

65th Annual General Meeting

Date : 24th August, 2011

Time : 9.30 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.

CONTENTS

Page No.

Notice to Shareholders	2
Ten Years in Brief – Financial Information	6
Directors' Report	7
Corporate Governance	23
Auditors' Report	39
Balance Sheet	44
Profit & Loss Account	45
Schedules	46
Cash Flow Statement	69
Statement pursuant to Sec. 212 of the Companies Act, 1956	71
Information in aggregate of each Subsidiary	72
Auditors' Report on the Consolidated Financial Statements	73
Consolidated Balance Sheet	74



THE INDIA CEMENTS LIMITED



BOARD OF DIRECTORS

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

Auditors

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

Registered Office

“Dhun Building”
827, Anna Salai
Chennai - 600 002.

Corporate Office

“Coromandel Towers”
93, Santhome High Road,
Karpagam Avenue, R.A. Puram
Chennai - 600 028.

Cement Factories

TAMIL NADU

Sankarnagar,
Tirunelveli District.

Sankari,
Salem District.

Dalavoi,
Perambalur District.

TAMIL NADU

Vallur Village,
Tiruvallur District.

ANDHRA PRADESH

Chilamakur & Yerraguntla,
Cuddapah District.

Vishnupuram,
Nalgonda District.

Malkapur,
Ranga Reddy District.

Grinding Units

MAHARASHTRA

Parli Vaijnath,
Beed District.



THE INDIA CEMENTS LIMITED

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

Corporate Office : "Coromandel Towers", 93, Santhome High Road,
Karpagam Avenue, R.A. Puram, Chennai 600 028.

NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the Sixtyfifth Annual General Meeting of The India Cements Limited will be held at 9.30 A.M. on Wednesday, the 24th August 2011, 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 2011 and the Auditors' Report thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in the place of Dr. 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. (Registration No. 000511S) and M/s.P.S.Subramania Iyer & Co., (Registration No. 004104S) Chartered Accountants, Chennai, be and are hereby appointed Auditors of the Company including its branch offices to hold office from the conclusion of the sixtyfifth Annual General Meeting until conclusion of the sixtysixth 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."

NOTES:

1. Details pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges in respect of Directors seeking reappointment at the Annual General Meeting are separately annexed hereto for items no. 3 to 5.
2. ANY MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF 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.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 18th August, 2011 to 24th August, 2011 (both days inclusive).
4. The Equity dividend, if declared, will be paid on or before 22nd September, 2011 to those Members (or their mandatees) whose names will appear in the Company's Register of Members as on 24th August, 2011. 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.
5. 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: corpserve@ieplindia.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/Corporate Office of the Company or RTA.



6. 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.
7. 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.
8. 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, 31st March, 2008, 31st March, 2009 and 31st March, 2010 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, 31st March, 2008, 31st March, 2009 and 31st March, 2010 are requested to make their claim forthwith to the Registered/Corporate 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.
9. 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.
10. The Company has been providing ECS facility to all shareholders, holding shares in electronic and physical forms. As per RBI's notification, with effect from 1st October 2009, the remittance of money through ECS has been replaced by National Electronic Clearing Service (NECS). NECS operates on the new and unique bank account number allotted by banks post implementation of the Core Banking Solutions (CBS). Pursuant to implementation of CBS, your bank account number may have undergone a change, which is required to be communicated by you to your Depository Participant (in case of shareholders holding shares in dematerialised form) or to the Company's Share Transfer Agent (in case of shareholders holding shares in physical form).
11. Members are requested to note that in case of transfers, deletion of name of deceased shareholder, transmission and transposition of names in respect of shares held in physical form, submission of photocopy of PAN Card of the transferee(s), surviving holder(s), legal heir(s) and joint holder(s) respectively, along with necessary documents at the time of lodgement of request for transfer/ transmission/transposition, is now mandatory.
12. Ministry of Corporate Affairs vide Circular no.17/2011 and 18/2011 dated 21.04.2011 and 29.04.2011 respectively, clarified that a company would have complied with Section 53 of the Companies Act, 1956, if the service of document has been made through electronic mode provided the Company has obtained e-mail addresses of its members for sending the notice/documents through e-mail. For receiving the notice/documents by e-mode, members are requested to register their e-mail address and changes therein from time to time, with their Depository Participant (in case of shares held in dematerialised form) or with the Company's Share Transfer Agent (in case of shares held in physical form).

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

Place: Chennai
Date : 30th May, 2011

G BALAKRISHNAN
President & Company Secretary



PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGES, FOLLOWING INFORMATION ARE FURNISHED ABOUT THE DIRECTORS PROPOSED TO BE REAPPOINTED, VIDE ITEMS NO. 3 TO 5 OF NOTICE DATED 30TH MAY 2011.

(i) Name of the Director	:	Dr. B.S. Adityan
Date of Birth	:	24th September 1936
Date of appointment on the Board as Director	:	7th March 1967
Date of last reappointment as Director	:	7th August 2009
Expertise in specific functional areas	:	Industry
Qualification	:	Bachelor of Arts
Number of Equity Shares held in the Company by the Director or for other persons on a beneficial basis	:	12704
List of outside Directorships held in Public Companies	:	1. Sun Paper Mill Limited 2. India Cements Capital Limited 3. MIOT Hospitals Limited 4. Trinetra Cement Limited
Chairman / Member of the Committees of Board of Directors of the Company	:	1. Audit Committee - Chairman 2. Shareholders'/Investors' Grievance Committee - Chairman
Chairman / Member of the Committees of Board of Directors of other Companies in which he is a Director	:	India Cements Capital Limited - Audit Committee - Chairman
Relationship with other Directors	:	Nil
(ii) Name of the Director	:	Sri K. Subramanian
Date of Birth	:	15th February 1954
Date of appointment on the Board as Director	:	20th April 2007
Date of last reappointment as Director	:	7th August 2009
Expertise in specific functional areas	:	Executive Director (Consultancy & Works), Housing and Urban Development Corporation Limited, Chennai
Qualification	:	B.E. (Civil), M.E. (P.H.E.), PGD SanEngg (Delft)
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. Ind Bank Housing Limited 2. Signa Infrastructure India 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	:	Ind Bank Housing Limited - Audit Committee - Member - Shareholders'/Investors' Grievance Committee - Member
Relationship with other Directors	:	Nil



(iii) Name of the Director	:	Sri R.K. Das
Date of Birth	:	23rd May 1933
Date of appointment on the Board as Director	:	1st October 2004
Date of last reappointment as Director	:	7th August 2009
Expertise in specific functional areas	:	Technical
Qualification	:	B.E. (Mech.)
Number of Equity Shares held in the Company by the Director or for other persons on a beneficial basis	:	1500
List of outside Directorships held in Public Companies	:	<ol style="list-style-type: none">1. Coromandel Sugars Limited2. ICL Financial Services Limited3. ICL International Limited4. ICL Securities Limited5. ICL Shipping Limited6. Industrial Chemicals & Monomers Limited7. Raasi Cement Limited8. Trinetra Cement 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	:	Nil
Relationship with other Directors	:	Nil



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

		2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Sales & Earnings											
1. Sales and other Income	Rs.Lakhs	131325	103300	123688	140230	183669	262088	360561	395454	422169	401134
2. Profit/(Loss) before tax	Rs.Lakhs	(757)	(30723)	(11273)	458	4998	49196	84464	64830	53132	8987
3. Cash Generated (internally)	Rs.Lakhs	7994	(22582)	(3122)	8335	12652	59459	96243	93097	72087	33158
Assets											
4. Fixed Assets (Net)	Rs.Lakhs	142562	134458	233387	220485	211497	293858	403937	471229	462151	487431
5. Capital Investments	Rs.Lakhs	2461	405	1971	2212	4896	14870	91990	95426	29625	56896
6. Current Assets	Rs.Lakhs	43572	28415	30796	38791	49803	73889	108735	83010	100726	80523
7. Loans and Advances	Rs.Lakhs	97769	103167	100022	98054	101439	97862	106206	131343	186919	209863
Capital & Reserves											
8. Share Capital	Rs.Lakhs	16359	16359	16359	16359	21577	26037	28187	28243	30717	30718
9. Reserves and Surplus*	Rs.Lakhs	42778	23795	12105	12132	57567	108319	224427	262559	318019	319457
10. Shareholders' Fund	Rs.Lakhs	59137	40154	28464	28491	79144	134356	252614	290802	348736	350175
Net worth, EPS & Dividend											
11. Net worth per equity share	(Rs.)	41.18	27.38	18.88	18.90	40.18	51.60	89.62	102.96	113.53	114.00
12. Earnings per equity share	(Rs.)	(0.06)	(14.74)	(7.13)	0.12	2.61	19.65	23.97	15.32	12.49	2.22
13. Equity Dividend Per Share	(Rs.)	-	-	-	-	-	1	2	2	2	1.50

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



DIRECTORS' REPORT

Your Directors have pleasure in presenting their **Sixtyfifth Annual Report** together with audited accounts for the year ended 31st March 2011.

	Rs. in Crores	
	For the year ended 31st March	
	2011	2010
FINANCIAL RESULTS		
Profit before Interest & Depreciation	473.30	863.51
Less: Interest & Other Charges	141.72	142.64
Less: Depreciation	244.03	233.12
Less: Forex Fluctuation Loss/(Gain)	(2.32)	(43.57)
Add: Transfer from Share Premium	–	13.28
Less: Shares/Bond issue expenses	–	13.28
Profit before Tax	89.87	531.32
Deferred Tax	5.00	13.66
Provision for Taxation (net)	16.77	163.32
Profit after Tax	68.10	354.34
Add: Balance brought forward from last year	986.11	823.41
Less: Dividend proposed on Equity Capital (including Dividend Distribution Tax)	53.73	71.64
Less: Transfer to General Reserve	10.00	70.00
Less: Transfer to Contingency Reserve	36.00	50.00
Balance carried in Profit & Loss A/c	954.48	986.11

DIVIDEND

The Board of Directors has recommended a dividend of Rs.1.50 per equity share of Rs.10/- each on 30,71,74,910 equity shares of Rs.10/- each for the year ended 31st March, 2011 and proportionate dividend on shares having calls in arrears.

SHARE CAPITAL

The Company issued during the year 1500 equity shares at a price of Rs. 50/- per share (including premium of Rs. 40/- per share) on exercise of options in terms of India Cements Employees Stock Option Scheme, 2006 (ESOS 2006). Further, the Company received during the year calls in arrears of Rs. 4746. Consequently, the paidup equity share capital of the Company has increased to Rs.307,17,64,775 as on 31st March, 2011 comprising 30,71,74,910 equity shares of Rs. 10/- each and 2247 equity shares on which a sum of Rs.15,675 has been paidup. The balance of Rs.6,795 represents calls in arrears.

REDEMPTION OF FOREIGN CURRENCY CONVERTIBLE BONDS (FCCBs)

The Company redeemed fully all the outstanding Foreign Currency Convertible Bonds on the maturity date i.e., 12th May, 2011.



EMPLOYEE STOCK OPTION SCHEME

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 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, 2011, 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 as at 31st March, 2011 and of the profit of the Company for the year ended on that date.
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, 2011 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 Vice Chairman & Managing Director in his capacity as the Chief Executive Officer of the Company is given as Annexure 'E'.

OPERATIONS

COMPANY PERFORMANCE

The details relating to the Company's performance have been set out in the Management Discussion and Analysis section. The year under review had the full benefit from the upgraded kiln at Vishnupuram Plant and the enhanced capacity of Malkapur Plant but given the tight market conditions the overall production was lower than that of previous year. The clinker production of your company stood at 76.34 Lakh Ts (86.82 Lakh Ts) while the cement grinding was at 99.80 Lakh Ts (104.94 Lakh Ts). The sale of cement was at 99.32 Lakh Ts (105.01 Lakh Ts) while the clinker sale was lower at 0.32 Lakh Ts (4.63 Lakh Ts).



The total sales and other income for the year under review was lower at Rs.4011.34 Crores against Rs.4221.69 Crores in the previous year registering a drop of 5% . As informed elsewhere the cement price declined substantially in the third quarter and has started recovering from the fourth quarter. In addition there was substantial increase in cost of production due to increase in the price of raw materials, power, fuel and other operating expenses and consequently the operating profit was lower at Rs.473.30 Crores as compared to Rs.863.51 Crores in the previous year. Interest charges were marginally lower at Rs.141.72 Crores (Rs.142.64 Crores) while depreciation was at Rs.244.03 Crores as compared to Rs.233.12 Crores in the previous year. The resultant profit before tax and exceptional items was lower at Rs.87.55 Crores as against Rs.487.75 Crores recorded in the previous year. The foreign exchange translation difference as per AS 11 resulted in an exceptional income of Rs.2.32 Crores (Rs.43.57 Crores), the provision for current tax liability is at Rs.16.77 Crores against Rs.163.32 Crores in the previous year. The deferred tax provision as per AS 22 resulted in a liability of Rs.5 Crores against Rs.13.66 Crores in the previous year and consequent profit after tax was at Rs.68.10 Crores against Rs.354.34 Crores in the previous year.

