtythird Annual General Meeting. Notice in writing under Section 257 of the Companies Act, 1956 has been received along with necessary deposit from a member signifying his intention to propose the appointment of Sri N.Srinivasan as a Director at the sixtythird Annual General Meeting.

Sri N.Srinivasan is a Commerce Graduate and Fellow Member of the Institute of Chartered Accountants of India since 1955. He was a Senior Partner of the well known Firm, M/s Fraser & Ross, which is a Member Firm of a Multi National Firm of Deloitte Haskins & Sells. He was the past President of the Institute of Internal Auditors - India and has been on the Board of Directors of the Institute of Internal Auditors Inc. Florida, USA for two years. He is closely associated with development of the profession of accounting and auditing in India and having been the past Chairman of the Southern India regional council and central council member of the Institute of Chartered Accountants of India for a term. He was the past president of Madras Chamber of Commerce, Madras Management Association, Indo-Australian Chamber of Commerce, Indo-American Chamber of Commerce (Southern Region) and past Dy.President of Associated Chamber of Commerce & Industry.

This ordinary resolution is submitted to the members for approval.

Interest of Directors:

Sri N.Srinivasan is interested in the resolution as it concerns his appointment. No other Director is directly or indirectly concerned or interested in this resolution.

Item No.8:

- (i) The Company has availed financial assistance in the form of Rupee Term Loan of Rs.250 Crores from Punjab National Bank for the purpose of refinancing existing debts. One of the terms and conditions set out by Punjab National Bank in its sanction letter dated 7th May 2009 is that the financial assistance is required to be secured by first pari passu mortgage and charge on the immovable and movable fixed assets of the Company both present and future.
- (ii) The Company has been sanctioned financial assistance in the form of Rupee Term Loan of Rs.75 Crores from Infrastructure Development Finance Company Limited. One of the terms and conditions set out by Infrastructure Development Finance Company Limited in its sanction letter dated 5th June 2009 is that the financial assistance is required to be secured by first pari passu mortgage and charge on all the Company's immovable properties, present and future, pertaining to the cement manufacturing facilities.
- (iii) The Board of Directors at its meeting held on 31st October, 2008 passed necessary resolutions for availing from banks revised fund based and non-fund based working capital facilities upto Rs.750 crores. The Company is in the process of signing an agreement with various banks for availing the said facilities. The revised facilities are inter alia, required to be secured by second pari passu mortgage and charge on the immovable and movable properties of the Company (other than current assets) both present and future.

Section 293(1)(a) of the Companies Act, 1956, provides, inter alia, that the Board of Directors of a public company shall not, without the consent of such public company in general meeting, sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company, or where the Company owns more than one undertaking, of the whole or substantially the whole of any such undertaking. Since the mortgaging by the Company of its immovable and movable properties as aforesaid may be regarded as disposal of the Company's properties/undertakings, it is necessary for the members to pass a resolution under Section 293(1)(a) of the Companies Act, 1956, for creation of the said mortgage / charge. Hence the resolution.

Inspection of Documents:

Copies of sanction letters dated 7th May 2009 and 5th June 2009 received from Punjab National Bank & Infrastructure Development Finance Company Limited and Copy of Board resolution dated 31st October, 2008 are available for inspection of the shareholders at the Registered Office of the Company between 11.00 A.M. and 1.00 P.M. on any working day prior to the date of the meeting and will also be available for inspection at the meeting.

Interest of Directors:

No Director of the Company except Mr.Arun Datta representing IDBI Bank Limited is directly or indirectly concerned or interested in this resolution.

Item No.9:

The company is in the process of executing various projects including setting up of cement capacities in North India as also setting up of Thermal Power plants in Tamil Nadu and Andhra Pradesh. Also the Foreign Currency Convertible Bonds (FCCBs) issued by the company during May 2006 are coming up for redemption in May 2011. The conversion price for these bonds is Rs.305.57 and in the present market conditions, it is likely that a significant portion of these debentures may come up for redemption in May 2011. The total redemption value of these bonds is about USD 110.78 million.

Considering the requirement of funds for the above as well as for other purposes and based on the advice of Investment Bankers, it is considered prudent to raise funds by way of offerings in Indian and/or International markets, securities convertible into equity shares, including Foreign Currency Convertible Bonds (FCCBs) / Global Depository Shares (GDSs) / Global Depository Receipts (GDRs) / American Depository Receipts (ADRs) and / or Debentures or Bonds convertible into equity shares whether fully or partly and whether compulsorily or at the option of the Company or the holders thereof and/or any security linked to equity shares and / or Preference Shares whether cumulative / redeemable / partly redeemable / partly convertible / fully convertible and/or all or any of the aforesaid securities with or without detachable or non-detachable warrants, (hereinafter collectively referred to as the "Securities") to be subscribed in Indian and/or foreign currency(ies) for an amount not exceeding USD 100 million.

The funds to be raised from the issue will be primarily used for capital expenditure, carrying out the various projects either directly or through subsidiaries, reduction of debts and for other corporate requirements subject to end use restrictions, if any under the applicable / appropriate guidelines / regulations in relation to the securities issued.

The exact proportion and size and timing of the issue of Securities will be decided by the Board based on the advice of merchant/ investment bankers, book runners and/or lead manager(s) and/or underwriter(s) and/or advisor(s) and/or trustee(s) and/or such other person(s).

The relevant date for the purpose of pricing of securities would be the date of the meeting in which the Board or the Committee of Directors duly authorized by the Board decides to open the proposed issue of securities.

Section 81 of the Companies Act, 1956 provides, inter alia, that where it is proposed to increase the subscribed share capital of the Company by issue and allotment of securities, such securities shall be offered to the persons who at the date of the offer are holders of the equity shares of the Company, in proportion to the capital paid-up on those shares as of that date unless the shareholders in a general meeting decide otherwise. The Listing Agreements executed by the Company with the various stock exchanges also provide that the Company shall issue or offer in the first instance all securities to the existing equity shareholders of the Company unless the shareholders in a general meeting decide otherwise.

These Special Resolutions seek the consent of the shareholders by authorising the Board to make the proposed issue of Securities and in the event of deciding to issue Securities convertible into equity shares, and/or preference shares, to issue to the holders of such convertible Securities in such manner and in such number of equity shares and/or preference shares at such time or times and price on conversion as may be required to be issued in accordance with the terms of the issue.

These Special Resolutions give adequate flexibility and discretion to the Board to finalise the nature of security, terms of the issue, in consultation with the merchant / investment bankers, book runners and/or lead manager(s) and/or underwriter(s) and/or advisor(s) and/or trustee(s) and/or such other person(s) as need to be consulted including in relation to the pricing of the issue.

The Securities may have to be secured by the creation of a mortgage and/or charge on all or any of the Company's immovable and/ or movable assets, both present and future in such form and manner and on such terms as may be deemed fit and appropriate by the Board and therefore it is necessary for the Company to pass a resolution under section 293(1)(a) of the Companies Act, 1956, for creation of the said mortgage or charge.

The resolutions set out in the notice are commended for approval of the shareholders.

Interest of Directors:

No director of the Company is directly or indirectly concerned or interested in the resolutions.

(By order of the Board)
for THE INDIA CEMENTS LIMITED

Place : Chennai
Date : 27th June, 2009

G BALAKRISHNAN
President & Company Secretary



TEN YEARS IN BRIEF - FINANCIAL INFORMATION
YEAR ENDED 31st MARCH

		2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Sales & Earnings											
1. Sales and other Income	Rs.Lakhs	141966	145137	131325	103300	123688	140230	183669	262088	360561	395454
2. Profit/(Loss) before tax	Rs.Lakhs	4731	5115	(757)	(30723)	(11273)	458	4998	49196	84464	64830
3. Cash Generated (internally)	Rs.Lakhs	12120	13416	7994	(22582)	(3122)	8335	12652	59459	96243	93097
Assets											
4. Fixed Assets (Net)	Rs.Lakhs	150202	149109	142562	134458	233387	220485	211497	293858	403937	471229
5. Capital Investments	Rs.Lakhs	12471	7437	2461	405	1971	2212	4896	14870	91990	95426
6. Current Assets	Rs.Lakhs	36093	37911	43572	28415	30796	38791	49803	73889	108735	83010
7. Loans and Advances	Rs.Lakhs	76733	102704	97769	103167	100022	98054	101439	97862	106206	131343
Capital & Reserves											
8. Share Capital	Rs.Lakhs	16339	16348	16359	16359	16359	16359	21577	26037	28187	28243
9. Reserves and Surplus*	Rs.Lakhs	57951	60251	42778	23795	12105	12132	57567	108319	224427	262559
10. Shareholders' Fund	Rs.Lakhs	74290	76599	59137	40154	28464	28491	79144	134356	252614	290802
Net worth, EPS & Dividend											
11. Net worth per equity share	(Rs.)	52.20	53.88	41.18	27.38	18.88	18.90	40.18	51.60	89.62	102.96
12. Earnings per equity share	(Rs.)	3.33	3.25	(0.06)	(14.74)	(7.13)	0.12	2.61	19.65	23.97	15.32
13. Equity Dividend Per Share	(Rs.)	1.8	1.8	—	—	—	—	—	1	2	2

* Figures exclude revaluation reserve and deferred income and after adjustment of deferred revenue expenditure.



DIRECTORS' REPORT

Your Directors have pleasure in presenting their **Sixtythird Annual Report** together with audited accounts for the year ended 31st March 2009.

	Rs. in Crores	
	For the year ended 31st March	
	2009	2008
FINANCIAL RESULTS		
Profit before Interest & Depreciation	1043.20	1120.43
Less: Interest & Other Charges	112.15	109.86
Less: Depreciation	203.32	127.92
Less: Forex Fluctuation Loss/(Gain)	79.43	(10.13)
Add: Transfer from Share Premium	—	12.68
Less: Shares/Bond issue expenses	—	12.68
Less: Extraordinary item	—	48.14
Profit before Tax	648.30	844.64
Fringe Benefit Tax	4.78	9.60
Deferred Tax	29.89	182.70
Provision for Taxation (net)	181.45	14.80
Profit after Tax	432.18	637.54
Add: Balance brought forward from last year	527.32	46.57
Less: Dividend proposed on Equity Capital (including Dividend Tax)	66.09	65.89
Less: Transfer to General Reserve	70.00	90.00
Less: Transfer to tonnage tax reserve	—	0.90
Balance carried in Profit & Loss A/c	823.41	527.32

DIVIDEND

The Board of Directors has recommended a dividend of Rs.2/- per equity share of Rs.10/- each. The Board has also recommended payment of such dividend reduced proportionately to the amount paid up on shares on which there are calls in arrears.

SHARE CAPITAL

The paid up equity share capital of the Company has increased to Rs.282.43 crores as on 31st March, 2009 comprising 28,24,28,370 shares of Rs.10/- each including the issue of 5,62,750 equity shares at a price of Rs.50/- per share (including premium of Rs.40/- per share) in April 2008, December 2008 and February 2009 on exercise of options in terms of India Cements Employees Stock Option Scheme, 2006 and excluding 3537 equity shares on which there were calls in arrears. Further, the Company has allotted in April 2009 32,750 equity shares of Rs.10/- each on exercise of options by more option grantees in terms of the said Scheme.

EMPLOYEE STOCK OPTION SCHEME

As many as 5,83,500 equity shares of Rs.10/- each were issued and allotted since December 2008 upon exercise of equivalent number of options by the eligible employees in terms of India Cements Employees Stock Option Scheme, 2006. The said shares rank pari passu with other fully paid up equity shares of the Company.

Details of options granted / exercised and other disclosures as required under Clause 12 of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 are set out in the Annexure 'F' to this Report.

Messrs. Brahmayya & Co., Statutory Auditors of the Company have certified that the aforesaid Scheme has been implemented in accordance with the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the resolutions passed by the members approving the Scheme.

No options have been granted so far under India Cements Employees Stock Option Scheme, 2007.



DIRECTORS' RESPONSIBILITY STATEMENT

The Directors make the following statement in terms of Section 217 (2AA) of the Companies Act, 1956 with respect to Directors' responsibility. "We confirm

1. That in the preparation of the accounts for the year ended 31st March, 2009, the applicable accounting standards have been followed.
2. That such accounting policies have been selected and applied consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the financial year ended 31st March, 2009 and of the profit of the Company for that year.
3. That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. That the annual accounts for the year ended 31st March, 2009 have been prepared on a going concern basis."

MANAGEMENT DISCUSSION AND ANALYSIS

Pursuant to Clause 49 of the Listing Agreement, a Management Discussion and Analysis Report is given as addition to this report.

CORPORATE GOVERNANCE

Pursuant to Clause 49 of the listing agreement with Stock Exchanges, a report on Corporate Governance along with Auditors' Certificate of its compliance is included as part of the Annual Report and is given in Annexure 'C' and Annexure 'D' respectively. Further, a declaration on Code of Conduct signed by the Managing Director in his capacity as the Chief Executive Officer of the Company is given as Annexure 'E'.

OPERATIONS

COMPANY PERFORMANCE

A detailed report on the performance has been outlined in the Management Discussions and Analysis section. Due to the scheduled / unscheduled stoppages of the plants and power restrictions as mentioned therein, the clinker production was affected during the year, which was at 69.83 Lakh Ts (72.13 Lakh Ts). The cement production was also consequently lower at 91.11 Lakh Ts (92.34 Lakh Ts) while the cement sales was at 91.18 Lakh Ts (92.15 Lakh Ts).

With the firm demand the cement prices improved further, which contributed for the increase in the sales and other income to Rs.3954.53 Crores as against Rs.3595.48 Crores in the previous year registering an increase of 10%. This increase in sales realization had a cushioning effect against the onslaught of big jump in cost of production caused by the increase in the price of coal, gypsum etc. The income from operations was lower at Rs.1043.20 Crores against Rs.1120.43 Crores in the previous year.

The interest charges were higher at Rs.112.15 Crores (Rs.109.86 Crores) and the depreciation charges were also higher at Rs.203.32 Crores (Rs.127.92 Crores) mainly due to higher capitalization. Consequently, the net profit before tax and exceptional items was lower at Rs.727.73 Crores against Rs.882.65 Crores in the previous year.

The foreign exchange translation difference as per AS11 has resulted in an exceptional expenditure of Rs.79.43 Crores as against an income of Rs.10.13 Crores in the previous year. The provision for current tax liability works out to Rs.181.45 Crores (Rs.14.80 Crores). The deferred tax liability as per AS 22 resulted in a tax liability of Rs.29.89 Crores (Rs.182.70 Crores) while Fringe Benefit Tax accounted for Rs.4.78 Crores (Rs.9.60 Crores) during the year. There was an extraordinary item of expenditure representing charges paid on one time settlement of loans of Rs.48.14 Crores during the previous year. Consequently, the profit after tax was at Rs.432.18 Crores against Rs.637.54 Crores in the previous year.

The performance of the company was dented on account of the cost increase on several fronts which included the following:-

- The All India Cement Wage Board Settlement - increase in wages for workmen at Rs.160 per month each in addition to increase in cost of living index by 224 points which together with the increase in the salaries of management staff in line with the industry and increase in contract wages consequent to heavy repairs at the plants meant an outgo of Rs.34 Crores.
- Increase in the delivered price of imported coal including the impact of a stronger Dollar vis-à-vis Rupee meant an additional outgo of Rs.157 Crores and this together with increase in the price of domestic coal consequent to dependence on e-auction / open market purchase along with the change in the mix meant a total cost of Rs.176 Crores.
- Further increase in busy season charge by Railways for cement and coal meant an impact of Rs.13 Crores.
- Increase in the price of Gypsum together with the import substitute had an additional impact of Rs.20 Crores.
- Increase in generation due to power cut and restriction of power meant an additional Rs.16 Crores.

All this together with the residual impact of such increase in the previous year meant a total cost increase of Rs.308 Crores which was partially offset by increase in the sales realization, reduction in differential value for provision of ESOS for the second tranche and reduction in the leave salary provision.



SUBSIDIARIES

The Company has been exempted by the Central Government vide its letter No.47/269/2009-CL-III dated 24.04.2009 under Section 212 (8) of the Companies Act, 1956, from attaching a copy of the Balance Sheet, Profit and Loss Account, Report of the Board of Directors and the Report of the Auditors of the Subsidiary Companies namely Industrial Chemicals & Monomers Limited, ICL Financial Services Limited, ICL Securities Limited, ICL International Limited and Trishul Concrete Products Limited. However, pursuant to Accounting Standard 21 issued by the Institute of Chartered Accountants of India, Consolidated Financial Statements presented by the Company include the financial information of the subsidiaries. The Company will make available these documents/details upon request by any member of the Company and its subsidiaries interested in obtaining the same. The annual accounts of the Subsidiary Companies will also be kept for inspection by any member at the registered offices of the Company and its Subsidiary Companies.

During the year under review, PT. Coromandel Minerals Resources was incorporated in Jakarta, Indonesia, as a subsidiary. As required under Section 212(1) of the Companies Act, 1956, the Accounts together with Directors' Report and Auditors' Report for the period ended 31st December, 2008 are attached with this Balance Sheet.

CONSOLIDATED FINANCIAL STATEMENTS

As prescribed by Accounting Standard 21 issued by the Institute of Chartered Accountants of India, the audited consolidated financial statements of India Cements Group are annexed.

ASSOCIATE COMPANIES

COROMANDEL SUGARS LIMITED

During the year ended 31-3-2009, Coromandel Sugars Limited has crushed 5.63 lakh tonnes of cane as against 6.27 lakh tonnes in the previous year. The sugar recovery was at 9.00 % as against 9.70% in the previous year, resulting in sugar production of 5.07 lakh quintals (6.08 lakh quintals). Power exported to grid was 212 lakh units as against 186 lakh units in the previous year. The company was able to sell higher quantity of sugar of 6.02 lakh quintals as compared to 5.68 lakh quintals in the previous year. Based on the unaudited financials, the Company has recorded a gross sales turnover of Rs.122.17 crores as against Rs.84.14 crores in the previous year. The net profit for the year was Rs.3.81 crores (after charging Rs.8.90 cr towards addl. cane price for previous year) as against net loss of Rs.5.78 crores in the previous year. Earnings Before Interest and Depreciation was higher at Rs.16.92 crores as against Rs.7.35 crores in the previous year. Despite the lower crushing during the year under review, the profitability of the Company has improved significantly on account of higher price realisation for all the products including molasses, and increase in Power export.

INDIA CEMENTS CAPITAL LIMITED (ICCL)

The main focus of the Company continues to be on various fee-based activities such as, Full Fledged Money Changing (FFMC), Travel & Tours and Forex Advisory Services. The wholly owned subsidiary viz., India Cements Investment Services Limited (ICISL) is in Stock Broking. The FFMC division operates out of 26 branches and Travels division operates at three branches out of seven IATA accredited branches. The subsidiary ICISL has 23 branches. The Gross income from operations of ICCL was Rs.535.14 lakhs and that of ICISL was Rs.179.20 lakhs for the year ended 31st March, 2009.

COROMANDEL ELECTRIC COMPANY LIMITED (CECL)

Due to reduced availability of gas during the year the unit could generate only 163.6 Million Units of power during the year as compared to 173.7 Million Units in the previous year, which was wheeled and used at the cement plants of your company in Tamil Nadu. Even this level of generation is made possible only through purchase of gas at Market Driven Price from GAIL India Ltd to the extent available to offset shortages in supplies under the Administered Price Mechanism. The total revenue earned by the company was Rs.45.70 Crores (Provisional) (Previous year Rs.39.66 Crores) and the profit after tax was at Rs.9.10 Crores (Provisional) (Previous year Rs.7.57 Crores). The company maintained its dividend pattern of 9% on equity shares besides declaring dividend at the respective coupon rates for the participating / non-participating preference share capital.

CURRENT PERFORMANCE

The buoyant situation continued during the current year with the industry registering a further growth of 10.4% in the first two months of this year. During the same period your Company has achieved a growth of 15% in the clinker production which was at 13.68 Lakh Ts (11.93 Lakh Ts) while the cement production was up by 4% at 16.13 Lakh Ts (15.51 Lakh Ts). The sale of cement was at 15.55 Lakh Ts (15.36 Lakh Ts). The dispatches could have been better but for the interruptions caused by the truck availability during the time of general elections.

EXPANSION / MODERNISATION

Most of the ongoing expansion programmes have been delayed by more than 3 to 6 months and were completed towards the end of the year. The upgradation of capacity of Kiln-1 at Vishnupuram was completed in March '09 and the kiln stabilized quickly to its enhanced production levels. The expansion of Line-2 at Malkapur has also been completed after a delay of 4 months in March '09 and the kiln has quickly stabilized than expected and running to its capacity. The Chennai Grinding Unit was commissioned in the month of August '08 and has stabilized to its full capacity. The Parli Grinding Unit in Maharashtra delayed by infrastructural bottlenecks in the form of land and power availability has since been completed and started producing from May '09. The upgradation of capacity at Chilamakur has also been taken up. Most of the capital expenditure proposals would be funded out of the balance proceeds in QIP and through internal generation while the balance would be met out through borrowings.



PUBLIC DEPOSITS

The total amount of fixed deposits including cumulative deposits, which had not become due but outstanding as at 31st March, 2009 stood at Rs.1172.23 Lakhs. Deposits totalling Rs.37.81 Lakhs that matured for repayment were neither claimed by the Depositors nor instructions for renewal were received by the Company. Reminders were issued to the deposit holders and since the close of the financial year ended 31st March, 2009, deposits aggregating to Rs.13.31 Lakhs out of the above have either been claimed and paid or have been renewed or transferred to Investor Education and Protection Fund.

CONSERVATION OF ENERGY ETC.

The prescribed details as required under Section 217(1)(e) of the Companies Act, 1956 are set out in the Annexure 'A'.

RESEARCH & DEVELOPMENT

During the year, your Company spent Rs.42.04 Lakhs towards revenue expenditure of the R&D department besides contributing a sum of Rs.68.32 Lakhs to National Council for Cement and Building Materials (NCCBM), which carries out research on behalf of the industry.

PERSONNEL

Industrial relations continued to remain cordial during the year.

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 to be annexed 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 members of the Company and others entitled thereto. A member interested in obtaining such particulars may write to the Company Secretary.

DIRECTORS

Under Section 262 of the Companies Act, 1956, Mr.V.Manickam was appointed as a Director of the Company with effect from 31.10.2008 in the casual vacancy caused by withdrawal of nomination of Mr.Ashok Shah by Life Insurance Corporation of India.

ICICI Bank Limited vide its letter No.NDC/I/031809 dated 18.03.2009 withdrew the nomination of Mr.V.Nachiappan on the Board of our Company. The Board expresses its appreciation of the valuable contribution made by Mr.Ashok Shah and Mr.V.Nachiappan during the tenure of their Directorships.

Under Article 109 of the Articles of Association of the Company, Mr.B.S.Adityan, Mr.K.Subramanian and Mr.R.K.Das retire by rotation at the ensuing Annual General Meeting of the Company and are eligible for re-appointment.

Under Article 105 of the Articles of Association of the Company, Mr.N.Srinivasan (Retd. Sr. Partner M/s.Fraser & Ross) will hold the office upto the date of the ensuing Annual general Meeting of the Company and resolution for his election as Director of the Company is included under "Special Business" in the Notice convening the Annual General Meeting.

Information on Directors eligible for appointment / reappointment in terms of Clause 49 of Listing Agreement is annexed to the Notice convening the 63rd Annual General Meeting.

AUDITORS

Messrs. Brahmayya & Co., and P.S.Subramania Iyer & Co., Chennai, the Auditors of the Company, retire at the ensuing Annual General meeting and are eligible for reappointment.

Sam Services of Mr.S.A.Muraliprasad, Cost Accountant, Chennai has been appointed as Cost Auditor for the year 2009-10 subject to approval by the Government of India.

ACKNOWLEDGEMENT

The Directors are thankful to the Financial Institutions and the Bankers for their continued support. The Directors also thank the Central Government and the various State Governments for their support. The stockists continued their excellent performance during the year and the Directors are appreciative of this. The continued dedication and sense of commitment shown by the employees at all levels during the year deserve special mention.

On behalf of the Board

N. Srinivasan
Vice Chairman & Managing Director
N. R. Krishnan
Rupa Gurunath
N. Srinivasan

B.S. Adityan
R.K. Das
V. Manickam
A. Sankarakrishnan
K. Subramanian

Place : Chennai 600 002
Date : 27th June, 2009

Directors

ANNEXURE 'A' TO DIRECTORS' REPORT FOR THE YEAR ENDED 31st MARCH, 2009

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 undertaken:

- i. Replacement of cooler bag house by ESP contributing for reduction of power consumption.
- ii. Installation of mechanical conveying system for old cement mill replacing the pneumatic conveying fluxo resulting in reduction of power consumption.
- iii. Usage of waste heat for drying the wet fly-ash by installing fly-ash drier.
- iv. Installation of high efficiency electronic packers with truck/wagon loaders in place of existing mechanical packers.
- v. Installation of grit grinding mill to supplement the raw mill output thereby increase in the overall productivity and reduction in power consumption.
- vi. Retrofitting of coal mill and cooler vent fans with high efficiency fans.
- vii. Additional capacitor banks installed in electrical circuit to improve the power factor.
- viii. Optimisation of coal mill power through diagnostic studies.
- ix. Cooler water spray system installed to improve the efficiency and reduce the clinker temperature.
- x. Replacement of blowers and compressors with modern high efficiency blowers and oil injected rotary compressors.
- xi. Installation of tertiary crusher in the circuit to increase the raw mill output.
- xii. Replacement of energy in-efficient multiclones with modern ESP.
- xiii. Diagnostic studies of gas velocity and air volume undertaken to optimize the same.

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

- i. Installation of high efficiency and low pressure preheater cyclones.
- ii. Replacement of pneumatic conveyors by mechanical belt conveyors for cement mills and bucket elevators for raw mill and kiln feed.
- iii. Optimisation of mill outputs through closed circuiting of raw mill and cement mills.
- iv. Close circuiting of tertiary crusher to improve the output of raw mill.
- v. Retrofitting of old MOCBs with VCBs.
- vi. Changing of variable speed motors in place of fixed speed motors to ensure reliability and power savings.
- vii. Cooler drive modification and introduction of static pre-grate.
- viii. Optimisation of mill output through introduction of PLCs and DCS for cement mills.

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

The measures that are proposed to be taken/under implementation are expected to reduce the power consumption by nearly 3 units/Tn of cement and overall heat consumption by around 10-15 kcals per kg of clinker.

(d) Total energy consumption and energy consumption per unit of production:

Given in Form 'A' annexed.

B. Technology Absorption:

Efforts made in technology absorption:

Particulars given in Form 'B' annexed.

C. Foreign exchange earnings and outgo:

(a) Activities relating to exports, initiatives taken to increase exports, development of new export market for products and services and export plans:

We have not exported cement/clinker during 2008-09.

(b) Total foreign exchange used and earned:

	Current Year	Previous Year
Used Rs. lakhs	—	—
Earned Rs. lakhs	—	92



FORM A

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

		Current Year	Previous Year
A. POWER & FUEL CONSUMPTION			
1. Electricity			
(a) Purchased			
Units - KWH - Lakhs		7262.40	7251.71
Total amount - Rs. Lakhs		21887.85	23348.91
Rate per unit - Rs.		3.01	3.22
(b) Own Generation			
(1) Through Diesel/Furnace Oil Genset *			
Units - KWH - Lakhs		1039.05	918.77
Unit per Litre of Diesel/Furnace Oil-KWH		3.82	3.73
Cost per unit - Rs.		3.80	2.19
(2) Through Steam Turbine/Genset			
Units - KWH - Lakhs		—	—
Unit per Litre of Furnace Oil/Gas-KWH			
Cost per unit - Rs.			
2. Coal for Kilns (various grades incl. Lignite)			
Quantity	Tonnes	1177630	1126877
Total Cost	Rs.Lakhs	63113	43531
Average Rate	Rs.	5359	3863
3. HSD/Furnace Oil for Kilns			
Quantity	K.Litres	467.56	516.54
Total Cost	Rs.Lakhs	173.70	170.23
Average Rate	Rs./K.Litre	37150	32956
4. Consumption per unit of Production			
	Standards (if any)		
Electricity (KWH/Tn of Cement)	110	91.13	89.08
Coal Consumption Per Tn of Clinker	20-25	16.87	15.62
(Depending on Quality of Coal)			
Diesel Oil/Furnace Oil per tn of Cement (Litres)		0.05	0.06

* Including Power from Waste Heat Recovery Plant.

FORM B

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO ABSORPTION

Research and Development (R & D):

1. Specific areas in which R&D carried out by the Company
2. Benefits derived as a result of above R & D
3. Future plan of action
4. Expenditure on R & D:

The Company has started an inhouse R&D department during Dec.99 with a specified objective of carrying of R&D Projects in development of expert systems for the mills and kilns optimisation, Benchmark studies of our Cement Plants, optimisation of process Systems and Parameters ensuring Product improvement and cost reduction.

(a) Capital

Nil

(b) Recurring

A sum of Rs.42.04 lakhs has been spent during the year for the functioning of R&D department. Besides this, a sum of Rs.68.32 lakhs is the contribution to National Council for Cement and Building Materials (NCCBM) which carries out Research on behalf of the Industry.

(c) Total

Rs.110.36 Lakhs

(d) Total R&D expenditure as a percentage of total turnover

0.03

Technology absorption, adaptation and innovation:

1. Efforts, in brief, made towards technology absorption, adaptation and innovation.
2. Benefits derived as a result of above efforts e.g. product improvement, cost reduction, product development, import substitution etc.
3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished:
 - (a) Technology imported
 - (b) Year of Import
 - (c) Has technology been fully absorbed
 - (d) If not fully absorbed, areas where this has not taken place, reasons therefor and future plans of action.

Not applicable



MANAGEMENT DISCUSSION AND ANALYSIS

ECONOMIC OVERVIEW

While the global winds of recession did buffet India, its impact on the economy was not severe. This was mainly due to the intrinsic resilience of India's mixed economy and the phased implementation of the economic reforms process. The Government of India has also been highly proactive in managing the challenges with a slew of monetary and fiscal measures to stabilize the financial sector, ensure liquidity and stimulate domestic demand. While industrial growth in 2008-09 was disappointing recording a growth of just 2.4% as against 8.5% in the previous fiscal, agricultural output rebounded in the 4th quarter with a positive growth of 2.7% ending the year with an annual growth of 1.6%.

Thus, the Indian economy grew at 5.6% in the last quarter of 2008-09 and 6.7% in the entire fiscal buoyed by a still strong services sector and a revival in agricultural growth.

The Index of six core industries having a combined weightage of 26% in the IIP registered a growth of 1.4% in January 2009 as compared to 3.4% in January 2008. During April-January 2009, the six core infrastructural industries recorded a growth of 3.2% as against 5.7% during the corresponding period in the previous fiscal. Both in January and February 2009, the coal and cement sectors grew by 6% and 8% respectively. India's six key infrastructure sectors registered their best growth in six months in March '09, as strong showing by Petroleum, Refinery, Electricity, Coal and Cement offset weak performance of crude oil and steel.