Substantial impact was felt due to cost push on account of various factors as follows:-

- a) Increase in wages due to All India Wage settlement which together with the increase in cost of living index by 446 points coupled with revision in the minimum wages payable to contract workmen and retirement benefits meant an additional outgo of Rs.13 Crores which was offset to a certain extent by the reduction in provision for unavailed leave as per Accounting Standard 15.
- b) Fuller impact of increase in royalty on limestone done in the previous year.
- c) Increase in the price of diesel during the year.
- d) Fuller impact of increase in Excise Duty on cement to 10% from 8% in March 2010.
- e) Increase in the price of fly-ash by the state owned thermal plants in Tamil Nadu in phases from Rs.60 per Tonne to Rs.350 per Tonne.
- f) Increase in the electricity tariff of Tamil Nadu and Andhra Pradesh Electricity Boards.
- g) Increase in the administered price of gas resulting in higher cost of generation.

All these together with the fuller impact of such revisions in the previous year impacted the cost of production substantially which could not be passed on fully due to the tight market conditions.

SETTING UP OF INFRASTRUCTURE DIVISION

Considering the enormous scope for infrastructure development in the country, which incidentally will boost cement consumption, the company during the year initiated steps to set up a division for infrastructure activities. The Division is in the process of finalizing the main areas of focus and is likely to commence activities during the current year.

SUBSIDIARIES

Pursuant to General Circular No.2/2011 No.51/12/2007-CL-III dated 08.02.2011 issued by the Ministry of Corporate Affairs, Government of India, the Board of Directors has passed a resolution for sending the Balance Sheet without 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, Trishul Concrete Products Limited, Trinetra Cement Limited, PT. Coromandel Minerals Resources, Indonesia and Coromandel Minerals Pte. Limited, Singapore. However, pursuant to Accounting Standard 21 issued by the Institute of Chartered Accountants of India, Consolidated Financial Statements presented by the Company include the financials 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 / Corporate Offices of the Company and its Subsidiary Companies.

TRINETRA CEMENT LIMITED (FORMERLY INDO ZINC LIMITED)

The company's 1.5 million tonnes cement plant in Banswara District, Rajasthan has commenced the commercial production in end January 2011.

The company is in an advanced stage of completing a 20 mw captive power plant, which is expected to be commissioned by September 2011. In addition to this, the company is also in the process of enhancing the capacity of Limestone Stacker Reclaimer and commissioning of Fly-ash Handling System at Wankbhor Thermal Power Station. These projects are expected to be completed during the next six months.

COROMANDEL MINERALS PTE. LIMITED

The Company has invested US\$ 5 million for purchase of 70,11,500 ordinary shares of Coromandel Minerals Pte. Limited (CMPL), Singapore representing 99.99% of its share capital, making CMPL a subsidiary. This company has acquired a coal concession in Indonesia and is in an advanced stage of getting various approvals for commencing the mining. In the meanwhile, the company has initiated steps to create necessary infrastructure – laying of roads and construction of bridges for facilitating the mining and transportation of coal.

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

Coromandel Sugars Ltd., has achieved record crushing of 7.84 Lakh Ts (5.28 Lakh Ts) during the year under review. The sugar recovery stood at 10.17% as was in previous year. It may be noted that higher cane availability during the season continued till April 2011 resulting in total crushing of 8.50 lakh tonnes for the season 2010-11. Improved cane price paid to growers in the earlier season has motivated the growers to up the area under sugarcane plantation by over 60%. With expanded plant capacity of 3500 tonnes crushing per day (tcd) in place, higher sugar cane availability with reasonable sugar recovery, the company was able to maintain the excellent performance achieved during the earlier years.

The company has produced 79757 Tonnes of sugar (53634 Tonnes), molasses of 35226 tonnes (23983 mts) and exported power to the grid of 297 lakh kwh (200 lakh kwh). Sales turnover rose by 40% to Rs.215 crores (Rs.153 crores). Sales volume increased by 41% for sugar, 70% for molasses and 49% for Power. However, the free sale sugar price realization has dropped by 6% to Rs.2602 per quintal while in the case of molasses realization fell by 52% to Rs.2915 per Tn as compared to previous year.

Based on unaudited financials, the Profit Before Interest and Depreciation has marginally dropped to Rs.36.25 cr (Rs.36.71 cr). Profit Before Tax for the year was lower at Rs.23.41 cr. (Rs.25.25 cr.). Profit from the improved operational efficiency achieved during the year was partly offset by drop in sales price realization.

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 27 branches and Travels division operates at Chennai as an IATA accredited branch. The subsidiary ICISL has 31 branches. The Gross income from operations of ICCL was Rs.487.38 lakhs and that of ICISL was Rs.243.05 lakhs for the year ended 31st March, 2011.

COROMANDEL ELECTRIC COMPANY LIMITED (CECL)

Due to additional availability of natural gas during the year, the Company was able to generate 205 Million units of power as compared to 170 million units in the previous year, which was wheeled and used at the cement plants of your Company in TamilNadu. The total revenue earned by the Company during the year was Rs.64.42 Crores (Provisional) as against Rs.44.78 Crores in the previous year and net profit after tax was Rs.10.81 Crores (Provisional) against the previous year figure of Rs.8.42 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. During the year the Company has redeemed the first annual instalment of redeemable cumulative participating / non-participating preference shares on the due dates.

CURRENT PERFORMANCE

The cement market was sluggish during the month of April 2011 registering a dip in the overall consumption for the country as a whole (as per information furnished by CMA). The market registered a negative growth of 1.8% for the month which was more pronounced in the markets of your company in South, which registered a dip of 8.8%. This with the huge capacity increase in the South necessitated a lower capacity utilization with the industry in the South registering a capacity utilization of 63% in the month of April 2011. Given such a backdrop, your company's capacity utilization of 71% can be considered to be satisfactory. The overall clinker production was lower at 5.96 Lakh Ts (7.54 Lakh Ts) and the cement grinding was at 8.27 Lakh Ts (9.54 Lakh Ts). The operating parameters of power and fuel were kept under check despite the lower capacity utilization for the month under review.

EXPANSION / MODERNISATION

The upgradation of capacity at Chilamakur to 4500 Tonnes per day was completed during the month of June 2010 and after initial teething troubles the plant has been stabilizing at higher levels of production.

PUBLIC DEPOSITS

The total amount of fixed deposits including cumulative deposits, which had not become due but outstanding as at 31st March, 2011 stood at Rs.1,503.94 Lakhs. Deposits totalling Rs.49.12 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, 2011, deposits aggregating to Rs.9.43 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.50.32 Lakhs towards revenue expenditure of the R&D department besides contributing a sum of Rs.74.72 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.

DIRECTORS

Under Article 109 of the Articles of Association of the Company, Dr.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.

Brief particulars on Directors eligible for reappointment in terms of Clause 49 of Listing Agreement are annexed to the Notice dated 30th May 2011 convening the 65th 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.

With regard to the observation of the Auditors in Clause 4(f) of the Auditors' Report dated 30th May, 2011 on payment and provision of managerial remuneration in excess of the prescribed limit, the Company is making an application to the Government of India for approval in terms of the provisions of the Companies Act, 1956.

COST AUDITOR

Mr.S.A.Murali Prasad, Cost Accountant, Chennai, has been appointed as Cost Auditor for the year 2011-12 subject to approval by the Government of India.

INTERNAL AUDITORS

Messrs. Capri, Gopalaiyer & Subramanian & Co., Kalyanasundaram Associates and Bala & Co., Chennai, have been appointed as Internal Auditors for the year 2011-12.

CORPORATE SOCIAL RESPONSIBILITY

The Company has continued, during the year, its active involvement for improvement of socio-economic conditions and bringing about development of infrastructure, human resources, environment, sports and cultural activities in its neighbourhood. In fact, the Company's CSR activities encompass as on date 108 Villages in 14 Talukas of 13 Districts in the four States namely, Tamil Nadu, Andhra Pradesh, Rajasthan and Maharashtra, where our cement plants are situated and have benefited nearly one lakh people.

There is all-round appreciation of Company's CSR activities in the neighbourhood of its plants and the media. The already prevalent cordiality between the plants and the local communities has only increased. The rapport between the Governmental agencies and the plants has also improved as a result of conscious and demonstrable development of neighbourhood of Company's plants.

The Company has brought out a booklet 'Enriching Lives – A Vision Beyond Cement' which has been received very well by the public and the governmental agencies.

The Company plans to increase its focus in future on education and community health related activities to make a discernible difference in the lives of people living in its neighbourhood.



CHENNAI SUPER KINGS

Chennai Super Kings, the cricket team of the Chennai cricket franchise owned by your company continues to add shareholder value with its outstandingly consistent performance. Besides winning the Champions League in 2010 whereby completing a Cup and League double, your team has been crowned champions for the second year in succession in the just concluded IPL 2011. It has also won the Fair Play Award for 2011 – third time in four years exemplifying the team’s underlying philosophy. The fact that the latest entrants to IPL 2011 have had to pay nearly Rs.1700 Crores for Franchise rights is an indication of what brand valuation your most successful franchise presently commands.

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

Rupa Gurunath
Wholetime Director

Place : Chennai
Date : 30th May, 2011

N.Srinivasan
Director



ANNEXURE 'A' TO DIRECTORS' REPORT FOR THE YEAR ENDED 31st MARCH, 2011

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. Installation of dynamic separator in coal mill circuit resulted in reduced power consumption.
 - ii. Replacement of old Reciprocating type compressor & Rotary air compressors with screw compressor to reduce power consumption.
 - iii. Additional power capacitors wherever required installed to improve the power factor.
 - iv. Mechanical conveying system installed replacing pneumatic pumping in cement mill at one of the plants resulting in power reduction.
 - v. Installation of additional Four stage preheater in conjunction with existing preheater resulting in increased kiln production targeting savings in fuel consumption.
 - vi. Replacement of cooler double flaps with motorized controls with pneumatic flaps to reduce power consumption.
 - vii. Air volume optimization done at two of the plants in cooler resulting in power savings.
 - viii. Replacement of bolted liners of cement mill with advanced boltless liners to improve output.
 - ix. Advanced Energy Monitoring System installed at the plants to monitor closely and reduce energy consumption.
 - x. Replacement of MOCB with VCBS in phases.
- (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. Optimisation of mill outputs and improve quality through closed circuiting of cement mills.
 - iii. To improve the output of raw mill introducing tertiary crusher.
 - iv. Cooler mid air tapping for increasing the hot air temperature and improving the VRM output which will result in reduction of hot air from preheater saving the fuel.
 - v. Installation of fly-ash drier (under progress) to ensure optimum utilization of hot gas and higher availability of fly-ash to reduce the overall power consumption.
 - vi. Installation of electronic packers, wagon loading arrangements etc., to improve packer output and reduce power and labour cost.
 - vii. Pre-Calcliner duct modification to increase the consumption of low cost alternate fuels.
- (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 k.cals per kg of clinker. However, during the year, the power was maintained despite lower capacity utilization while heat consumption was reduced by 6 k.cals 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:

There was no significant export sales during the year under review.

- (b) Total foreign exchange used and earned:

	Current Year	Previous Year
Used Rs.Lakhs	-	-
Earned Rs.Lakhs	33.54	1.68



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		8374.20	8797.25
Total amount - Rs. Lakhs		29616.56	27214.84
Rate per unit - Rs.		3.54	3.09
(b) Own Generation			
(1) Through Diesel/Furnace Oil Genset *			
Units - KWH - Lakhs		907.14	1444.98
Unit per Litre of Diesel/Furnace Oil-KWH		3.79	3.88
Cost per unit - Rs.		3.83	4.71
(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	1209023	1419277
Total Cost	Rs.Lakhs	68549	65697
Average Rate	Rs./Tonne	5670	4629
3. HSD/Furnace Oil for Kilns			
Quantity	K.Litres	820.91	677.35
Total Cost	Rs.Lakhs	343.74	227.68
Average Rate	Rs./K.Litre	41873	33613
4. Consumption per unit of Production			
	Standards (if any)		
Electricity (KWH/Tn of Cement)	110	93.19	93.16
Coal Consumption Per Tn of Clinker (Depending on Quality of Coal)	20-25	15.84	16.35
Diesel Oil/Furnace Oil per Tn of Cement (Litres)		0.08	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.50.32 lakhs has been spent during the year for the functioning of R&D department. Besides this, a sum of Rs.74.72 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.125.04 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

ECONOMY – AN OVERVIEW

The Indian Economy expanded at a better than expected pace of 8.9% in the second quarter of the current fiscal, prompting economic analysts and experts to project GDP Growth at 9% in 2010-11.