The country's aggregate exports during the fiscal 2008-09 is \$168.70 billion - higher than \$155.5 billion achieved in 2007-08 but just short of the revised target of \$170 billion. In March 2009, exports were of the order of \$11.51 billion 33% lower than \$17.25 billion recorded in March 2008. The down turn in exports began in October 2008 and since then it has remained in the negative zone. India's exports were valued at \$10.74 billion in April 2009 as against \$16.07 billion in April 2008. The export target for the current fiscal is \$160 billion and steps to achieve this goal are expected to be unveiled in the upcoming budget and the foreign trade policy review.

Aggregate imports in 2008-09 was of the order of 287.75 billion up by 14.3%. India's oil imports during April-February 2009 were at \$89.68 billion, 26.8% up from \$70.7 billion in the corresponding period last year.

According to official data, the country's fiscal deficit increased to 6.2% of the country's total economic output in 2008-09 consequent to increasing expenditure and falling revenue.

While the Global Economic Recession did impact the country's economic growth in fiscal 2008-09, there are some political and economic indicators which favour better performance of the Indian economy in 2009-10. Some of the positive economic indicators are:-

- The G-20 Summit's promise of a new world economic dawn through the offer of \$1.1 trillion in loans and guarantees to countries badly affected by the global meltdown and pledges of a heavier regulation of international finance.
- Cooling inflation, commodity price, crude oil prices and falling interest rates.
- The decisive mandate given by the India electorate to the Congress Party led UPA Alliance has galvanized the economic mood of the country. The Indian business community reacted strongly to the election verdict with the sensex surging 17.3%.

The evidence that has been building up since April '09, is reflective of a mood of renewed optimism among the economy's stakeholders. Riding on the wave of optimism engulfing the country, the PM has told Parliament that the economy is capable of that magical growth of 8-9% in the years ahead. The reform agenda needs to include everything from further liberalization of FDI, disinvestment in public sector units, facilitating private sector investment in infrastructure, boosting industrial and agricultural growth, accelerating development works in the rail and road sectors and focus on the core area of power to enable the country to clock a GDP growth of 8%. With the UPA Govt. readying itself to present its maiden budget in July and given the present economic scenario, the Government needs to achieve a fine blend of fiscal prudence and measures for enhancing economic growth.

INDUSTRY SCENARIO

The rub on effect of the slow down in the Indian economy did not however impact the cement industry, which again registered a healthy growth of 8.4% in domestic demand during FY 09. On the back of this demand cement prices have also remained firm during the year. The all India clinker production was up by 6.89% to 138.62 Million Tonnes (129.68 Million Tonnes) while cement production for the year ended 31st March 2009 was up by 7.81% at 181.45 Million Tonnes (168.31 Million Tonnes). The domestic consumption of cement in the country was up at 177.80 Million Tonnes (164.03 Million Tonnes). The cement exports were however lower at 3.20 Million Tonnes with more remunerative prices prevailing in the



inland market. The industry operated at close to 88% of capacity during the year but when we take into account the dormant capacity of around 5 million tonnes, the effective capacity utilization is even higher.

On a review of the regional pattern of growth in cement demand, the following position emerges:-

	2008-09	2007-08
North	4.76%	12.18%
East	11.31%	5.66%
South	10.36%	9.74%
West	5.40%	13.98%
Central	10.44%	6.05%
Overall	8.40%	9.82%

The main markets of the company in the South of India have thus recorded a consistent growth of close to 10%, which has helped to sustain the remunerative prices in the market place.

The delays in creation of new cement capacities anticipated in our last report were borne out facilitating continuance of the demand supply balance and helping to keep the industry buoyant. The new Government's resolve to give an impetus to the infrastructure and agricultural sectors augur well for the continued growth of cement consumption in the country. As a sizeable portion of the new cement capacities that are being created are likely to start materializing only from the third quarter of this year, the impact for the current year is likely to be minimal.

During the year under review there was an upswing in power and fuel costs consequent to the delivered price of imported coal reaching unprecedented levels in consonance with crude oil prices which touched \$145/barrel before softening to levels of \$40 by the turn of the financial year. The imported coal prices which had doubled to levels of \$ 150 to 200 CIF/Tn (depending on country of origin) have also rolled back by over 40% over the same period. While volatility in this area cannot be ruled out, presently both coal prices and sea freights are at a manageable level.

The weakening of the Rupee against US Dollar on account of higher Dollar demand caused by sharp rise in crude oil prices as well as the pull out of funds from the Indian stock markets consequent to the down turn in the world economy meant that the industry had to pay for its Dollar imports at Rs.51/Dollar by the end of the year under report as against Rs.39/Dollar in March '08.

COMPANY PERFORMANCE

After two years of record production and a capacity utilization of 105%, the company's performance in terms of production at its plants suffered a marginal set back. Unscheduled breakdowns at the cement plants at Vishnupuram, Chilamakur and Yerraguntla together with a planned stoppage of one of the kilns at Vishnupuram for upgradation, all led to marginal loss in clinker production. Some of the company's upgradation projects viz. expansion at Malkapur, upgradation at Vishnupuram and grinding unit at Parli, Maharashtra have been delayed by more than 3 to 6 months as our units were no exception to the general trend of delays in commissioning of plants in the Industry.

Restrictions on power availability from the grid both in Tamil Nadu and Andhra Pradesh also impacted clinker and cement production. While Tamil Nadu Electricity Board imposed a 40% power cut in terms of both Maximum Demand and Energy from 1/11/08 besides imposing peak hour restrictions for 8 hours a day when power supply is limited to lighting loads, in Andhra Pradesh unofficial load shedding and power restrictions were experienced from February '09 and the APSEB imposed power holiday for two days in a week from 9th March '09 besides peak hour restrictions. While the company combated the problem by running the captive heavy oil generating sets and by availing power from the company's collective captive power stakes in Coromandel Electric Co Ltd and Andhra Pradesh Gas Power Co Ltd., it could not avoid some loss of production besides higher power cost on account of running its DG sets.

While this has affected the overall production of clinker and consequently cement, some of the company's plants could still surpass their best achievements on many fronts during the year under review:

- The newly converted Sankari plant during its first full year of operation achieved a cement production of 6.10 Lakh Ts.
- Dalavoi plant achieved its highest clinker, cement production and despatches of 11.83 Lakh Ts (11.49 Lakh Ts), 15.52 Lakh Ts (12.72 Lakh Ts) and 15.53 Lakh Ts (12.67 Lakh Ts) respectively.
- Yerraguntla plant surpassed its previous record in cement production to 6.20 Lakh Ts (5.80 Lakh Ts) and despatch of 6.18 Lakh Ts (5.80 Lakh Ts).



The clinker production from the company's cement plants during FY 09 was lower at 69.83 Lakh Ts (72.13 Lakh Ts) and cement production was also marginally lower at 91.11 Lakh Ts (92.34 Lakh Ts). However, since the close of the financial year there has been a substantial improvement in power supply both in Tamil Nadu and Andhra Pradesh and the additional production facilities are now fully functional. The benefits of these expansions are expected to accrue from the second quarter of FY 2010. Cement sales during FY 09 including clinker (inland and export) was also marginally lower at 91.19 Lakh Ts as against 92.23 Lakh Ts in the previous financial year.

During the year the company's ships performed a total of 23 voyages including captive voyages carrying coal, gypsum and limestone. While the ships are mostly intended for carrying captive cargo any opportunities of better rates prevailing in the market are also being exploited.

ENERGY EFFICIENCY AND COST REDUCTION

The company has taken a lot of initiatives in containing the energy costs despite the fact that the operating parameters at some of its plants were affected due to unscheduled stoppages. With sustained efforts the power consumption could be reduced at Sankarnagar and Sankari plants while it was higher at some of the plants due to higher maintenance days and power holidays. The present power consumption is at optimum levels considering the age of some of the plants and further improvements are being targeted with more investments in this regard.

The company has taken proactive steps in containing the cost of power through further addition of wind mills towards the end of the previous financial year and the total wind mill generation during the year was higher at 282 Lakh units (160 Lakh Units) which was used by the company's plants in Tamil Nadu. The Waste Heat Recovery System at Vishnupuram also generated 472 Lakh units during the year under review. Your company during the year has also availed 1595 Lakh units of power from Coromandel Electric Company Ltd and 1330 Lakh units from Andhra Pradesh Gas Power Corporation Ltd at comparatively cheaper prices, which altogether resulted in containing the average cost of power as detailed in Annexure-A to the Directors' Report.

The company continued its thrust in improving the overall blending ratio, which resulted in the production of blended cement of 64.85 Lakh Ts (60.91 Lakh Ts), and helped in mitigating the impact of cost increase.

CLEAN DEVELOPMENT MECHANISM (CDM)

As earlier mentioned, the company earns its Certified Emission Reductions (CERs) through the approved CDM Project of the Waste Heat Recovery System at Vishnupuram. The company has earned 97448 CERs so far relating to the operations of this plant and they will be sold at an appropriate time. The company is also exploring further avenues involving reduction of carbon emissions including alternate fuels to avail CDM benefits.

OPPORTUNITIES, THREATS, RISKS AND CONCERNS

The industry has been going through a boom period with sustained capacity utilization of over 90%. While the Indian economy has slowed down, there has been no economic melt down unlike in western countries, thanks to the inherent strength of the Indian economy. The Government still expects GDP growth of 8% plus p.a. as per recent political pronouncements. Cement industry has not been affected by the economic slow down and is still registering 8% plus p.a. growth.

While large addition to capacities in the industry is on the anvil, the anticipated boost to infrastructure development such as roads, ports, airports, power plants and housing and with the global economy showing early signs of revival, the demand-supply imbalance could get corrected in a short period. It is pertinent to note that the NCAER study of July 2005 has projected that cement demand with a thrust on infrastructural development would go up to 311 million tonnes in 2011 and unless all the projected capacity additions fructify, demand could well outstrip supply.

Your company has taken steps to partake in anticipated demand growth by increasing the capacity of its plants at Vishnupuram and Malkapur besides setting up grinding units at Chennai, Tamil Nadu and Parli, Maharashtra, all of which are now functional. The company is in the process of finalizing additional capacity creation in North India through Greenfield projects / acquisition. The proposed plant at Himachal Pradesh for which your company holds the mining lease has been delayed due to infrastructure bottlenecks. Given the recent constraints in power availability, your company plans to set up thermal power plants in Tamil Nadu and Andhra Pradesh to take care of shortfalls in grid power availability and in order to reduce power costs.

Your company continues to pursue its efforts to obtain coal mining rights in Indonesia to meet its requirements for cement manufacture and power generation. The company is taking all steps to secure long term agreement for the supply of fly ash to maximize blended cement production and reduce the cost of production.

The international prices of oil which had moved down to US\$ 50/barrel by March '09 and to around US\$ 40/barrel by April '09 has again moved up to US\$ 70/barrel within a short span of time. This volatility in the price of international crude could impact energy and transportation costs of the



company. Your company's shipping division which presently owns two handymax bulk carriers is well placed to partly protect the company against increases in freight rates for inward carriage of coal as they are being employed for inward movement of coal and other raw materials whenever they are not tramping.

The volatility of the Rupee against the Dollar could be another threat, which could impact the prices of imported coal / spares and hence the cost of production. Shortages in indigenous coal availability and wagon supplies for outward movement of cement particularly during the busy season are yet another concern. However, your company has obtained additional allocation of indigenous coal for its plants in Andhra Pradesh which could help in mitigating coal shortages and to hedge against runaway imported coal prices.

OUTLOOK

Despite the recessionary trends globally, the Indian economy is relatively better placed and as mentioned earlier, there are several mitigating factors:-

- Cement Industry has been relatively not impaired by the economic slow down.
- Accentuated thrust on infrastructure spending is expected to be one of the priorities of the new Government.
- Capacity creation in the industry is likely to be further delayed.
- There are early signs of revival in some of the recession hit economies of the world.
- The Direct Tax collections in the first two months of current fiscal reveal that the economy is expanding at a brisk pace after nearly six months of slow down. This is also borne out by higher advance tax collections from the corporate sector as of June 15th, 2009.

Given all these factors the cement industry is likely to maintain its recent trend of growth in the near future.

VALUE ENHANCING STRATEGIES

As earlier outlined, the company has been continuously looking for opportunities to enhance the value through increasing the capacity of the company through low cost upgrades simultaneously reducing the cost of production through higher efficiency. Besides the various expansions / new facilities already completed, the company has taken on hand the upgradation of Chilamakur Cement Plant to increase clinker production of this unit by 25% and this upgrade is expected to be completed during FY 2010.

The company has taken steps for improving the blended cement proportion constantly which has gone up to 71% during the year under review and plans are on for enhancing the same further in the overall production.

As earlier mentioned, the company has trimmed its manpower across the units and training has been given priority to equip them with multi tasking skills.

The company has taken proactive steps in bringing down the cost of fuel through reduction in freight costs by inducting two ships into the company's fold mainly to cater to its requirement of fuel and other raw materials.

The company is also planning to insulate itself against the risk of power availability and increased cost through installation of two thermal plants in its fold.

The company is actively pursuing efforts to secure long term rights for coal, to ensure adequate coal supplies at lower costs both for manufacture of cement and generation of power.

HUMAN RESOURCES & INDUSTRIAL RELATIONS

The industrial relations remained cordial throughout the year at all the units. The company continues to place importance on training at all levels. The total number of employees as at the end of the financial year 2008-09 was 3323 including manpower for its expansion/additional facilities recently created against 3249 in the previous year.

INTERNAL CONTROL SYSTEM & THEIR ADEQUACY

Your company has a well defined internal control system to support efficient business operations and statutory compliance. A strong in-house internal audit function which carries out concurrent audit of all the plants and offices adds to the stability of the internal control systems. Suitable internal checks have been built in to cover all monetary transactions with proper delineation of authority, which provides for checks and balances at every stage. The company has a strong system of budgetary control which covers all aspects of operations, finance, capital expenditure at a macro level on a monthly basis reporting directly to top management. All the physical performances and efficiency parameters are monitored on



a daily basis and actions are taken then and there. The company has an Audit Committee of Directors to review financial statements to shareholders. The role and terms of reference of the Audit Committee cover the areas mentioned under Clause 49 of the Listing Agreement with Stock exchanges and Sec.292A of the Companies Act, 1956 besides other terms as may be referred to by the Board of Directors from time to time.

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

HIGHLIGHTS OF FINANCIAL PERFORMANCE

	Rs.Crores	
	2008-09	2007-08
Net Sales/Income from operations	3359.49	3047.12
Other Income	115.41	41.01
Total Income	3474.90	3088.13
Total Expenditure	2431.70	1967.70
Operating Profit	1043.20	1120.43
Operating Margin %	30.02%	36.28%
Interest & Finance Charges	112.15	109.86
Gross Profit after Interest but before Depreciation and Tax	931.05	1010.57
Depreciation	203.32	127.92
Profit for the year	727.73	882.65
Foreign Exchange Fluctuation	(79.43)	10.13
Non recurring expenses	—	(48.14)
Profit before Tax	648.30	844.64
Fringe Benefit Tax	4.78	9.60
Deferred Taxation - Liability	29.89	182.70
Taxation provision - net	181.45	14.80
Profit after Tax	432.18	637.54
Return On Capital Employed (ROCE)	24.33%	27.77%

ROCE = Operating Profit/Capital Employed (excluding capital work in progress and revaluation)

Sales and Income from Operations has gone up by 8% mainly due to increase in the Gross Sales Realisation by Rs.280/Tn of cement and due to income from Shipping operations of Rs.71 Crores for the year. The other income was higher on account of interest income on QIP funds held in deposits and also included income derived from the Franchisee income of the Chennai Super Kings. The total expenditure has gone up by 17% mainly due to substantial increases in the price of coal, gypsum and also the operating expenses relating to the team of Chennai Super Kings.

Interest and other charges were marginally higher at Rs.112.15 Crores as compared to Rs.109.86 Crores due to fuller utilization of the Cash Credit limits while Depreciation was higher at Rs.203.32 Crores on account of higher capitalization including the Chennai Grinding Unit and on account of ships.

The deferred taxation as per AS 22 has resulted in liability of Rs.29.89 Crores (Rs.182.70 Crores) while the provision for taxation accounted for Rs.181.45 Crores (Rs.14.80 Crores). The Fringe Benefit Tax was at Rs.4.78 Crores as compared to Rs.9.60 Crores during the previous year. The resultant profit after tax was lower at Rs.432.18 Crores as compared to Rs.637.54 Crores in the previous year.

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis Report describing the Company's objectives, expectations or predictions may be forward looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include global and domestic supply and demand conditions affecting selling prices of finished goods, input availability and prices, changes in government regulations, tax laws, economic developments within the country and other factors such as litigation and industrial relations.

ANNEXURE 'C' TO DIRECTORS' REPORT FOR THE YEAR ENDED 31st MARCH, 2009

CORPORATE GOVERNANCE

(As required by Clause 49 of the Listing Agreement with the Stock Exchanges)

A. MANDATORY REQUIREMENTS

1] Company's Philosophy:

The Company's Philosophy on Corporate Governance aims at the attainment of the highest levels of transparency, accountability and responsibility in all operations and all interactions with its Shareholders, Investors, Lenders, Employees, Government and other stakeholders.

The Company believes that all its operations and actions must serve the underlying goal of enhancing overall shareholder value, consistently over a sustained period of time.

2] Board of Directors:

The Board consists of a Vice Chairman & Managing Director and an Executive Director who are wholetime directors and 9 other non-executive directors including three directors nominated by IDBI Bank Limited, Life Insurance Corporation of India and Housing and Urban Development Corporation Limited.

The Board functions both as a full Board and through Committees. The Board and Committees meet at regular intervals. Policy formulation, evaluation of performance and control functions vest with Board, while the Committees oversee operational issues.

The Board has constituted five Committees viz., Audit Committee, Share Transfer Committee, Shareholders'/Investors' Grievance Committee, Remuneration Committee and Compensation Committee.

During the year 2008-2009, six Board Meetings were held on 07.05.2008, 30.06.2008, 30.07.2008, 28.08.2008, 31.10.2008 and 28.01.2009.

The composition of Directors, attendance at the Board Meetings during the year and the last Annual General Meeting and also number of other directorships and Committee memberships are given below:

Sl. No.	Name of the Director	Category of Directorship	No. of Board meetings attended (From 01.04.08 to 31.03.09)	Attendance at last AGM	No. of other Directorships held in public Companies	No. of Membership (M) / Chairmanship(C) in other Board Committee(s)*
						(As on 31/03/2009)
1.	Sri N.Srinivasan <i>Vice Chairman & Managing Director</i>	Promoter, Executive Director	6	Yes	13	1(C) & 2 (M)
2.	Sri N.Ramachandran <i>Executive Director</i>	Promoter, Executive Director	6	Yes	7	3 (M)
3.	Ms Rupa Gurunath	Promoter, Non-Executive Director	6	Yes	2	Nil
4.	Sri B.S. Adityan	Independent, Non-Executive Director	5	Yes	3	1 (C)
5.	Sri Arun Datta Nominee of IDBI Bank Ltd., in its capacity as Lender	Independent, Non-Executive Director	5	Yes	5	Nil
6.	Sri R.K. Das	Independent, Non-Executive Director	6	Yes	7	Nil
7.	Sri N.R. Krishnan	Independent, Non-Executive Director	6	Yes	2	1(C) & 1(M)



Sl. No.	Name of the Director	Category of Directorship	No. of Board meetings attended (From 01.04.08 to 31.03.09)	Attendance at last AGM	No. of other Directorships held in public Companies	No. of Membership (M) / Chairmanship(C) in other Board Committee(s)*
					(As on 31/03/2009)	
8.	Sri V. Manickam *1 Nominee of Life Insurance Corporation of India in its capacity as Lender/Shareholder	Independent, Non-Executive Director	1	NA	1	Nil
9.	Sri A. Sankarakrishnan	Independent, Non-Executive Director	5	Yes	3	1(M)
10.	Sri N. Srinivasan (F&R)	Independent, Non-Executive Director	6	Yes	14	5 (C) & 4 (M)
11.	Sri K.Subramanian Nominee of Housing and Urban Development Corporation Ltd in its capacity as Lender	Independent, Non-Executive Director	6	Yes	2	2 (M)
12.	Sri Ashok Shah #1 Nominee of Life Insurance Corporation of India in its capacity as Lender/Shareholder	Independent, Non-Executive Director	Nil	Nil	NA	NA
13.	Sri V. Nachiappan #2 Nominee of ICICI Bank Ltd in its capacity as Lender	Independent, Non-Executive Director	4	Yes	NA	NA

*only Audit Committee and Shareholders'/Investors' Grievance Committee are considered for the purpose.

* 1 Appointed as a Director of the Board w.e.f. 31.10.2008.

1 Ceased to be a Director of the Board w.e.f. 31.10.2008.

2 Ceased to be a Director of the Board w.e.f. 18.03.2009.

3] Audit Committee:

The role and terms of reference of the Audit Committee cover the areas mentioned under Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956, besides other terms as may be referred to by the Board of Directors from time to time.

The Audit Committee met five times during the year i.e., on 07.05.2008 (Adjourned meeting held on 10.05.2008), 30.06.2008, 30.07.2008, 31.10.2008 and 28.01.2009.

The composition and attendance of Audit Committee meetings are given below:

Sl. No.	Name of the Member	No. of Meetings held	No. of Meetings attended
1.	Sri B.S.Adityan, Chairman	5	4
2.	Sri Arun Datta	5	5
3.	Sri N.Srinivasan (F&R)	5	5
4.	Sri V.Nachiappan#1	5	3

#1 Ceased to be a Director and hence a Member w.e.f. 18.03.2009.

The Company Secretary is also Secretary to the Audit Committee.

4] Remuneration Committee & Policy:

The Remuneration Committee has been constituted to recommend/review the remuneration package of the wholetime Directors taking into account their qualification, experience, expertise, contribution and the prevailing levels of remuneration in Companies of corresponding size and stature.

During the year 2008-2009, Remuneration Committee met once i.e. on 30th June 2008 to recommend to the Board for payment of Commission to Mr.N.Srinivasan, Vice Chairman and Managing Director and Mr.N.Ramachandran, wholetime Director, out of net profit of the Company for the year 2007-08, pursuant to the resolutions passed by the Shareholders at their Annual General Meeting held on 24th September, 2007. The composition and attendance of Remuneration Committee meeting is given below:

Sl. No.	Name of the Member	No. of Meetings held	No. of Meetings attended
1.	Sri B.S. Adityan	1	1
2.	Sri N.Srinivasan (F&R)	1	1
3.	Sri Arun Datta	1	1

Details of remuneration paid to the Directors for the year ended 31st March, 2009:

(i) Executive Directors:

(Rs. Lakhs)

Name & Position	Salary	Commission	Perquisites	HRA	Provident Fund	Retirement Benefits	Others	Total
Sri N.Srinivasan Vice Chairman & Managing Director	360.00	844.00	—	108.00	43.20	69.00	3.41	1427.61
Sri N.Ramachandran Executive Director	288.00	422.00	—	86.40	34.56	55.20	2.24	888.40

The two wholetime Directors (Managing Director and Executive Director) are paid remuneration as decided by the Board of Directors on the recommendation of the Remuneration Committee of the Board with the approval of Shareholders and IDBI Bank Limited.

There are no stock options available / issued to any Director of the Company.

(ii) Non-Executive Directors:

Remuneration by way of sitting fees is paid to all non-executive directors at the rate of Rs.20,000/- for attending each meeting of the Board and Rs.10,000/- for attending each committee meeting.

Particulars of sitting fees including for committee meetings paid to non-executive directors during the financial year 2008-09 are as follows:

Name of Directors	Sitting Fees Paid (Rs.)
Ms Rupa Gurunath	120000
Sri B.S.Adityan	390000
Sri Arun Datta	160000
Sri R.K.Das	120000
Sri N.R. Krishnan	120000
Sri V Manickam (Paid to Life Insurance Corporation of India)	20000
Sri A. Sankarakrishnan	100000
Sri N. Srinivasan (F&R)	390000
Sri K. Subramanian (Paid to Housing and Urban Development Corporation Ltd)	120000
Sri Ashok Shah (Paid to Life Insurance Corporation of India) *1	—
Sri V.Nachiappan (Paid to ICICI Bank Ltd) *2	110000

*1 Ceased to be a Director w.e.f. 31.10.2008

*2 Ceased to be a Director w.e.f. 18.03.2009



No remuneration other than sitting fee as aforesaid is paid to Non-Executive Directors.

There has been no pecuniary relationship or transactions between the Company and Non-Executive Directors during the year 2008-2009.

There are no convertible instruments issued to any of the Non-Executive Directors of the Company. The details of Equity Shares of the Company held by the Non-Executive Directors as on 31st March 2009, are as follows:

Name of Directors	No. of Equity Shares
Ms Rupa Gurunath	36440
Sri B.S.Adityan	12704
Sri Arun Datta	Nil
Sri R.K.Das	1500
Sri N.R. Krishnan	Nil
Sri V Manickam	Nil
Sri A. Sankarakrishnan	1000
Sri N. Srinivasan (F&R)	Nil
Sri K. Subramanian	Nil

5] a) Share Transfer Committee:

All shares received for transfer were registered in favour of transferees and certificates despatched within a month's time, wherever the documents received were in order.

During the year 2008-2009, 31,211 Equity Shares were transferred in physical mode in favour of transferees and despatched within a month's time from the date of receipt.

During the financial year 2008-2009, the Committee met 17 times.

The composition and attendance of the Share Transfer Committee meetings are given below:

Sl. No.	Name of the Member	No. of Meetings held	No. of Meetings attended
1	Sri N.Srinivasan, Chairman	17	17
2	Sri B.S.Adityan	17	17
3	Sri N.Srinivasan (F&R)	17	17

b) Shareholders' / Investors' Grievance Committee:

During the year 2008-2009, 139 complaints were received from shareholders and investors. All the complaints have generally been solved to the satisfaction of the complainants, except for disputed cases and sub-judice matters, which would be solved on final disposal by the Courts/ Forums where they are pending.

During the financial year 2008-2009, the Shareholders' / Investors' Grievance Committee met 4 times i.e., on 21.05.2008, 21.07.2008, 25.10.2008 and 12.01.2009.

The composition and attendance at the Shareholders'/Investors' Grievance Committee meetings are given below:

Sl. No.	Name of the Member	No. of Meetings held	No. of Meetings attended
1	Sri B.S.Adityan, Chairman	4	4
2	Sri N.Srinivasan	4	4

Sri. G. Balakrishnan, Company Secretary is the Compliance Officer.

c) Compensation Committee of Board of Directors:

A Compensation Committee of Board of Directors has been constituted for administration of India Cements Employees Stock Option Scheme.

During the year 2008-2009, the Committee met 4 times i.e. on 09.04.2008, 02.12.2008, 22.12.2008 and 02.02.2009 to allot 12000, 500, 487000 & 63250 Equity Shares of Rs.10/- each to the Employees who had exercised their options that vested on 1st December 2007 & 1st December 2008.

The composition and attendance at the Compensation Committee of Board of Directors are given below:

Sl. No.	Name of the Member	No. of Meetings held	No. of Meetings attended
1	Sri N.Srinivasan, Chairman	4	4
2	Sri B.S.Adityan	4	3
3	Sri N.Srinivasan (F&R)	4	4

6] Annual General Meetings:

The last three Annual General Meetings were held as under:

Year	Type	Location	Date	Time	Special Resolutions passed in the AGM by the Shareholders
2006	AGM	Sathguru Gnanananda Hall, (Narada Gana Sabha), 314, T.T.K. Road, Chennai 600 018.	07.08.2006	10.00 A.M.	Yes
2007	AGM	Sathguru Gnanananda Hall, (Narada Gana Sabha), 314, T.T.K. Road, Chennai 600 018.	24.09.2007	10.00 A.M.	Yes
2008	AGM	Sathguru Granananda Hall, (Narada Gana Sabha), 314, T.T.K. Road, Chennai 600 018.	28.08.2008	10.00 A.M.	No

No special resolution was required to be put through postal ballot last year.

No item of business relating to matters specified under Clause 49 of the Listing Agreement with the Stock Exchanges and/or the provisions contained in Section 192A of the Companies Act, 1956, requiring voting by postal ballot is included in the Notice convening the 63rd Annual General Meeting of the Company.

7] Disclosures:

- There are no significant Related Party transactions during the year of material nature with the promoters, directors or the management or their subsidiaries or relatives, etc., potentially conflicting with Company's interests at large. Related Party transactions are disclosed in the notes to Accounts forming part of this Annual Report.
- As per Clause 49(V) of the Listing Agreement, the Chief Executive Officer i.e. Managing Director and the Chief Financial Officer i.e. Joint President (Finance & Accounts) certified to the Board on their review of financial statements and cash flow statements for the financial year ended 31st March 2009 in the form prescribed by Clause 49 of the Listing Agreement which is annexed.
- There were no instances of non-compliance on any matter relating to the capital market, during the last three years.
- Presently, the Company does not have a Whistle Blower Policy.
- The Company has complied with all mandatory requirements of the Clause 49 of the listing agreement. As regards the non-mandatory requirements the extent of compliance has been stated in Part B of this report.
- Details of information on appointment of new / re-appointment of directors:

A brief resume, nature of expertise in specific functional areas, number of equity shares held in the company by the Director or for other person on a beneficial basis, names of companies in which the person already holds directorship, membership of committees of the Board and relationship with other directors, forms part of the Notice convening the 63rd Annual General Meeting.



g) ICL Code of Conduct for Prevention of Insider Trading:

The Company has adopted and implemented ICL Code of Conduct for Prevention of Insider Trading based on SEBI (Prohibition of Insider Trading) Regulations, 1992 as amended. The code prohibits purchase/sale of securities of the Company by an 'insider' including Directors, Designated employees etc., while in possession of unpublished price sensitive information.

h) ICL Code of Conduct for Directors and Senior Management:

The Company has framed and implemented ICL Code of Conduct for its Directors and Senior Management. The code of conduct has also been posted on the Company's website "www.indiacements.co.in". Affirmation on compliance of Code of Conduct for the financial year 2008-09 has been received from all the Directors and Senior Management personnel of the Company.

i) Transfer to Investor Education and Protection Fund:

The Company has transferred a sum of Rs. 11.88 lakhs during the financial year to the Investor Education and Protection Fund established by the Central Government. The said amount represents unclaimed dividend and fixed deposits including interest on fixed deposits, which remained unclaimed with the Company for a period of 7 years from their respective due dates of payment.

j) Unclaimed Shares:

The Company does not have any share(s) remaining unclaimed, issued pursuant to public / other issues.

k) Subsidiary Company:

The Company does not have a "material non-listed Indian subsidiary" as defined in clause 49(III) of the Listing Agreement.