The growth rate of 8.9% in the second quarter depicts India as the second fastest growing large economy after China which recorded a growth of 9.6% in the quarter ended September 2010. The impressive performance of the Indian Economy in Q2 was propelled mainly by robust agricultural growth and the strong showing by the services sector.

The output of the six core infrastructure industries grew by 6.6% in December 2010 as against an expansion of 6.2% in December 2009 - driven by the good performance of the crude oil and petroleum refinery sectors.

EXPORTS / IMPORTS

Buoyant demand for almost all items in the overseas market have powered exports to record an extremely impressive 44% rise in March 2011 to 29.1 billion US\$. Cumulative exports during April/March 2011 grew by 37.5% to 245.66 billion US\$ crossing by a wide margin, the US\$ 200 billion mark targeted for the current fiscal.

While total imports in 2010-11 crossed 350 billion US\$, they grew at a lower pace of 21.6% over the last fiscal. The trade deficit of 104.82 billion US\$ was less than the earlier forecast of 120 to 130 billion US\$ - lessening concerns over the country's overall current account deficit.

In April-March 2010-11, oil imports went up by 16.7% to 101.68 billion US\$ from 87.13 billion US\$ in the corresponding period last year. Non-oil imports during last fiscal was higher by 24% at 249 billion US\$ against 201.12 billion US\$. The trade deficit in the current fiscal stood at 104.82 billion US\$ lower than 109.62 billion US\$ in the previous year.

INFLATION

Inflation surged further during the year particularly more influenced by the food inflation and reached the double digits in several months during the year. However, it was back in single digit at over 9% over the week ended March 19, 2011 and this development was made possible by the fall in prices of pulses, though fruits and vegetables stayed dear during that week.

INDUSTRY SCENARIO

The cement industry which registered spectacular growth in double digits over the last few years entered a phase of deceleration with the demand slackening during the year under review. The industry's demand growth during the year was a meagre 4.7% according to information furnished by Cement Manufacturers' Association, which is the lowest in the last ten years. This aberration in the growth according to experts is due to the general slow down in the infrastructure and real estate sectors due to the rising cost of finance. The Reserve Bank of India had hiked the key rates – Repo and Reverse Repo almost 6 times in the year 2010 with a further dosage during the current year resulting in lending rates across all loans becoming costlier leading to a fall in demand.

While on the one hand, the growth in demand dropped steeply, on the other hand, in anticipation of all-round growth, the industry had ploughed in substantial money to create additional capacities of around 115 million tonnes in the



last 3 years. Sudden burst in capacity expansion coupled with low demand growth led to fierce competition for market share which resulted in prices dropping to unremunerative levels during the second quarter of the year under review. Consequently, the capacity utilization of the industry also fell to 76% in Financial Year 2011 from 85% in Financial Year 2010. However, during the second half of the financial year the industry was able to recover some portion of the lost ground with more remunerative prices in the market place.

An analysis of growth in demand regionwise indicate that the Western region and Eastern region continued with a double digit growth at 11.7% and 10.3% respectively; the North registered a growth of 3% and the Central 9.7% while in the South there was a negative growth of 3.4%. This negative growth in the South was primarily due to the fall in demand in Andhra Pradesh by 17% and a nil growth in Kerala while Tamil Nadu and Karnataka registered a growth of only 4%. With most of the capacity expansion taking place in the South this market scenario resulted in sharp decline in selling prices during the first half of the year which however have started recovering from the third quarter of 2010-11. The overall capacity utilization of the industry was 76% while in South it was only 66%. While supply side pressures impacting the selling prices, cost side pressures were also unrelenting in the form of enhanced energy (coal and power) and transportation costs (diesel), increase in power tariff in Tamil Nadu and Andhra Pradesh, increase in the price of fly-ash from thermal plants of Tamil Nadu and Andhra Pradesh in addition to the full year impact of the increase in Excise Duty on cement from 8% to 10% announced in March 2010.

COMPANY PERFORMANCE

The performance of the company in terms of production and sale was as under:-

	In Lakh Tns	
	2010-11	2009-10
Clinker	76.34	86.82
Cement	99.80	104.94
Cement Sales	99.32	105.01
Clinker Sales	0.32	4.63
Overall sales including Clinker	99.64	109.64

With the backdrop of negative growth in the markets catered to by the company's plants, the overall production was marginally lesser than last year. While the clinker production was 76.34 Lakh Ts (86.82 Lakh Ts), the cement grinding was 99.80 Lakh Ts as compared to 104.94 Lakh Ts – a drop of 4.9% which was more or less in line with the market requirements. The cement sales during the year was 99.32 Lakh Ts against 105.01 Lakh Ts while the clinker sales was lower at 0.32 Lakh Ts against 4.63 Lakh Ts in the previous year. The delay in the stabilization of the upgraded capacity at Chilamakur and the expanded production from the second line at Malkapur plants impacted the overall operating efficiencies. Also, there were disruptions in the power availability during the first two months of the year more pronounced in Andhra Pradesh imposing power holidays besides peak hour restrictions which resulted in higher dependence on the costlier captive DG power and sourcing of power from high cost alternate sources. The prices of imported coal which tracked the international prices of oil also went up substantially during the year under review, jumping from a level of around US\$ 97 per Tn CIF in March 2010 to a level of US\$ 140 plus per Tn CIF in March 2011. These substantial increases in costs of power and fuel could not be passed on fully given the tight market situation.



ENERGY EFFICIENCY AND COST REDUCTION

While all-round efforts are being made to minimize the usage of power and fuel, the lower demand in the market and the need to sustain cash flows by minimizing inventories and consequent lesser capacity utilization resulted in minor aberration of the efficiency parameters. However, the utilisation by the company of gas based power could be enhanced on Coromandel Electric Company Limited getting increased allocation of gas during the year and through higher allotment of power from APGPCL in Andhra Pradesh, which all resulted in mitigating the impact to a certain extent. In addition, the company's wind-mills also generated a total of 315 Lakh units (360 Lakh units) which was used by the company's plants in Tamil Nadu and the Waste Heat Recovery System at Vishnupuram also contributed 475 Lakh units during the year under review (562 Lakh units). While all the efforts are being made to ensure that the factors of consumption are kept under check, substantial increase in the cost of inputs of fuel and power (primarily driven by factors beyond control like increase in price of oil) have dented the performance during the year under review.

DEVELOPMENT ACTIVITIES

During the year, your company obtained ISO 9001 certification for quality assurance for its Dalavoi Plant in addition to its existing plants at Sankarnagar, Chilamakur and Vishnupuram. The implementation of the procedures for getting the necessary certification for quality assurance is already in progress for the Sankari plant.

As earlier informed, your company has also implemented Total Productive Maintenance (TPM) for productivity improvement in most of your plants.

CLEAN DEVELOPMENT MECHANISM (CDM)

The Waste Heat Recovery System at Vishnupuram has been earning its certified emission reductions from its approved CDM project and further areas for carbon emission reduction are also being explored like usage of alternative fuels.

OPPORTUNITIES, THREATS, RISKS AND CONCERNS

The substantial increase in capacity of over 115 million tonnes created in the last 3 years coupled with lower growth of demand has led to operating the plants at reduced capacity utilization. As earlier mentioned, the utilization of the industry was cyclical not due to demand per se, but on account of sudden burst in capacity expansion in a short period, more particularly in the South. Despite the international slow down during the previous year, the Indian economy has clocked a growth of over 8% and given the continued thrust in the development of infrastructure sector, the growth in demand is likely to improve in the immediate term. Given that some of the capacities which are under construction and some which may materialize shortly, it is expected that the industry can possibly recover to normal capacity levels over the next 2 to 3 years. However, the industry in South can only be cautiously optimistic as the imbalance in demand – supply position may take a long time to correct. The real challenge for the industry lies in reaching the product to deficit areas in North and East which will help the industry to operate at relatively higher capacity. The company has already taken steps to enhance the capacity to 14.3 million tonnes and is well equipped to participate in the future growth. In order to circumvent the shortage / uncertainty of power supply in Tamil Nadu and Andhra Pradesh, the company has setup a 50 mw power plant in Tamil Nadu and orders have been placed for a similar capacity power plant in Andhra Pradesh both of which provide energy security at economic cost. Work is also apace on the coal mines in Indonesia and orders have been placed for construction of the bridge and laying of the road to transport coal from the mines. Upon receipt of forest clearance which is expected shortly,



mining contract will be awarded so as to commence work at the mines. It is expected that coal raising will commence in the last quarter of the current financial year which will, to some extent, reduce the impact of volatility in the price of imported coal besides assuring continuous supply of fuel to the power plants.

With the supply overhang facing the industry, particularly in the South, cement prices may fluctuate during the slack season. Ever increasing price of petroleum products which will impact energy and transportation costs, infrastructure bottleneck in the form of shortage of railway wagons and indigenous coal are also causes of concern. As stated above, once the operations of the coal mines is commenced, it should be possible to offset volatility in the price of imported coal coupled with assured supply of cheaper fuel to our power plants which is expected to keep the power cost under reasonable check.

OUTLOOK

The advance estimate of GDP growth for 2010-11 released by CSO recently envisages the economy to grow by 8.6% in the current fiscal. Agriculture along with forestry and fishing is expected to record a sharp rise in growth from 0.40% just a year ago to 5.40% in 2010-11.

Manufacturing is set to expand at 8.8% on par with the growth in the last fiscal while the services sector is expected to post a 9.6% growth.

The agricultural sector has clearly benefitted from a normal monsoon and if sustained, will have a positive impact on rural employment and domestic consumption.

IMF FORECAST

The International Monetary Fund raised its forecast for global economic growth reflecting stronger US output, while emerging nations lead the recovery.

The global economy according to the IMF is expected to grow at 4.4% in 2011 and expand to 4.5% in 2012.

As buoyancy continues in the emerging economies, the IMF has retained its growth projection of 8.4% for India in the fiscal year 2010-2011.

The IMF report speaks of a “low speed recovery process” with growth in advanced economies still subdued and unemployment remaining high. While activity in the US is picking up, the Euro area remains a cause for concern. Even while appreciating the performance of emerging economies including India and China, the IMF has cautioned them against inflationary pressure and signs of overheating.

All these factors augur well for the normal growth and demand for cement at 8% to 9% which is the long term cumulative growth rate of the industry.



VALUE ENHANCING STRATEGIES

The strategy of increasing the capacity through the upgrades / expansion at its locations wherever feasible have been achieved and are in place assuring value to the stakeholders. Assuring uninterrupted supply of power to its plants as a strategy is getting materialized through the setting-up of power plants at Tamil Nadu and Andhra Pradesh. Your company has also taken steps to ensure that the fuel supply chain is maintained at relatively cheaper prices through the strategy of acquiring ships and also through securing additional coal linkages from the domestic coal companies and through mining rights for coal in Indonesia. The company has already trimmed its manpower across units and imparting multitasking skills for its workers has been top priority. The company is also on the look out for further growth opportunities that may be available in the market. The company also intends to partake on the infrastructure development of the country through foray into such areas and actions are being taken on this front.

HUMAN RESOURCES & INDUSTRIAL RELATIONS

The industrial relations remained cordial throughout the year at all the units. Training and multitask development skills are given prime importance. With sustained efforts taken for reduction of manpower, the overall number of employees at the end of the year under review was 3220 (3262).

INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY

Your company has a well-defined internal control system to support efficient business operations and statutory compliance. A team of external Firms of Chartered Accountants appointed to carry out the internal audit function 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	
	2010-11	2009-10
Net Sales/Income from operations	3417.07	3687.27
Other Income	123.26	120.99
Total Income	3540.33	3808.26
Total Expenditure	3067.03	2944.75
Operating Profit	473.30	863.51
Operating Margin %	13.37%	22.67%
Interest & Finance Charges	141.72	142.64
Gross Profit after Interest but before Depreciation and Tax	331.58	720.87
Depreciation	244.03	233.12
Profit for the year	87.55	487.75
Foreign Exchange Fluctuation	2.32	43.57
Profit before Tax	89.87	531.32
Deferred Tax Liability	5.00	13.66
Taxation provision - net	16.77	163.32
Profit after Tax	68.10	354.34
Return on Capital Employed (ROCE)*	8.96%	16.52%

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

Sales and Other Income from operations has reduced by 7.03% primarily due to reduction in the volume of cement by 5% and absence of clinker sales as detailed elsewhere. The Other Income was marginally higher due to inclusion of profit on sale of investments primarily that of Bharathi Cement Corporation Ltd. The total expenditure has gone up by 4% on account of increase in the cost push as detailed in the Directors' Report. Interest and other charges were marginally lower at Rs.141.72 Crores (Rs.142.64 Crores) while the depreciation charges were higher at Rs.244.03 Crores (Rs.233.12 Crores) due to higher capitalization including the upgradation facilities at Chilamakur. The deferred taxation provision as per AS 22 has resulted in a liability of Rs.5 Crores (Rs.13.66 Crores) while the provision for current tax works out to Rs.16.77 Crores (Rs.163.32 Crores). The resultant net profit after tax was at Rs.68.10 Crores as compared to Rs.354.34 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, 2011

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 Wholetime Director and 10 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 2010-2011, five Board Meetings were held on 14.04.2010, 30.04.2010, 02.08.2010, 12.11.2010 and 10.02.2011.