8] Means of Communication:

- a) Quarterly results are published in the pro-forma prescribed by Stock Exchanges, in leading English newspapers including 'The Hindu' and Tamil newspapers including 'Thina Thandhi'. As the Company publishes the audited annual results within the stipulated period of three months from the close of the financial year as required by the Listing Agreement with Stock Exchanges; the unaudited results for the last quarter of the financial year are not published.
- b) The annual financial results of the Company are also communicated in the prescribed pro-forma to Stock Exchanges and also published in the newspapers.
- c) The financial results are displayed on the Company's website "www.indiacements.co.in".
- d) The Company is filing/submitting its Shareholding Pattern, Financial Results, Report on Corporate Governance on quarterly basis and Annual Report including Balance Sheet, Profit & Loss Account, Directors' Report, Auditors' Report and Cash Flow Statement on the website "www.sebiedifair.nic.in" as per Clause 51 of the Listing Agreement with the Stock Exchanges which may be accessed by the Shareholders / Investors.

9] General Information for Shareholders:

- | | |
|---|--|
| (i) Date, Time and Venue of the Annual General Meeting | : 7 th August 2009 at 10.00 A.M at Sathguru Gnanananda Hall, (Narada Gana Sabha), No.314, T.T.K. Road, Alwarpet, Chennai 600 018. |
| (ii) Financial year – 1 st April to 31 st March (Provisional) | : Will be published on or before: |
| Results for Quarter ending June 30, 2009 | : 31 st July, 2009 |
| Results for Quarter ending September 30, 2009 | : 31 st October, 2009 |
| Results for Quarter ending December 31, 2009 | : 31 st January, 2010 |
| Results for Quarter ending March 31, 2010 (audited) | : 30 th June, 2010 |
| (iii) Date of Book Closure | : 4 th August 2009 to 7 th August 2009 (both days inclusive) |
| (iv) Dividend payment date | : 5 th September 2009 |

(v) Listing on Stock Exchanges:

- I a) The Company's Equity Shares are listed on the following Stock Exchanges:
 - i) Madras Stock Exchange Limited, Exchange Building, 11, Second Line Beach, Chennai - 600 001 (Stock Code: INDCEM)
 - ii) a) Bombay Stock Exchange Limited, P.J. Towers, Dalal Street, Fort, Mumbai - 400 001 (Stock Code : 30005) for physical segment
 - b) Bombay Stock Exchange Limited (Stock Code : 530005) for demat segment
 - iii) National Stock Exchange of India Ltd., Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051 (Stock Code EQ: INDIACEM)
 - b) Company's Equity Shares are traded in Group "A" category in Bombay Stock Exchange Limited.
 - c) The Company has paid the Listing Fees for the year 2009-10 to all Stock Exchanges where the Company's equity shares are listed.
- II The Company's Global Depository Receipts (GDRs) are listed in Luxembourg Stock Exchange, P.O. Box 165, L-2811 Luxembourg, Europe and Listing Fees for the year 2009 has been paid.
- III The Company's Global Depository Shares (GDSs) are listed in Luxembourg Stock Exchange, P.O. Box 165, L-2811 Luxembourg, Europe and Listing Fees for the year 2009 has been paid.
- IV The equity shares of the Company have been included in the list of equity shares on which derivatives are available and the shares also form part of an index on which derivatives are available for trading in futures and options segment by National Stock Exchange of India Limited.
- V The company's unsecured Zero Coupon Convertible Bonds due 2011 (FCCBs) for US\$ 75000000 are listed on Singapore Exchange Securities Trading Limited, 2 Shenton Way, # 19-00 SGX Centre 1, Singapore and Listing Fees for the year 2009 has been paid.

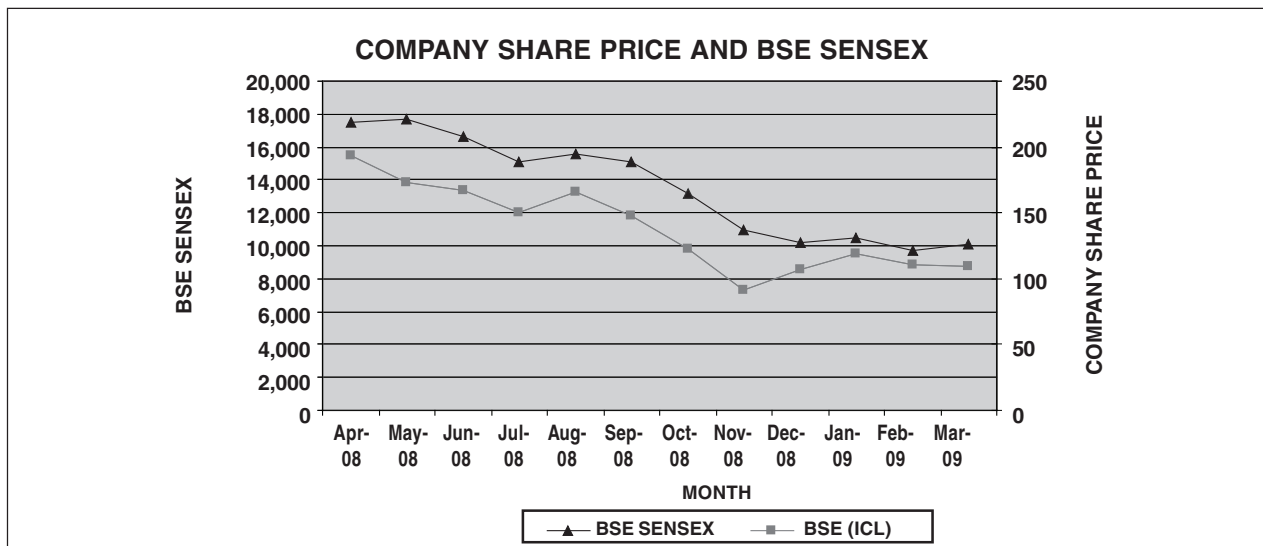
(vi) Market Price Data:

(in Rupees)

Month	Madras Stock Exchange Limited		Bombay Stock Exchange Limited		National Stock Exchange of India Limited	
	High	Low	High	Low	High	Low
April 2008	—	—	193.20	170.00	193.30	170.00
May 2008	—	—	172.90	154.00	173.35	154.50
June 2008	—	—	166.75	137.10	166.90	137.15
July 2008	—	—	150.05	121.35	150.25	121.15
Aug.2008	—	—	165.65	135.55	166.05	134.65
Sep. 2008	—	—	148.40	120.45	148.60	120.65
Oct. 2008	—	—	122.95	69.45	122.95	69.75
Nov. 2008	—	—	90.85	82.15	91.00	82.70
Dec. 2008	—	—	107.15	84.25	107.35	84.25
Jan. 2009	—	—	118.95	99.70	118.95	99.90
Feb. 2009	—	—	111.05	97.20	111.15	97.50
Mar. 2009	—	—	109.65	94.05	110.30	93.95



(vii) **Stock price performance in comparison to BSE Sensex:**



(viii) **Registrar and Transfer Agents:**

The Company has appointed Integrated Enterprises (India) Limited as Registrar and Transfer Agents. Shareholders / Investors / Depository Participants are requested to send all their documents and communications pertaining to both physical and demat shares to the Registrar at the following address:

Integrated Enterprises (India) Limited

2nd Floor, "Kences Towers"

No.1, Ramakrishna Street

North Usman Road, T.Nagar

CHENNAI - 600017.

Phone : 044-28140801 to 28140803 Fax: 044-28142479

Email: sureshbabu@iepindia.com

(ix) **Share Transfer System:**

Shares lodged in physical form with the Company/RTA are processed and returned, duly transferred, within 30 days from the date of receipt, if the documents submitted are in order. In case of shares in electronic form, the transfers are processed by NSDL/CDSL through the respective Depository Participants.

(x) **a) Distribution of Shareholding as on 31st March, 2009:**

No. of Shares held	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
Up to 500	72895	92.28	7750395	2.75
501 to 1000	3291	4.17	2604097	0.92
1001 to 2000	1398	1.77	2122523	0.75
2001 to 3000	429	0.54	1104978	0.39
3001 to 4000	202	0.26	717498	0.25
4001 to 5000	169	0.21	800929	0.29
5001 to 10000	221	0.28	1617088	0.57
10001 and above	390	0.49	265714399	94.08
TOTAL	78995	100.00	282431907	100.00

b) Pattern of Shareholding as on 31st March, 2009:

Category code	Category of shareholder	Number of share-holders	Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares		Shares Pledged or otherwise encumbered	
					As a percentage of (A+B)	As a percentage of (A+B+C)	Number of Shares	As a percentage
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX) = (VIII)/(IV) * 100
(A)	Promoter and Promoter Group							
(1)	Indian							
(a)	Individuals / Hindu Undivided Family	4	20075896	20014024	7.29	7.11	11580000	57.68
(b)	Central Government / State Government(s)	—	—	—	—	—	—	—
(c)	Bodies Corporate	4	58540057	57030057	21.27	20.73	51486625	87.95
(d)	Financial Institutions / Banks	—	—	—	—	—	—	—
(e)	Any Other (specify): Directors & Relatives	8	509020	288300	0.19	0.18	288300	56.64
	Sub-Total (A) (1)	16	79124973	77332381	28.75	28.02	63354925	80.07
(2)	Foreign							
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	—	—	—	—	—	—	—
(b)	Bodies Corporate	—	—	—	—	—	—	—
(c)	Institutions	—	—	—	—	—	—	—
(d)	Any Other (specify)	—	—	—	—	—	—	—
	Sub-Total (A)(2)	—	—	—	—	—	—	—
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	16	79124973	77332381	28.75	28.02	63354925	80.07
(B)	Public shareholding						N.A.	N.A.
(1)	Institutions						N.A.	N.A.
(a)	Mutual Funds / UTI	68	28728719	28713979	10.44	10.17	—	—
(b)	Financial Institutions / Banks	28	414272	406343	0.15	0.15	—	—
(c)	Central Government / State Government(s)	—	—	—	—	—	—	—
(d)	Venture Capital Funds	—	—	—	—	—	—	—
(e)	Insurance Companies	7	26156427	26156177	9.50	9.26	—	—
(f)	Foreign Institutional Investors	144	75966628	75924928	27.60	26.90	—	—
(g)	Foreign Venture Capital Investors	—	—	—	—	—	—	—
(h)	Any Other (specify)	—	—	—	—	—	—	—
	Sub-Total (B)(1)	247	131266046	131201427	47.69	46.48	—	—



Category code	Category of shareholder	Number of share-holders	Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares		Shares Pledged or otherwise encumbered	
					As a percentage of (A+B)	As a percentage of (A+B+C)	Number of Shares	As a percentage
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX) = (VIII)/(IV) * 100
(2)	Non-institutions						N.A.	N.A.
(a)	Bodies Corporate	1343	35689424	35597295	12.97	12.63	—	—
(b)	Individuals							
	i. Individual shareholders holding nominal share capital upto Rs. 1 lakh	74915	14453129	12742490	5.25	5.12	—	—
	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	79	3748069	3603741	1.36	1.33	—	—
(c)	Any Other (specify)							
	i Directors & Relatives	3	15204	1000	0.01	0.01	—	—
	ii Foreign Corporate Body	6	9114080	9114080	3.31	3.23	—	—
	iii Overseas Corporate Bodies	2	2000	1500	0.00	0.00	—	—
	iv Non-Resident Individuals	1082	594033	568369	0.22	0.21	—	—
	v Custodian of enemy Property	37	11854	0	0.00	0.00	—	—
	vi Trust	10	37299	37299	0.01	0.01	—	—
	vii Hindu Undivided Families	1092	516684	516684	0.19	0.18	—	—
	viii Clearing Member	161	659173	659173	0.24	0.23	—	—
	Sub-Total (B)(2)	78730	64840949	62841631	23.56	22.95	—	—
	Total Public Shareholding (B)= (B)(1)+(B)(2)	78977	196106995	194043058	71.25	69.43	N.A.	N.A.
	TOTAL (A)+(B)	78993	275231968	271375439	100.00	97.45	63354925	23.02
(C)	Shares held by Custodians and against which Depository Receipts have been issued				N.A.		N.A.	N.A.
	i. Global Depository Receipts (GDRs)	1	272419	260982	—	0.10	—	—
	ii. Global Depository Shares (GDSs)	1	6927520	6927520	—	2.45	—	—
	TOTAL (C)	2	7199939	7188502	N.A.	2.55	N.A.	N.A.
	GRAND TOTAL (A)+(B)+(C)	78995	282431907	278563941		100.00	63354925	22.43

(xi) Dematerialisation of Equity Shares and Liquidity:

As on 31st March, 2009, 98.63% of the Company's Equity Shares have been dematerialized.

As per directives issued by SEBI, it is compulsory to trade in the Company's shares in the dematerialised form with effect from 29th November, 1999. The ISIN Number allotted by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for trading in the Company's shares in Demat form is INE383A01012.

During the year 2008-2009, the Company had received 320 requests for dematerialisation of shares. The Company has acted upon all valid requests received for dematerialisation during the year 2008-2009.

(xii) Outstanding GDRs / ADRs / Warrants or any Convertible Debentures, conversion date and likely impact on equity shares as on 31st March, 2009.

272419 GDRs are outstanding (0.10% of total paid up equity share capital). Each GDR represents one underlying equity share of Rs.10/- each.

3463760 GDSs are outstanding. Each GDS represents two underlying equity shares of Rs.10/- each (6927520 underlying shares represented by GDS constitutes 2.45% of total paid up equity share capital).

Unsecured Zero Coupon Convertible Bonds due 2011 (FCCBs), issued in May, 2006, for US\$ 75000000 to investors outside India at an initial conversion price of Rs.305.57 per share. The Bonds are convertible by holders into fully paid up equity shares or Global Depositary Shares at any time on or after 21st June, 2006 but on or before 5th May, 2011. The Bonds can be called for redemption under certain circumstances, before May, 2011 but not earlier than 11th May, 2008. Unless previously redeemed, converted or purchased and cancelled, the company will redeem each bond at 147.70% of its principal amount on the maturity date i.e., 12th May, 2011.

14,79,000 options were issued to eligible employees under India Cements Employees Stock Option Scheme, 2006. In terms of the Scheme, 50% of the options allotted to an employee vested on 1st December 2007 and the balance 50% on 1st December 2008. Each option on such vesting can be exercised by applying for an equity share of Rs.10/- each fully paid up for a sum of Rs.50/- (inclusive of premium of Rs.40/-) on or before 1st December 2008 and 1st December 2009 respectively.

Out of 7,23,500 options vested on 01/12/2007,

- 7,06,500, 12,000 & 500 options were exercised by the employees and equal number of shares were allotted to them on 27/12/2007, 09/04/2008 & 02/12/2008 respectively and
- balance 4,500 options lapsed since the same were not exercised.

Out of 7,07,000 options vested on 01/12/2008,

- 4,87,000, 63,250 & 32,750 options were exercised by the employees and equal number of shares were allotted to them on 22/12/2008, 02/02/2009 & 13/04/2009 respectively and
- balance 1,24,000 options are yet to be exercised by the employees.

(xiii) Plant Locations:

Sankarnagar, Tirunelveli District, Tamil Nadu	Chilamakur, Cuddapah District, Andhra Pradesh
Sankari, Salem District, Tamil Nadu	Yerraguntla, Cuddapah District, Andhra Pradesh
Dalavoi, Perambalur District, Tamil Nadu	Vishnupuram, Nalgonda District, Andhra Pradesh
Vallur Village, Tiruvallur District, Tamil Nadu	Malkapur, Ranga Reddy District, Andhra Pradesh
	Parli Vaijnath, Beed District, Maharashtra

(xiv) Address for Correspondence

: The India Cements Limited,
Regd. Office: "Dhun Building",
827, Anna Salai, Chennai 600 002.
Tel. No. : (091) (044) 285215 26/27/30
Fax No. : (091) (044) 2852 0702/0638/1344

Investor Complaints under
Clause 47(f) of the Listing Agreement

:

Contact Person

Sri G.Balakrishnan
President & Company Secretary

Email-Id

investor@indiacements.co.in



B. NON-MANDATORY REQUIREMENTS:

1. The Board - A Non-executive Chairman may be entitled to maintain a Chairman's office at the Company's expense and also allowed reimbursement of expenses incurred in performance of his duties. : The Company does not have a non-executive Chairman.

- Independent Directors may have a tenure not exceeding, in the aggregate, a period of nine years, on the Board of a company. : No tenure has been fixed for independent directors.

- The company may ensure that the person who is being appointed as an independent director has the requisite qualifications and experience which would be of use to the company and which, in the opinion of the company, would enable him to contribute effectively to the company in his capacity as an independent director. : This is ensured.

2. Remuneration Committee. : Please refer to Serial No. A - 4 of this Report.

3. Shareholders Rights- A half-yearly declaration of financial performance including summary of the significant events in last six months, may be sent to each household of Shareholders. : As the Company's half yearly results are published in leading English newspapers having circulation all over India and in Tamil newspapers and also in the Company's website, the same are not sent to the Shareholders of the Company. There is no publication of second half-yearly results as the annual results are approved by the Board and then published in the newspapers and also communicated to the shareholders through the Annual Report.

4. Audit qualifications - Company may move towards a regime of unqualified financial statements. : Nil

5. Training of Board Members - A Company may train its Board Members in the business model of the Company as well as the risk profile of the business parameters of the Company, their responsibilities as directors and the best ways to discharge them. : At present, the Company does not have any such Training programme for Directors.

6. Mechanism for evaluating non-executive Board for Members - The performance evaluation of non-executive directors could be done by a Peer Group comprising the entire Board of Directors, excluding the director being evaluated; and Peer Group evaluation could be the mechanism to determine whether to extend / continue the terms of appointment of non-executive directors. : At present, the Company does not have any such mechanism for evaluating the performance of non-executive Board Members.

7. Whistle Blower Policy. : The Company does not have a Whistle Blower Policy.



CEO AND CFO CERTIFICATION

To the Board of Directors of The India Cements Limited

In compliance with Clause 49(V) of the Listing Agreement with the Stock Exchanges, we hereby certify that:

- (a) We have reviewed financial statements and the cash flow statements for the year ended 31st March 2009 and that to the best of our knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations; and
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year 2008-2009, which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company and we have not observed any deficiencies in the design or operation of internal controls.
- (d) We have indicated to the auditors and the Audit Committee that there are:
 - (i) no significant changes in the internal control during the year;
 - (ii) no significant changes in accounting policies during the year; and
 - (iii) no instances of significant fraud where the involvement of management or an employee having a significant role in the Company's internal control system have been observed.

Place : Chennai

Date : 27th June 2009

N.Srinivasan

Managing Director

R.Srinivasan

Joint President (Finance & Accounts)



ANNEXURE 'D' TO DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2009

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members, The India Cements Limited.

We have examined the compliance of conditions of Corporate Governance by **The India Cements Limited**, for the year ended March 31, 2009, as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchange(s).

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

As required by the Guidance Note issued by The Institute of Chartered Accountants of India, we have to state that as per the records maintained by the Company, there were no investor grievances remaining unattended/pending for more than 30 days.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For P. S. SUBRAMANIA IYER & Co.,

Chartered Accountants

G. HARIHARAN

Partner

Membership No.15071

Place: Chennai

Date : 27th June 2009

For BRAHMAYYA & CO.,

Chartered Accountants

N. SRI KRISHNA

Partner

Membership No. 26575

ANNEXURE 'E' TO DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2009

CODE OF CONDUCT – DECLARATION UNDER CLAUSE 49(I)(D)

This is to certify that :

1. In pursuance of the provisions of Clause 49(I)(D) of the Listing Agreement with Stock Exchanges, a Code of Conduct for the Board members and the Senior Management Personnel of the Company has been approved by the Board in its meeting held on 9th November 2005.
2. The said Code of Conduct has been uploaded on the website of the Company and has also been circulated to the Board members and the Senior Management Personnel of the Company.
3. All Board members and Senior Management Personnel have affirmed compliance with the said Code of Conduct, for the period ended 31st March, 2009.

for THE INDIA CEMENTS LIMITED

Place : Chennai

Date : 27th June 2009

N. SRINIVASAN

VICE CHAIRMAN & MANAGING DIRECTOR

ANNEXURE 'F' TO DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2009

DISCLOSURE IN THE DIRECTORS' REPORT 2009 – INDIA CEMENTS ESOS 2006

(a) Options granted	:	14,79,000	
(b) The pricing formula	:	Rs.50 per equity share including a premium of Rs.40/-.	
		Options vested on 01.12.2007	Options vested on 01.12.2008
(c) Options vested	:	7,23,500	7,07,000
(d) Options exercised	:	7,19,000	5,50,250
(e) The total number of shares arising as a result of exercise of option	:	7,19,000	5,50,250
(f) Options lapsed	:	4,500	Nil
(g) Variation of terms of options	:	Nil	N.A.
(h) Money realized by exercise of options	:	Rs.3.60 Crores	Rs. 2.75 Crores
(i) Total number of options in force	:	Nil	1,56,750 (as on 31 st March 2009)
(j) Employee-wise details of options granted to -	:		
(i) Senior Managerial Personnel	:		
Name & Designation		No. of options granted	
Mr.T.S. Raghupathy, Executive President		18,000	
Mr. PL .Subramanian, Sr. President (Operations)		18,000	
(ii) Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year	:	Nil	
(iii) Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	:	Nil	
(k) Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard 20	:	EPS including ESOS 2006 (Rs.)	EPS excluding ESOS 2006 (Rs.)
		Basic	15.32
		Diluted	15.43
(l) Where the company has calculated the employee compensation cost using intrinsic value of the Stock Options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options, shall be disclosed. The impact of this difference on profits and on EPS of the Company shall also be disclosed	:	Being a listed Company, the market price quoted on National Stock Exchange of India Limited (NSE) was adopted (i.e. @ Rs.86.95 per share).	
(m) Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the Stock on the grant date.	:	exercise price - Rs.50/- per share (option) fair value - Rs.86.95 per share (option)	
(n) A description of the method and significant assumptions used during the year to estimate the fair values of options, including the following weighted-average information	:		
(1) Risk-free interest rate	:	—	
(2) Expected life	:	—	
(3) Expected volatility	:	—	
(4) Expected dividends and	:	—	
(5) The price of the underlying share in market at the time of option grant.	:	Rs.86.95 per share	

P.S. SUBRAMANIA IYER & CO.
Chartered Accountants
103, P.S. Sivaswamy Salai
Mylapore
Chennai - 600 004

BRAHMAYYA & CO.
Chartered Accountants
48, Masilamani Road
Balaji Nagar, Royapettah
Chennai - 600 014

AUDITORS' REPORT

Auditors' Report To The Members of The India Cements Limited.

1. We have audited the attached Balance Sheet of The India Cements Limited as at March 31, 2009 and also the relative Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. 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 have conducted our audit in accordance with Auditing Standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
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 Government of India in terms of Section 227 (4A) of the Companies Act, 1956 of India (the Act) and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we set out in the Annexure 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:
 - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, the Company has kept proper books of account as required by law so far, as appears from our examination of those books.
 - (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement read together with the notes thereon dealt with by this report have been prepared, in all material respects, in compliance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Act to the extent applicable.
 - (e) On the basis of explanations and information given to us and written representations received from Directors as on March 31, 2009 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2009 from being appointed as a Director in terms of Clause (g) of Sub Section (1) of Section 274 of the Companies Act, 1956 having regard to the provisions of the scheme approved by CDR cell.
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon attached thereto give in the prescribed manner the information required by the Act and also give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2009;
 - (ii) In the case of the Profit and Loss Account, of the profit for the year ended on that date; and
 - (iii) In the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

For P. S. SUBRAMANIA IYER & Co.,
Chartered Accountants
G.HARIHARAN
Partner
Membership No.15071

For BRAHMAYYA & CO.,
Chartered Accountants
N.SRI KRISHNA
Partner
Membership No. 26575

Place : Chennai
Date : 27th June, 2009

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Chennai - 600 004

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Chartered Accountants
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ANNEXURE TO AUDITORS' REPORT (REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF THE INDIA CEMENTS LIMITED)

- i) a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b) As explained to us, the Fixed Assets are physically verified by the Management, except furniture and fixtures and office equipments, according to a phased programme designed to cover all the items over a period of two years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, the management during the year has physically verified a portion of fixed assets and no material discrepancies between the book records and physical inventory have been noticed. It is explained to us that the Company proposes to physically verify furniture and fixtures and office equipments as per a phased programme.
- c) The fixed assets disposed of during the year, in our opinion, do not constitute substantial part of the fixed assets of the company and such disposal has, in our opinion, not affected the going concern status of the Company.
- ii) a) According to information and explanations given to us the inventories of the Company at all its locations have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- b) In our opinion and according to the information and explanations given to us, the procedures for physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- c) In our opinion and according to the explanations given to us and on the basis of our examination of the inventory records, we are of the opinion that the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records, have been properly dealt with in the books of account.
- iii) According to the information and explanations given to us the company has not granted or taken any loans from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Consequently the requirements of clauses (iii) (f) and (iii) (g) of Paragraph 4 of the order are not applicable to the Company.
- iv) In our opinion and according to the information and explanations given to us, there are adequate Internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control procedures of the Company.
- v) a) To the best of our knowledge and belief and according to the information and explanations given to us, there were no transactions during the year pursuant to the contracts or arrangements referred to in Section 301 of the Act. Accordingly, sub clause (b) is not applicable.
- vi) The Company has during the year accepted deposits from public. In our opinion, the company has complied with the provisions of Sections 58A, 58AA or any other relevant provisions of the Act and Companies (Acceptance of Deposit) Rules, 1975. To the best of our knowledge and according to the information and explanations given to us, no order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal, in this regard.
- vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- viii) We have broadly reviewed the cost records and accounts relating to materials, labour and other items of cost maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956 and we are of the opinion that *prima facie* the prescribed accounts and records have been made and maintained. We have however not made a detailed examination of the said records with a view to determine whether they are accurate or complete. To the best of our knowledge and according to information and explanations given to us the Central Government has not prescribed maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 for any other activity of the Company.
- ix) a) According to the records of the Company, the Company is generally regular in depositing the undisputed statutory dues including Provident Fund, Employee State Insurance, Investor Education and Protection Fund, Income tax, Wealth tax, Customs duty, Excise duty, Cess, Sales tax and Service tax and any other statutory dues applicable to it with the appropriate authorities though there has been few delays in depositing Sales tax and Service tax.

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- b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income tax, Wealth tax, Service tax, Sales tax, Customs duty, Excise duty and Cess were in arrears as at the year end for a period of more than six months from the date they became payable except for Service tax on transporters amounting to Rs.14.51 lakhs which has been since paid.
- c) According to the information and explanations given to us, details of dues of Sales tax, Income tax, Wealth tax, Service tax, Customs duty, Excise duty and Cess, which have not been deposited as on 31st March, 2009 on account of any dispute is as per Annexure.
- x) The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses during financial year covered by our audit and the immediately preceding financial year.
- xi) According to the information and explanations given to us the debt portfolio of the Company was restructured through Corporate Debt Restructuring Scheme (CDR), based on the said scheme the Company has not defaulted in repayments of its dues to financial institution, bank or debenture holders.
- xii) According to the information and explanations given to us, the Company has not granted loans and 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) In our opinion, and according to the information and explanation given to us, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4 (xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xv) In our opinion, the terms and conditions on which the company has given guarantees for loans taken by others from banks or financial institutions are not prejudicial to the interest of the Company taking into consideration the overall realisable value of assets and current business plans.
- xvi) In our opinion and according to the information and explanations given to us and on an overall examination, the term loans have been applied for the purpose for which they were obtained.
- xvii) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long term investment.
- xviii) According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act.
- xix) According to the information and explanations given to us, the Company has created the securities or charges in respect of secured debentures issued and outstanding at the year-end as per original terms of issue notwithstanding modifications reschedulement and other changes in the terms as agreed with CDR cell.
- xx) The company has not raised any money through public issue during the year.
- xxi) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have not come across any fraud on or by the company, noticed or reported during the year, nor have we been informed of such case by the management except for an instance where the Company has noticed a misappropriation by its employee and the entire amount of suspected misappropriation has been recovered from the concerned employee.