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 01.04.10 to 31.03.11)	Attendance at last AGM	No. of other Directorships held in public Companies	
					(As on 31.03.2011)	
					No. of Membership (M) / Chairmanship(C) in other Board Committee(s)*	
1.	Sri N.Srinivasan <i>Vice Chairman & Managing Director</i>	Promoter, Executive Director	5	Yes	13	2 (M) & 2 (C)
2.	Mrs Chitra Srinivasan	Promoter, Non-Executive Director	4	Yes	Nil	Nil
3.	Ms Rupa Gurunath <i>Wholetime Director</i>	Promoter, Executive Director	5	Yes	2	Nil
4.	Dr. B.S.Adityan	Independent, Non-Executive Director	2	No	4	1 (C)
5.	Sri Arun Datta	Independent, Non-Executive Director	5	Yes	2	Nil
6.	Sri R.K. Das	Independent, Non-Executive Director	5	Yes	8	Nil
7.	Sri N.R. Krishnan	Independent, Non-Executive Director	5	Yes	4	3 (M) & 1 (C)



Sl. No.	Name of the Director	Category of Directorship	No. of Board meetings attended (From 01.04.10 to 31.03.11)	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 31.03.2011)			
8.	Sri V. Manickam Nominee of Life Insurance Corporation of India in its capacity as Lender/Shareholder	Independent, Non-Executive Director	5	Yes	2		Nil	
9.	Sri K.P. Nair Nominee of IDBI Bank Ltd., in its capacity as Lender	Independent, Non-Executive Director	4	Yes	1		Nil	
10.	Sri A. Sankarakrishnan	Independent, Non-Executive Director	5	Yes	4		2 (M) & 1 (C)	
11.	Sri N. Srinivasan (F&R)	Independent, Non-Executive Director	5	Yes	14		4 (M) & 5 (C)	
12.	Sri K.Subramanian Nominee of Housing and Urban Development Corporation Ltd in its capacity as Lender	Independent, Non-Executive Director	4	No	2		2 (M)	

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

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 four times during the year i.e., on 30.04.2010, 30.07.2010, 08.11.2010 and 10.02.2011.

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.	Dr. B.S.Adityan, Chairman	4	3
2.	Sri Arun Datta	4	4
3.	Sri R.K. Das	4	4
4.	Sri N.Srinivasan (F&R)	4	4

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 Executive 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 2010 - 2011, Remuneration Committee met once i.e., on 30th April 2010 to recommend to the Board payment of Commission to Mr.N.Srinivasan, Managing Director, out of net profit of the Company for the year 2009-10, 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 meetings are given below:

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

Details of remuneration paid/payable to the Directors for the year ended 31st March, 2011:

(i) Executive Directors:

(Rs. Lakhs)

Name & Position	Salary	Commission	Perquisites & allowances	Provident Fund	Retirement Benefits	Others	Total
Sri N.Srinivasan Vice Chairman & Managing Director	360.00	315.00	108.00	43.20	69.00	3.97	899.17 *
Ms. Rupa Gurunath Wholetime Director	120.00	129.00	36.00	14.40	23.00	0.00	322.40
Total	480.00	444.00	144.00	57.60	92.00	3.97	1221.57 *

* Subject to necessary approvals.

The two executive Directors (Managing Director and wholetime 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 other necessary approvals.

There are no stock options available / issued to any Executive 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 2010-11 are as follows:

Name of Directors	Sitting Fees Paid (Rs.)
Mrs Chitra Srinivasan	80000
Dr. B.S.Adityan	270000
Sri Arun Datta	150000
Sri R.K.Das	140000
Sri N.R. Krishnan	100000
Sri V. Manickam (Paid to Life Insurance Corporation of India)	100000
Sri K.P.Nair (Paid to IDBI Bank Limited)	80000
Sri A. Sankarakrishnan	100000
Sri N. Srinivasan (F&R)	310000
Sri K. Subramanian (Paid to Housing and Urban Development Corporation Ltd)	80000



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 2010-2011. There are no stock options available/issued to any Non-executive Director of the company.

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 2011, are as follows:

Name of Directors	No. of Equity Shares
Mrs Chitra Srinivasan	78580
Dr. B.S.Adityan	12704
Sri Arun Datta	2000
Sri R.K.Das	1500
Sri N.R. Krishnan	Nil
Sri V. Manickam	Nil
Sri K.P.Nair	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 2010-2011, 14,148 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 2010-2011, the Committee met 15 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	15	15
2	Dr. B.S.Adityan	15	14
3	Sri N.Srinivasan (F&R)	15	15

b] Shareholders' / Investors' Grievance Committee:

During the year 2010-2011, 147 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 2010-2011, the Shareholders' / Investors' Grievance Committee met 4 times i.e., on 06.04.2010, 06.07.2010, 11.10.2010 and 25.01.2011.

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

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

* Vice Chairman & Managing Director of The India Cements Limited

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 (ICL ESOS).

During the year 2010-2011, the Committee met once i.e. on 02.03.2011 to allot 1,500 Equity Shares of Rs.10/- each to an employee who had exercised his options that vested on 1st September 2010.

The composition and attendance of 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	1	1
2	Dr. B.S.Adityan	1	1
3	Sri N.Srinivasan (F&R)	1	1

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
2008	AGM	Sathguru Gnanananda Hall, (Narada Gana Sabha), 314, T.T.K. Road, Chennai 600 018.	28.08.2008	10.00 A.M.	No
2009	AGM	Sathguru Gnanananda Hall, (Narada Gana Sabha), 314, T.T.K. Road, Chennai 600 018.	07.08.2009	10.00 A.M.	Yes
2010	AGM	Sathguru Gnanananda Hall, (Narada Gana Sabha), 314, T.T.K. Road, Chennai 600 018.	02.08.2010	10.00 A.M.	Yes

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

No item of business requiring voting by postal ballot is included in the Notice convening the 65th Annual General Meeting of the Company.

7] Disclosures:

- a) 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.
- b) 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 2011 in the form prescribed by Clause 49 of the Listing Agreement which is annexed.
- c) There were no instances of non-compliance on any matter relating to the capital market, during the last three years.
- d) Presently, the Company does not have a Whistle Blower Policy.
- e) 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.



f) Details of information on 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 65th 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 2010-11 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. 0.39 lakhs during the financial year to the Investor Education and Protection Fund established by the Central Government. The said amount represents unclaimed 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 newspaper 'Dina Thandhi'. As the Company publishes the audited annual results within the stipulated period of 60 days 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".



9] General Information for Shareholders:

- (i) Date, Time and Venue of the Annual General Meeting : 24th August, 2011 at 9.30 A.M. at Sathguru Gnanananda Hall, (Narada Gana Sabha), 314, T.T.K. Road, Alwarpet, Chennai 600 018.
- (ii) Financial year – 1st April to 31st March (Provisional) : Will be published on or before:
 - Results for Quarter ending June 30, 2011 : 14th August, 2011
 - Results for Quarter ending September 30, 2011 : 14th November, 2011
 - Results for Quarter ending December 31, 2011 : 14th February, 2012
 - Results for Quarter ending March 31, 2012 (audited) : 30th May, 2012
- (iii) Date of Book Closure : 18th August , 2011 to 24th August, 2011 (both days inclusive)
- (iv) Dividend payment date : 22nd September, 2011

(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) Bombay Stock Exchange Limited, P.J. Towers, Dalal Street, Fort, Mumbai - 400 001 (Stock Code : 530005)
 - 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 "B" category in Bombay Stock Exchange Limited.
- c) The Company has paid the Listing Fees for the year 2011-12 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 2011 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 2011 has been paid.
- IV The equity shares of the Company have been included in the list of equity shares on which derivatives are available for trading in futures and options segment by National Stock Exchange of India Limited.

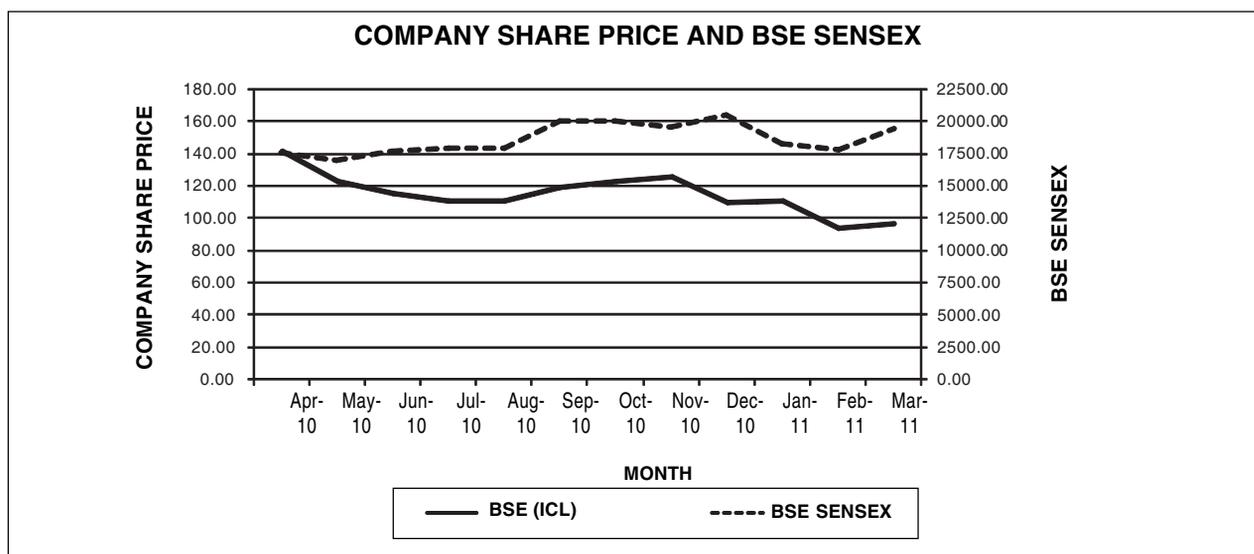


(vi) Market Price Data:

(In Rupees)

Month	Madras Stock Exchange Limited		Bombay Stock Exchange Limited		National Stock Exchange of India Limited	
	High	Low	High	Low	High	Low
April 2010	-	-	142.30	125.60	142.40	125.55
May 2010	-	-	123.05	107.95	123.05	107.85
June 2010	-	-	115.45	106.30	115.05	106.25
July 2010	-	-	111.05	104.70	111.35	104.45
Aug. 2010	-	-	110.75	102.70	110.90	102.55
Sep. 2010	-	-	119.95	106.00	119.95	106.00
Oct. 2010	-	-	122.90	110.70	122.70	110.10
Nov. 2010	-	-	125.75	102.00	125.95	102.00
Dec. 2010	-	-	110.00	100.30	110.30	99.95
Jan. 2011	-	-	111.15	97.60	111.00	97.60
Feb. 2011	-	-	94.40	85.90	94.35	85.40
Mar. 2011	-	-	97.10	88.20	97.20	88.00

(vii) Stock price performance in comparison to BSE SENSEX:





(viii) Registrar and Share Transfer Agents:

The Company has appointed Integrated Enterprises (India) Limited as Registrar and Share 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: corpseiv@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, 2011:

No. of Shares held	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
Upto 500	98142	91.81	11254925	3.66
501 to 1000	4792	4.48	3830751	1.25
1001 to 2000	2123	1.99	3213137	1.05
2001 to 3000	595	0.56	1536347	0.50
3001 to 4000	295	0.28	1065794	0.35
4001 to 5000	230	0.21	1089000	0.35
5001 to 10000	287	0.27	2100649	0.68
10001 and above	428	0.40	283086554	92.16
TOTAL	106892	100.00	307177157	100.00



b) Pattern of Shareholding as on 31st March, 2011:

Category code	Category of shareholder	Number of shareholders	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	3	20015896	20013956	6.77	6.52	—	—
(b)	Central Government / State Government(s)	—	—	—	—	—	—	—
(c)	Bodies Corporate	3	57040057	57030057	19.30	18.57	56986625	99.91
(d)	Financial Institutions / Banks	—	—	—	—	—	—	—
(e)	Any Other (specify): Directors & Relatives	5	288540	147400	0.10	0.09	—	—
	Sub-Total (A) (1)	11	77344493	77191413	26.17	25.18	56986625	73.68
(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)	11	77344493	77191413	26.17	25.18	56986625	73.68
(B)	Public shareholding						N.A.	N.A.
(1)	Institutions						N.A.	N.A.
(a)	Mutual Funds / UTI	65	28319235	28304495	9.58	9.22	—	—
(b)	Financial Institutions / Banks	28	1812766	1804841	0.61	0.59	—	—
(c)	Central Government / State Government(s)	—	—	—	—	—	—	—
(d)	Venture Capital Funds	—	—	—	—	—	—	—
(e)	Insurance Companies	8	27319628	27319378	9.24	8.90	—	—
(f)	Foreign Institutional Investors	130	79233486	79191786	26.81	25.79	—	—
(g)	Foreign Venture Capital Investors	—	—	—	—	—	—	—
(h)	Any Other (specify)	—	—	—	—	—	—	—
	Sub-Total (B)(1)	231	136685115	136620500	46.24	44.50	—	—

Category code	Category of shareholder	Number of shareholders	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	1445	43888772	43824375	14.85	14.29	—	—
(b)	Individuals							
	i. Individual shareholders holding nominal share capital upto Rs. 1 lakh	101562	20857003	19346664	7.05	6.79	—	—
	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	117	4310781	4215107	1.46	1.40	—	—
(c)	Any Other (specify)							
	i Directors & Relatives	4	17204	3000	0.01	0.01	—	—
	ii Foreign Corporate Body	2	8461304	8461304	2.86	2.75	—	—
	iii Overseas Corporate Bodies	2	2000	1500	0.00	0.00	—	—
	iv Non-Resident Individuals	1513	1007761	1002163	0.34	0.33	—	—
	v Custodian of enemy Property	37	11854	0	0.00	0.00	—	—
	vi Trust	18	252286	252286	0.09	0.08	—	—
	vii Hindu Undivided Families	1744	1499030	1499030	0.51	0.49	—	—
	viii Clearing Member	204	1256220	1256220	0.42	0.41	—	—
	Sub-Total (B)(2)	106648	81564215	79861649	27.59	26.55	—	—
	Total Public Shareholding (B)= (B)(1)+(B)(2)	106879	218249330	216482149	73.83	71.05	N.A.	N.A.
	TOTAL (A)+(B)	106890	295593823	293673562	100.00	96.23	56986625	19.28
(C)	Shares held by Custodians and against which Depository Receipts have been issued				N.A.		N.A.	N.A.
	(1) Promoter and Promoter Group	—	—	—	—	—	—	—
	(2) Public							
	i. Global Depository Receipts (GDRs)	1	5672878	5661441	—	1.85	—	—
	ii. Global Depository Shares (GDSs)	1	5910456	5910456	—	1.92	—	—
	TOTAL (C)	2	11583334	11571897	N.A.	3.77	N.A.	N.A.
	GRAND TOTAL (A)+(B)+(C)	106892	307177157	305245459		100.00	56986625	18.55



(xi) Dematerialisation of Equity Shares and Liquidity:

As on 31st March, 2011, 99.37% 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 the Company's shares in Demat form is INE383A01012.

During the year 2010-2011, the Company had received 371 requests for dematerialisation of shares. The Company has acted upon all valid requests received for dematerialisation during the year 2010-2011.

(xii) Outstanding GDRs / ADRs / Warrants or any Convertible Debentures, conversion date and likely impact on equity shares as on 31st March, 2011.

56,72,878 GDRs are outstanding (1.85% of total paidup equity share capital). Each GDR represents one underlying equity share of Rs.10/- each.

29,55,228 GDSs are outstanding. Each GDS represents two underlying equity shares of Rs.10/- each (59,10,456 underlying shares represented by GDS constitutes 1.92% of total paidup equity share capital).

India Cements Employees Stock Option Scheme, 2006:

- a) 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 paidup 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, 7,19,000 options were exercised by the employees and equal number of shares were allotted to them and balance 4,500 options lapsed since the same were not exercised.
 - Out of 7,07,000 options vested on 01/12/2008, 7,00,000 options were exercised by the employees and equal number of shares were allotted to them and balance 7,000 options lapsed since the same were not exercised.
- b) 3000 options was issued to an eligible employee under India Cements Employees Stock Option Scheme, 2006 on 6th August 2009. In terms of the Scheme, 50% of the options allotted to an employee vested on 1st September 2010 and the balance 50% will vest on 1st September 2011. Each option on such vesting can be exercised by applying for an equity share of Rs.10/- each fully paidup for a sum of Rs.50/- (inclusive of premium of Rs.40/-) on or before 1st September 2011 and 1st September 2012 respectively.
 - 1,500 options vested on 01/09/2010 was exercised by an employee and equal number of shares were allotted to him on 2nd March 2011.

(xiii) Plant Locations:

Sankarnagar, Tirunelveli District, Tamil Nadu Sankari, Salem District, Tamil Nadu Dalavoi, Perambalur District, Tamil Nadu Vallur Village, Tiruvallur District, Tamil Nadu	Chilamakur, Cuddapah District, Andhra Pradesh Yerraguntla, Cuddapah District, Andhra Pradesh Vishnupuram, Nalgonda District, Andhra Pradesh 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.
Corporate Office: "Coromandel Towers",
 93, Santhome High Road, Karpagam Avenue,
 R.A. Puram, Chennai - 600 028
 Tel. No. : (091) (044) 28521526/28572100/400
 Fax No. : (091) (044) 28517198/28516271

For Investor Complaints:

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 newspaper 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. : Please refer to Para under the heading 'Auditors' in the Directors' Report.

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 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.

The Ministry of Corporate Affairs, Government of India, has issued in December 2009 "Corporate Governance Voluntary Guidelines 2009". While the Board welcomes the issue of these guidelines intended for better governance of corporates, introduction of the recommended measures will be considered carefully at the appropriate time.



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 2011 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; and
 - (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 2010-2011, 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 : 30th May 2011

N.Srinivasan

Vice Chairman & Managing Director

R.Srinivasan

Joint President (Finance & Accounts)

ANNEXURE 'D' TO DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2011

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, 2011, 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.,
Firm Registration No. 004104S
Chartered Accountants
G. HARIHARAN
Partner
Membership No.15071

For BRAHMAYYA & CO.,
Firm Registration No. 000511S
Chartered Accountants
N. SRI KRISHNA
Partner
Membership No. 26575

Place : Chennai
Date : 30th May 2011

ANNEXURE 'E' TO DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2011

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 2011.

Place : Chennai
Date : 30th May 2011

for THE INDIA CEMENTS LIMITED
N. SRINIVASAN
VICE CHAIRMAN & MANAGING DIRECTOR



ANNEXURE 'F' TO DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2011

DISCLOSURE IN THE DIRECTORS' REPORT 2011 – INDIA CEMENTS ESOS 2006

(a) Options granted	:	14,79,000 options granted on 16.11.2006 3,000 options granted on 06.08.2009		
(b) The pricing formula	:	Rs.50 per equity share including a premium of Rs.40/-.		
(c) Options vested	:			
Options vested on	:	01/12/2007	01/12/2008	01/09/2010
Options vested	:	7,23,500	7,07,000	1500
(d) Options exercised	:	7,19,000	7,00,000	1500
(e) The total number of shares arising as a result of exercise of option	:	7,19,000	7,00,000	1500
(f) Options lapsed	:	4,500	7,000	Nil
(g) Variation of terms of options	:	Nil	Nil	Nil
(h) Money realized by exercise of options	:	Rs.359.50 Lakhs	Rs.350 Lakhs	Rs.0.75 Lakhs
(i) Total number of options in force	:	Nil	Nil	Nil
(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	:	None		
(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	:	None		
(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	2.22	2.23
		Diluted	2.09	2.18
(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.107.65 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.107.65 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.107.65 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 ('the company') as at March 31, 2011 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, 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2011 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) Attention is invited to the managerial remuneration referred in Note No. 23 of Notes on Accounts in Schedule No 17. *Subject to the excess remuneration of Rs.530 lakhs paid / payable to the Managing Director requiring the approval of the Shareholders and Central Government*, 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 and 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, 2011;
 - (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
Firm Registration No: 004104S
G.HARIHARAN
Partner
Membership No. 15071
Place : Chennai
Date : 30th May, 2011

For BRAHMAYYA & Co.,
Chartered Accountants
Firm Registration No. 000511S
N.SRI KRISHNA
Partner
Membership No. 26575

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

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, 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 verified a portion of fixed assets and no material discrepancies between the book records and physical inventory have been noticed.
- c) The fixed assets disposed off 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 accounts. However as regards non-moving and slow moving inventories, the management is evaluating the use of these items and pending such evaluation, impact, if any, has not been considered.
- (iii) a) According to the information and explanations given to us the company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, sub-clause (b), (c) and (d) are not applicable.
- b) According to the information and explanations given to us the company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, sub-clause (f) and (g) are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased/services awarded are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the company and the nature of its business with regard to purchases of inventory and fixed assets and sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.
- (v) 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

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

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, Service tax and provident fund.
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.
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, 2011 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 paragraph 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 paragraph 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.

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

- (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 not withstanding 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 instance of fraud on or by the company, noticed or reported during the year, nor have we been informed of such case by the management.

For P. S. SUBRAMANIA IYER & Co.,
Chartered Accountants
Firm Registration No: 004104S
G.HARIHARAN
Partner
Membership No. 15071

For BRAHMAYYA & Co.,
Chartered Accountants
Firm Registration No. 000511S
N.SRI KRISHNA
Partner
Membership No. 26575

Place : Chennai
Date : 30th May, 2011

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

Annexure to the Auditors' Report to the Members of The India Cements Limited for the year ended 31st March 2011

Category	Pending With	Financial Year	Amount Rs. Lakhs
Cenvat	Addl. Commissioner Appellate Tribunal	2007-08, 2008-09, 2009-10	104.01
		1995-96, 1996-97, 1997-98, 1999-00, 2001-02, 2005-06, 2006-07, 2007-08, 2008-09, 2009-10, 2010-11	2047.60
	Asst. Commissioner Commissioner	1998-99, 2008-09, 2009-10, 2010-11	23.08
		2002-03, 2003-04, 2004-05, 2006-07, 2007-08, 2008-09, 2009-10, 2010-11	2816.41
	Commissioner (Appeals)	2000-01, 2009-10, 2010-11	33.15
	Dy. Commissioner	2010-11	0.30
	Jt. Commissioner	2005-06, 2010-11	50.81
	Superintendent	2010-11	0.62
	High Court	1994-95, 1995-96, 1996-97, 1997-98, 1998-99, 2000-01, 2006-07, 2007-08 2008-09	258.30
Supreme Court	2008-09	709.74	
CST	Asst. Commissioner High Court	1973-74	4.17
		1991-92, 1992-93, 1993-94	76.17
Income Tax	Appellate Tribunal High Court Supreme Court	1991-92, 2008-09	801.31
		1982-83, 1983-84, 1984-85, 1985-86, 1986-87	363.83
		1996-97	810.65
Sales Tax	Asst. Commissioner Dy. Commissioner (Appeals) High Court	1970-71, 1971-72, 1975-76, 1976-77, 1977-78, 1978-79, 1997-98, 2000-01	109.30
		1969-70, 1970-71, 1985-86, 1986-87, 1987-88, 1988-89, 1989-90, 1990-91, 1991-92, 1992-93, 1993-94, 1994-95, 1995-96, 1996-97, 1997-98, 1998-99, 2002-03	16.70
			1111.49
Service Tax	Addl. Commissioner Appellate Tribunal Commissioner Commissioner (Appeals) High Court Jt. Commissioner	1997-98, 2005-06, 2007-08, 2010-11	148.93
		2003-04, 2005-06, 2006-07, 2007-08, 2008-09	1654.44
		2006-07, 2008-09, 2009-10, 2010-11	5302.36
		2000-01, 2006-07, 2007-08, 2008-09	77.45
		2004-05, 2005-06, 2006-07, 2007-08	178.12
VAT	Addl. Commissioner Appellate Tribunal Dy. Commissioner (Appeals) High Court	2008-09	252.61
		2005-06, 2005-11	52.81
		2005-06, 2006-07, 2007-08	183.78
		2007-08, 2009-10	592.71

For P. S. SUBRAMANIA IYER & Co.,
Firm Registration No: 004104S
Chartered Accountants
G.HARIHARAN
Partner
Membership No. 15071

Place : Chennai
Date : 30th May, 2011

For BRAHMAYYA & Co.,
Firm Registration No. 000511S
Chartered Accountants
N.SRI KRISHNA
Partner
Membership No. 26575