For P. S. SUBRAMANIA IYER & Co.,
Chartered Accountants
G.HARIHARAN
Partner
Membership No.15071

Place: Chennai
Date : 27th June, 2009

For BRAHMAYYA & CO.,
Chartered Accountants
N.SRI KRISHNA
Partner
Membership No. 26575

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Annexure to the Auditors' Report to the Members of The India Cements Limited for the year ended 31st March 2009

Category	Pending With	Financial Year	Amount Rs. Lakhs
Cenvat	Addl. Commissioner	2007-08, 2008-09	38.34
	Appellate Tribunal	1995-96, 1996-97, 1997-98, 1998-99, 1999-00, 2000-01, 2001-02, 2005-06, 2006-07, 2008-09	535.29
	Asst. Commissioner	1998-99, 2007-08, 2008-09	12.91
	Commissioner	2002-03, 2003-04, 2004-05, 2006-07, 2007-08, 2008-09	452.46
	Commissioner (Appeals)	2006-07, 2007-08, 2008-09	606.17
	High Court	1994-95, 1995-96, 1996-97, 1997-98, 1998-99, 2000-01	249.49
	Jt. Commissioner	2005-06	14.01
CST	Asst. Commissioner	1973-74	4.17
	High Court	1991-92, 1992-93, 1993-94	76.17
Income Tax	Commissioner	2005-06, 2006-07	Nil
	Appellate Tribunal	1991-92, 2001-02, 2003-04, 2004-05	94.84
	High Court	1982-83, 1983-84, 1984-85, 1985-86, 1986-87	363.83
	Supreme Court	1996-97	810.65
Sales Tax	Appellate Tribunal	1985-86, 1986-87, 1987-88, 1995-96, 1996-97, 1997-98, 2002-03	72.65
	Asst. Commissioner	1970-71, 1971-72, 1975-76, 1976-77, 1977-78, 1978-79, 1990-91	120.50
	Dy. Commissioner (Appeals)	1997-98, 2000-01	16.70
	High Court	1969-70, 1970-71, 1988-89, 1989-90, 1990-91, 1991-92, 1992-93, 1993-94, 1994-95, 1995-96, 1996-97, 1997-98, 1998-99	1002.34
	Supreme Court	1998-2003	5873.00
Service Tax	Addl. Commissioner	1997-98, 2006-07	37.84
	Appellate Tribunal	2003-04, 2005-06, 2006-07, 2007-08, 2008-09	526.04
	Asst. Commissioner	2007-08, 2008-09	5.43
	Commissioner	2006-07, 2008-09	1013.32
	Commissioner (Appeals)	2000-01, 2006-07, 2007-08, 2008-09	125.56
	Jt. Commissioner	2006-07	40.81
VAT	Dy Commissioner (Appeals)	2005-06, 2006-07, 2007-08	235.99
	High Court	2005-06	83.75
	Jt. Commissioner	2008-09	252.61
Total			12664.87

For P. S. SUBRAMANIA IYER & Co.,
Chartered Accountants
G.HARIHARAN
Partner
Membership No.15071

Place : Chennai
Date : 27th June, 2009

For BRAHMAYYA & CO.,
Chartered Accountants
N.SRI KRISHNA
Partner
Membership No. 26575



BALANCE SHEET AS AT 31st MARCH 2009

	Schedule	Rs.Lakhs	2009 Rs.Lakhs	Rs.Lakhs	2008 Rs.Lakhs
SOURCES OF FUNDS :					
1 Shareholders' Funds :					
a. Capital	1	28243.05		28186.74	
b. Reserves and Surplus	2	334895.93	363138.98	303924.08	332110.82
2 Loan Funds :					
a. Secured Loans	3	103624.99		97101.68	
b. Unsecured Loans					
i) From Banks and others	4	1172.45		3268.87	
ii) Foreign Currency Convertible Bonds (Refer Note No.22)		38040.00		30097.50	
iii) Interest free Sales tax deferral loans		55965.52	198802.96	50682.53	181150.58
3 Deferred Tax Liability (Refer Note No. 28)			27406.24		22571.46
			<u>589348.18</u>		<u>535832.86</u>
APPLICATION OF FUNDS :					
1 Fixed Assets :	5				
a. Gross Block		531357.77		470869.49	
b. Less : Depreciation		150532.59		124423.54	
c. Net Block		380825.18		346445.95	
d. Capital Work-in-Progress		90404.11	471229.29	57491.22	403937.17
2 Investments	6		15897.33		12928.24
3 Current Assets, Loans and Advances :	7				
a. Inventories		37049.84		33021.05	
b. Real Estate-Projects in Progress		2042.47		2042.47	
c. Sundry Debtors		35397.81		31107.23	
d. Cash and Bank Balances		8519.74		42564.04	
e. Loans and Advances		131342.97		106206.45	
		214352.83		214941.24	
Less : Current Liabilities and Provisions	8	115331.62	99021.21	98353.24	116588.00
4. Deferred tax Asset (Refer Note No. 28)			1845.23		0.00
5 Miscellaneous expenditure to the extent not written off or adjusted:					
Deferred Revenue Expenditure (Refer Note No. 6)			1355.12		2379.45
			<u>589348.18</u>		<u>535832.86</u>

As per our Report of 27th June, 2009

For P.S.SUBRAMANIA IYER & CO.,
Chartered Accountants
G.HARIHARAN
Partner
Membership No. 15071

For BRAHMAYYA & CO.,
Chartered Accountants
N.SRI KRISHNA
Partner
Membership No. 26575

N.SRINIVASAN
Managing Director

B.S. ADITYAN
N.R. KRISHNAN
RUPA GURUNATH
N. SRINIVASAN

R.K. DAS
V. MANICKAM
A. SANKARAKRISHNAN
K. SUBRAMANIAN
Directors

Place : Chennai
Date : 27th June, 2009

R. SRINIVASAN
Joint President (Finance & Accounts)

G.BALAKRISHNAN
President & Company Secretary

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2009

	Note No.	Schedule	Rs.Lakhs	2009 Rs.Lakhs	Rs.Lakhs	2008 Rs.Lakhs
INCOME :						
Sales and Other Income		9		395453.55		359548.18
Less: Excise Duty				(47963.20)		(50735.08)
Total Income net of Excise Duty				347490.35		308813.10
EXPENDITURE:						
Manufacturing and Other Operating Expenses		10		141224.51		107074.79
Salaries,Wages and Amenities		11		19831.62		18789.51
Administration and Other Charges		12		12805.02		8311.70
Selling and Distribution Expenses	9			68026.64		63792.23
Interest & Other Charges (net)	21	13		11214.93		10986.19
Depreciation			26317.28		18784.23	
Less : Transfer from Revaluation Reserve			5686.44		5693.64	
Less : Transfer from Deferred Income			298.80	20332.04	298.78	12791.81
Directors' Remuneration		14		2316.01		1697.03
Donations		15		316.08		137.38
(Increase)/Decrease in Stock		16		(1340.73)		(3032.35)
Total Expenditure				274726.12		220548.29
Profit before tax and Extraordinary items				72764.23		88264.81
Extraordinary items:						
Share / Bonds issue expenses			0.00		1268.00	
Less: Transfer from Share Premium			0.00		(1268.00)	
				0.00		0.00
Foreign currency translation difference on FCCBs - (expense)				(7942.50)		1013.23
Non-recurring expense	21 (a)			0.00		(4814.04)
Profit before tax for the year				64821.73		84464.00
Prior year income (net)				8.67		0.00
Profit before tax				64830.40		84464.00
Provision for taxes:						
Fringe Benefits tax				478.20		960.00
Current tax			18145.00		8800.00	
Less : Minimum Alternate Tax credit entitlement			0.00	18145.00	(7320.00)	1480.00
Less: Deferred Tax Liability	28			2989.55		18270.00
Profit after tax				43217.65		63754.00
Balance from previous year				52732.02		4656.63
				95949.67		68410.63
Less: Proposed Dividend @ 20% on Equity Capital (Previous year: 20%) and dividend tax @ 16.995% thereon				(6608.62)		(6588.61)
Less: Transfer to General Reserve				(7000.00)		(9000.00)
Less: Transfer to Shipping Tonnage Tax Reserve				0.00		(90.00)
Balance carried to Balance Sheet				82341.05		52732.02
Earnings Per Share (Rs.) - Basic	29			15.32		23.97
Earnings Per Share (Rs.) - Diluted	29			15.32		22.07
Notes on Accounts		17				

As per our Report of 27th June, 2009

For P.S.SUBRAMANIA IYER & CO.,
Chartered Accountants
G.HARIHARAN
Partner
Membership No. 15071

For BRAHMAYYA & CO.,
Chartered Accountants
N.SRI KRISHNA
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Directors

Place : Chennai
Date : 27th June, 2009

R. SRINIVASAN
Joint President (Finance & Accounts)

G.BALAKRISHNAN
President & Company Secretary



SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AND THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2009

SCHEDULE 1

SHARE CAPITAL	No. of Shares	2009 Rs.Lakhs	No. of Shares	2008 Rs.Lakhs
AUTHORISED :				
Equity Shares of Rs.10 each	460000000	46000.00	460000000	46000.00
Redeemable Cumulative Preference Shares of Rs.100 each	7500000	7500.00	7500000	7500.00
		<u>53500.00</u>		<u>53500.00</u>
ISSUED :				
Equity Shares of Rs.10 each	282431973	28243.20	281869223	28186.92
		<u>28243.20</u>		<u>28186.92</u>
SUBSCRIBED :				
Equity Shares of Rs.10 each	282431907	28243.20	281869157	28186.92
Less : Calls in arrears (other than Directors)	3537	0.15	3851	0.18
	<u>282428370</u>	<u>28243.05</u>	<u>281865306</u>	<u>28186.74</u>

Notes :

1. 14,00,000 Equity Shares of Rs.10/- each (28,00,000 Equity Shares of Rs.5/- each before consolidation) were issued as fully paidup bonus shares in 1969 by capitalising Rs.140 lakhs out of General Reserve and 321,68,291 Equity Shares of Rs.10/- each were issued as fully paid up bonus shares in 1996 by capitalising Rs.32,16,82,910 out of Share Premium.
2. During the year 1994-95, the company allotted 58,57,987 equity shares of Rs. 10/- each consequent to issue of equivalent number of Global Depository Receipts (GDR).
3. During the year 1995-96, the company allotted 15,00,000 equity shares of Rs. 10/- each to promoters group on exercise of their option to subscribe against the warrants issued at Rs. 215/- per share in the ratio of one share per warrant.
4. During the year 1998-99, the company allotted 6,43,38,002 rights equity shares of Rs. 10/- each in the ratio of 1:1 at a premium of Rs. 15/- per share.
5. During the year 1999-2000, the company allotted 1,08,69,500 equity shares of Rs. 10/- each at a premium of Rs. 82/- per share to the Foreign Institutional Investors.
6. During the year 2005-06, the company allotted 5,12,27,592 underlying equity shares of Rs.10/- each represented by 2,56,13,796 Global Depository Shares (GDS) in the ratio of 2:1.
7. During the year 2006-07, the company allotted 2,96,00,561 equity shares of Rs. 10/- each at a price of Rs. 47/- per share on conversion of equity warrants issued to ADRC Limited, Mauritius.
8. During the year 2006-07, the company issued Zero Coupon Convertible Bonds aggregating to USD 75 million, with an option to convert at a price of Rs. 305.57 per equity share of Rs.10/- each fully paid up, with a fixed rate of conversion of Rs.44.77 per USD and approximately 109,88,481 shares would be issuable on May 12, 2011 on conversion.
9. During the year 2006-07, the company announced Employees Stock Option Scheme (ESOS) to its employees. Under this scheme, the managerial employees were granted 14.79 lakhs options and each option is entitled to one equity share of Rs.10/- each fully paidup at a price of Rs.50/- per share including premium of Rs.40/- per share. The options vested with employees in two equal instalments to be exercised on or before December 1, 2008 and December 1, 2009. Consequent to this, 719,000 shares (previous year: 706,500 shares) and 550,250 shares were allotted out of the 1st and 2nd instalments respectively.
10. During the year 2007-08, the company allotted 400,00,000 Equity shares of Rs.10/- each fully paid up, to the shareholders of erstwhile Visaka Cement Industry Limited (VCIL) pursuant to the Order dated 25th July, 2007 of the Honourable High Court of Judicature at Madras sanctioning the Scheme of Amalgamation of VCIL with The India Cements Limited.
11. During the year 2007-08, the company allotted 2,07,89,000 Equity Shares of Rs.10/- each fully paid up, to Qualified Institutional Buyers at a price of Rs.285/- per share including premium of Rs. 275/- per share.
12. No interest has been recognised as income from April 2002 on calls in arrears.

SCHEDULE 2
RESERVES AND SURPLUS

		2008 Rs.Lakhs	Additions Rs.Lakhs	Withdrawals Rs.Lakhs	2009 Rs.Lakhs
Capital Reserve		16.17	0.00	0.00	16.17
Capital Redemption Reserve		2500.00	0.00	0.00	2500.00
Debenture Redemption Reserve		1066.21	0.00	0.00	1066.21
Securities Premium	*1	139111.75	459.32	0.00	139571.07
Contingency Reserve	*2	10865.87	0.00	0.00	10865.87
General Reserve		20343.10	7000.00	0.00	27343.10
Deferred Income		4687.93	0.00	298.80	4389.13
Revaluation Reserve	*3	72429.59	0.00	5836.78	66592.81
Stock Options Outstanding account	*4	81.44	273.25	234.17	120.52
Shipping Tonnage Tax Reserve	*5	90.00	0.00	0.00	90.00
Profit and Loss account		52732.02	43217.65	13608.62	82341.05
		303924.08	50950.22	19978.37	334895.93

Notes:

*1 Securities Premium :

(a) During the year, the company allotted 12,500 and 550,250 fully paid up equity shares out of the options vested in the 1st and 2nd instalments respectively, under ESOS 2006, to the employees. Additions to Securities Premium include premium of Rs. 40/- per share of the said equity shares allotted to employees and fringe benefit thereon of Rs. 246.80 per share towards the 1st instalment and Rs.36.95 per share towards the 2nd instalment aggregating to Rs. 459.27 lakhs.

(b) Share Premium is net of Calls in arrears of Rs. 0.22 lakhs (As on 31st March 2008: Rs. 0.27 lakhs).

*2 Contingency Reserve:

For any possible erosion in the value of Investments / Advances / other contingencies. (Refer Note No. 5. a)

*3 Revaluation Reserve:

Amounts withdrawn include revaluation reserve on assets retired / sold.

*4 Stock Options Outstanding Account:

Out of the 2nd instalment 739,500 options vested with the employees as on December 01, 2008, the employees exercised their options for 550,250 shares during December 2008 and February 2009. The Fringe benefit, of Rs. 36.95 per share, being the difference between the market value and the option exercise price of the unexercised options, is shown as Stock options outstanding account. The Fringe benefit of Rs.246.80 per share on the unexercised options of the 1st instalment aggregating to 20,500 options is also included in this account.

*5 Shipping Tonnage Tax Reserve:

During the financial year 2007-08, the company opted for "Tonnage Tax" Scheme on the income generated by the ships and as required by Section 115VT of Income Tax Act, "Tonnage Tax Reserve" has been created. In view of the company opting out of the scheme from the financial year 2009-10, no further Reserve has been created. (Refer Note No. 18).

SCHEDULE 3
SECURED LOANS
A. DEBENTURES : (Refer Note No. 21)

Secured privately placed Debentures, redeemable / repayable on or before 31st March, 2016 restructured as per the Corporate Debt Restructuring (CDR) proposal agreed to by the lenders:

	2009 Rs.Lakhs	2008 Rs.Lakhs
(i) 2385 Debentures of Rs. 500,000/- each	476.18	672.40
(ii) 7630 Debentures of Rs. 500,000/- each	1815.36	3585.82
(iii) 18000 Debentures of Rs. 100,000/- each	0.00	6.62
TOTAL (i) to (iii)	2291.54	4264.84
Interest Accrued and due	0.00	48.68
TOTAL	2291.54	4313.52



SCHEDULE 3
SECURED LOANS (Contd.)

	2009 Rs. Lakhs	2008 Rs. Lakhs
B. TERM LOANS:		
(i) Dalavoi Cement Plant : Industrial Development Bank of India Ltd.	6076.50	6543.30
(ii) Yerraguntla Cement Plant : Industrial Development Bank of India Ltd.	1889.41	2257.71
(iii) Vishnupuram Cement Plant : a. Industrial Development Bank of India Ltd. b. IFCI Limited	352.27 121.71 473.98	370.82 128.71 499.53
Other Term Loans :		
(iv) State Bank of India	3012.67	3760.15
(v) Allahabad Bank	309.86	396.97
(vi) Nova Scotia Bank	0.00	299.89
(vii) Housing Development Finance Corporation Ltd.	0.00	831.22
(viii) Housing Development Finance Corporation Ltd.	37.12	556.94
(ix) Housing Urban Development Corporation Ltd.	22599.66	25035.32
(x) IDBI Bank Ltd.	16389.25	19722.25
(xi) IDBI Bank Ltd.	0.00	5106.00
(xii) Punjab National Bank	4097.15	5000.00
(xiii) Indian Bank	340.00	0.00
(xiv) Housing Development Finance Corporation Ltd.	10000.00	0.00
(xv) HDFC Bank Ltd.	6000.00	0.00
	62785.71	60708.74
(xvi) Tandur Cement Plant : a. Industrial Development Bank of India Ltd. b. IFCI Ltd. c. Life Insurance Corporation of India d. Rupee Tied loans e. Foreign Currency Loans f. Indian Bank	1852.41 690.90 173.72 154.45 0.00 2702.43 5573.91	3157.43 1156.55 308.94 175.83 21.52 3314.66 8134.93
(xvii) Liability towards assets acquired on financial lease	11.16	73.95
TOTAL B (i) to (xvii)	76810.67	78218.16
Interest Accrued and due	0.00	48.96
TOTAL	76810.67	78267.12
C. Cash Credit facilities and other Working Capital Loans from Scheduled Banks		
(i) Working Capital Term Loans from Banks	1225.83	1341.00
(ii) Cash Credit facilities from Scheduled Banks	23296.95	13180.04
TOTAL (i) and (ii)	24522.78	14521.04
TOTAL (A to C)	103624.99	97101.68

SCHEDULE 3 SECURED LOANS (Contd.)

Security:

A. Debentures:

- 1 Item (i) is secured by a registered first mortgage on the Company's properties in the State of Gujarat and further secured by a joint first equitable mortgage/charge on the immovable and movable assets (excluding assets purchased under Asset Credit Scheme and certain other assets specifically excluded from the purview of the security) present and future subject to prior charge on the movable assets in favour of the Company's bankers for working capital requirements.
- 2 Item (ii) is secured by a registered first mortgage on the company's properties in the state of Gujarat and further secured by a joint first equitable mortgage on the immovable properties of the company both present and future.

B. Term Loans:

- 1 Items (i) and (ii) are secured by first equitable mortgage and charge on pari passu basis (with other Lenders/Debenture Trustees) on the immovable and movable assets (with exclusion of assets purchased under Asset Credit Scheme and certain other assets specifically excluded from the purview of the security) both present and future subject to prior charge on the movable assets in favour of the Company's bankers for working capital requirements.
- 2 Items (iii)(a) and (x) are secured by a joint first equitable mortgage/charge on the immovable and movable assets (excluding assets purchased under Asset Credit Scheme and certain other assets specifically excluded from the purview of the security) present and future subject to prior charge on the movable assets in favour of the Company's bankers for working capital requirements.
3. Item (iii)(b) is secured by an exclusive first charge by way of hypothecation of the equipment purchased together with tools & accessories at Vishnupuram cement plant and further secured by a joint first equitable mortgage/charge on the immovable and movable assets (excluding assets purchased under Asset Credit Scheme and certain other assets specifically excluded from the purview of the security) present and future subject to prior charge on the movable assets in favour of the company's bankers for working capital requirements.
- 4 Item (iv) is secured by hypothecation of Fixed Assets of the company at Sankarnagar, Dalavoi and Yerraguntla cement plants and further secured by a joint first equitable mortgage / charge on the immovable and movable assets (excluding assets purchased under Asset Credit Scheme and certain other assets specifically excluded from the purview of the security) present and future subject to prior charge on the movable assets in favour of the Company's bankers for working capital requirements.
- 5 Item (v) is secured by first charge on the Gensets installed at Sankarnagar.
- 6 Item (viii) is secured by shares of Andhra Pradesh Gas Power Corporation Ltd. (APGPCL) held by the company and further secured by first charge on the residential colonies at Sankarnagar, Sankari and Chilamakur and property at Chennai.
7. Item (ix) is secured by first equitable mortgage and charge on pari passu basis (with other lenders/debenture trustees) on the immovable and movable assets of the Company both present and future and floating charge on all other assets including but not limited to current assets, subject to prior charges created/to be created in favour of the Company's bankers for working capital requirements in the ordinary course of business and assignment of company's receivables, accounts and book debts etc. and also personal guarantee of Vice Chairman and Managing Director (VCMD) and Executive Director (ED) and Corporate guarantee of Coromandel Sugars Limited.
8. Item (xii) is secured by a first pari passu charge (with other lenders/debenture trustees) on the movable and immovable fixed assets of the Company both present and future save and except book debts and subject to prior charges created/to be created in favour of the Company's bankers on its current assets for securing the borrowings for working capital requirements.
9. Item (xiii) is secured by a lien on the term deposit held with the bank.
10. Item (xiv) is secured by an equitable mortgage on the immovable property at Door No. 9, Boat Club Road, Chennai and by a lien on the fixed deposit held with the bank.
- 11 Item (xv) is secured by a lien on the term deposit held with the bank.
- 12 Item (xvi) is secured by first mortgage/charge on a pari passu basis on the immovable and movable assets of Tandur Cement plant, subject to prior charge on the movable assets in favour of banks for working capital requirements.
- 13 Item (xvii) is secured by the respective equipments and other assets acquired on lease.
- 14 Satisfaction of charge is to be filed in the case of certain loans that have been paid during the year.
- 15 The term loan from State Bank of India is additionally secured by a second charge on the current assets of the company.

C. Cash Credit facilities and Working capital loans from Scheduled Banks :

The fund based and non-fund based working capital facilities are secured by a first charge on pari passu basis on all the current assets and second charge on the movable fixed assets and immovable properties of the company. The working capital term loans are secured by a first charge on pari passu basis on the movable fixed assets and immovable properties of the company and a second charge on the current asset.

D. Loans mentioned in B(i) carry an option for conversion into equity shares at par not exceeding 20% of the sanctioned loan/outstanding loan in the advent of certain events and subject to conditions.



**SCHEDULE 4
UNSECURED LOANS FROM BANKS & OTHERS**

	2009 Rs.Lakhs	2008 Rs.Lakhs
Fixed Deposits	1172.23	1879.22
Loans/Overdraft from Scheduled Banks	0.22	1389.65
	<u>1172.45</u>	<u>3268.87</u>

**SCHEDULE 5
FIXED ASSETS**

Rs.Lakhs

Particulars	GROSS BLOCK			DEPRECIATION BLOCK		NET BLOCK	
	As at 31st Mar.2008	Additions	Deductions	As at 31st Mar.2009	For the Year	As at 31st Mar.2009	As at 31st Mar.2008
Tangible Assets:							
Land	38885.45	955.57	36.47	39804.55	0.00	39804.55	38885.45
Buildings	38264.26	4785.09	24.55	43024.80	1232.26	32361.90	28819.24
Plant and Machinery including Electrical installations *	318222.67	53891.81	243.94	371870.54	17117.41	247496.32	210831.33
Wind Electric Generators	7814.96	10.85	0.00	7825.81	413.11	4439.03	4841.29
Ships	23649.63	86.36	0.00	23735.99	3066.21	20277.10	23256.95
Furniture and Office Equipments including Computers	4017.65	737.70	59.38	4695.97	291.77	2044.74	1658.11
Vehicles	2733.22	231.76	82.52	2882.46	412.59	1363.26	1567.38
Intangible Assets:							
Franchise Rights	36400.00	0.00	0.00	36400.00	3640.00	32450.85	36090.85
Computer software	881.65	236.00	0.00	1117.65	143.93	587.43	495.35
Total	470869.49	60935.14	446.86	531357.77	26317.28	380825.18	346445.95

Refer Note Nos. 23 and 26

* Includes Rs.536.52 lakhs of equipments on "right to use" basis, which is depreciated over its useful life. (As at March 2008: Rs. 620.19 lakhs)



SCHEDULE 6 INVESTMENTS

	No. of Shares/ Debentures	Face Value (Rupees) Per share	Total	2009 Cost Rupees	2008 Cost Rupees
1. TRADE INVESTMENTS - Long Term (Unquoted):					
Fully paid Equity Shares:					
1. Coromandel Electric Company Limited	140000	10	1400000	1400000	1400000
Preference shares of Coromandel Electric Company Limited (CECL)					
2. 13.25% Cumulative Redeemable Participating Preference shares	508	10000	5080000	5093268	5093268
3. 18% Cumulative Redeemable Participating Preference shares (5,000 shares have been given as security towards a loan obtained by CECL)	11600	10000	116000000	141817383	141453383
4. 14% Cumulative Redeemable Preference shares	4000000	10	40000000	45508197	45508197
				193818848	193454848
2. NON-TRADE INVESTMENTS: (Long Term)					
A. Fully paid Equity Shares of Companies (Quoted):					
5. Karur KCP Packagings Ltd.	996500	10	9965000	39860000	39860000
B. Shares of Companies - Long Term (Unquoted):					
i. Subsidiaries:					
Fully paid Preference Shares:					
6. Industrial Chemicals & Monomers Limited	5000	100	500000	20000	20000
Fully paid Equity Shares:					
7. Industrial Chemicals & Monomers Limited	2196691	10	21966910	3558082	3558082
8. ICL Financial Services Limited	50000	10	500000	500000	500000
9. ICL Securities Limited	50000	10	500000	500000	500000
10. ICL International Limited	50000	10	500000	500000	500000
11. PT. Coromandel Minerals Resources, Indonesia (Paid up per share: Indonesian Rupiah 942700) (Purchased during the year)	2940	4284	12593982	12593982	0
Subsidiaries - Total				17672064	5078082
ii. Other than Subsidiaries:					
Fully paid Equity Shares:					
12. Coromandel Sugars Limited	100	10	1000	1000	1000
13. Andhra Pradesh Gas Power Corporation Limited (Refer Security clause in Schedule No. 3)	5896000	10	58960000	483100750	483100750
14. Raasi Cement Limited	79530	10	795300	7441684	7441684
15. Jagati Publications Private Limited	972222	10	9722220	350000000	350000000
16. Carmel Asia Holdings Private Limited	198413	10	1984130	50000000	50000000
17. Coromandel Travels Limited (Purchased during the year)	200000	10	2000000	2000000	0
Fully paid Preference Shares:					
18. Zero coupon Convertible Preference shares of Bharathi Cement Corporation Limited (Formerly known as Raghuram Cements Limited) (209,147 shares were purchased during the year)	1459147	10	14591470	453263150	150000000
Other than Subsidiaries - Total				1345806584	1040543434
Total B (i) and (ii)				1363478648	1045621516
C. Government and Trustee Securities:					
1. National Savings Certificates (Redeemed during the year Rs. 31,000)			120200	120200	151200
2. Indira Vikas Patra Certificates			2100	2100	2100
				122300	153300
D. Other Investments (Quoted):					
6.75% Tax free US 64 Bonds of Unit Trust of India of Rs. 100 each (Cost is net of Provision for diminution in value Rs. 103,39,554) sold during the year	213409	100	21340900	0	21280900
E. Fully paid shares of Co-operative Societies - Long Term (Unquoted)					
1. The India Cements Employees Co-operative Stores Ltd, Sankarnagar	2500	50	125000	125000	125000
2. The India Cements Employees Co-operative Stores Ltd, Sankari West	5000	10	50000	50000	50000
3. The India Cements Mines Employees Co-operative Stores Ltd, Sankari West	5300	10	53000	53000	53000
				228000	228000
Grand Total (1+2)				1597507796	1300598564
Less : Provision for diminution in value of Investments				7774446	7774446
Note: Aggregate of Quoted investments:				1589733350	1292824118
Cost				39982300	61294200
Market Value				21447400	63795625
Aggregate of Unquoted Investments:					
Cost				1557525496	1239304364



SCHEDULE 7
CURRENT ASSETS, LOANS AND ADVANCES

	2009 Rs. Lakhs	2008 Rs. Lakhs
A. CURRENT ASSETS :		
1. Inventories:		
Stores / Spares (including coal and packing material)	22484.25	20079.92
Raw Materials	5178.26	4894.53
Work-in-Process	849.35	669.43
Semi-finished Goods	5910.15	4761.18
Finished Goods	2627.83	2615.99
	<u>37049.84</u>	<u>33021.05</u>
2. Real Estate - Projects in progress	<u>2042.47</u>	<u>2042.47</u>
3. Sundry Debtors		
Outstanding for more than six months (Net of bad debts written off Rs. 86.33 lakhs. (Financial year 2007-08: Rs.219.87 lakhs))	2438.15	2007.18
Less: Provision for doubtful debts	(510.42)	(340.85)
Sub total	1927.73	1666.33
Others	33470.08	29440.90
Total - Sundry Debtors, considered good (Secured by Trade deposits aggregating to Rs. 23176.72 lakhs. (As at 31st March 2008 : Rs. 18418.05 lakhs))	<u>35397.81</u>	<u>31107.23</u>
4. Cash, Stamps and Bank Balances:		
Cash, Cheques and Stamps on hand	65.13	93.26
Cash at Scheduled Banks in Current Accounts	474.69	691.18
Fixed Deposits with Scheduled Banks	721.05	1779.60
Unutilised monies out of issue of share capital kept in Fixed Deposits with Scheduled Banks	7258.87	40000.00
	<u>8519.74</u>	<u>42564.04</u>
B. LOANS AND ADVANCES:		
1. Secured:		
Housing and other Loans to employees including interest accrued	572.56	548.97
2. Unsecured (Considered good):		
Advance for Goods	4765.05	1640.53
Other Advances recoverable in cash or in kind or for value to be received (including advances to Subsidiaries Rs. 33661 lakhs; As at 31st March 2008 : Rs. 33855.95 lakhs)	98552.23	91280.37
Prepaid Expenses	539.26	616.06
Unutilised monies out of issue of share capital kept in Deposits with a Financial Institution	22643.26	0.00
Deposits	4270.61	3727.92
Advance payment of Tax (Net of provision)	0.00	8392.60
	<u>131342.97</u>	<u>106206.45</u>
TOTAL A & B	<u>214352.83</u>	<u>214941.24</u>

SCHEDULE 8
CURRENT LIABILITIES AND PROVISIONS

	2009	2008
Rs. Lakhs	Rs. Lakhs	Rs. Lakhs
CURRENT LIABILITIES :		
Creditors for :		
Goods including Letters of credit	18324.65	6425.39
Expenses (including liability as per Accounting Standard 15)	19669.20	17930.27
Capital Expenditure (Refer Note No. 23)	36460.57	38038.80
Other Liabilities	6189.91	7362.92
Trade Deposits from customers	23176.72	18418.05
Interest accrued not due	506.69	375.40
Customers' Credit Balances	2466.54	3213.80
PROVISIONS :		
Provision for income tax (net)	1928.72	0.00
Proposed dividend including Dividend tax	6608.62	6588.61
	<u>115331.62</u>	<u>98353.24</u>
Investor Education and Protection Fund:*		
(Appropriate amount shall be transferred to "Investor Education and Protection Fund", if and when due)		
(a) Unpaid Dividend	25.29	33.34
(b) Unpaid Share Application Money	0.00	0.00
(c) Unpaid Matured Deposits	37.81	61.49
(d) Unpaid Matured Debentures	0.00	0.00
(e) Interest accrued on (a) to (d) above	0.00	0.00
	<u>63.10</u>	<u>94.83</u>

* All the above items are included in Schedule 8 "Current Liabilities" except unpaid matured Debentures and interest accrued which are included in Schedule 3 "Secured Loans" (Refer Note No.21)

SCHEDULE 9
SALES AND OTHER INCOME

Sales including Excise Duty	375838.53	353704.35
Freight Earnings - Shipping	7092.45	1177.19
Value of Power Generated from Wind Farms	981.32	565.37
	<u>383912.30</u>	<u>355446.91</u>
DIVIDEND AND INTEREST:		
On Trade Investments	282.76	282.76
On Other Investments	13.98	14.41
Others	4135.06	1965.77
(Tax Deducted at Source Rs.70.18 Lakhs	4431.80	2262.94
Previous year Rs.112.37 Lakhs)		
Rent Recovery	19.77	19.56
Profit on Sale of Assets	21.79	22.21
Profit on Sale of Investments	0.60	0.00
Foreign Exchange translation difference	12.58	0.00
Miscellaneous Income (Refer Note No. 23)	7054.71	1796.56
Total Other Income	11541.25	4101.27
	<u>395453.55</u>	<u>359548.18</u>



SCHEDULE 10
MANUFACTURING AND OTHER OPERATING EXPENSES

	2009	2008
	Rs. Lakhs	Rs. Lakhs
1. Raw Materials Consumed		
Opening Stock	4894.53	3960.82
Add: Purchases	24247.78	20732.38
Own Quarrying (Net) (Refer Note No. 7.a)	13029.81	11496.13
	<u>37277.59</u>	<u>32228.51</u>
	42172.12	36189.33
Less : Closing Stock	5178.26	4894.53
Raw Materials Consumed	<u>36993.86</u>	<u>31294.80</u>
2. Stores Consumed (Refer Note No. 7.b)	3644.09	2795.38
3. Power and Fuel	89160.21	69074.50
4. Repairs & Maintenance:		
Buildings	48.91	44.79
Machinery	4998.88	3087.30
Others	<u>5726.61</u>	<u>465.28</u>
Total Repairs & Maintenance	10774.40	3597.37
5. Charter Hire Charges - Shipping	0.00	9.10
6. Agency and Port Charges - Shipping	536.84	16.69
7. Excise Duty on stock adjustment	115.11	286.95
	<u>141224.51</u>	<u>107074.79</u>

SCHEDULE 11

SALARIES, WAGES AND AMENITIES

Salaries, Wages and Bonus	15144.68	11513.76
Contribution to Provident Fund	582.67	535.99
Gratuity	572.52	478.16
Superannuation	537.60	260.61
Employees' Provident Fund Admn Charges	42.63	39.90
Employees' State Insurance Scheme	16.46	27.38
Workmen and Staff Welfare Expenses*	2426.80	2438.41
Unavailed leave (Refer Note No. 30)	235.01	1670.21
Perquisite value of Employees' Stock Options (Refer Note No. 31)	273.25	1825.09
	<u>19831.62</u>	<u>18789.51</u>

* Includes Expenses on Schools Rs.177.22 Lakhs (Previous year Rs. 168.48 Lakhs) which is net of Grants Rs.229.49 Lakhs (Previous year Rs.174.24 Lakhs).

SCHEDULE 12
ADMINISTRATION AND OTHER CHARGES

	2009		2008
	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs
Insurance	569.72		660.56
Rent	481.39		107.67
Rates and Taxes	387.80		353.79
Printing and Stationery	173.66		139.02
Postage, Telephones and Telegrams	363.75		297.23
Other Administration Expenses	8996.00		4715.18
Legal Fees	111.36		190.02
Directors' Sitting Fees	16.50		12.80
Auditors' Expenses:			
Audit Fees	60.00	60.00	
Cost Audit Fees	7.00	6.00	
Certifications/Others	25.73	23.09	
Tax Audit/Other Services	10.56	7.28	
Travel/out of pocket expenses	5.67	3.27	
		108.96	99.64
Amortisation of Deferred Revenue Expenses	1024.33		1043.88
Loss on Sale of Assets	66.90		263.50
Provision for Doubtful Advances / Debtors	504.65		428.41
Provision for Doubtful Advances / Debtors - Opening balance	340.85	132.31	
Add: Additional provisions during the year	504.65	428.41	
	845.50	560.72	
Less: Bad debts / advances written off during the year	115.08	219.87	
Provision for Doubtful Advances / Debtors - Closing balance	730.42	340.85	
		12805.02	8311.70

SCHEDULE 13
INTEREST AND OTHER CHARGES (NET)

Interest on Debentures	374.16		762.39
Interest on Fixed Loans	8996.81		8981.75
Interest - Others	1092.21		588.84
Bank Charges	751.75		653.21
	11214.93		10986.19

SCHEDULE 14
DIRECTORS' REMUNERATION

Managing Director:			
Salary	360.00	223.33	
HRA	108.00	58.80	
Contribution to Provident Fund	43.20	26.80	
Contribution to Gratuity and Superannuation Funds	69.00	42.81	
Commission	844.00	860.00	
Others	3.41	1.93	1213.67
Executive Director:			
Salary	288.00	179.76	
HRA	86.40	47.04	
Contribution to Provident Fund	34.56	21.57	
Contribution to Gratuity and Superannuation Funds	55.20	34.45	
Commission	422.00	200.00	
Others	2.24	0.54	483.36
		2316.01	1697.03



SCHEDULE 14 (Contd.)
Computation of Net Profit under Section 309(5) of the Companies Act, 1956

	2009			
	Rs. Lakhs			
Profit before taxes	64830.40			
Add: Managerial Remuneration	2316.01			
Add: Loss on sale of assets	66.90			
Add: Provision for doubtful debts	504.65			
Less: Bad debts written off	(115.08)			
Less: Profit on sale of assets	(22.39)			
Net profit as per Section 309(5) of the Companies Act	<u>67580.49</u>			
Commission:				
Managing Director	844.00			
Executive Director	422.00			
Total	<u>1266.00</u>			
	Rs. Lakhs	2009	Rs. Lakhs	2008
		Rs. Lakhs		Rs. Lakhs

SCHEDULE 15

DONATIONS

The India Cements Educational Society	117.43	100.00
Rajasthan Chief Minister's Relief Fund	50.00	0.00
Others	148.65	37.38
	<u>316.08</u>	<u>137.38</u>

SCHEDULE 16

(INCREASE) / DECREASE IN STOCK

Opening Stock of:			
Work-in-Process	669.43	756.31	
Semi-finished Goods	4761.18	2190.91	
Finished Goods	2615.99	2067.03	
Real Estate - Projects in Progress	2042.47	2042.47	
	10089.07		7056.72
Less:			
Closing Stock of:			
Work-in-Process	849.35	669.43	
Semi-finished Goods	5910.15	4761.18	
Finished Goods	2627.83	2615.99	
Real Estate - Projects in Progress	2042.47	2042.47	
	11429.80		10089.07
Total (Increase)/Decrease in Stock	<u>(1340.73)</u>		<u>(3032.35)</u>

SCHEDULE 17

(A) SIGNIFICANT ITEMS OF ACCOUNTING POLICY

1. The financial statements have been prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP), generally under the historical cost convention on accrual basis and exceptions to this basis, if any, are herein specifically mentioned. GAAP comprises mandatory Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI), the provisions of the Indian Companies Act, 1956 and the Guidelines issued by ICAI and Securities and Exchange Board of India (SEBI).
2. Fixed Assets are valued and shown adopting the following basis:
 - (a) Fixed assets and Capital work-in-progress of all the cement manufacturing facilities are shown at revalued amounts as at 31st March 2004. All other Fixed assets acquired are shown at the cost of acquisition. All costs including financing costs and applicable overheads incurred on specific projects/acquisition of undertakings are also capitalised.
 - (b) Fixed assets acquired on hire purchase or on Financial Lease are shown at their principal cost, excluding the interest cost included in these agreements which is charged to revenue over the life of the agreement.
 - (c) Expenditures and outlays of money on uncompleted projects of a capital nature are shown as capital works-in-progress until such time these projects are completed and commissioned.
 - (d)
 - (i) The company provides depreciation on written down value method for Motor Vehicles and for assets acquired prior to 1-4-1982 at Head Office and at Sankarnagar.
 - (ii) Software development costs and Computers are depreciated on Straight Line method as per Section 205(2)(b) of the Companies Act, 1956.
 - (iii) Ships are depreciated on Straight Line method, over its estimated useful life.
 - (iv) Long term Franchisee Rights are capitalised and amortised over the initial period of ten years.
 - (v) For all other assets Straight Line method as per Section 205(2)(b) of the Companies Act, 1956 is adopted.
 - (vi) The depreciation on incremental value arising from the revaluation of fixed assets is charged to the Revaluation Reserve Account.
 - (vii) Fixed assets are tested for impairment and impairment loss, if any, is provided by a charge to the Profit and Loss Account.
3.
 - (a) Where Foreign Currency loans have been availed to acquire fixed assets from outside India, the outstanding liability on these loans is stated at the exchange rate of the rupee as at the year end or at contracted rates with a corresponding adjustment to the carrying cost of the relevant assets. Depreciation is charged to accounts on the values so adjusted over the remaining life of the asset.
 - (b) Foreign Exchange transactions are accounted at the exchange rates prevailing at the time of transactions or at contracted rates. Current Assets and all Liabilities, (other than for acquiring fixed assets as mentioned in 3(a) above), in Foreign currencies are translated at values prevailing as at the year end. Gains/Losses if any, arising therefrom are recognised in the Profit and Loss Account.
4.
 - (a) Sales include excise duty, revenue from trade related activities and sales tax deferred as reduced by consideration for assignment of Sales Tax deferral liability and is net of rebates, discounts and incentives.
 - (b) Revenue from construction projects under Real Estate and Property Development Division is recognised on percentage of completion method.
 - (c) Revenue on time charter of ships is recognized on a proportionate basis.
5. Valuation of inventories of raw materials, packing materials, stores, spares, fuels and work-in-process is at weighted average cost. Semi-finished goods, finished goods and Real Estate Projects are valued at cost or net realisable value whichever is lower. The value of finished goods includes excise duty.
6. Research and Development expenses not resulting in any property/equipment are charged to revenue under nominal heads.
7. Interest and other costs in connection with borrowing of funds to the extent related/attributed to the acquisition/construction of qualifying fixed assets are capitalised upto the date when such assets are ready for its intended use.
8. Claims / Incomes arising from price escalation and/or any other item of compensation and which are indeterminate are accounted on finalization.
9. Trade investments and investments in subsidiary companies are long term investments and are carried at cost. The other investments are carried at lower of cost or realisable value. Provision for diminution value is made wherever necessary in accordance with the Accounting Standard.
10. Retirement benefits are provided by charge to revenue including provision for gratuity and superannuation fund determined on an actuarial basis for which a trust has been created. The Actuarial gains / losses arising on retirement benefits are also recognised in the profit and loss account. Unavailed leave balances are accounted based on actuarial principles.
11. Fringe Benefits arising on options vested under Employees Stock Options Scheme (ESOS), 2006 are charged to Profit and Loss Account and credited to Stock Options Reserve Account. On allotment of shares, corresponding amount is transferred from Stock Options Reserve to Securities Premium Account.
12. Premium on redemption of Debentures / Bonds is accounted on redemption and set off against the Securities Premium Account.



SCHEDULE 17

(B) NOTES ON ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2009

	2009 Rs. Lakhs	2008 Rs. Lakhs
1 Estimated amounts of Capital Expenditure Commitments	8766.98	38717.23
2 Monies for which the company is contingently Liable:		
a) Letter of Credit Opened By Bankers	5703.95	4392.90
b) Counter Guarantees to Bankers (including guarantees given on behalf of Subsidiaries and Associates)	10356.19	9565.58
c) Sales Tax demand for various years under dispute	795.94	527.19
d) Contingent Liability pertaining to Raasi Cement Limited (Residuary Company) for Sales Tax, Central Excise and Income Tax	2247.49	2662.64
e) Sales Tax Deferred under a scheme of the Governments of Tamil Nadu and Andhra Pradesh have been assigned to other companies. In view of the assignment the Company is contingently liable. The Sales tax Department issued notices on the company claiming a sum of Rs. 5873 Lakhs stated to have been availed in excess by the company. The Company has deposited a sum of Rs.16 Crores included under Loans and Advances. The issue was challenged by the company before the High Court and the High Court in December 2006 allowed the writ petition in favour of the Company. The department has however gone on appeal to the Supreme Court.	3519.93	3519.93
f) Contingent Liability on account of CENVAT cases and others	4258.22	4611.17
3 Claims against the Company not acknowledged as debts	11950.15	9685.06
4 Building includes purchase of flats on leasehold lands for which the documents of the title are yet to be executed in favour of the company.	11.13	11.13
5 Loans and Advances :		
a) Advances include advances to Subsidiaries, Associates and others representing strategic investments in Cement, Sugar, Shipping and Financial Services which represent strategic long term investments, which in the opinion of management, will realise values stated in the long term. The Company, as a Prudent measure has created a Contingency Reserve to the extent of Rs.108.66 Crores for any possible erosion in the value of the said advances.	83362.54	79541.25
b) Advances include disputed CENVAT / Sales Tax Claims pending in different stages of appeal. Management is of the opinion that these are recoverable at values stated.	882.22	757.98
6 Deferred Revenue expenditure includes expenses incurred on voluntary retirement schemes, which will be written off over a period of 60 months commencing from the year following the year in which the expenditure was incurred or upto financial year ending 31 st March 2010, whichever is earlier.	1355.12	2379.45
7 (a) Raw Materials consumed:		
Own Quarrying includes:		
(i) Salaries & Wages	1204.39	1110.80
(ii) Stores Consumed	2654.63	2621.43
(iii) Royalty	4235.65	4622.80
(b) Total Consumption of Stores and Spares during the year, including used in own quarrying; Captive Power generation and Repairs & Maintenance	18469.00	9151.36
8 Repairs and maintenance includes Stores & Spares	6020.60	2790.25

SCHEDULE 17
NOTES ON ACCOUNTS (Contd.)

		2009	2008
		Rs. Lakhs	Rs. Lakhs
9	Selling and Distribution expenses include		
	(i) Packing Charges	14002.76	13255.18
	(ii) Additional Sales Tax	14.42	7.24
	(iii) Freight outwards	44591.75	42590.94
	(iv) Advertisement	1784.23	1520.84
10	Detailed quantitative information of goods manufactured during the Report Period.		
	(a) Installed capacity (Tonnes)	12950000	8810000
	(b) Production (Tonnes)	9111354	9234441
	(c) Sales – Quantity (Tonnes)	9117811	9215224
	Sales – Value of Cement (Gross) (Rs. Lakhs)	375795.63	353516.04
	Value of Clinker (Rs. Lakhs)	42.89	188.31
		375838.52	353704.35
	(d) Opening Stock of cement produced (Tonnes)	112593	93376
	Value (Rs. Lakhs)	2615.99	2067.03
	(e) Closing stock of cement produced (Tonnes)	106136	112593
	Value (Rs. Lakhs)	2627.83	2615.99
11	Value of imports on CIF basis		
	(a) Raw Materials	2800.45	1646.32
	(b) Fuel	20701.73	–
	(c) Spare Parts and Components	1367.31	1303.72
	(d) Capital goods	1759.82	3156.21
	(e) Ship	–	10966.98
12	Earnings in Foreign Exchange (on accrual basis):		
	Export (FOB)		
	Cement – Quantity (Tonnes)	0	3325
	– Value (Rs. Lakhs)	0.00	92.19
	Ship – Charter Income	6593.38	1193.61
	Carbon Emission Reduction Credit	Nil	263.92
13	Interest earned on Foreign Currency Deposits	Nil	401.71
14	Expenditure in Foreign Currency (on accrual basis):		
	Ship related expenses	2087.36	117.55
	Legal & Consultancy Charges	98.51	208.77
	Travel Expenses and Others	246.46	339.10
	Indian Premier League - payments to foreign players	1011.59	0.00
15	Remittances in Foreign Currency:		
	Final Dividend on account of GDS		
	No. of shareholders	1	1
	Amount remitted (Rs. Lakhs)	141.16	62.08
	Year to which it pertains	2008	2007
	Final Dividend on account of GDR		
	No. of shareholders	1	1
	Amount remitted (Rs. Lakhs)	2.06	1.02
	Year to which it pertains	2008	2007



SCHEDULE 17
NOTES ON ACCOUNTS (Contd.)

	2009 Rs. Lakhs	2008 Rs. Lakhs
16 Details of imported and indigenous materials consumed during the year:		
Raw materials:		
Imported	3708.21	1307.70
Indigenous	33285.65	29987.10
Total	36993.86	31294.80
Percentage to Total Consumption		
Raw materials:		
Imported	10.02%	4.18%
Indigenous	89.98%	95.82%
Total	100.00%	100.00%
Spare Parts and Components:		
Imported	1324.96	473.38
Indigenous	536.54	988.03
Total	1861.50	1461.41
Percentage to Total Consumption		
Spare Parts and Components:		
Imported	71.18%	32.39%
Indigenous	28.82%	67.61%
Total	100.00%	100.00%
17 Details of Raw Materials consumed:		
Quantity in Tonnes:-		
Limestone	10351170	10786226
Gypsum	508728	654046
Others	1981395	1887685
Value:- (Rs. Lakhs)		
Limestone	18731.69	15358.08
Gypsum	6296.09	5441.99
Others	10258.43	8627.66
Freight on Inter Unit Transfer of Clinker	1707.65	1867.07
Total	36993.86	31294.80
18 The Company had opted for the "Tonnage Tax Scheme" under the Income Tax Act, 1961, in the financial year 2007-08 and has opted out of the said scheme with effect from current financial year.		
19 There are no dues to Small Scale Industries which is outstanding for more than 30 days at the Balance Sheet Date computed on unit wise basis. The above information regarding Small Scale undertaking has been determined to the extent such parties have been identified on the basis of information available with the Company and has been relied upon by the Auditors.		
20 There are no dues to Micro, Small and Medium Enterprises which are outstanding as at the Balance Sheet date and there were no delays as per the provisions of the Micro, Small and Medium Enterprises Development Act, 2006 in payment of dues to such enterprises. The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company and has been relied upon by the Auditors.		

SCHEDULE 17
NOTES ON ACCOUNTS (Contd.)

21 Note on Debt Restructuring:

[a] The Corporate Debt Restructuring (CDR) Cell formed by the Reserve Bank of India approved a Debt Restructuring proposal for all debts other than public deposits with effect from 01-01-2003. The company during the year has prepaid some of the loans and the expenses / charges incurred in this regard aggregating to NIL (for FY 2007-08 - Rs. 48.14 Crores) has been debited to the Profit and Loss Account as extraordinary non-recurring expense.

[b] The common documentation for creation of security between all the lenders and the company is yet to be executed. Pending execution of common documentation between the lenders and the Company, the security clause under the loans have not been changed.

22 The company had issued USD 75 Million Zero Coupon Foreign Currency Convertible Bonds [FCCB] which matures on May 12, 2011. The bonds will not bear any interest and are convertible by holders into shares, subject to certain conditions. The net proceeds were used by the company for the purpose of Capital Expenditure and other purposes, including the repayment of existing debt, as permitted under the applicable law or regulations.

The conversion price will be Rs.305.57 Per Share with a fixed rate of exchange on conversion of Rs.44.77 Per USD and approximately 10988481 Shares would be issuable on May 12, 2011, if the conversion option is exercised by the bond holders. If the bonds are not previously redeemed, converted or purchased and cancelled, the company will redeem each bond at 147.70 Percent of its Principal Amount on the Maturity date. The amount of premium on such redemption will be to the tune of Rs.18141.50 Lakhs.

The Company, subject to fulfillment of certain conditions and obtaining requisite approvals, has an option to redeem the balance bonds in whole but not in part at any time on or after May 11, 2008 but not less than seven business days prior to Maturity date.

23 The Company has as part of the initiatives to promote corporate image and its brands participated in the IPL T/20 tournaments with its team "The Chennai Super Kings". The right to operate the franchise provides platform to build corporate and brand image especially in the context of the company becoming a Pan India Player.

As a consideration for the right to operate the franchise, the company will have to pay a sum of USD 91 Million over a period of 10 years commencing from 2008.

As per the agreement, BCCI-IPL will share its income from the sale of media rights and sponsorship income with all the franchisees.

In addition to the Central revenue as mentioned above the franchisee will also have local revenue like gate collections, team sponsorships, uniform sponsors etc.,

The company capitalized the entire franchisee fee payable to BCCI-IPL as a "Franchise Right". In regard to the other costs involved in operating the franchise like remuneration to the players, advertisements, promotions, etc., are treated as period costs and the revenues earned, will be accounted as and when incurred/earned.

24 Pending finalisation of ongoing negotiations with various Banks/Financial Institutions, the claims towards Interest / Penal interest claims by Banks / Financial Institutions are under negotiation for waiver, amount not determinable.

25 Related Party Disclosures:

A. Names of the related parties and the nature of the relationship:

(i) Subsidiary Companies:

Industrial Chemicals and Monomers Ltd.

ICL Financial Services Ltd.

ICL Securities Ltd.

ICL International Ltd.

PT. Coromandel Minerals Resources (became a subsidiary during 2008-09)

Trishul Concrete Products Limited (became a subsidiary during 2008-09)



SCHEDULE 17
NOTES ON ACCOUNTS (Contd.)

- (ii) Associate Companies:
Raasi Cement Ltd.
Coromandel Sugars Ltd.
India Cements Capital Ltd.
Coromandel Travels Ltd.
Coromandel Electric Company Ltd.
Unique Receivable Management Private Ltd.
- (iii) Key Management Personnel (KMP):
Sri N.Srinivasan – Managing Director
Sri N.Ramachandran – Executive Director
- (iv) Relative of KMP, having transactions with the Company:
Ms Rupa Gurunath – Director

B. Transactions with Subsidiary and Associate Companies:

	2009	2008
	Rs. Lakhs	Rs. Lakhs
Subsidiaries:-		
Sale of Goods	3196.63	3695.62
Purchase of Shares	Nil	Nil
Purchase of Goods	190.71	253.69
Purchase of Assets	Nil	Nil
Rendering of Services	Nil	Nil
Receiving of Services	128.77	142.76
Interest received on Advances	Nil	Nil
Guarantees Outstanding at the year end	Nil	Nil
Outstanding balance included in current asset	33945.58	33855.95
Associates:-		
Sale of Goods	7.04	16.10
Purchase of Shares	Nil	Nil
Rendering of Services	Nil	Nil
Receiving of Services	4790.45	3942.24
Interest receivable on Advances	290.29	293.19
Dividend received from Associate co.	272.79	272.79
Guarantees given by Associate co. on behalf of the company	32500.00	32500.00
Guarantees Outstanding at the year end	8008.00	7958.00
Outstanding balance included in current asset	6504.06	7379.29
C. Transactions relating to persons mentioned in A. (iii) above:		
Remuneration	2316.01	1697.03
Dividends paid during the year	5.77	2.88
Total	2321.78	1699.91
D. Transactions relating to persons mentioned in A. (iv) above:		
Directors' Sitting Fee	1.20	0.70
Dividend paid during the year	0.73	0.36
Total	1.93	1.06

SCHEDULE 17
NOTES ON ACCOUNTS (Contd.)

	2009 Rs. Lakhs	2008 Rs. Lakhs
26 Assets Purchased on Financial Lease:		
Fixed Assets shown in Schedule 5 include the following assets purchased on Financial Lease:		
Gross Block		
Plant & Machinery	245.05	245.05
Office Equipment	0.00	0.00
Vehicles	0.00	0.00
Total	<u>245.05</u>	<u>245.05</u>
Net Block		
Plant & Machinery	132.27	157.86
Office Equipment	0.00	0.00
Vehicles	0.00	0.00
Total	<u>132.27</u>	<u>157.86</u>
The total minimum lease amount payable in Less than 1 year	11.16	66.98
Present Value of total minimum lease amount payable within 1 year	10.94	65.64
The total Minimum lease amounts payable after 1 year but within 5 years	Nil	27.91
Present Value of minimum lease amount payable after 1 year but within 5 years	Nil	27.35
27 Details of Loans and Advances given to Subsidiaries, Associates and Others:		
A. Loans and Advances to Subsidiaries:		
(i) Rate of Interest		
Industrial Chemicals and Monomers Limited	Nil	Nil
ICL Financial Services Limited	Nil	Nil
ICL Securities Limited	Nil	Nil
ICL International Limited	Nil	Nil
PT. Coromandel Minerals Resources	Nil	Nil
Trishul Concrete Products Limited	Nil	Nil
(ii) Closing Balance for the Report Period:		
Industrial Chemicals and Monomers Limited	1323.69	1313.02
ICL Financial Services Limited	15742.12	16241.07
ICL Securities Limited	13905.98	14139.54
ICL International Limited	2519.22	2162.32
PT. Coromandel Minerals Resources	169.98	0.00
Trishul Concrete Products Limited	0.00	0.00
Total	<u>33660.99</u>	<u>33855.95</u>



SCHEDULE 17
NOTES ON ACCOUNTS (Contd.)

	2009 Rs. Lakhs	2008 Rs. Lakhs
(iii) Maximum Balance for the Report Period:		
Industrial Chemicals and Monomers Limited	1323.81	1313.02
ICL Financial Services Limited	17255.57	17241.07
ICL Securities Limited	14154.12	14139.54
ICL International Limited	2519.22	2162.32
PT. Coromandel Minerals Resources	169.98	0.00
Trishul Concrete Products Limited	284.59	0.00
Total	<u>35707.29</u>	<u>34855.95</u>
B. Loans and Advances to Associates:		
(i) Rate of Interest:		
Coromandel Sugars Ltd.	9%	9%
India Cements Capital Ltd.	9%	9%
Coromandel Electric Company Ltd.	Nil	Nil
Coromandel Travels Ltd.	Nil	Nil
Unique Receivable Management Private Ltd.	Nil	Nil
(ii) Closing Balance for the Report Period:		
Coromandel Sugars Ltd.	4706.05	4597.89
India Cements Capital Ltd.	1663.83	715.10
Coromandel Electric Company Ltd.	7.61	7.76
Coromandel Travels Ltd.	111.21	0.00
Unique Receivable Management Private Ltd.	0.00	0.00
Total	<u>6488.70</u>	<u>5320.75</u>
(iii) Maximum Balance for the Report Period:		
Coromandel Sugars Ltd.	4730.83	4817.89
India Cements Capital Ltd.	1663.83	2080.92
Coromandel Electric Company Ltd.	53.59	7.76
Coromandel Travels Ltd.	181.83	0.00
Unique Receivable Management Private Ltd.	0.00	0.00
Total	<u>6630.08</u>	<u>6906.57</u>

Notes:-

- Loans and advances shown above to Subsidiaries, Associates and Others are repayable on demand.
- ICDs are not considered as they are repayable on demand and interest is charged at market rates.
- Loans to Employees as per Company's policy are not considered.
- Pursuant to the scheme of amalgamation approved by the Honourable High Court of Judicature at Chennai, the company has issued equity shares to the shareholders of Visaka Cement Industry Limited (Visaka). As per the said order 199.54 lakh shares of the company have been allotted in aggregate, to the subsidiaries in exchange for their shares of Visaka and the same are held in a Trust on their behalf.

SCHEDULE 17
NOTES ON ACCOUNTS (Contd.)

		2009 Rs. Lakhs	2008 Rs. Lakhs
28	Deferred Taxation:		
	Liability on account of Depreciation (Net of Unabsorbed Depreciation)	27406.24	22571.46
	Asset arising on account of other timing differences	1845.23	0.00
	Net Deferred tax liability	25561.01	22571.46
29	Computation of Earnings / Loss per Share (EPS)		
	Earnings:		
	Profit / [Loss] for the period	43217.65	63754.00
	Less : Provision for Preference Share Dividend	0.00	0.00
	Earnings available to Equity Share Holders -Basic (A)	43217.65	63754.00
	Income or (expenses) accounted in financial statements attributable to potential equity shareholders	5242.84	(2445.00)
	Earnings-Diluted (B)	48460.49	61309.00
	No. of Shares:		
	No. of Equity Shares	282431907	281869157
	Weighted average No. of equity shares (C)	282041486	265968376
	No. of Potential Equity Shares	11219231	11781981
	Weighted average No. of Potential Equity Shares	11219231	11781981
	Total weighted average No. of shares - Diluted (D)	293260717	277750357
	EPS:		
	Basic (Rs.) (A/C)	15.32	23.97
	Diluted (Rs.)(restricted to Basic EPS) (B/D)	15.32	22.07



SCHEDULE 17
NOTES ON ACCOUNTS (Contd.)

30 Employee Benefits:

The details of parameters adopted for valuation of post-employment benefit plans and leave benefits, as per Accounting Standard 15 issued by ICAI, are as under:

(a) Contribution to Pension Funds:

The company offers pension plans for managerial Grade employees and whole time Directors. While some of the employees are eligible for Defined Benefit Plan of pension, others are eligible for defined Contribution Plan of Pension. The Defined Benefit Plans of pension are managed by Life Insurance Corporation of India and the provision has been made on the basis of actuarial valuation.

The estimated aggregate value of Pension liability, discounted @8% p.a., (previous year: 9% p.a.), under the Defined Benefit Plans and defined contribution plans as at 31st March 2009, are Rs.3772.71 lakhs and Rs.760.52 lakhs respectively, as per the details given below:

Defined Benefit Scheme:

	2008-09	2007-08
Opening Balance as per actuarial valuation	Rs. 3180.55 lakhs	Rs. 3189.21 lakhs
Add: Interest income / differential interest due to change in discount rate during the year	Rs. 156.22 lakhs	Rs. 38.35 lakhs
Less: Settlements during the year	Rs. 75.14 lakhs	Rs. 233.08 lakhs
Sub total	Rs. 3261.63 lakhs	Rs. 2994.48 lakhs
Add: Provision created during the year	Rs. 511.08 lakhs	Rs. 186.07 lakhs
Closing Balance as per actuarial valuation	Rs. 3772.71 lakhs	Rs. 3180.55 lakhs
Assumptions:		
Discount rate	8.00% p.a.	9.00% p.a.
Salary escalation rate	2.00% p.a.	3.00% p.a.
Average age	48 years	47 years
Average accrued service	14 years	13 years
Annuity rates for pension computation	Rates applicable for 15 years certain and life thereafter, with return of corpus.	

Defined Contribution Schemes:

	2008-09	2007-08
Opening Balance	Rs. 734.42 lakhs	Rs. 620.54 lakhs
Less: Settlements / transfers during the year	Rs. 97.62 lakhs	Rs. 9.54 lakhs
Sub total	Rs. 636.80 lakhs	Rs. 611.00 lakhs
Add: Provision created during the year	Rs. 123.72 lakhs	Rs. 123.42 lakhs
Closing Balance	Rs. 760.52 lakhs	Rs. 734.42 lakhs

(b) Leave of absence and encashment:

The company has different leave plans including paid leave of absence plans and encashment of leave plans for employees at different Grades and provision has been made in accordance with Accounting Standard 15. The total amount of provision available for the unavailed leave balances as at 31st March 2009 is Rs. 3107.22 lakhs. (As at 31st March 2008 : Rs. 2872.21 lakhs).

SCHEDULE 17
NOTES ON ACCOUNTS (Contd.)

(c) Gratuity:

The employees are eligible for Gratuity benefits as per the Payment of Gratuity Act, 1972. The Gratuity Scheme is governed by a Trust created for this purpose by the company. The amount of Contribution to be made is arrived at based on an Actuarial valuation done at the Balance Sheet date, as given below and is accounted accordingly.

	2008-09	2007-08
Opening Balance as per actuarial valuation	Rs. 1831 lakhs	Rs. 1417 lakhs
Add: Interest income during the year	Rs. 30 lakhs	Rs. 59 lakhs
Less: Settlements during the year	Rs. 154 lakhs	Rs. 161 lakhs
Sub total	Rs. 1707 lakhs	Rs. 1315 lakhs
Add: Provision created during the year	Rs. 572 lakhs	Rs. 516 lakhs
Closing Balance as per actuarial valuation	Rs. 2279 lakhs	Rs. 1831 lakhs
Assumptions:		
Discount rate	8.00% p.a.	9.50% p.a.
Salary escalation rate	2.00% p.a.	3.00% p.a.
Average age	52 years	51 years
Average accrued service	26 years	25 years

31 Note on Employees Stock Option Scheme, 2006:

During the year 2006-07, the company announced Employees Stock Option Scheme, 2006 (ESOS 2006) to its employees, which came into force on 1st December 2006. As per the scheme, the eligible employees are entitled to apply for and be allotted to one equity share of Rs.10/- each, fully paid up, on payment of the Exercise price of Rs.50/- per Option, which vested with the option holders in 2 equal instalments on 1st December 2007 and 1st December 2008. The vested options shall be exercised by the option holders within 1 year from the date of vesting.