BALANCE SHEET AS AT 31st MARCH 2011

	Schedule	Rs.Lakhs	2011 Rs.Lakhs	Rs.Lakhs	2010 Rs.Lakhs
SOURCES OF FUNDS :					
1 Shareholders' Funds :					
a. Capital	1	30717.65		30717.45	
b. Reserves and Surplus	2	<u>378258.40</u>	408976.05	<u>382864.95</u>	413582.40
2 Loan Funds :					
a. Secured Loans	3	117786.13		86664.36	
b. Unsecured Loans					
i) From Banks and others	4	32004.12		32308.04	
ii) Foreign Currency Convertible Bonds (Note No.20)		33450.00		33682.50	
iii) Interest free Sales tax deferral loans		<u>62366.49</u>	245606.74	<u>60618.14</u>	213273.04
3 Deferred Tax Liability (Note No. 25)			<u>29241.67</u>		<u>28990.54</u>
			683824.46		<u>655845.98</u>
APPLICATION OF FUNDS :					
1 Fixed Assets :	5				
a. Gross Block		592598.51		571020.37	
b. Less : Depreciation		<u>209150.62</u>		<u>179158.70</u>	
c. Net Block		383447.89		391861.67	
d. Capital Work-in-Progress		<u>103983.05</u>	487430.94	<u>70288.97</u>	462150.64
2 Investments	6		16030.97		31397.33
3 Current Assets, Loans and Advances :	7				
a. Inventories		49730.90		44776.53	
b. Real Estate-Projects in Progress		2042.47		2042.47	
c. Sundry Debtors		25440.12		25340.26	
d. Cash and Bank Balances		3309.06		5381.34	
e. Loans and Advances		<u>209863.37</u>		<u>186918.61</u>	
		290385.92		264459.21	
Less : Current Liabilities and Provisions	8	<u>111838.04</u>	178547.88	<u>104224.73</u>	160234.48
4. Deferred tax Asset (Note No. 25)			1814.67		2063.53
			683824.46		<u>655845.98</u>

As per our Report of 30th May, 2011

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
Vice Chairman & Managing Director

R. SRINIVASAN
Joint President (Finance & Accounts)

RUPA GURUNATH
Wholetime Director

N. SRINIVASAN
Director

G.BALAKRISHNAN
President & Company Secretary

Place : Chennai
Date : 30th May, 2011

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2011

	Note No.	Schedule	Rs.Lakhs	2011 Rs.Lakhs	Rs.Lakhs	2010 Rs.Lakhs
INCOME :						
Sales		9		388807.36		410070.28
Other Income				12326.31		12098.92
Sales and Other Income				<u>401133.67</u>		<u>422169.20</u>
Less: Excise Duty				47100.64		41343.59
Total Income net of Excise Duty				<u>354033.03</u>		<u>380825.61</u>
EXPENDITURE:						
Manufacturing and other Operating Expenses		10		167693.21		163979.68
Salaries, Wages and Amenities		11		25322.40		24997.29
Administration and Other Charges		12		16455.80		16375.67
Selling and Distribution Expenses	8			96458.80		87364.33
Interest & Other Charges (net)	19	13		14171.66		14263.97
Depreciation			30355.44		29327.30	
Less : Transfer from Revaluation Reserve			5653.87		5716.44	
Less : Transfer from Deferred Income			<u>298.80</u>	24402.77	<u>298.80</u>	23312.06
Directors' Remuneration		14		1221.57		2683.51
Donations		15		691.89		598.87
(Increase)/Decrease in Stock		16		<u>(1139.92)</u>		<u>(1524.36)</u>
Total Expenditure				<u>345278.18</u>		<u>332051.02</u>
Profit before tax and Exceptional items				<u>8754.85</u>		<u>48774.59</u>
Exceptional items:						
Share / Bonds issue expenses			0.00		1327.96	
Less: Transfer from Share Premium			<u>0.00</u>		<u>(1327.96)</u>	
Foreign currency translation difference on FCCBs	20			0.00		0.00
				<u>232.50</u>		<u>4357.50</u>
Profit before tax				<u>8987.35</u>		<u>53132.09</u>
Provision for taxes:						
Less: Current tax				1677.00		16332.00
Less: Deferred tax		25		<u>499.99</u>		<u>1366.00</u>
Profit for the year				<u>6810.36</u>		<u>35434.09</u>
Balance brought forward from previous year				<u>98611.19</u>		<u>82341.05</u>
				<u>105421.55</u>		<u>117775.14</u>
Less: Proposed Dividend on Equity capital				4607.66		6143.59
Less: Dividend Distribution tax				765.33		1020.36
Less: Transfer to Contingency Reserve				3600.59		5000.00
Less: Transfer to General Reserve				1000.00		7000.00
Balance carried to Balance Sheet				<u>95447.97</u>		<u>98611.19</u>
Earnings Per Share (Rs.) - Basic	26			2.22		12.49
Earnings Per Share (Rs.) - Diluted	26			2.09		11.04
Notes on Accounts		17				

As per our Report of 30th May, 2011

For P.S.SUBRAMANIA IYER & CO.,
Chartered Accountants
G.HARIHARAN
Partner
Membership No. 15071
Place : Chennai
Date : 30th May, 2011

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

N.SRINIVASAN
Vice Chairman & Managing Director

R. SRINIVASAN
Joint President (Finance & Accounts)

RUPA GURUNATH
Wholtime Director

N. SRINIVASAN
Director

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 2011

SCHEDULE 1

SHARE CAPITAL	No. of Shares	2011 Rs.Lakhs	No. of Shares	2010 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
		53500.00		53500.00
ISSUED :				
Equity Shares of Rs.10 each	307177223	30717.72	307175723	30717.57
		30717.72		30717.57
SUBSCRIBED :				
Equity Shares of Rs.10 each	307177157	30717.72	307175657	30717.57
Less : Calls in arrears (other than Directors)	2247	0.07	3492	0.12
	307174910	30717.65	307172165	30717.45

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 paidup 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 paidup, 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. (Refer Note No. 20)
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 and 700,000 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 paidup, 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 207,89,000 Equity Shares of Rs.10/- each fully paidup, to Qualified Institutional Buyers at a price of Rs.285/- per share including premium of Rs. 275/- per share.
12. During the year 2009-10, 3000 options were granted under ESOS 2006. Out of this 1500 options were exercised during the year 2010-11. The balance 1500 options will vest on September 01, 2011 to be exercised before September 1, 2012.
13. During the year 2009-10, the company allotted 245,94,000 Equity shares of Rs. 10/- each fully paid, to Qualified Institutional Buyers at a price of Rs.120.20 per share including premium of Rs.110.20 per share .
14. No interest has been recognised as income from April 2002 on calls in arrears.

**SCHEDULE 2
RESERVES AND SURPLUS**

	2010 Rs.Lakhs	Additions Rs.Lakhs	Withdrawals Rs.Lakhs	2011 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	532.67	0.00	0.00	532.67
Securities Premium	*1 165460.98	1.53	0.00	165462.51
Contingency Reserve	*2 16399.41	3600.59	0.00	20000.00
General Reserve	*3 34343.10	1064.32	0.00	35407.42
Stock Options Outstanding account	*3 65.19	0.00	65.19	0.00
Deferred Income	4090.33	0.00	298.80	3791.53
Revaluation Reserve	*4 60755.91	0.00	5745.78	55010.13
Shipping Tonnage Tax Reserve	*5 90.00	0.00	0.00	90.00
Profit and Loss account	98611.19	6810.36	9973.58	95447.97
Total - Reserves & Surplus	382864.95	11476.80	16083.35	378258.40

Notes:

*1 Securities Premium :

Share Premium is net of Calls in arrears of Rs. 0.10 lakhs (As on 31st March 2010: Rs. 0.17 lakhs).

*2 Contingency Reserve:

For any possible erosion in the value of Investments / Advances / other contingencies.

*3 Stock Options Outstanding Account:

During the year, an employee exercised 1500 options. The total fringe benefit of Rs. 0.86 lakhs arising on this exercise, being the difference between market price and the option exercise price, has been drawn from the opening balance of Stock Options Outstanding account. The remaining balance in this account of Rs. 64.32 lakhs is transferred to General Reserve.

*4 Revaluation Reserve:

Amounts withdrawn include revaluation reserve on assets retired / sold.

*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 2008-09, no further Reserve has been created.

**SCHEDULE 3
SECURED LOANS**

A. DEBENTURES : (Note No. 19)

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:

	2011 Rs.Lakhs	2010 Rs.Lakhs
(i) 2385 Debentures of Rs. 375,000/- each	339.32	442.61
(ii) 7630 Debentures of Rs. 500,000/- each	1283.44	1687.79
TOTAL (i) and (ii)	1622.76	2130.40
Interest Accrued and due	0.00	0.27
TOTAL	1622.76	2130.67



**SCHEDULE 3
SECURED LOANS (Contd.)**

	2011 Rs. Lakhs	2010 Rs. Lakhs
B. TERM LOANS:		
(i) Dalavoi Cement Plant : Industrial Development Bank of India Ltd.	<u>5064.57</u>	<u>6242.61</u>
(ii) Yerraguntla Cement Plant : Industrial Development Bank of India Ltd.	<u>2483.80</u>	<u>2740.54</u>
(iii) Vishnupuram Cement Plant :		
a. Industrial Development Bank of India Ltd.	287.52	328.72
b. IFCI Limited	<u>89.52</u>	<u>107.36</u>
	<u>377.04</u>	<u>436.08</u>
Other Term Loans :		
(iv) State Bank of India	2382.02	2787.99
(v) IDBI Bank Ltd.	9723.25	13056.25
(vi) Punjab National Bank	18385.67	22965.31
(vii) Housing Development Finance Corporation Ltd.	3333.33	6666.67
(viii) Housing Development Finance Corporation Ltd.	6375.00	7500.00
(ix) Kotak Mahindra Bank	5222.22	6000.00
(x) AXIS Bank Ltd.	20000.00	0.00
(xi) AXIS Bank Ltd.	9286.28	0.00
(xii) Foreign Currency loan from AXIS Bank Ltd.	0.00	8982.00
(xiii) HDFC Bank Ltd.	<u>5000.00</u>	<u>0.00</u>
	<u>79707.77</u>	<u>67958.22</u>
(xiv) Tandur Cement Plant :		
a. Industrial Development Bank of India Ltd.	0.00	474.82
b. Life Insurance Corporation of India	0.00	49.21
c. Indian Bank	<u>0.00</u>	<u>1081.18</u>
	<u>0.00</u>	<u>1605.21</u>
TOTAL B (i) to (xiv)	<u>87633.18</u>	<u>78982.66</u>
Interest Accrued and due	0.00	22.99
TOTAL	<u>87633.18</u>	<u>79005.65</u>
C. Cash Credit facilities and other Working Capital Loans from Scheduled Banks		
(i) Working Capital Term Loans from Banks	846.60	984.84
(ii) Cash Credit facilities from Scheduled Banks	<u>27683.59</u>	<u>4543.20</u>
TOTAL (i) and (ii)	<u>28530.19</u>	<u>5528.04</u>
TOTAL (A to C)	<u>117786.13</u>	<u>86664.36</u>



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 (v) 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 (vi) 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.
- 6 Item (vii) is secured by an equitable mortgage on the immovable property at Boat Club Road, Chennai and by a lien on the fixed deposit held with the bank.
- 7 Item (viii) is secured by a first pari passu mortgage and charge on the movable and immovable properties and second pari passu charge on the current assets of the Company's Cement manufacturing facilities.
- 8 Item (ix) is secured by way of exclusive charge on the immovable properties being the land and building situated at 93, Santhome High Road, Chennai.
- 9 Item (x) is secured by first charge on a pari passu basis on the specific fixed assets of the Company's plant at Vishnupuram, Nalgonda district excluding the assets of the thermal power plant and the land on which it is proposed to be installed.
- 10 Item (xi) and (xii) are secured by a pari passu charge on all the movable assets of the Company excluding the current assets and movable assets at Chennai and Parli grinding units excluding current assets.
- 11 Item (xiii) is secured by an exclusive first charge on the movable plant and machinery relating to the power plant at Sankarnagar including the land and building.
- 12 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 assets.