Under ESOS 2006, the maximum number of options to be granted in aggregate is not to exceed 15,00,000; of which the company issued 14,79,000 options, to be vested with the option holders in two equal annual instalments. Out of the options vested on 1st December 2007 and 1st December 2008, the option holders exercised their options for and were allotted fully paid up equity shares aggregating to 7,19,000 (Previous year: 7,06,500) and 5,50,250 respectively, as at the Balance Sheet.

The fair market price per equity share of the company on the date of vesting, i.e. 1st December 2007 and 1st December 2008 were Rs.296.80 and Rs.86.95 respectively. On vesting, the excess of fair market price over the price payable by the employees, per scheme, is charged to Profit and loss account by crediting Stock Options outstanding Reserve account and on allotment of shares, the corresponding amount is transferred from Stock Options outstanding Reserve account to Securities Premium, as per the Guidance Note issued by The Institute of Chartered Accountants of India. Accordingly, employees' cost has been debited with Rs.273.25 lakhs (Previous year: Rs.1825.09 lakhs).

32 Permission for exemption from disclosure of foreign exchange earnings and expenditure with regard to shipping operations has been received.

33 Previous year's figures have been regrouped wherever necessary.



**(C) STATEMENT PURSUANT TO PART IV OF SCHEDULE VI OF THE COMPANIES ACT, 1956.
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

I Registration details :

Registration No. State Code
Balance Sheet Date

II Capital raised during the period (Amount in Rs. Thousands)

Public Issue Rights Issue
Bonus Issue Private Placement
Employees' Stock Options exercised

III Position of mobilisation and deployment of funds (Amount in Rs. Thousands)

Total Liabilities Total Assets
Sources of Funds : Application of Funds :
Paid up Capital Net Fixed Assets
Reserves & Surplus Net Current Assets
Secured Loans Investments
Unsecured Loans Deferred Tax assets
Deferred Tax liability Miscellaneous Expenses

IV Performance of the Company (Amount in Rs. Thousands)

Turnover Total Expenditure
Profit/Loss Before Tax Profit/Loss After Tax
Earnings Per Share (in Rs.) Dividend Rate %

V Generic names of the Principal Products/Services of the Company : (as per monetary terms)

Item Code No.(ITC Code)	Product Description
2 5 2 3 2 9 . 0 1	C E M E N T
	P R O P E R T Y D E V E L O P M E N T
	S H I P P I N G
	P O W E R G E N E R A T I O N
	F R O M W I N D F A R M S

As per our Report of 27th June, 2009

Signatures to Schedules 1 to 17

For P.S.SUBRAMANIA IYER & CO.,
Chartered Accountants
G.HARIHARAN
Partner
Membership No. 15071

For BRAHMAYYA & CO.,
Chartered Accountants
N.SRI KRISHNA
Partner
Membership No. 26575

N.SRINIVASAN
Managing Director

B.S. ADITYAN
N.R. KRISHNAN
RUPA GURUNATH
N. SRINIVASAN

R.K. DAS
V. MANICKAM
A. SANKARAKRISHNAN
K. SUBRAMANIAN
Directors

Place : Chennai
Date : 27th June, 2009

R. SRINIVASAN
Joint President (Finance & Accounts)

G.BALAKRISHNAN
President & Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2009

		2009		2008
	Rs.Lakhs	Rs.Lakhs	Rs.Lakhs	Rs.Lakhs
A. Cash flow from operating activities :				
Net profit before tax and extraordinary items		64830.40		89278.04
Adjusted for:				
Depreciation	20332.04		12791.81	
Provision for Doubtful Debts & Advances	504.65		428.41	
Foreign Exchange	7929.92		-1013.23	
Profit on sale of Investments	-0.60		0.00	
Profit/Loss on sale of Assets	45.11		241.29	
Interest Expense	14009.56		13293.78	
Interest Income	-7681.44		-4926.57	
Dividend Income	-296.74		-297.17	
Perquisite value of Employees' stock options	273.25		1825.09	
Deferred revenue expenditure / income	1024.33	36140.08	932.81	23276.22
Operating profit before Working Capital changes		100970.48		112554.26
Trade and other receivables	-34503.07		-404.97	
Inventories	-4028.79		-10213.66	
Trade payables	16476.59	-22055.27	14190.68	3572.05
Cash generated from operations		78915.21		116126.31
Direct Taxes		-8301.88		-9625.77
Cash flow before extraordinary items		70613.33		106500.54
Extraordinary items		0.00		-4814.04
Net cash from operating activities	(A)	70613.33		101686.50
B. Cash flow from Investing activities :				
Purchase of Fixed Assets		-95426.26		-91989.81
Sale of Fixed Assets		43.19		171.39
Sale of Investments		213.72		0.00
Purchase of Investments		-3182.21		-7420.75
Interest received		4147.64		518.82
Dividend received		296.74		297.17
Refund by / advances to Subsidiaries, Associates and Others		-274.91		-3307.33
Net cash from Investing activities	(B)	-94182.09		-101730.51



CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2009 (Contd.)

		2009 Rs.Lakhs	2008 Rs.Lakhs
C. Cash flow from financing activities :			
Proceeds from issue of share capital		281.46	58334.00
Dividend paid		-6588.61	-3046.24
Proceeds from long term borrowings		26456.91	11985.23
Repayment of borrowings		-16649.39	-31150.85
Interest paid (net of remission)		-13975.91	-16532.41
Net Cash from financing activities	(C)	-10475.54	19589.73
Increase / (Decrease) in cash and cash equivalent	(A+B+C)	-34044.30	19545.72
Cash and cash equivalent at the beginning of the year		42564.04	23018.32
Cash and cash equivalent at the close of the year		8519.74	42564.04

N.SRINIVASAN
Managing Director

B.S. ADITYAN
R.K.DAS
N.R. KRISHNAN
V. MANICKAM
RUPA GURUNATH
A. SANKARAKRISHNAN
N. SRINIVASAN
K.SUBRAMANIAN
Directors

Place : Chennai
Date : 27th June, 2009

R. SRINIVASAN
Joint President (Finance & Accounts)

G.BALAKRISHNAN
President & Company Secretary

AUDITORS' CERTIFICATE

We have verified the above Cash Flow Statement of The India Cements Ltd., derived from the audited financial statements for the years ended 31st March, 2009 and 31st March, 2008 and found the same to be drawn in accordance therewith and also with the requirements of Clause 32 of the listing agreements with Stock Exchanges.

For P.S.SUBRAMANIA IYER & CO.,
Chartered Accountants

G.HARIHARAN
Partner
Membership No.15071

Place : Chennai
Date : 27th June, 2009

For BRAHMAYYA & CO.,
Chartered Accountants

N.SRI KRISHNA
Partner
Membership No.26575

STATEMENT ATTACHED TO THE BALANCE SHEET AS AT 31st MARCH, 2009 PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956.

	Name of the Subsidiaries					
	Industrial Chemicals & Monomers Ltd.	ICL Securities Ltd.	ICL Financial Services Ltd.	ICL International Ltd.	Trishul Concrete Products Ltd.	PT. Coromandel Minerals Resources
1. Financial year ending	31.03.2009	31.03.2009	31.03.2009	31.03.2009	31.03.2009	31.12.2008
2. Extent of Holding Company's interest at the end of the financial year of the subsidiary	98.59%	100.00%	100.00%	100.00%	59.88%	98.00%
3. The net aggregate amount of the subsidiaries' profit less losses or vice versa so far it concerns the members of the holding company's accounts	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs
(a) for the financial year mentioned against item 1 above	19.22 (Loss)	199.40 Profit	340.49 Profit	891.75 (Loss)	124.48 Profit	Nil
(b) of the previous financial years of the subsidiaries since they became the holding company's subsidiaries	432.72 (Loss)	476.07 (Loss)	2136.58 (Loss)	760.36 (Loss)	Nil	Nil
4. (a) The net aggregate amount of the subsidiaries' profits less losses, for the financial year against item 1 above so far as these profits are dealt with in the holding company's accounts.	Not dealt in the holding Company's Accounts	Not dealt in the holding Company's Accounts	Not dealt in the holding Company's Accounts	Not dealt in the holding Company's Accounts	Not dealt in the holding Company's Accounts	Not dealt in the holding Company's Accounts
(b) The net aggregate amount of the subsidiaries' profits less losses, for the previous financial years of the subsidiaries since it became the holding company's subsidiaries, so far as these profits are dealt with in the holding company's accounts.						
5. Changes in the holding company's interest in the subsidiaries between the end of the financial year of the subsidiary and the end of the holding company's financial year.						
6. Material changes which have occurred between the end of the aforesaid financial year of the subsidiaries and the end of holding company's financial year in respect of :	As the financial year of all the subsidiaries other than PT. Coromandel Minerals Resources coincides with the financial year of the holding company i.e., The India Cements Ltd., Sec. 212(5) of the Companies Act, 1956 is not applicable.					Nil
(a) the subsidiaries' fixed assets.						
(b) its investments.						Nil
(c) the money borrowed by it for any purpose other than that of meeting current liabilities.						Nil

N.SRINIVASAN
Managing Director

B.S. ADITYAN
R.K.DAS
N.R. KRISHNAN
V. MANICKAM
RUPA GURUNATH
A. SANKARAKRISHNAN
N. SRINIVASAN
K.SUBRAMANIAN
Directors

Place : Chennai
Date : 27th June, 2009

R. SRINIVASAN
Joint President (Finance & Accounts)

G.BALAKRISHNAN
President & Company Secretary



INFORMATION IN AGGREGATE FOR EACH SUBSIDIARY AS AT 31st MARCH, 2009

Subsidiaries

Industrial Chemicals and Monomers Limited	ICML
ICL Securities Limited	ICLSL
ICL Financial Services Limited	ICLFSL
ICL International Limited	ICLIntl
Trishul Concrete Products Limited	TCPL
PT. Coromandel Minerals Resources	CMR

	Rs. Lakhs					
	ICML	ICLSL	ICLFSL	ICLIntl	TCPL	CMR
Capital: Paidup	227.82	5.00	5.00	5.00	193.73	128.51
Advance towards equity	8.31	608.02	591.20	0.00	0.00	0.00
Reserves	4.52	0.00	0.00	0.00	583.68	0.00
Accumulated Losses	1275.07	276.67	1796.09	1650.01	0.00	0.00
Total Assets (including Investments)	70.25	13630.30	13945.61	911.68	884.29	128.51
Total Liabilities	1325.54	13293.95	15145.50	2556.69	106.88	0.00
Details of Investments (including investments held thro' Trusts)	0.02	12406.73	13193.69	0.00	0.00	0.00
Turnover	0.00	199.58	354.56	334.64	9226.30	0.00
Profit / (Loss) before Taxation	-19.49	199.40	353.99	-883.23	315.07	0.00
Provision for Taxation	0.00	0.00	13.50	8.52	107.18	0.00
Profit / (Loss) after Taxation	-19.49	199.40	340.49	-891.75	207.89	0.00
Proposed Dividend	Nil	Nil	Nil	Nil	Nil	Nil

As per our Report of 27th June, 2009

For P.S.SUBRAMANIA IYER & CO.,
Chartered Accountants
G.HARIHARAN
Partner
Membership No. 15071

For BRAHMAYYA & CO.,
Chartered Accountants
N.SRI KRISHNA
Partner
Membership No. 26575

N.SRINIVASAN
Managing Director

B.S. ADITYAN
N.R. KRISHNAN
RUPA GURUNATH
N. SRINIVASAN

Directors

R.K. DAS
V. MANICKAM
A. SANKARAKRISHNAN
K. SUBRAMANIAN

Place : Chennai
Date : 27th June, 2009

R. SRINIVASAN
Joint President (Finance & Accounts)

G.BALAKRISHNAN
President & Company Secretary

PT. COROMANDEL MINERALS RESOURCES DIRECTORS' REPORT

The Directors have pleasure in presenting the Annual Report and the Audited Accounts of PT. Coromandel Minerals Resources for the year ended December 31, 2008. The Company was established in January 2008 with the approval of the Ministry of Justice of the Republic of Indonesia.

During the year the Company has raised 2.828 billion Rupiahs by way of issue of shares to holding company, The India Cements Limited and its subsidiary.

The Company has not commenced the operations during the year. Pending commencement of operation, the funds raised from the shareholders are placed in deposits with banks.

The Company is in the process of conducting due diligence in respect of some of the local mines and when once the mines for development are finalised, the Company will commence operations.

Your directors acknowledge with gratitude the support extended by the holding company, The India Cements Limited and the Indonesian Government authorities for the cooperation extended in establishing the Company.

On behalf of the Board

Place : Chennai 600 002

Date : 27th June, 2009

R. Krishnachander V.M. Mohan
Directors

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders

Jakarta, April 27, 2009

PT. Coromandel Minerals Resources, In - Jakarta

We have audited the accompanying Balance Sheet of **PT. Coromandel Minerals Resources** as of December 31, 2008 and the related statements of income, changes in shareholders equity and statement of cash flows for the years then ended.

These financial statement are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statement based on our audits.

We conducted our audit in accordance with auditing standards established by the **Indonesian Institute of certified public accountants**. These standards require that we plan and perform the audit to obtains reasonable assurance that the financial statements are free of material misstatements. Includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audits also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statement presentation. We believe that our audit provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **PT. Coromandel Minerals Resources** as of December 31, 2008 and the results of its operations and its cash flows for the years then ended, in conformity with generally accepted accounting principles.

Accountant Public's Office
Drs. Eddy Mulia, AK
NIU.98.2.0173
License No. 98.1.0339
Reg. Neg. D-1327

PT. Coromandel Minerals Resources		
Balance Sheet as at 31st December, 2008		
Particulars	Rupiah	Indian Rupees
Current Assets		
Bank	3163021319	13883729
Total Assets	3163021319	13883729
Current Liabilities		
A/P Stock Holder	334921319	1470100
Capital		
Capital	2828100000	12413629
Total Liabilities & Capital	3163021319	13883729

On behalf of the Board

R. Krishnachander V.M. Mohan
Directors

P.S. SUBRAMANIA IYER & CO.
Chartered Accountants
103, P.S. Sivaswamy Salai
Mylapore
Chennai - 600 004

BRAHMAYYA & CO.
Chartered Accountants
48, Masilamani Road
Balaji Nagar, Royapettah
Chennai - 600 014

AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have examined the attached Consolidated Balance Sheet of **The India Cements Limited** and its subsidiaries (**The India Cements Limited Group**) as at 31st March 2009, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year then ended.

These financial statements are the responsibility of The India Cements Limited's management. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with generally accepted auditing standards in India. These Standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. An audit also 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 statements. We believe that our audit provides a reasonable basis for our opinion.

We did not audit the financial statements of certain subsidiaries included in the consolidated financial statements whose financial statements reflect total assets of Rs.1,028 Lakhs as at March 31st 2009, total revenues of Rs.9,226 Lakhs for the year ended on March 31st 2009 and net cash flow from operating activities amounting to Rs.185 Lakhs for the year ending March 31st 2009. Further we did not audit the financial statements of associates whose financial statements reflect the groups share of Loss of Rs.52.54 Lakhs for the year ended March 31st 2009. These financial statements are unaudited and included in the consolidated financial statements.

We report that the Consolidated Financial Statements have been prepared by **The India Cements Limited's** management in accordance with the requirements of Accounting Standard (AS) 21, Consolidated Financial Statements and Accounting standard (AS) 23, Accounting for investments in Associates in Consolidated Financial Statements notified pursuant to the companies (Accounting standards) Rules, 2006.

On the basis of the information and explanations given to us and on the consideration of the separate audit reports on few individual audited financial statements of The India Cements Group, we are of the opinion that said Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India.

- a) In the case of Consolidated Balance Sheet, of the state of affairs of The India Cements Group as at March 31, 2009.
- b) In the case of the Consolidated Profit and Loss Account, of the consolidated results of operations of The India Cements Group for the year then ended; and
- c) In the case of the Consolidated Cash Flow Statement, of the consolidated Cash Flow of The India Cements Group for the year then ended.

For P. S. SUBRAMANIA IYER & Co.,
Chartered Accountants
G.HARIHARAN
Partner
Membership No.15071

For BRAHMAYYA & Co.,
Chartered Accountants
N.SRI KRISHNA
Partner
Membership No.26575

Place : Chennai
Date : 27th June, 2009

CONSOLIDATED ACCOUNTS

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2009

	Schedule	Rs. Lakhs	2009 Rs. Lakhs	Rs. Lakhs	2008 Rs. Lakhs
SOURCES OF FUNDS :					
1. Shareholders' Funds :					
a) Capital	1	28243.05		28186.74	
b) Funds Pending allotment of Shares [ICML]		8.30		8.30	
c) Reserves and Surplus	2	325177.98	353429.33	295139.26	323334.30
2. Minority Interest			311.91		0.00
3. Loan Funds :					
a) Secured Loans	3	103699.74		97101.68	
b) Unsecured Loans					
i) From Banks and others	4	1172.45		3268.87	
ii) Foreign Currency Convertible Bonds (Refer Note no. 22)		38040.00		30097.50	
iii) Interest free Sales tax deferral loans		55965.51	198877.70	50684.63	181152.68
4. Deferred Tax Liability [Refer Note No.28]			27438.38		22571.46
			580057.32		527058.44
APPLICATION OF FUNDS :					
1. Fixed Assets :	5				
a) Gross Block		533599.37		472307.22	
b) Less : Depreciation		151208.25		124602.11	
c) Net Block		382391.12		347705.11	
d) Capital Work-in-Progress		90404.47	472795.59	57551.70	405256.81
2. Investments	6		35559.55		33299.54
3. Current Assets, Loans and Advances:	7				
a) Inventories		37311.40		33142.49	
b) Real Estate - Projects in Progress		2042.47		2042.47	
c) Sundry Debtors		36941.29		31987.41	
d) Cash and Bank Balances		8797.48		42624.70	
e) Loans and Advances		100344.13		74612.58	
		185436.77		184409.65	
Less : Current Liabilities and Provisions	8	117155.82	68280.95	98507.89	85901.76
4. Deferred Tax Asset (Refer Note No. 28)			1845.23		0.00
5. Miscellaneous Expenditure to the extent not written off or adjusted :					
Deferred Revenue Expenditure (Refer Note No.6)			1576.00		2600.33
			580057.32		527058.44

As per our Report of 27th June, 2009

For P.S.SUBRAMANIA IYER & CO.,
Chartered Accountants

G.HARIHARAN
Partner
Membership No. 15071

Place : Chennai
Date : 27th June, 2009

For BRAHMAYYA & CO.,
Chartered Accountants

N.SRI KRISHNA
Partner
Membership No. 26575

R. SRINIVASAN
Joint President (Finance & Accounts)

N.SRINIVASAN
Managing Director

B.S. ADITYAN
N.R. KRISHNAN
RUPA GURUNATH
N. SRINIVASAN

Directors

R.K. DAS
V. MANICKAM
A. SANKARAKRISHNAN
K. SUBRAMANIAN

G.BALAKRISHNAN
President & Company Secretary

CONSOLIDATED ACCOUNTS

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2009

			2009	2008
	Note No.	Schedule	Rs. Lakhs	Rs. Lakhs
INCOME :				
Sales and Other Income		9	403143.56	360709.72
Less: Excise Duty			(47963.20)	(50735.08)
Total Income			355180.36	309974.64
EXPENDITURE:				
Manufacturing and other Operating Expenses		10	147404.75	107323.12
Salaries, Wages and Amenities		11	20329.20	18937.58
Administration and Other Charges		12	13335.09	8712.62
Selling and Distribution Expenses	9		68392.07	63805.85
Interest & Other Charges (Net)	21	13	11227.96	10987.14
Depreciation			26436.88	18799.36
Less: Transfer from Revaluation Reserve			5686.44	5693.64
Less: Transfer from Deferred Income			298.80	298.78
Directors' Remuneration		14	2325.45	1706.47
Donations		15	316.08	137.38
(Increase) / Decrease in Stock		16	(1331.86)	(3000.94)
Total Expenditure			282450.38	221416.16
Profit before tax and extra ordinary Items			72729.98	88558.48
Prior Period income / (Expense)			8.67	(0.22)
Extra Ordinary Items:				
Foreign Currency Translation difference on FCCBs-Expense			(7942.50)	1013.23
Reversal of Sales Tax deferral assignments			0.00	0.00
Less: Transfer from General Reserve			0.00	0.00
Share / Bonds Issue Expenses			0.00	1268.00
Less : Transfer from Share Premium			0.00	(1268.00)
Non-recurring expenses	21 (a)		0.00	(4814.04)
Profit Before Tax			64796.15	84757.45
Provision for taxes:				
Fringe benefit Tax			(486.72)	(979.02)
Provision for Current Tax			(18262.48)	(8800.00)
Less: Minimum Alternate Tax credit entitlement			0.00	7320.00
Deferred Tax Liability	28		(2992.75)	(18270.00)
Profit After Tax			43054.20	64028.43
Proportionate Profit/(Loss) of Associate Companies				
Adjustments in value of investments in associates in accordance with AS 23			(728.50)	128.30
			42325.70	64156.73
Proportionate Profit for Minority Interest			(83.41)	0.00
			42242.29	64156.73
Balance from Previous Year			43947.20	(4530.92)
Opening Balance of Trishul Concrete Products Limited Net of Minority interest			190.02	0.00
Less : Proposed Dividend @ 20% on Equity capital			(6608.62)	(6588.61)
(Previous year: 20%) (Including dividend tax @ 16.995%)				
Less : Dividend on Preference Capital [Including Dividend Tax]			0.00	0.00
Less : Transfer to Capital Redemption Reserve			0.00	0.00
Less : Transfer to Debenture Redemption Reserve			0.00	0.00
Less: Transefr to General Reserve			(7025.00)	(9000.00)
Less : Transfer to Shipping Tonnage Tax Reserve			0.00	(90.00)
Balance Carried to Balance Sheet			72745.89	43947.20
Earnings Per Share (Rs.) - Basic			15.01	24.12
Earnings Per Share (Rs.) - Diluted			15.01	22.22
Notes on Accounts		17		
As per our Report of 27th June 2009				
For P.S.SUBRAMANIA IYER & CO., Chartered Accountants	For BRAHMAYYA & CO., Chartered Accountants	N.SRINIVASAN Managing Director	B.S. ADITYAN N.R. KRISHNAN RUPA GURUNATH N. SRINIVASAN	R.K. DAS V. MANICKAM A. SANKARAKRISHNAN K. SUBRAMANIAN
G.HARIHARAN Partner Membership No. 15071	N.SRI KRISHNA Partner Membership No. 26575			Directors
Place : Chennai Date : 27th June, 2009	R. SRINIVASAN Joint President (Finance & Accounts)	G.BALAKRISHNAN President & Company Secretary		

CONSOLIDATED ACCOUNTS

SCHEDULES ANNEXED TO AND FORMING PART OF CONSOLIDATED BALANCE SHEET AND CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

SCHEDULE 1 SHARE CAPITAL

	No. of Shares	2009 Rs. Lakhs	No. of Shares	2008 Rs. Lakhs
AUTHORISED :				
Equity Shares of Rs.10/- each	460000000	46000.00	460000000	46000.00
Redeemable Cumulative Preference Shares of Rs.100/- each	7500000	7500.00	7500000	7500.00
		<u>53500.00</u>		<u>53500.00</u>
ISSUED :				
Equity Shares of Rs.10/- each	282431973	28243.20	281869223	28186.92
		<u>28243.20</u>		<u>28186.92</u>
SUBSCRIBED :				
Equity Shares of Rs.10/- each	282431907	28243.20	281869157	28186.92
Less: Calls in arrears (other than Directors)	3537	0.15	3851	0.18
	<u>282428370</u>	<u>28243.05</u>	<u>281865306</u>	<u>28186.74</u>

Notes :

- 14,00,000 equity shares of Rs.10/-each (28,00,000 equity shares of Rs.5/- each before consolidation) were issued as fully paid up bonus shares in 1969 by capitalising Rs.140 lakhs out of General Reserve and 321,68,291 equity shares of Rs.10/- each were issued as fully paid up bonus shares in 1996 by capitalising Rs.32,16,82,910 out of Share Premium.
- During the year 1994-95, the company allotted 58,57,987 equity shares of Rs.10/- each consequent to issue of equivalent number of Global Depository Receipts (GDR).
- During the year 1995-96, the Company allotted 15,00,000 equity shares of Rs.10/- each to promoters group on exercise of their option to subscribe against the warrants issued at Rs. 215/- per share in the ratio of one share per warrant.
- During the year 1998-99, the Company allotted 6,43,38,002 rights equity shares of Rs.10/- each in the ratio of 1:1 at a premium of Rs.15/- per share.
- During the year 1999-2000, the Company allotted 1,08,69,500 equity shares of Rs.10/- each at a premium of Rs. 82/- per share to the Foreign Institutional Investors.
- During the year 2005-06, the Company allotted 5,12,27,592 underlying equity shares of Rs.10/- each represented by 2,56,13,796 Global Depository Shares (GDS) in the ratio of 2:1
- During the year 2006-07, the company allotted 2,96,00,561 equity shares of Rs.10/- each at a price of Rs. 47/- per share on conversion of equity warrants issued to ADRC Limited, Mauritius.
- During the year 2006-07 the company issued Zero Coupon Convertible Bonds aggregating to USD 75 million, with an option to convert at a price of Rs.305.57 per equity share of Rs.10/- each fully paid up, with a fixed rate of conversion of Rs.44.77 per USD and approximately 109,88,481 shares would be issuable on May 12,2011 on conversion.
- During the year 2006-07, the company announced Employees' Stock Option Scheme (ESOS) to its employees. Under this scheme, the managerial employees were granted 14.79 lakhs options and each option

is entitled to one equity share of Rs.10/- each fully paidup at a price of Rs.50/- per share including premium of Rs.40/- per share. The options vested with employees in two equal instalments to be exercised on or before December 1, 2008 and December 1, 2009. Consequent to this 719,000 shares (previous year: 706,500 shares) and 550,250 shares were allotted out of the 1st and 2nd instalments respectively.

- During the year 2007-08, the company allotted 400,00,000 Equity shares of Rs.10/- each fully paid up, to the shareholders of erstwhile Visaka Cement Industry Limited (VCIL) pursuant to the order dated 25th July, 2007 of the Honourable High Court of Judicature at Madras sanctioning the Scheme of Amalgamation of VCIL with The India Cements Limited.
- During the year 2007-08, the company allotted 207,89,000 Equity shares of Rs.10/- each fully paid up, to Qualified Institutional Buyers at a price of Rs.285/- per share including premium of Rs.275/- per share.
- No Interest has been recognised as income from April 2002 on calls in arrears.

SCHEDULE 2 RESERVES AND SURPLUS

	2008 Rs. Lakhs	Additions Rs. Lakhs	Withdrawals Rs. Lakhs	2009 Rs. Lakhs
Capital Reserve	16.17	0.00	0.00	16.17
Capital Redemption Reserve	2500.00	0.00	0.00	2500.00
Debenture Redemption Reserve	1066.21	0.00	0.00	1066.21
Securities Premium *1	139111.75	459.32	0.00	139571.07
Contingency Reserve *2	10865.87	0.00	0.00	10865.87
General Reserve	20343.10	7025.00	147.80	27220.30
Deferred Income	4687.93	0.00	298.80	4389.13
Revaluation Reserve *3	72429.59	0.00	5836.77	66592.82
Stock Options Outstanding account *4	81.44	273.25	234.17	120.52
Shipping Tonnage Tax Reserve *5	90.00	0.00	0.00	90.00
Profit and Loss account	43947.20	42432.31	13633.62	72745.89
	<u>295139.26</u>	<u>50189.88</u>	<u>20151.16</u>	<u>325177.98</u>

Notes:

*1 Securities Premium

- During the year, the company allotted 12,500 and 550,250 fully paid up equity shares out of the options vested in the 1st and 2nd instalments respectively, under ESOS 2006, to the employees. Additions to Securities Premium include premium of Rs. 40/- per share of the said equity shares allotted to employees and fringe benefit thereon of Rs.246.80 per share towards the 1st instalment and Rs.36.95 per share towards the 2nd instalment aggregating to Rs. 459.27 lakhs.
- Share Premium is net of Calls in arrears of Rs.0.22 lakhs (As on 31st March 2008: Rs.0.27 lakhs).

*2 Contingency Reserve

For any possible erosion in the value of Investments / Advances / other contingencies (Refer Note No. 5a).

CONSOLIDATED ACCOUNTS

SCHEDULE 2 (contd...)

- *3 Revaluation Reserve:
Amounts withdrawn include revaluation reserve on assets retired / sold.
- *4 Stock Options Outstanding Account:
Out of the 2nd instalment of 739,500 options vested with the employees as on December 01, 2008, the employees exercised their options for 550,250 shares during December 2008 and February 2009. The Fringe benefit, of Rs.36.95/- per share, being the difference between the market value and the option exercise price of the unexercised options, is shown as Stock options outstanding account. The Fringe benefit of Rs. 246.80 per share on the unexercised options of the 1st instalment aggregating to 20,500 options is also included in this account.
- *5 Shipping Tonnage Tax Reserve:
During the financial year 2007-08, the company opted for "Tonnage Tax" Scheme on the income generated by the ships and as required by Section 115VT of Income Tax Act, "Tonnage Tax Reserve" has been created. In view of the company opting out of the scheme from the financial year 2009-10, no further Reserve has been created. (Refer Note No. 18)

SCHEDULE 3

SECURED LOANS

	2009 Rs. Lakhs	2008 Rs. Lakhs
(A) Debentures: (Refer Note No. 21)		
Secured privately placed Debentures, redeemable / repayable on or before 31st March 2016, restructured as per the Corporate Debt Restructuring (CDR) proposal agreed to by the lenders:		
(i) 2385 Debentures of Rs. 500,000/- each	476.18	672.40
(ii) 7630 Debentures of Rs. 500,000/- each	1815.36	3585.82
(iii) 18000 Debentures of Rs. 100,000/- each	0.00	6.62
Total [A] (i) to (iii)	2291.54	4264.84
Interest Accrued	0.00	48.68
Total	2291.54	4313.52
(B) Term Loans:		
(i) Dalavoi Cement Plant: Industrial Development Bank of India Ltd.	6076.50	6543.30
(ii) Yerraguntla Cement Plant: Industrial Development Bank of India Ltd.	1889.41	2257.71
(iii) Vishnupuram Cement Plant: a) Industrial Development Bank of India Ltd. b) IFCI Ltd	352.27 121.71	370.82 128.71
(iv) State Bank of India	3012.67	3760.15
(v) Allahabad Bank	309.86	396.97
(vi) Nova Scotia Bank	0.00	299.89
(vii) HDFC Ltd	0.00	831.22
(viii) HDFC Ltd.	37.12	556.94
(ix) Housing and Urban Development Corporation Ltd.	22599.66	25035.32
(x) IDBI Bank Ltd	16389.25	19722.25
(xi) IDBI Bank Ltd	0.00	5106.00
(xii) Punjab National Bank	4097.15	5000.00
(xiii) Indian Bank	340.00	0.00
(xiv) Housing Development Finance Corporation Ltd.	10000.00	0.00
(xv) HDFC Bank Ltd.	6000.00	0.00

	2009 Rs. Lakhs	2008 Rs. Lakhs
[xvi] Tandur Cement Plant:		
a) Industrial Development Bank of India Ltd.	1852.41	3157.43
b) IFCI Ltd.	690.90	1156.55
c) Life Insurance Corporation of India	173.72	308.94
d) Rupee Tied Loans	154.45	175.83
e) Foreign currency loans	0.00	21.52
f) Indian Bank	2702.43	3314.66
[xvii] Liability towards assets acquired on Financial Lease	11.16	73.95
Total [B] (i) to (xvii)	76810.67	78218.16
Interest Accrued	0.00	48.96
Total	76810.67	78267.12

(C) Cash Credit Facilities and Other Working Capital Loans from Scheduled Banks

(i) Working Capital and other Term Loans from Banks	1269.80	1341.00
(ii) Cash Credit Facilities from Scheduled Banks	23327.72	13180.04
Total [C] (i) and (ii)	24597.53	14521.04
Total A to C	103699.74	97101.68

SECURITY :

A. Debentures:

- Item (i) is secured by a registered first mortgage on the Company's properties in the State of Gujarat and further secured by a joint first equitable mortgage/charge on the immovable and movable assets (excluding assets purchased under Asset Credit Scheme and certain other assets specifically excluded from the purview of the security) present and future subject to prior charge on the movable assets in favour of the Company's bankers for working capital requirements.
- Item (ii) is secured by a registered first mortgage on the company's properties in the state of Gujarat and further secured by a joint first equitable mortgage on the immovable properties of the company both present and future.

B. Term Loans:

- Items (i) and (ii) are secured by first equitable mortgage and charge on pari passu basis (with other Lenders/Debenture Trustees) on the immovable and movable assets (with exclusion of assets purchased under Asset Credit Scheme and certain other assets specifically excluded from the purview of the security) both present and future subject to prior charge on the movable assets in favour of the Company's bankers for working capital requirements.
- Items (iii)(a) and (x) are secured by a joint first equitable mortgage/charge on the immovable and movable assets (excluding assets purchased under Asset Credit Scheme and certain other assets specifically excluded from the purview of the security) present and future subject to prior charge on the movable assets in favour of the Company's bankers for working capital requirements.
- Item (iii)(b) is secured by an exclusive first charge by way of hypothecation of the equipment purchased together with tools & accessories at Vishnupuram cement plant and further secured by a joint first equitable mortgage/charge on the immovable and movable assets (excluding assets purchased under Asset Credit Scheme and certain other assets specifically excluded from the purview of the security) present and future subject to prior charge on the movable assets in favour of the company's bankers for working capital requirements.

CONSOLIDATED ACCOUNTS

SCHEDULE 3 (contd...)

4. Item (iv) is secured by hypothecation of Fixed Assets of the company at Sankarnagar, Dalavoi and Yerraguntla cement plants and further secured by a joint first equitable mortgage / charge on the immovable and movable assets(excluding assets purchased under Asset Credit Scheme and certain other assets specifically excluded from the purview of the security) present and future subject to prior charge on the movable assets in favour of the Company's bankers for working capital requirements.
5. Item (v) is secured by first charge on the Gensets installed at Sankarnagar.
6. Item (viii) is secured by shares of Andhra Pradesh Gas Power Corporation Ltd. (APGPCL) held by the company and further secured by first charge on the residential colonies at Sankarnagar, Sankari and Chilamakur and property at Chennai.
7. Item (ix) is secured by first equitable mortgage and charge on pari passu basis (with other lenders/debenture trustees) on the immovable and movable assets of the Company both present and future and floating charge on all other assets including but not limited to current assets, subject to prior charges created/to be created in favour of the Company's bankers for working capital requirements in the ordinary course of business and assignment of company's receivables, accounts and book debts etc.and also personal guarantee of VCMD and ED and Corporate guarantee of Coromandel Sugars Limited.
8. Item (xii) is secured by a first pari passu charge (with other lenders/debenture trustees) on the movable and immovable fixed assets of the Company both present and future save and except book debts and subject to prior charges created/to be created in favour of the Company's bankers on its current assets for securing the borrowing for working capital requirements.
9. Item (xiii) is secured by a lien on the term deposit held with the bank.
10. Item (xiv) is secured by an equitable mortgage on the immovable property at door no. 9, Boat Club Road, Chennai and by a lien on the fixed deposit held with the bank.
11. Item (xv) is secured by a lien on the term deposit held with the bank.

12. Item (xvi) is secured by first mortgage/charge on a pari passu basis on the immovable and movable assets of Tandur Cement plant, subject to prior charge on the movable assets in favour of banks for working capital requirements.
13. Item (xvii) is secured by the respective equipments and other assets acquired on lease.
14. Satisfaction of charge is to be filed in the case of certain loans that have been paid during the year.
15. The term loan from State Bank of India is additionally secured by a second charge on the current assets of the company.

C. Cash Credit facilities and Working capital loans from Scheduled Banks:

The fund based and non-fund based working capital facilities are secured by a first charge on pari passu basis on all the current assets and second charge on the movable fixed assets and immovable properties of the company. The working capital term loans are secured by a first charge on pari passu basis on the movable fixed assets and immovable properties of the company and a second charge on the current asset.

- D. Loans mentioned in B(i) carry an option for conversion into equity shares at par not exceeding 20% of the sanctioned loan/outstanding loan in the advent of certain events and subject to conditions.

SCHEDULE 4 UNSECURED LOANS

	2009 Rs. Lakhs	2008 Rs. Lakhs
Fixed Deposits	1172.23	1879.22
Loans from Scheduled Banks	0.22	1389.65
Sub total	1172.45	3268.87
Interest Accrued	0.00	0.00
	1172.45	3268.87

SCHEDULE 5

FIXED ASSETS *

								Rs. Lakhs
GROSS BLOCK				DEPRECIATION BLOCK****			NET BLOCK	
Particulars	As at 31st Mar-08 ****	Additions	Deductions	As at 31st Mar-09	For the Year	As at 31st Mar-09	As at 31st Mar-09	As at 31st Mar-08
Goodwill **	1045.98	0.00	669.27	376.71	0.00	0.00	376.71	1045.98
Land	38952.24	955.57	36.47	39871.34	0.00	0.00	39871.34	38889.77
Buildings	38493.66	4882.99	24.55	43352.10	1246.30	10764.92	32587.18	28829.54
Plant and Machinery including Electrical installations ***	319029.37	54092.96	243.94	372878.39	17176.49	124812.51	248065.88	210858.51
Wind Electric Generators	7814.96	10.85	0.00	7825.81	413.11	3386.78	4439.03	4841.29
Ships	23649.63	86.36	0.00	23735.99	3066.21	3458.89	20277.10	23256.95
Franchise Rights	36400.00	0.00	0.00	36400.00	3640.00	3949.15	32450.85	36090.85
Furniture, Office Equipments including Computers	4264.53	875.91	59.38	5081.06	326.68	2750.34	2330.72	1808.18
Computer Software	881.65	236.00	0.00	1117.65	143.93	530.22	587.43	495.35
Vehicles	2811.46	231.76	82.89	2960.33	424.16	1555.45	1404.88	1588.69
Total	473343.47	61372.40	1116.50	533599.37	26436.88	151208.25	382391.12	347705.11

* Refer Note Nos. 23 and 26

** Goodwill includes Goodwill net of Capital Reserve arising on account of Investment in Associates Rs.234.69 lakhs (Previous Year Rs.434.58 Lakhs)

*** Includes Rs.536.52 Lakhs of equipments on "right to use" basis, which is depreciated over its useful life [As at March 2008 : Rs.620.19 Lakhs]

**** Including opening Gross Block and cumulative depreciation of Trishul Concrete Products Ltd., aggregating to Rs.1036.25 lakhs and Rs.377.75 lakhs respectively.

CONSOLIDATED ACCOUNTS

SCHEDULE 6 INVESTMENTS

Company Name	No of Shares/ Debentures	Total Face Value Rupees	2009 Cost Rupees	No. of Shares/ Debentures	Total Face Value Rupees	2008 Cost Rupees
1. TRADE INVESTMENTS – Long Term (Unquoted)						
Coromandel Electric Company Limited	246000	2460000	2460000	246000	2460000	2460000
Preference Shares of Coromandel Electric Company Limited						
13.25% Cumulative Redeemable Participating Preference Shares	508	5080000	5093268	508	5080000	5093268
18% Cumulative Redeemable Participating Preference Shares	11600	116000000	141817383	11600	116000000	141453383
14% Cumulative Redeemable Preference Shares	4000000	40000000	45508197	4000000	40000000	45508197
			<u>194878848</u>			<u>194514848</u>
2. NON-TRADE INVESTMENTS – Long Term						
(A) Fully paid equity shares of Companies (Quoted)						
Karur KCP Packagings Limited	996500	9965000	39860000	996500	9965000	39860000
Spice Communication Limited (sold during the year)			0	444000	4440000	20978000
The India Cements Limited (Held in trust on behalf of Subsidiaries)	19954024	199540240	1673084575	19954024	199540240	1673084287
India Cements Capital Limited	10400000	104000000	254498697	10400000	104000000	254498697
			<u>1967443272</u>			<u>1988420984</u>
(B) Shares of Companies - Long Term (Unquoted):						
Other than Subsidiaries:						
Fully paid Equity Shares:						
In Associates						
Coromandel Sugars Limited	7000100	70001000	99480222	7000100	70001000	99480222
Raasi Cement Limited	239427	2394270	74750530	239427	2394270	74750530
Trishul Concrete Products Limited			0	800000	8000000	8193853
Unique Receivable Management Private Limited	24600	246000	246000	24600	246000	246000
Coromandel Travels Limited (Purchased during the year)	490000	4900000	4900000	0	0	0
Other than Associates:						
Andhra Pradesh Gas Power Corporation Limited. (Refer Security Clause in Schedule No. 3)	5896000	58960000	483100750	5896000	58960000	483100750
Jagati Publications Private Limited	972222	9722220	350000000	972222	9722220	350000000
Carmel Asia Holdings Limited	198413	1984130	50000000	190839	1908390	50000000
Senka Carbon Private Limited	6450	645000	3937934	6450	645000	3937934
Sun Paper Mill Limited (Listed but not Quoted)	325200	3252000	3252000	325200	3252000	3252000
Jubilee Cements Limited	100	1000	1000	100	1000	1000
ICL Shipping Limited	5000	50000	50000	5000	50000	50000
Fully Paid Preference Shares:						
Zero Coupon Convertible Preference Shares of Bharathi Cement Corporation Ltd. (Formerly knowns as Raghuram Cements Ltd.) (209,147 shares were purchased during the year)	1459147	14591470	453263150	1250000	12500000	150000000
Other than Subsidiaries Total			<u>1522981586</u>			<u>1223012289</u>
(C) Government and Trustee Securities:						
National Savings Certificates (Redeemed during the year Rs. 31000/-)		120200	120200		151200	151200
Indira Vikas Patra Certificates		2100	2100		2100	2100
			<u>122300</u>			<u>153300</u>

CONSOLIDATED ACCOUNTS

SCHEDULE 6 (contd...)

Company Name	No of Shares/ Debentures	Total Face Value Rupees	2009 Cost Rupees	No. of Shares/ Debentures	Total Face Value Rupees	2008 Cost Rupees
(D) Other Investments (Quoted) : (Sold during the year)						
6.75% Tax free US 64 Bonds of Unit Trust of India of Rs. 100/- each (Cost is net of Provision for diminution in value Rs.10339554)			0	213409	21340900	21280900
Fidelity India Special Situations Fund			0	23296	232955	300000
HDFC top 200 Fund			0	7215	72150	378651
Prudential ICICI Equity Derivative Fund			0	48900	488998	2700000
Reliance Growth Fund			0	5624	56243	1100000
ABN Amro China India Fund (Div)			0	3934	39339	403173
DSPML Tiger Fund			0	31306	313063	701825
Fidelity Equity Fund (Growth)			0	27978	279778	700844
JM Basic Fund			0	14594	145936	400000
Optimix Multimanager Equity			0	43247	432472	472630
SBI Magnum Multiplier Plus Scheme 93			0	7505	75051	535864
Reliance Diversified Power Sector Fund (Div)			0	19538	195376	1036222
Prudential ICICI Infrastructure Fund (Growth)			0	9760	97603	197940
Prudential ICICI Infrastructure Fund (Div)			0	25189	251890	553150
			0			30761199
(E) Fully Paid Shares of Co-operative Societies - Long Term (Unquoted) :						
The India Cements Employees Co-operative Stores Limited, Sankarnagar.	2500	125000	125000	2500	125000	125000
The India Cements Employees Co-operative Stores Limited, Sankari West.	5000	50000	50000	5000	50000	50000
The India Cements Mines Employees Co-operative Stores Limited, Sankari West.	5300	53000	53000	5300	53000	53000
The India Cements Mines Employees Co-operative Stores Limited, Sankarnagar	30	1500	1500	30	1500	1500
			229500			229500
Total (A) + (B) + (C) + (D) + (E)			3490776658			3242577272
Total (1) + (2)			3685655506			3437092120
Less: Provision for Dimunition in Value			7774446			9221132
			3677881060			3427870988
Less: Adjustment as per Accounting Standard 23						
1-Diminution in Value Post Investment						
2-Goodwill arising on Investment						
1 - Increase / (Decrease) in Value Post Investment						
Raasi Cement Limited			(8069526)			(8069526)
Trishul Concrete Products Limited			0			18279578
Coromandel Sugars Limited			(16198176)			5293021
India Cements Capital Limited			(134576783)			(129322577)
Coromandel Travels Limited			(4900000)			0
Coromandel Electric Company Limited			85277436			59360715
			(78467049)			(54458789)
2 - Goodwill arising on Investment						
Raasi Cement Limited			(66681004)			(66681004)
India Cements Capital Limited			23468579			23468579
Unique Receivable Management Private Limited			(246000)			(246000)
			(43458425)			(43458425)
Grand Total			3555955586			3329953774
			Rs. Lakhs			33299.54
Note:						
Aggregate of Quoted Investments						
Cost			1967565572			2019335483
Market Value			21447400			21447400
Aggregate of Unquoted Investments						
Cost			1718089934			1417756637

CONSOLIDATED ACCOUNTS

SCHEDULE 7

CURRENT ASSETS, LOANS AND ADVANCES

	2009 Rs. Lakhs	2008 Rs. Lakhs
A. CURRENT ASSETS :		
1. Inventories :		
Stores/Spares (including coal and packing materials)	22504.51	20100.18
Raw Materials	5184.72	4902.55
Work-in-Process	849.35	669.43
Semi-Finished Goods	5910.15	4761.18
Finished Goods	2862.67	2709.15
	<u>37311.40</u>	<u>33142.49</u>
2. Real Estate - Projects in progress	2042.47	2042.47
3. Sundry Debtors		
Outstanding for more than six months (Net of bad debts written off Rs.86.33 lakhs (Financial year 2007-08 : Rs.219.87 lakhs))	4339.35	2045.92
Less: Provision for doubtful debts	(891.58)	(340.85)
Sub total	3447.77	1705.07
Total - Sundry Debtors, considered good (Secured by Trade deposits aggregating to Rs. 23176.72 lakhs (as at 31st March 2008: Rs. 18418.05 lakhs))	33493.52	30282.34
	<u>36941.29</u>	<u>31987.41</u>
4. Cash, Stamps and Bank Balances :		
Cash, Cheques and Stamps on hand	65.46	94.15
Cash at Post Office Savings Account	0.00	0.00
Cash at Scheduled Banks in Current Accounts	664.24	746.64
Fixed Deposits with Scheduled Banks	808.91	1783.91
Unutilised monies out of issue of share Capital kept in Fixed Deposits with sheduled banks	7258.87	40000.00
	<u>8797.48</u>	<u>42624.70</u>
[A]	<u>85092.64</u>	<u>109797.07</u>
B. LOANS AND ADVANCES (Refer Note No. 27)		
1. Secured :		
Housing and other Loans to employees including interest accrued	572.56	548.97
2. Unsecured (Considered good) :		
Advance for Goods	5055.62	1916.59
Other Advances recoverable in cash or in kind or for value to be received	67099.27	59267.19
Prepaid Expenses	542.62	621.65
Unutilised monies out of issue of share Capital kept in Deposits with a Financial Institution	22643.26	0.00
Deposits	4401.77	3817.67
Advance payment of Tax (Net of provision)	29.03	8440.51
[B]	<u>100344.13</u>	<u>74612.58</u>
Total A & B	<u>185436.77</u>	<u>184409.65</u>

SCHEDULE 8

CURRENT LIABILITIES AND PROVISIONS

	2009 Rs. Lakhs	2008 Rs. Lakhs
CURRENT LIABILITIES:		
Creditors for :		
Goods including Letters of Credit	19292.29	6450.88
Expenses (including liability as per Accounting Standard 15)	20146.67	17990.36
Capital Expenditure (Refer Note No. 23)	36760.57	38085.84
Other Liabilities	6255.10	7384.95
Trade Deposits	23176.72	18418.05
Interest accrued on secured and unsecured loans not due	506.69	375.40
Customers' Credit Balances	2466.54	3213.80
MAT payable	13.89	0.00
PROVISIONS:		
For Proposed Dividend - Preference Capital	0.00	0.00
- Equity Capital	6608.62	6588.61
For Income Tax (Net of Advance)	1928.72	0.00
	<u>117155.82</u>	<u>98507.89</u>
Investor Education and Protection Fund * (Appropriate amount shall be transferred to "Investor Education and Protection Fund", if and when due)		
(a) Unpaid Dividend	25.29	33.34
(b) Unpaid Share Application Money	0.00	0.00
(c) Unpaid Matured Deposits	37.81	61.49
(d) Unpaid Matured Debentures	0.00	0.00
(e) Interest accrued on (a) to (d) above	0.00	0.00
	<u>63.10</u>	<u>94.83</u>

* All the above items are included in Schedule 8 "Current Liabilities" except unpaid matured Debentures and interest accrued which are included in Schedule 3 "Secured Loans" (Refer Note No.21)

SCHEDULE 9

SALES AND OTHER INCOME

	2009 Rs. Lakhs	2008 Rs. Lakhs
Sales including Excise Duty	382753.26	353704.35
Freight Earnings	7092.45	1177.19
Value of Power Generated from Wind Farms	981.32	565.37
Income from Property Development Division	0.00	0.00
Home Textile Exports	0.00	0.00
Home Textile	26.06	27.27
Marine Equipments	6.08	96.85
Hire charges Received	0.00	0.00
(A)	<u>390859.17</u>	<u>355571.03</u>
DIVIDEND AND INTEREST:		
On Trade Investments	718.63	510.42
On Other Investments	21.36	14.41
Others	4136.61	1970.65
[Tax Deducted at Source Rs.70.18 Lakhs		
Previous Year Rs.112.37 Lakhs]	4876.60	2495.48
Rent Recovery	19.77	19.56
Profit on Sale of Assets	21.87	22.21
Profit on Sale of Investments	118.78	4.73
Forex Fluctuation	12.58	0.00
Miscellaneous Income (Refer Note No. 23)	7063.52	1796.56
Overseas Service Charges	171.27	800.08
Export Incentives	0.00	0.07
	<u>7407.79</u>	<u>2643.21</u>
Total Other Income (B)	<u>12284.39</u>	<u>5138.69</u>
Total (A) & (B)	<u>403143.56</u>	<u>360709.72</u>

CONSOLIDATED ACCOUNTS

SCHEDULE 10

MANUFACTURING AND OTHER OPERATING EXPENSES

	2009		2008	
	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs
1. Raw Materials Consumed				
Opening Stock		5095.83		3968.92
Add: Purchases	28979.04		20834.47	
Own Quarrying (Net)	13029.81		11496.13	
(Refer Note No.7.a)		42008.85		32330.60
		47104.68		36299.52
Less: Closing Stock		5310.65		4902.55
Total Raw Materials Consumed		41794.03		31396.97
2. Stores Consumed (Refer Note No.7.b)		3644.09		2795.38
3. Power and Fuel		89296.44		69177.70
4. Repairs & Maintenance:				
Building	49.43		44.79	
Machinery	5066.68		3087.30	
Others	5802.94		508.24	
Total Repairs & Maintenance		10919.05		3640.33
5. Cost of Construction including Land for Property Development Division		0.00		0.00
6. Charter Hire Charges		0.00		9.10
7. Agency and Port Charges		536.84		16.69
8. Excise Duty on stock adjustment		115.11		286.95
9. Machinery Lease Rentals (Net)		0.00		0.00
10. Transit Mixer Expenses		1099.19		0.00
		147404.75		107323.12

SCHEDULE 11

SALARIES, WAGES AND AMENITIES

	2009	2008
	Rs. Lakhs	Rs. Lakhs
Salaries, Wages and Bonus	15634.29	11661.83
Contribution to Provident Fund	582.67	535.99
Gratuity	575.87	478.16
Superannuation	537.60	260.61
Employees' Provident Fund Admn Charges	42.63	39.90
Employees' State Insurance Scheme	16.46	27.38
Workmen and Staff Welfare Expenses*	2426.80	2438.41
Unavailed leave balances	239.63	1670.21
Perquisite value of Employees' Stock Options (Refer Note No. 31)	273.25	1825.09
Total	20329.20	18937.58

* Includes Expenses on Schools Rs.177.22 Lakhs (Previous Year Rs.168.48 Lakhs) which is net of Grants Rs. 229.49 Lakhs [Previous Year Rs.174.24 Lakhs]

SCHEDULE 12

ADMINISTRATION AND OTHER CHARGES

	2009		2008	
	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs
Insurance		575.65		663.10
Rent		616.64		159.91
Rates and Taxes		395.70		359.17
Printing and Stationery		184.17		144.67
Postage, Telephones and Telegrams		405.14		319.75
Other Administration Expenses		9186.79		5007.54
Legal Fees		111.36		190.02
Travelling Expenses		136.51		0.00
Directors' Sitting Fees		16.98		12.80
Obsolete Inventory		0.00		20.00
Auditors' Expenses:				
Audit Fees	60.92		60.23	
Cost Audit Fees	7.00		6.00	
Certifications/Others	25.73		23.09	
Tax Audit/Other Services	10.67		7.28	
Travel/out of pocket expenses	5.95		3.27	
		110.27		99.87
Amortisation of Deferred Revenue Expenses (See Note No. 6)		1024.33		1043.88
Loss on Sale of Assets		66.90		263.50
Provision for Doubtful Advances		504.65		428.41
Provision for Doubtful Advances / Debtors - Opening balance	340.85		132.31	
Add: Additional Provisions during the year	504.65		428.41	
	845.50		560.72	
Less: Bad debts / advances written off during the year	115.08		219.87	
Provision for Doubtful Advances / Debtors - Closing Balance	730.42		340.85	
Total		13335.09		8712.62

SCHEDULE 13

INTEREST AND OTHER CHARGES (NET)

Interest on Debentures	374.16	762.39
Interest on Fixed Loans	9003.81	8981.75
Interest - Others	1094.38	589.12
Bank Charges	755.61	653.88
	11227.96	10987.14

CONSOLIDATED ACCOUNTS

SCHEDULE 14

DIRECTORS' REMUNERATION

	2009		2008	
	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs
Managing Director :				
Salary	360.00		223.33	
HRA	108.00		58.80	
Contribution to Provident Fund	43.20		26.80	
Contribution to Gratuity and Superannuation Funds	69.00		42.81	
Commission	844.00		860.00	
Others	3.41	1427.61	1.93	1213.67
Executive Director :				
Salary	288.00		179.76	
HRA	86.40		47.04	
Contribution to Provident Fund	34.56		21.57	
Contribution to Gratuity and Superannuation Funds	55.20		34.45	
Commission	422.00		200.00	
Others	2.24	888.40	0.54	483.36
Wholtime Directors:				
ICL International Ltd.				
Salary	7.20		7.20	
Contribution to Provident Fund	0.86		0.86	
Contribution to Gratuity and Superannuation Funds	1.38	9.44	1.38	9.44
Total		2325.45		1706.47

Computation of Net Profit under Section 309 (5) of the Companies Act, 1956

Profit before taxes	64830.40
Add: Managerial Remuneration	2316.01
Add: Loss on sale of assets	66.90
Add: Provision for doubtful debts	504.65
Less: Bad debts written off	(115.08)
Less: Profit on sale of assets	(22.39)
Net profit as per Section 309 (5) of the Companies Act	67580.49

Commission

Managing Director	844.00
Executive Director	422.00
Total	1266.00

SCHEDULE 15

DONATIONS

The India Cements Educational Society	117.43	100.00
Rajasthan Chief Minister's Relief Fund	50.00	0.00
Others	148.65	37.38
	316.08	137.38

SCHEDULE 16

(INCREASE) / DECREASE IN STOCK

Opening Stock of:			
Work-in-Process	669.43	756.31	
Semi-finished Goods	4761.18	2190.91	
Finished Goods	2709.15	2191.60	
Real Estate - Projects in Progress	2042.47	2042.47	
	10182.23	7181.29	
Less:			
Closing Stock of:			
Work-in-Process	849.35	669.43	
Semi-finished Goods	5910.15	4761.18	
Finished Goods	2712.12	2709.15	
Real Estate - Projects in Progress	2042.47	2042.47	
	11514.09	10182.23	
Total (Increase) / Decrease in Stock	(1331.86)	(3000.94)	

SCHEDULE 17

(A) SIGNIFICANT ITEMS OF ACCOUNTING POLICY

- The financial statements have been prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP), generally under the historical cost convention on accrual basis and exceptions to this basis, if any, are herein specifically mentioned. GAAP comprises mandatory Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI), the provisions of the Indian Companies Act, 1956 and the Guidelines issued by ICAI and Securities and Exchange Board of India (SEBI).
- Fixed Assets are valued and shown adopting the following basis:
 - Fixed assets and Capital work-in-progress of all the cement manufacturing facilities are shown at revalued amounts as at 31st March 2004. All other Fixed assets acquired are shown at the cost of acquisition. All costs including financing costs and applicable overheads incurred on specific projects/ acquisition of undertakings are also capitalised.
 - Fixed assets acquired on hire purchase or on Financial Lease are shown at their principal cost, excluding the interest cost included in these agreements which is charged to revenue over the life of the agreement.
 - Expenditures and outlays of money on uncompleted projects of a capital nature are shown as capital works-in-progress until such time these projects are completed and commissioned.
 - The company provides depreciation on written down value method for Motor Vehicles and for assets acquired prior to 1-4-1982 at Head Office and at Sankarnagar.
 - Software development costs and Computers are depreciated on Straight Line method as per Section 205 (2) (b) of the Companies Act, 1956.
 - Ships are depreciated on Straight Line method, over its estimated useful life.
 - Long term Franchisee Rights are capitalised and amortised over the initial period of ten years.
 - For all other assets Straight Line method as per Section 205(2)(b) of the Companies Act, 1956 is adopted.
 - The depreciation on incremental value arising from the revaluation of fixed assets is charged to the Revaluation Reserve account.
 - Fixed Assets are tested for impairment and impairment loss, if any, is provided by a charge to the Profit & Loss account.
- Where Foreign Currency loans have been availed to acquire fixed assets from outside India, the outstanding liability on these loans is stated at the exchange rate of the rupee as at the year end or at contracted rates with a corresponding adjustment to the carrying cost of the relevant assets. Depreciation is charged to accounts on the values so adjusted over the remaining life of the asset.
 - Foreign Exchange transactions are accounted at the exchange rates prevailing at the time of transactions or at contracted rates. Current Assets and all Liabilities, (other than for acquiring fixed assets as mentioned in 3(a) above), in Foreign currencies are translated at values prevailing as at the year-end. Gains / Losses, if any, arising therefrom are recognised in the Profit and Loss Account.
- Sales include excise duty, revenue from trade related activities and sales tax deferred as reduced by consideration for assignment of Sales Tax deferral liability and is net of rebates, discounts and incentives.
 - Revenue from construction projects under Real Estate and Property Development Division is recognised on percentage of completion method.
 - Revenue on time charter of ships is recognized on a proportionate basis.

CONSOLIDATED ACCOUNTS

SCHEDULE 17

(A) SIGNIFICANT ITEMS OF ACCOUNTING POLICY (Contd.)

5. Valuation of inventories of raw materials, packing materials, stores, spares, fuels and work-in-process is at weighted average cost. Semi-finished goods, finished goods and Real Estate Projects are valued at cost or net realisable value whichever is lower. The value of finished goods includes excise duty.
6. Research and Development expenses not resulting in any property / equipment are charged to revenue under nominal heads.
7. Interest and other costs in connection with borrowing of funds to the extent related/ attributed to the acquisition/construction of qualifying fixed assets are capitalised upto the date when such assets are ready for its intended use.
8. Claims/Incomes arising from price escalation and/or any other item of compensation and which are indeterminate are accounted on finalization.
9. Trade investments and investments in subsidiary companies are long term investments and are carried at cost. The other investments are carried at lower of cost or realisable value. Provision for diminution value is made wherever necessary in accordance with the Accounting Standard.
10. Retirement benefits are provided by charge to revenue including provision for gratuity and superannuation fund determined on an Actuarial basis for which a trust has been created. The Actuarial gains / losses arising on retirement benefits are also recognised in the profit and loss account. Unavailed leave balances are accounted based on actuarial principles.
11. Fringe Benefits arising on options vested under Employees Stock Options Scheme (ESOS), 2006 are charged to Profit and Loss Account and credited to Stock Options Reserve Account. On allotment of shares, corresponding amount is transferred from Stock Options Reserve to Securities Premium Account.
12. Premium on redemption of Debentures / Bonds is accounted on redemption and set off against the Securities Premium Account.