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**

	2011 Rs.Lakhs	2010 Rs.Lakhs
Fixed Deposits	1503.94	1285.85
Loans/Overdraft from Scheduled Banks	0.00	2.06
Short term loans from Banks	26500.18	13000.00
Commercial Papers placed with Banks	4000.00	18000.00
	<u>32004.12</u>	<u>32287.91</u>
Interest accrued	0.00	20.13
	<u>32004.12</u>	<u>32308.04</u>

**SCHEDULE 5
FIXED ASSETS**

Rs.Lakhs

Particulars	GROSS BLOCK		DEPRECIATION BLOCK		NET BLOCK	
	As at 31st Mar.2010	As at 31st Mar.2011	As at 31st Mar.2011	For the Year	As at 31st Mar.2011	As at 31st Mar.2010
Tangible Assets:						
Land	45891.97	47422.80	0.00	0.00	47422.80	45891.97
Buildings	49436.53	56701.96	1475.52	1475.52	43207.64	37417.16
Plant and Machinery including Electrical installations *	395272.78	406690.52	20318.22	20318.22	242579.13	251187.03
Wind Electric Generators	7825.81	7825.81	413.20	413.20	3612.61	4025.81
Ships	24423.30	24423.30	3265.07	3265.07	14619.16	17884.23
Furniture and Office Equipments including Computers	5766.73	6577.54	440.40	440.40	3149.48	2772.43
Vehicles	2597.60	2714.93	305.77	305.77	1034.54	1159.25
Intangible Assets:						
Franchise Rights (Note 21)	36400.00	36400.00	3640.00	3640.00	25170.85	28810.85
Computer software and Licences	3405.65	3841.65	497.26	497.26	2651.68	2712.94
Total	571020.37	592598.51	30355.44	209150.62	383447.89	391861.67

* Includes Rs.536.52 lakhs of equipments on "right to use" basis, which is depreciated over its useful life. (As at March 2010: Rs. 536.52 lakhs)



**Coromandel
Cement**

**SCHEDULE 6
INVESTMENTS**

	No. of Shares/ Debentures	Face Value (Rupees) Per share	2011 Cost Rs.Lakhs	2010 Cost Rs.Lakhs
1. TRADE INVESTMENTS - Long Term (Unquoted):				
Fully paid Equity Shares:				
1. Coromandel Electric Company Limited	140000	10	14.00	14.00
Preference shares of Coromandel Electric Company Limited (CECL)				
2. 13.25% Redeemable Cumulative Participating Preference shares (Redeemed during the year Rs. 10.16 lakhs)	508	10000	40.77	50.93
3. 18% Redeemable Cumulative Participating Preference shares (Redeemed during the year Rs. 192 lakhs) (5,000 shares have been given as security towards a loan obtained by CECL)	11600	10000	1226.18	1418.17
4. 14% Redeemable Cumulative Preference shares	4000000	10	455.08	455.08
			<u>1736.03</u>	<u>1938.18</u>
2. NON-TRADE INVESTMENTS: (Long Term)				
A. Fully paid Equity Shares of Companies (Quoted):				
5. Karur KCP Packagings Ltd.	996500	10	398.60	398.60
B. Shares of Companies - Long Term (Unquoted):				
i. Subsidiaries:				
Fully paid Preference Shares:				
6. Industrial Chemicals & Monomers Limited	5000	100	0.20	0.20
7. 9% Non - Convertible Cumulative Redeemable Preference shares of Trinetra Cement Ltd. (Purchased during the year)	1000000	100	1000.00	0.00
Fully paid Equity Shares:				
8. Industrial Chemicals & Monomers Limited	2196691	10	35.58	35.58
9. ICL Financial Services Limited	50000	10	5.00	5.00
10. ICL Securities Limited	50000	10	5.00	5.00
11. ICL International Limited	50000	10	5.00	5.00
12. PT. Coromandel Minerals Resources, Indonesia (Paid up per share: Indonesian Rupiah 942700)	2940	4284	125.94	125.94
13. Coromandel Minerals Pte. Ltd., Singapore (Purchased during the year (Paid up per share: S\$ 1 each))	7011500		2281.75	0.00
Subsidiaries - Total			<u>3458.47</u>	<u>176.72</u>
ii. Other than Subsidiaries:				
Fully paid Equity Shares:				
14. Coromandel Sugars Limited	100	10	0.01	0.01
15. Andhra Pradesh Gas Power Corporation Limited	5896000	10	4831.01	4831.01
16. Raasi Cement Limited (net of provision: Rs. 74,41,684)	79530	10	0.00	0.00
17. Jagati Publications Private Limited	1111110	10	4000.00	4000.00
18. Carmel Asia Holdings Private Limited	190839	10	500.00	500.00
19. Coromandel Travels Limited	200000	10	20.00	20.00
20. Bharathi Cement Corporation Limited (Formerly known as Raghuram Cements Limited) (Sold during the year)	1803973	10	0.00	9532.63
Other than Subsidiaries - Total			<u>9351.02</u>	<u>18883.65</u>
Total B (i) and (ii)			<u>12809.49</u>	<u>19060.37</u>
C. Government and Trustee Securities:				
1. National Savings Certificates			1.21	1.20
2. Indira Vikas Patra Certificates			0.02	0.02
			<u>1.23</u>	<u>1.22</u>
D. Other Investments (Quoted):				
1. Floating rate Fund of Unit Trust of India (Sold during the year) (Net Asset Value as on 31.03.2010: Rs. 50,06,88,807)	499615	1000	0.00	5000.00
2. Treasury Advantage Fund of Unit Trust of India (Sold during the year) (Net Asset Value as on 31.03.2010: Rs. 50,07,02,939)	42092148	10	0.00	5000.00
3. Fixed Income Interval Fund of Unit Trust of India (Purchased during the year) (Net Asset Value as on 31.03.2011: Rs. 10,85,06,635)	10830086	10	1083.34	0.00
			<u>1083.34</u>	<u>10000.00</u>
E. Fully paid shares of Co-operative Societies - Long Term (Unquoted):				
1. The India Cements Employees Co-operative Stores Ltd, Sankarnagar	2500	50	1.25	1.25
2. The India Cements Employees Co-operative Stores Ltd, Sankari West	5000	10	0.50	0.50
3. The India Cements Mines Employees Co-operative Stores Ltd., Sankari West	5300	10	0.53	0.53
			<u>2.28</u>	<u>2.28</u>
Grand Total (1+2)			<u>16030.97</u>	<u>31400.65</u>
Less: Provision for diminution in value of Investments			<u>0.00</u>	<u>3.32</u>
			<u>16030.97</u>	<u>31397.33</u>
Note: Aggregate of Quoted investments:				
Cost			1483.17	10399.82
Market Value			10433.34	10429.72
Aggregate of Unquoted Investments:				
Cost			14547.80	21000.83



**SCHEDULE 7
CURRENT ASSETS, LOANS AND ADVANCES**

	2011 Rs. Lakhs	2010 Rs. Lakhs
A. CURRENT ASSETS :		
1. Inventories:		
Stores / Spares (including coal and packing material)	32999.57	28959.68
Raw Materials	4679.72	4905.16
Work-in-Process	682.32	560.84
Semi-finished Goods	7170.63	7855.52
Finished Goods	4198.66	2495.33
	49730.90	44776.53
2. Real Estate - Projects in progress	2042.47	2042.47
3. Sundry Debtors		
Outstanding for more than six months (including doubtful debts of Rs. 544.38 lakhs. (Previous year Rs. 763.60 lakhs))	4699.41	3883.82
Less: Provision for doubtful debts	(544.38)	(763.60)
Sub total	4155.03	3120.22
Others	21285.09	22220.04
Total - Sundry Debtors, considered good (Net of security deposits Rs. 29040.65 lakhs. (As at 31st March 2010: Rs. 24294.97 lakhs))	25440.12	25340.26
4. Cash, Stamps and Bank Balances:		
Cash, Cheques and Stamps on hand	97.93	145.39
Cash at Scheduled Banks in Current Accounts	3135.18	117.06
Fixed Deposits with Scheduled Banks	75.95	5118.89
	3309.06	5381.34
B. LOANS AND ADVANCES:		
1. Secured:		
Housing and other Loans to employees including interest accrued	623.67	565.54
2. Unsecured (Considered good):		
Advance for Goods	13643.78	4897.17
Other Advances recoverable in cash or in kind or for value to be received (Note No. 5) (including advances to Subsidiaries Rs. 104380.53 lakhs; As at 31st March 2010: Rs. 83372.12 lakhs)	190163.18	166333.91
Prepaid Expenses	821.27	1533.55
Deposits with a Financial Institution	0.00	8235.42
Deposits	4611.47	5353.02
	209863.37	186918.61
TOTAL A & B	290385.92	264459.21

**SCHEDULE 8
CURRENT LIABILITIES AND PROVISIONS**

	2011		2010
	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs
CURRENT LIABILITIES :			
Creditors for Goods including Letters of credit	22763.26		17160.09
Creditors for Expenses (including liability as per Accounting Standard 15)	27728.81		28480.19
Creditors for Capital Expenditure (Note No. 21)	26286.96		27316.60
Other Liabilities	10222.36		8295.16
Trade Deposits from customers	6023.67		5665.10
Interest accrued not due	1927.63		1450.42
Customers' Credit Balances	9313.87		4866.55
PROVISIONS :			
Provision for income tax (net)	2198.49		3826.67
Proposed dividend including dividend tax	5372.99		7163.95
	111838.04		104224.73
Investor Education and Protection Fund (Appropriate amount shall be transferred to "Investor Education and Protection Fund", if and when due)			
(a) Unpaid Dividend	60.46		41.48
(b) Unpaid Share Application Money	0.00		0.00
(c) Unpaid Matured Deposits	49.12		41.11
(d) Unpaid Matured Debentures	0.00		0.00
(e) Interest accrued on (a) to (d) above	0.00		0.00
	109.58		82.59

SCHEDULE 9

SALES AND OTHER INCOME

Sales including Excise Duty	383415.89		403570.89
Freight Earnings - Shipping	4158.41		5189.51
Value of Power Generated from Wind Farms	1233.06		1309.88
	388807.36		410070.28
DIVIDEND AND INTEREST:			
On Trade Investments	260.59		272.79
On Other Investments	270.27		8.56
Others (Tax deducted at source Rs. 59.98 lakhs Previous Year: Rs. 102.99 lakhs)	411.30		1687.50
	942.16		1968.85
Rent Recovery	24.57		23.16
Profit on Sale of Assets	59.35		20.82
Profit on Sale of Investments	2575.66		0.00
Foreign Exchange translation difference	77.98		1380.81
Miscellaneous Income (Note No. 21)	8646.59		8705.28
Total Other Income	12326.31		12098.92
	401133.67		422169.20



**SCHEDULE 10
MANUFACTURING AND OTHER OPERATING EXPENSES**

	2011		2010
	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs
1. Raw Materials Consumed			
Opening Stock		4905.16	5178.26
Add: Purchases	35707.59		33129.32
Add: Own Quarrying (Net) (Note No.6.a)	15688.86		16111.77
		<u>51396.45</u>	<u>49241.09</u>
		56301.61	54419.35
Less : Closing Stock		4679.72	4905.16
Raw Materials Consumed		<u>51621.89</u>	<u>49514.19</u>
2. Stores Consumed (Note No.6.b)		4962.41	4547.75
3. Power and Fuel		102008.43	99985.28
4. Repairs & Maintenance:			
Buildings	51.39		49.54
Machinery	5607.32		4717.88
Others	2933.36		4794.69
Total Repairs & Maintenance		<u>8592.07</u>	9562.11
5. Agency and Port Charges - Shipping		130.74	349.55
6. Excise Duty on stock adjustment		377.67	20.80
		<u>167693.21</u>	<u>163979.68</u>

SCHEDULE 11

SALARIES, WAGES AND AMENITIES

Salaries, Wages and Bonus	18682.77	17765.72
Contribution to Provident Fund	787.15	730.63
Gratuity	1019.76	600.49
Superannuation	781.27	1084.18
Employees' Provident Fund Admn Charges	56.07	51.05
Employees' State Insurance Scheme	48.80	12.55
Workmen and Staff Welfare Expenses *	3450.62	3276.67
Unavailed leave (Note No. 27)	495.96	1476.00
	<u>25322.40</u>	<u>24997.29</u>

* Includes Expenses on Schools Rs. 226.05 Lakhs
(Previous year Rs. 197.19 Lakhs) which is net of Grants
Rs. 385.32 Lakhs (Previous year Rs. 324.76 Lakhs)

**SCHEDULE 12
ADMINISTRATION AND OTHER CHARGES**

	2011 Rs. Lakhs	2010 Rs. Lakhs	2010 Rs. Lakhs
Insurance	506.89		609.69
Rent	354.58		308.02
Rates and Taxes	489.35		500.75
Printing and Stationery	206.40		183.88
Postage, Telephones and Telegrams	365.94		342.72
Other Administration Expenses	13936.89		12344.52
Legal Fees	271.87		145.40
Directors' Sitting Fees	14.10		19.90
Auditors' Expenses:			
Audit Fees	80.00	80.00	
Cost Audit Fees	10.00	10.00	
Certifications/Others	10.08	16.72	
Tax Audit/Other Services	16.00	16.50	
Travel/out of pocket expenses	4.54	5.16	
	<u>120.62</u>		128.38
Amortisation of Deferred Revenue Expenses	0.00		1374.02
Loss on Sale of Assets	26.98		121.65
Provision for Doubtful Advances / Debtors	162.18		296.74
Provision for Doubtful Advances / Debtors - Opening balance	983.60	730.42	
Add: Additional provisions during the year	162.18	296.74	
	<u>1145.78</u>	<u>1027.16</u>	
Less: Bad debts / advances written off during the year	381.40	43.56	
Provision for Doubtful Advances / Debtors - Closing balance	<u>764.38</u>	<u>983.60</u>	
	<u>16455.80</u>		<u>16375.67</u>