(B) NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2009

	2009 Rs. Lakhs	2008 Rs. Lakhs
1. Estimated amounts of Capital Expenditure Commitments	8766.98	38717.23
2. Monies for which the company is contingently Liable:		
(a) Letter of Credit Opened By Bankers	5703.95	4392.90
(b) Counter Guarantees to Bankers (including guarantees given on behalf of Subsidiaries and Associates)	10356.19	9565.58
(c) Sales Tax demand for various years under dispute	799.43	530.68
(d) Contingent Liability pertaining to Raasi Cement Limited (Residuary Company) for Sales Tax, Central Excise and Income Tax	2247.49	2662.64
(e) Sales Tax Deferred under a scheme of the Governments of Tamil Nadu and Andhra Pradesh have been assigned to other companies. In view of the assignment the Company is contingently liable. The Sales tax Department issued notices on the company claiming a sum of Rs.5873 lakhs stated to have been availed in excess by the company. The Company has deposited a sum of Rs.16 Crores included under Loans and Advances. The issue was challenged by the company before the High Court and the High Court in December 2006 allowed the writ petition in favour of the Company. The department has however gone on appeal to the Supreme Court.	3519.93	3519.93
(f) Contingent Liability on account of CENVAT Cases and Others	4437.53	4790.48
3. Claims against the Company not acknowledged as debts	11950.15	9685.06

	2009 Rs. Lakhs	2008 Rs. Lakhs
4. Building includes purchase of flats on lease hold lands for which the documents of title are yet to be executed in favour of the company.	11.13	11.13
5. Loans and Advances		
(a) Advances include advances to Associates representing strategic investments in Cement, Sugar, Shipping and Financial Services, which represent strategic long term investments, which in the opinion of the management, will realise values stated in the long term. The company, as a Prudent measure has created a Contingency Reserve to the extent of Rs. 108.66 Crores for any possible erosion in the value of the said advances	49701.54	46975.39
(b) Advances include disputed CENVAT / Sales Tax Claims pending in different stages of appeal. Management is of the opinion that these are recoverable at values stated.	882.22	757.98
6. Deferred Revenue expenditure includes expenses incurred on voluntary retirement schemes, which will be written off over a period of 60 months commencing from the year following the year in which the expenditure was incurred or upto financial year ending 31st March 2010, whichever is earlier.	1576.00	2600.33
7. (a) Raw Materials consumed: Own Quarrying includes: (i) Salaries & Wages (ii) Stores Consumed (iii) Royalty	1204.39 2654.63 4235.65	1110.80 2621.43 4622.80
(b) Total Consumption of Stores and Spares during the year, including used in own quarrying; Captive Power generation and Repairs & Maintenance.	18469.00	9151.36
8. Repairs and maintenance includes Stores & Spares	6020.60	2790.25
9. Selling and Distribution expenses include		
(i) Packing Charges	14002.76	13255.18
(ii) Additional Sales Tax	14.42	7.24
(iii) Freight outwards	44591.75	42590.94
(iv) Advertisement	1784.23	1520.84
10. Detailed quantitative information of goods manufactured during the Report Period		
1. CEMENT:		
(a) Installed capacity (Tonnes)	12950000	8810000
(b) Production (Tonnes)	9111354	9234441
(c) Sales – Quantity (Tonnes)	9117811	9215224
Sales – Value of Cement (Gross) (Rs.Lakhs)	375795.63	353516.04
– Value of Clinker (Rs.Lakhs)	42.89	188.31
	375838.52	353704.35
(d) Opening Stock of cement produced (Tonnes)	112593	93376
Value (Rs.Lakhs)	2615.99	2067.03
(e) Closing stock of Cement produced (Tonnes)	106136	112593
Value (Rs.Lakhs)	2627.83	2615.99
2. CALCIUM CARBIDE :		
(a) Licensed Capacity (Tonnes)	10000	10000
(b) Installed Capacity (Tonnes)	12500	12500
(c) Production	–	–
(d) Opening Stock of Finished Goods (Tonnes)	36	36
Value (Rs. Lakhs)	7.88	7.88
(e) Closing Stock of Finished Goods (Tonnes)	36	36
Value (Rs. Lakhs)	7.88	7.88

CONSOLIDATED ACCOUNTS

SCHEDULE 17

NOTES ON ACCOUNTS (Contd.)

		2009 Rs. Lakhs	2008 Rs. Lakhs		2009 Rs. Lakhs	2008 Rs. Lakhs
3. READY MIX CONCRETE:				16. Details of imported and indigenous materials consumed during the year		
(a) Installed Capacity (Cu.m.)		810000	810000	Raw materials:		
(b) Production (Cu.m.)		320512.40	387646.72	Imported	3708.21	1307.70
(c) Sale (Cu.m.)		320512.40	387646.72	Indigenous	33285.65	29987.10
(d) Opening Stock of Finished Goods (Cu.m.)		—	—	Total	36993.86	31294.80
Value (Rs. Lakhs)		—	—	Percentage to Total Consumption		
(e) Closing Stock of Finished Goods (Cu.m.)		—	—	Raw materials:		
Value (Rs. Lakhs)		—	—	Imported	10.02%	4.18%
4. TEXTILES :				Indigenous	89.98%	95.82%
(a) Opening Stock of Home Textiles Produced (Pieces)		26759	38222	Total	100.00%	100.00%
Value (Rs. Lakhs)		93.16	124.57	Spare Parts and Components:		
(b) Closing Stock of Home Textiles Produced (Pieces)		25007	26759	Imported	1324.96	473.38
Value (Rs. Lakhs)		84.29	93.16	Indigenous	536.54	988.03
(c) Opening Stock of Fabrics [Pieces]		5229	5410	Total	1861.50	1461.41
Value [Rs. Lakhs]		8.02	8.10	Percentage to Total Consumption		
(d) Closing Stock of Fabrics [Pieces]		4436	5229	Spare Parts and Components:		
Value [Rs. Lakhs]		6.46	8.02	Imported	71.18%	32.39%
(e) Sales Quantity Home Textiles (Pieces)		3477	6470	Indigenous	28.82%	67.61%
Value (Rs. Lakhs)		4.64	7.15	Total	100.00%	100.00%
(f) Sales Quantity Yarn (Kgs)		—	—	17. Details of Raw Materials consumed:		
Value (Rs. Lakhs)		—	—	Quantity in Tonnes:-		
(g) Sales Quantity Fabrics (Meters)		—	—	Limestone	10351170	10786226
Value (Rs. Lakhs)		—	—	Gypsum	508728	654046
(h) Marine Equipment (Sets)		—	17	Others	1981395	1887685
Value (Rs. Lakhs)		—	96.85	Value:-		
(i) Non Textiles (Nos.)		2834	3349	Limestone	18731.69	15358.08
Value (Rs. Lakhs)		20.96	20.13	Gypsum	6296.09	5441.99
11. Value of import on CIF basis:				Others	10258.43	8627.66
(a) Raw Materials		2800.45	1646.32	Freight on Inter Unit Transfer of Clinker	1707.65	1867.07
(b) Fuel		20701.73	—	Total	36993.86	31294.80
(c) Spare Parts and Components		1367.31	1303.72	18. The Company had opted for the "Tonnage Tax Scheme" under the Income Tax Act, 1961 in the financial year 2007-08 and has opted out of the said scheme with effect from current financial year.		
(d) Capital goods		1759.82	3156.21	19. There are no dues to Small Scale Industries which is outstanding for more than 30 days at the Balance sheet Date computed on unit wise basis. The above information regarding Small Scale undertaking has been determined to the extent such parties have been identified on the basis of information available with the Company and has been relied upon by the auditors.		
(e) Ship		—	10966.98	20. There are no dues to Micro, Small and Medium Enterprises which are outstanding as at the Balance Sheet date and there were no delays as per the provisions of the Micro, Small and Medium Enterprises Development Act, 2006 in payment of dues to such enterprises. The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company and has been relied upon by the auditors.		
(f) Textiles		6.02	5.80	21. Note on Debt Restructuring:		
(g) Marine		—	—	[a] The Corporate Debt Restructuring (CDR) Cell formed by the Reserve Bank of India approved a		
12. Earnings in Foreign Exchange:						
Export (FOB)						
Cement — Quantity (Tonnes)		—	3325			
— Value (Rs. Lakhs)		—	92.19			
Ship — Charter Income		6593.38	1193.61			
Carbon Emission Reduction Credit		—	263.92			
Textiles — Value (Rs. Lakhs)		—	1.06			
Results Marine - Value (Rs. Lakhs)		162.09	807.99			
13. Interest earned on Foreign Currency Deposits		—	401.71			
14. Expenditure in Foreign Currency:						
Ship related expenses		2087.36	117.55			
Legal & Consultancy Charges		98.51	208.77			
Travel Expenses and Others		253.53	357.64			
Indian Premier League - payments to foreign players		1011.59	—			
15. Remittances in Foreign Currency :						
Final Dividend on account of GDS						
No. of shareholders		1	1			
Amount remitted (Rs. Lakhs)		141.16	62.08			
Year to which it pertains		2008	2007			
Final Dividend on account of GDR						
No. of shareholders		1	1			
Amount remitted (Rs. Lakhs)		2.06	1.02			
Year to which it pertains		2008	2007			

CONSOLIDATED ACCOUNTS
SCHEDULE 17
NOTES ON ACCOUNTS (Contd.)

	2009 Rs. Lakhs	2008 Rs. Lakhs		2009 Rs. Lakhs	2008 Rs. Lakhs
Debt Restructuring proposal for all debts other than public deposits with effect from 01-01-2003. The company during the year has prepaid some of the loans and the expenses / charges incurred in this regard aggregating to NIL (for FY 2007-08 - Rs. 48.14 Crores) has been debited to the Profit and Loss Account as extraordinary non-recurring expense.			As per the agreement, BCCI-IPL will share its income from the sale of media rights and sponsorship income with all the franchisees.		
[b] The common documentation for creation of security between all the lenders and the company is yet to be executed. Pending execution of common documentation between the lenders and the Company, the security clause under the loans have not been changed.			In addition to the Central revenue as mentioned above the franchisee will also have local revenue like gate collections, team sponsorships, uniform sponsors etc.,		
22 The company had issued USD 75 Million Zero Coupon Foreign Currency Convertible Bonds [FCCB] which matures on May 12, 2011. The bonds will not bear any interest and are convertible by holders into shares, subject to certain conditions. The net proceeds were used by the company for the purpose of Capital Expenditure and other purposes, including the repayment of existing debt, as permitted under the applicable law or regulations.			The company capitalized the entire franchisee fee payable to BCCI-IPL as a "Franchise Right". In regard to the other costs involved in operating the franchise like remuneration to the players, advertisements, promotions, etc., are treated as period costs and the revenues earned, will be accounted as and when incurred/earned.		
The conversion price will be Rs.305.57 Per Share with a fixed rate of exchange on conversion of Rs.44.77 Per USD and approximately 10988481 Shares would be issuable on May 12, 2011, if the conversion option is exercised by the bond holders. If the bonds are not previously redeemed, converted or purchased and cancelled, the company will redeem each bond at 147.70 Percent of its Principal Amount on the Maturity date. The amount of premium on such redemption will be to the tune of Rs.18141.50 Lakhs.			24 Pending finalisation of ongoing negotiations with various Banks / Financial Institutions, the claims towards Interest / Penal Interest claims by Banks / Financial Institutions are under negotiation for waiver, amount not determinable.		
The Company, subject to fulfillment of certain conditions and obtaining requisite approvals, has an option to redeem the balance bonds in whole but not in part at any time on or after May 11, 2008 but not less than seven business days prior to Maturity date.			25 Related Party Disclosures:		
23 The Company has part of the initiatives to promote corporate image and its brands participated in the IPL T/20 tournaments with its team "The Chennai Super Kings". The right to operate the franchise provides platform to build corporate and brand image especially in the context of the company becoming a Pan India Player.			A. Names of the related parties and the nature of the relationship:		
As a consideration for the right to operate the franchise, the company will have to pay a sum of USD 91 Million over a period of 10 years commencing from 2008.			(i) Associate Companies:		
			Raasi Cement Ltd.		
			Coromandel Sugars Ltd.		
			India Cements Capital Ltd.		
			Coromandel Travels Ltd.		
			Coromandel Electric Company Ltd.		
			Unique Receivable Management Private Ltd.		
			(ii) Key Management personnel (KMP):		
			Sri. N.Srinivasan – Managing Director		
			Sri. N.Ramachandran – Executive Director		
			(iii) Relative of KMP having transactions with the Company:		
			Ms. Rupa Gurunath – Director		
			B. Transactions with Associate Companies:		
			Associates:-		
			Sale of Goods	7.04	16.10
			Purchase of Shares	–	–
			Purchase of Goods	–	–
			Rendering of Services	–	–
			Receiving of Services	4797.52	3963.78
			Interest receivable on Advances	290.29	293.19
			Dividend received from Associate Co	272.29	272.29
			Guarantees given by Associate Co.		
			on behalf of the Company	32500.00	32500.00
			Guarantees Outstanding at the year end	8008.00	7958.00
			Outstanding balance included in current asset	5431.81	6402.40
			C. Transactions relating to persons mentioned in A. (ii) above:		
			Remuneration	2316.01	1697.03
			Dividends paid during the year	5.77	2.88
			Total	2321.78	1699.91

CONSOLIDATED ACCOUNTS

SCHEDULE 17

NOTES ON ACCOUNTS (Contd.)

	2009 Rs. Lakhs	2008 Rs. Lakhs
D. Transactions relating to persons mentioned in		
A. (iii) above:		
Directors' Sitting Fee	1.20	0.70
Dividend paid during the year	0.73	0.36
Total	<u>1.93</u>	<u>1.06</u>
26 Assets Purchased on Financial Lease:		
Fixed Assets shown in Schedule 5 include the following assets purchased on Financial Lease:		
Gross Block		
Plant & Machinery	245.05	245.05
Office Equipment	0.00	0.00
Vehicles	0.00	0.00
Total	<u>245.05</u>	<u>245.05</u>
Net Block		
Plant & Machinery	132.27	157.86
Office Equipment	0.00	0.00
Vehicles	0.00	0.00
Total	<u>132.27</u>	<u>157.86</u>
The total minimum lease amount payable		
in Less than 1 year	11.16	66.98
Present Value of total minimum lease amount payable within 1 year	10.94	65.64
The total minimum lease amounts payable		
after 1 year but within 5 years.	Nil	27.91
Present Value of minimum lease amount payable after 1 year but within 5 years.	Nil	27.35
27 Details of Loans and Advances given to Associates and Others:		
A. Loans and Advances to Associates		
(i) Rate of Interest		
Coromandel Sugars Ltd.	9%	9%
India Cements Capital Ltd.	9%	9%
Unique Receivable Management Pvt. Ltd.	Nil	Nil
Coromandel Electric Company Ltd.	Nil	Nil
Coromandel Travels Ltd.	Nil	Nil
(ii) Balance as at 31st March		
Coromandel Sugars Ltd.	4706.05	4597.89
India Cements Capital Ltd.	1663.83	715.10
Unique Receivable Management Pvt. Ltd.	0.00	0.00
Coromandel Electric Company Ltd.	7.61	7.76
Coromandel Travels Ltd.	111.21	0.00
Total	<u>6488.70</u>	<u>5320.75</u>
(iii) Maximum Balance for the Report Period		
Coromandel Sugars Ltd.	4730.83	4817.89
India Cements Capital Ltd.	1663.83	2080.92
Unique Receivable Management Pvt. Ltd.	0.00	0.00
Coromandel Electric Company Ltd.	53.59	7.76
Coromandel Travels Ltd.	181.83	0.00
Total	<u>6630.08</u>	<u>6906.57</u>

Notes:-

- Loans and advances shown above to Associates and Others are without any repayment schedule.
- ICDs are not considered as they are repayable on demand and interest is charged at market rates.
- Loans to Employees as per Company's policy are not considered.
- Pursuant to the scheme of amalgamation approved by the Honourable High Court of Judicature at Chennai, the company has issued equity shares to the shareholders of Visaka Cement Industry Limited (Visaka). As per the said order 199.54 lakh shares of the company have been allotted in aggregate, to the subsidiaries in exchange for their shares of Visaka and the same are held in a Trust on their behalf.

28 Deferred Taxation:

Liability on account of Depreciation (Net of Unabsorbed Depreciation)	27438.38	22571.46
Asset arising on account of other timing differences	1845.23	0.00
Net Deferred tax liability	<u>25593.15</u>	<u>22571.46</u>

29 Computation of Earnings / Loss per Share (EPS) Earnings:

Profit / [Loss] for the period	42325.69	64156.73
Less : Provision for Preference Share Dividend	0.00	0.00
Earnings available to Equity Share Holders - Basic (A)	42325.69	64156.73
Income or (expenses) accounted in financial statements attributable to potential equity shareholders	5242.84	(2445.00)
Earnings- Diluted (B)	<u>47568.53</u>	<u>61711.73</u>

No. of Shares

No. of Equity Shares	282431907	281869157
Weighted average No of equity shares (C)	282041486	265968376
No of Potential Equity Shares -	11219231	11781981
Weighted average No of Potential Equity Shares	11219231	11781981
Total weighted average no of shares - Diluted (D)	<u>293260717</u>	<u>277750357</u>
EPS: Basic (Rs) (A/C)	15.01	24.12
Diluted (Rs) (restricted to Basic EPS) (B/D)	15.01	22.22

CONSOLIDATED ACCOUNTS
SCHEDULE 17
NOTES ON ACCOUNTS (Contd.)

	2009 Rs. Lakhs	2008 Rs. Lakhs		2009 Rs. Lakhs	2008 Rs. Lakhs
30 Employee Benefits:			(b) Leave of absence and encashment:		
The details of parameters adopted for valuation of post-employment benefit plans and leave benefits, as per Accounting Standard 15 issued by ICAI, are as under			The company has different leave plans including paid leave of absence plans and encashment of leave plans for employees at different Grades and provision has been made in accordance with Accounting Standard 15. The total amount of Provision available for the Unavailed Leave Balances as at 31st March 2009 is Rs. 3107.22 Lakhs (As at 31st March 2008 Rs. 2872.21 Lakhs).		
(a) Contribution to Pension Funds:			(c) Gratuity:		
The company offers pension plans for managerial Grade employees and whole time Directors. While some of the employees are eligible for defined benefit plan of pension, others are eligible for defined contribution plan of pension. The defined benefit plans of pension are managed by Life Insurance Corporation of India and the provision has been made on the basis of actuarial valuation.			The employees are eligible for Gratuity benefits as per the Payment of Gratuity Act, 1972. The Gratuity Scheme is governed by a Trust created for this purpose by the company. The amount of Contribution to be made is arrived at based on an Actuarial valuation done at the Balance sheet date, as given below and is accounted accordingly.		
The estimated aggregate value of Pension liability, discounted @8% p.a. (previous year: 9% p.a.), under the defined benefit plans and defined contribution plans as at 31st March 2009 are Rs. 3772.71 Lakhs and Rs.760.52 Lakhs respectively, as per the details given below:					
Defined Benefit Scheme:			Opening Balance as per actuarial valuation	1831.00	1417.00
Opening Balance as per actuarial valuation	3180.55	3189.21	Add: Interest income during the year	30.00	59.00
Add: Interest income / differential interest due to change in discount rate during the year	156.22	38.35	Less: Settlements during the year	154.00	161.00
Less: Settlements during the year	75.14	233.08	Sub Total	1707.00	1315.00
Sub Total	3261.63	2994.48	Add: Provisions created during the year	572.00	516.00
Add: Provision created during the year	511.08	186.07	Closing balance as per actuarial valuation	2279.00	1831.00
Closing balance as per actuarial valuation	3772.71	3180.55			
Assumptions:			Assumptions:		
Discount rate (p.a.)	8.00%	9.00%	Discount rate (p.a.)	8.00%	9.50%
Salary escalation rate (p.a.)	2.00%	3.00%	Salary escalation rate (p.a.)	2.00%	3.00%
Average Age	48yrs.	47 yrs.	Average Age	52yrs.	51 yrs.
Average accrued service	14yrs.	13 yrs.	Average accrued service	26 yrs.	25 yrs.
Annuity rates for pension computation	Rates applicable for 15 years certain and life thereafter, with return of corpus.				
Defined Contribution Scheme:					
Opening Balance	734.42	620.54			
Less: Settlements / transfers during the year	97.62	9.54			
Sub Total	636.80	611.00			
Add: Provision created during the year	123.72	123.42			
Closing balance	760.52	734.42			
			31 Note on Employees Stock Option Scheme, 2006:		
			During the year 2006-07, the company announced Employees Stock Option Scheme, 2006 (ESOS 2006) to its employees, which came into force on 1st December 2006. As per the scheme, the eligible employees are entitled to apply for and be allotted to one equity share of Rs.10/- each, fully paid-up, on payment of the exercise price of Rs. 50/- per Option, which vested with the option holders in 2 equal instalments on 1st December 2007 and 1st December 2008. The vested options shall be exercised by the option holders within 1 year from the date of vesting.		

CONSOLIDATED ACCOUNTS

SCHEDULE 17

NOTES ON ACCOUNTS (Contd.)

Under ESOS 2006, the maximum number of options to be granted in aggregate is not to exceed 15,00,000 of which the company issued 14,79,000 options, to be vested with the option holders in two equal annual instalments. Out of the options vested on 1st December 2007 and 1st December 2008, the option holders exercised their options for and were allotted fully paid up equity shares aggregating to 7, 19,000 (Previous year: 7,06,500) and 550,250 respectively, as at the Balance Sheet.

The fair market price per equity share of the company on the dates of vesting, i.e. 1st December 2007 and 1st December 2008 were Rs. 296.80 and Rs. 86.95 respectively. On vesting, the excess of fair market price over the price payable by the employees, per scheme, is charged to Profit and Loss account by crediting Stock Options outstanding Reserve Account and on allotment of shares, the corresponding amount is transferred from Stock Options outstanding Reserve account to Securities Premium, as per the Guidance Note issued by The Institute of Chartered Accountants of India. Accordingly, employees' cost has been debited with Rs.273.25 lakhs (Previous year: Rs.1825.09 lakhs).

- 32 Accounting for investments in Associates (the description and proportion of ownership of which are given below) has been done in line with Accounting Standard 23, based on unaudited accounts of Associates of the current year.

Consolidation method adopted

The Consolidated Financial Statements have been prepared combining the accounts of The India Cements Limited along with below mentioned subsidiaries on all line by line basis as required by Accounting Standard - 21. The minority interest is shown separately.

2009
Rs. Lakhs

2008
Rs. Lakhs

Name of the Subsidiary Company	2009	2008
	Rs. Lakhs	Rs. Lakhs
	% of Ownership	% of Ownership
ICL Securities Ltd.	100.00	100.00
ICL Financial Services Ltd.	100.00	100.00
ICL International Ltd.	100.00	100.00
Industrial Chemicals & Monomers Ltd.	98.59	98.59
Trishul Concrete Products Ltd.	59.88	41.29
PT. Coromandel Minerals Resources	98.00	0.00
Name of the Associate Company		
	% of Ownership	% of Ownership
	Directly or Through Subsidiaries	Directly or Through Subsidiaries
Raasi Cement Ltd.	28.95	28.95
Coromandel Sugars Ltd.	49.99	49.99
India Cements Capital Ltd.	47.91	47.91
Coromandel Electric Company Ltd.	49.20	49.20
Coromandel Travels Ltd.	49.00	0.00
Unique Receivable Management Pvt. Ltd.	49.20	49.20

- 33 The Primary Segment of the Company is Cement and Other Segments are below the required reportable levels as per the Accounting Standard 17.
- 34 Consequent to suspension of operations of Industrial Chemicals and Monomers Limited, the company has been evaluating the options of either operation of the company or its sale. In the meanwhile all the assets of the company are carried at book value and not at reinstated value. The Management is of the view that these assets will realise the values stated therein.
- 35 The accounting policies adopted by the holding company have been applied from the financial year 2001-2002. It is not practicable to apply the standards for the earlier years.
- 36 Permission for exemption from disclosure of foreign exchange earnings and expenditure with regard to shipping operations has been received.
- 37 Previous year's figures has been regrouped wherever necessary.

CONSOLIDATED ACCOUNTS

(C) STATEMENT PURSUANT TO PART IV OF SCHEDULE VI OF THE COMPANIES ACT, 1956.

Consolidated Balance Sheet Abstract and Company's General Business Profile

I Registration details :

Registration No.

State Code

Balance Sheet Date

II Capital raised during the period (Amount in Rs. Thousands)

Public Issue

Rights Issue

Bonus Issue

Private Placement

Employees' Stock Options exercised

III Position of mobilisation and deployment of funds (Amount in Rs. Thousands)

Total Liabilities

Total Assets

Sources of Funds :

Application of Funds :

Paid up Capital

Net Fixed Assets

Reserves & Surplus

Net Current Assets

Secured Loans

Investments

Unsecured Loans

Miscellaneous Expenses

Deferred Tax liability

Deferred Tax Asset

IV Performance of the Company (Amount in Rs. Thousands)

Turnover

Total Expenditure

Profit/Loss Before Tax

Profit/Loss After Tax

Earnings Per Share (in Rs.)

Dividend Rate %

V Generic names of the Principal Products/Services of the Company : (as per monetary terms)

Item Code No.(ITC Code)

Product Description

C E M E N T
R E A D Y M I X C O N C R E T E
P R O P E R T Y D E V E L O P M E N T
S H I P P I N G
P O W E R G E N E R A T I O N
F R O M W I N D F A R M S
T R A D I N G
D E A L I N G I N S E C U R I T I E S
F I N A N C I A L S E R V I C E S
C A L C I U M C A R B I D E

As per our Report of 27th June, 2009

Signatures to Schedules 1 to 17

For P.S.SUBRAMANIA IYER & CO.,
Chartered Accountants
G.HARIHARAN
Partner
Membership No. 15071

For BRAHMAYYA & CO.,
Chartered Accountants
N.SRI KRISHNA
Partner
Membership No. 26575

N.SRINIVASAN
Managing Director

B.S. ADITYAN
N.R. KRISHNAN
RUPA GURUNATH
N. SRINIVASAN

R.K. DAS
V. MANICKAM
A. SANKARAKRISHNAN
K. SUBRAMANIAN

Directors

Place : Chennai
Date : 27th June, 2009

R. SRINIVASAN
Joint President (Finance & Accounts)

G.BALAKRISHNAN
President & Company Secretary

CONSOLIDATED ACCOUNTS

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2009

		2009		2008
	Rs.Lakhs	Rs.Lakhs	Rs.Lakhs	Rs.Lakhs
A. Cash flow from operating activities :				
Net Profit before tax and extraordinary items		63984.23		89699.79
Adjusted for :				
Depreciation	20451.64		12806.94	
Provision for Doubtful Debts & Advances	504.65		428.41	
Foreign Exchange	7929.92		-1013.23	
Profit / Loss on Sale of Investments	-118.78		-4.73	
Profit / Loss on Sale of Assets	45.03		241.29	
Interest Expense	14018.73		13294.06	
Interest Income	-7682.99		-4931.45	
Dividend Income	-739.99		-524.83	
Perquisite value of Employees' stock options	273.25		1825.09	
Deferred Revenue Expenditure/Income	1024.33	35705.79	932.81	23054.36
Operating Profit before Working Capital Changes		99690.02		112754.15
Trade and other receivables	-36875.41		-1403.44	
Inventories	-4168.91		-10162.17	
Trade payables	17879.28	-23165.04	14242.91	2677.30
Cash generated from operations		76524.98		115431.45
Direct Taxes		-8366.17		-9654.22
Cash flow before extra-ordinary items		68158.81		105777.23
Extra-ordinary items		0.00		-4814.04
Net Cash from operating activities (A)		68158.81		100963.19
B. Cash flow from investing activities :				
Purchase of Fixed Assets		-95550.43		-92147.91
Sale of Fixed Assets		1090.40		171.39
Sale of Investments		718.42		20.73
Purchase of Investments		-3541.86		-7827.80
Interest received		4149.29		523.70
Dividend received		739.99		524.83
Refund by / advances to Associates and others		820.23		-2288.66
Net Cash from investing activities (B)		-91573.96		-101023.72

CONSOLIDATED ACCOUNTS

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2009 (Contd.)

	2009 Rs. Lakhs	2008 Rs. Lakhs
C. Cash flow from financing activities :		
Proceeds from issue of share capital	281.46	58334.00
Dividend paid	-6588.61	-3046.24
Proceeds from long term borrowings	26487.68	11985.23
Repayment of borrowings	-16607.52	-31150.85
Interest paid (net of remission)	-13985.08	-16532.69
Net Cash from financing activities (C)	<u>-10412.07</u>	<u>19589.45</u>
Increase / (Decrease) in cash and cash equivalent (A+B+C)	-33827.22	19528.92
Cash and cash equivalent at the beginning of the year	42624.70	23095.78
Cash and cash equivalent at the close of the year	8797.48	42624.70

N.SRINIVASAN
Managing Director

B.S. ADITYAN
R.K.DAS
N.R. KRISHNAN
V.MANICKAM
RUPA GURUNATH
A. SANKARAKRISHNAN
N. SRINIVASAN
K.SUBRAMANIAN
Directors

Place : Chennai
Date : 27th June, 2009

R. SRINIVASAN
Joint President (Finance & Accounts)

G.BALAKRISHNAN
President & Company Secretary

Auditors' Certificate

We have verified the above Cash Flow Statement of The India Cements Ltd. and its Subsidiaries derived from the audited Annual Financial Statements for the years ended 31st March, 2009 and 31st March, 2008 and found the same to be drawn in accordance therewith and also with the requirements of Clause 32 of the Listing Agreements with Stock Exchanges.

Place : Chennai
Date : 27th June, 2009

For P.S.SUBRAMANIA IYER & CO.,
Chartered Accountants
G.HARIHARAN
Partner
Membership No.15071

For BRAHMAYYA & CO.,
Chartered Accountants
N.SRI KRISHNA
Partner
Membership No.26575



THE INDIA CEMENTS LIMITED

Registered Office : Dhun Building, 827, Anna Salai, Chennai – 600 002.

ATTENDANCE SLIP

Please complete this attendance slip and hand it over at the entrance of the meeting hall. Only members or their proxies are entitled to be present at the meeting.

Name and address of the Shareholder

Folio No :

Dp id. :

Client id. :

No of Shares held :

I hereby record my presence at the Sixtythird Annual General Meeting of the Company at Sathguru Gnanananda Hall, (Narada Gana Sabha), No.314, T.T.K Road, Alwarpet, Chennai – 600 018 on Friday, the 7th August 2009 at 10.00 A.M.

Signature of the Member/Proxy

Name :



THE INDIA CEMENTS LIMITED

Registered Office : Dhun Building, 827, Anna Salai, Chennai – 600 002.

PROXY FORM

I/WE
of

Folio No :

Dp id. :

Client id. :

No.of shares held :

being a member/members of THE INDIA CEMENTS LIMITED do hereby appoint _____

_____ of _____

(or failing him _____ of _____) as my/our proxy

and to vote for me/us on my/our behalf at the Sixtythird Annual General Meeting of the Company to be held at 10.00 A.M on Friday, the 7th August 2009 and at any adjournment thereof.

Signed this day of 2009.

N.B.

Any member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and proxy need not be a member. This form duly completed should be deposited at the Registered Office of the Company at Chennai before 10.00 A.M. on Wednesday, the 5th August 2009.

Affix
15 Paise
Revenue
Stamp

BOOK POST

If undelivered please return to:

Integrated Enterprises (India) Limited

2nd Floor, Kences Towers

No: 1, Ramakrishna Street, North Usman Road

T. Nagar, Chennai - 600 017.