**SCHEDULE 13
INTEREST AND OTHER CHARGES (NET)**

Interest on Debentures	313.46	323.74
Interest on Fixed Loans	11590.91	12741.62
Interest - Others	1529.75	427.37
Bank Charges	737.54	771.24
	<u>14171.66</u>	<u>14263.97</u>

**SCHEDULE 14
DIRECTORS' REMUNERATION**

Managing Director:	Salary	360.00	360.00	
	HRA	108.00	108.00	
	Contribution to Provident Fund	43.20	43.20	
	Contribution to Gratuity and Superannuation Funds	69.00	69.00	
	Commission	315.00	1011.00	
	Others	3.97	2.64	1593.84
Wholetime Director:	Salary	120.00	8.71	
	HRA	36.00	2.61	
	Contribution to Provident Fund	14.40	1.05	
	Contribution to Gratuity and Superannuation Funds	23.00	1.72	
	Commission	129.00	0.00	
	Others	0.00	0.00	14.09
Executive Director:	Salary	0.00	105.60	
	HRA	0.00	31.68	
	Contribution to Provident Fund	0.00	12.67	
	Contribution to Gratuity and Superannuation Funds	0.00	18.40	
	Commission	0.00	0.00	
	Unavailed leave and Gratuity in excess of Rs. 3.50 lakhs	0.00	662.59	
	Others	0.00	244.64	1075.58
		<u>0.00</u>		<u>1075.58</u>
		<u>1221.57</u>		<u>2683.51</u>



SCHEDULE 14 (Contd.)

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

	2011		2010
	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs
Profit before taxes	8987.35		53132.09
Add: Managerial Remuneration	1221.57		2683.51
Add: Loss on sale of assets	26.98		121.65
Add: Provision for doubtful debts	162.18		296.74
Less: Bad debts written off	(381.40)		(43.56)
Less: Profit on sale of assets/investments	(2635.01)		(20.82)
Net profit as per Section 309(5) of the Companies Act	<u>7381.67</u>		<u>56169.61</u>
Commission:			
Managing Director*	315.00		1011.00
Wholetime Director	129.00		0.00
Total	<u>444.00</u>		<u>1011.00</u>

* Excess remuneration to Managing Director is subject to approval of the shareholders and Central Government.

SCHEDULE 15

DONATIONS

The India Cements Educational Society	400.00		100.22
Flood Relief victims of Andhra Pradesh & Karnataka	0.00		65.00
Great Lakes Institute of Management	0.00		200.00
Cancer Institute	75.00		0.00
Others	216.89		233.65
	<u>691.89</u>		<u>598.87</u>

SCHEDULE 16

(INCREASE) / DECREASE IN STOCK

Opening Stock of:			
Work-in-Process	560.84		849.35
Semi-finished Goods	7855.52		5910.15
Finished Goods	2495.33		2627.83
Real Estate - Projects in Progress	2042.47		2042.47
	<u>12954.16</u>		<u>11429.80</u>
Less:			
Closing Stock of:			
Work-in-Process	682.32		560.84
Semi-finished Goods	7170.63		7855.52
Finished Goods	4198.66		2495.33
Real Estate - Projects in Progress	2042.47		2042.47
	<u>14094.08</u>		<u>12954.16</u>
Total (Increase)/Decrease in Stock	<u>(1139.92)</u>		<u>(1524.36)</u>

SCHEDULE 17

(A) SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Preparation of Financial Statements

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 of 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). Accounting policies have been consistently adopted except where a change in existing GAAP requires a change in accounting policy hitherto in use.

2. Use of estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

3. Inventories

- (a) Valuation of inventories of raw materials, packing materials, stores, spares, fuels is at weighted average cost.
- (b) Work in Process & Semi-finished goods are valued at cost or net realisable value whichever is lower. The value of WIP and Semi-finished goods does not include interest and other administrative overheads.
- (c) Finished goods are valued at cost or net realisable value whichever is lower. The value of finished goods includes excise duty and does not include interest and other administrative overheads.
- (d) Real Estate Projects are valued at cost or net realisable value whichever is lower.

4. Cash and Cash equivalents

Cash and cash equivalents for the purpose of Cash Flow Statement comprise cash at bank, in hand (including cheques in hand) and short term investment with an original maturity of three months or less.

5. Fixed Assets

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 revalued and shown at revalued amounts as at 31st March 2004. All other Fixed assets acquired are shown at the cost of acquisition.
- (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 tenure 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. All costs including financing costs incurred on specific projects/acquisition of undertakings are charged to the concerned heads.
- (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 are capitalised and depreciated along with computers 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 a 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.

6 (a) Foreign Currency Transactions

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 6(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.



SCHEDULE 17 SIGNIFICANT ACCOUNTING POLICIES (Contd.)

- (c) Forward Exchange contracts used to hedge Foreign Currency Transactions are initially recognised at the spot-rate on the date of contract. Forward Exchange contracts remaining unsettled at the end of the year are translated at the year end rates. The difference in translation of Forward Exchange contracts are recognised in the Profit and Loss Account. The discount or premium is amortised over the life of the contract.
7. (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.
8. Research and Development
Research and Development expenses not resulting in any tangible property/equipment are charged to revenue.
9. Borrowing Costs
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 and other borrowing costs are charged to Profit and Loss Account.
10. Claims / Incomes arising from price escalation and/or any other item of compensation and which are indeterminate are accounted on cash basis.
11. 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 in value is made wherever necessary in accordance with the mandatory Accounting Standard.
12. Employee Benefits
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 respective employee's earnings as at the balance sheet date.
13. 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 Account to Securities Premium Account.
14. Premium on redemption of Debentures/Bonds
Premium on redemption of Debentures / Bonds is accounted on redemption and set-off against the Securities Premium Account.
15. Tax Expense
(a) Current income tax is measured and accounted based on the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961 at the tax rates prevailing during the year.
(b) Deferred Tax
Deferred tax is measured and accounted based on the tax rates and tax laws enacted or substantively enacted at the Balance Sheet date.

SCHEDULE 17

(B) NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2011

	2011 Rs. Lakhs	2010 Rs. Lakhs
1 Estimated amounts of Capital Expenditure Commitments	14220.90	21669.22
2 Monies for which the company is contingently Liable:		
a) Letter of Credit Opened By Bankers	438.22	9032.34
b) Counter Guarantees to Bankers (including guarantees given on behalf of Subsidiaries and Associates)	42440.65	41969.20
c) Sales Tax demand for various years under dispute	1306.72	1389.87
d) Contingent Liability pertaining to Raasi Cement Limited (Residuary Company) for Sales Tax, Central Excise and Income Tax	2284.00	2295.56
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.	0.00	3519.93
f) Contingent Liability on account of CENVAT cases, Income Tax and others	22363.14	12905.04
3 Claims against the Company not acknowledged as debts	12353.29	11423.88
4 Building includes purchase of flats on leasehold 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 Subsidiaries, Associates and others representing strategic long term investments in Cement, Sugar, Shipping and Financial Services, which in the opinion of management, having regard to intrinsic value of such investments held by them, will realise values stated in the long term. The Company, as a prudent measure, has created a Contingency Reserve to the extent of Rs.200.00 Crores for any possible erosion in the value of the said advances.	98412.02	93590.20
b) Advances include advances to Trinetra Cement Ltd. (Formerly known as Indo Zinc Limited), a step down subsidiary which is having a cement plant in Rajasthan with an annual capacity of 1.50 million tonnes. The plant commenced commercial production during January 2011.	70586.50	49360.87
c) 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.	581.17	632.74
6 (a) Raw Materials consumed:		
Own Quarrying includes:		
(i) Salaries & Wages	1313.43	1285.34
(ii) Stores Consumed	2519.46	2679.87
(iii) Royalty	6525.81	6595.54
(b) Total Consumption of Stores and Spares during the year, including used in own quarrying; Captive Power generation and Repairs & Maintenance	16528.74	17818.45
7 Repairs and maintenance includes Stores & Spares.	5213.64	5457.34



SCHEDULE 17
NOTES ON ACCOUNTS (Contd.)

		2011	2010
		Rs. Lakhs	Rs. Lakhs
8	Selling and Distribution expenses include		
	(i) Packing Charges	15895.99	15490.51
	(ii) Additional Sales Tax	83.36	39.82
	(iii) Freight outwards	64997.78	59110.02
	(iv) Advertisement	3077.93	3016.17
9	Detailed quantitative information of goods manufactured during the Report Period.		
	(a) Installed capacity (Tonnes)	14050000	14050000
	(b) Production (Tonnes)	9980300	10493568
	(c) Sales – Cement (Tonnes)	9932210	10501271
	Clinker (Tonnes)	31581	462827
	Sales – Cement (Gross) (Rs. Lakhs)	382697.98	392002.08
	Clinker (Rs. Lakhs)	717.91	11568.81
		<u>383415.89</u>	<u>403570.89</u>
	(d) Opening Stock of cement produced (Tonnes)	98433	106136
	Value (Rs. Lakhs)	2495.33	2627.83
	(e) Closing stock of cement produced (Tonnes)	146523	98433
	Value (Rs. Lakhs)	4198.66	2495.33
10	Value of imports on CIF basis		
	(a) Raw Materials	1662.88	2236.63
	(b) Fuel	41956.83	37524.11
	(c) Spare Parts and Components	498.83	3304.35
	(d) Capital goods	182.62	997.17
11	Earnings in Foreign Exchange (on accrual basis):		
	Export (FOB)		
	Cement – Quantity (Tonnes)	5734	4517
	– Value (Rs. Lakhs)	159.71	127.72
12	Expenditure in Foreign Currency (on accrual basis):		
	Legal & Consultancy Charges	Nil	75.93
	Travel Expenses and Others	200.26	274.24
	Indian Premier League - payments to foreign players/others	2595.54	2305.58
13	Remittances in Foreign Currency:		
	Final Dividend on account of GDS		
	No. of shareholders	1	1
	Amount remitted (Rs. Lakhs)	91.73	56.88
	Year to which it pertains	2010	2009
	Final Dividend on account of GDR		
	No. of shareholders	1	1
	Amount remitted (Rs. Lakhs)	6.27	4.15
	Year to which it pertains	2010	2009

**SCHEDULE 17
NOTES ON ACCOUNTS (Contd.)**

	2011 Rs. Lakhs	2010 Rs. Lakhs
14 Details of imported and indigenous materials consumed during the year:		
Raw materials:		
Imported	3157.52	3446.53
Indigenous	48464.37	46067.66
Total	<u>51621.89</u>	<u>49514.19</u>
Percentage to Total Consumption		
Raw materials:		
Imported	6.12%	6.96%
Indigenous	93.88%	93.04%
Total	<u>100.00%</u>	<u>100.00%</u>
Spare Parts and Components:		
Imported	596.92	739.91
Indigenous	1759.87	1370.08
Total	<u>2356.79</u>	<u>2109.99</u>
Percentage to Total Consumption		
Spare Parts and Components:		
Imported	25.33%	35.07%
Indigenous	74.67%	64.93%
Total	<u>100.00%</u>	<u>100.00%</u>
15 Details of Raw Materials consumed:		
Quantity in Tonnes:-		
Limestone	10826280	12362748
Gypsum	506274	520646
Others	2276841	2400647
Value :		
Limestone	20856.94	22125.78
Gypsum	7029.45	6436.92
Others	15232.25	13287.50
Freight on Inter Unit Transfer of Clinker	8503.25	7663.99
Total	<u>51621.89</u>	<u>49514.19</u>
16 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 the financial year 2008-09.		
17 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.		
18 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.)

- 19 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.
- [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.
- 20 The company had issued USD 75 Million Zero Coupon Foreign Currency Convertible Bonds [FCCB] which matures on 12th May, 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 has since redeemed the bonds in full on 12th May, 2011 being the maturity date, at 147.70% of its principal value.
- 21 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 a platform to build corporate and brand image especially in the context of the company becoming a Pan India Player.
- The consideration to operate the franchise, aggregating to USD 91 Million is payable over a period of 10 years in equal instalments 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 revenue from operating the franchise is grouped under Miscellaneous Income. Currently the company is following a policy of accounting for all the expenditure and revenue associated with IPL related operations upon commencement of the Season.
- The costs involved in operating the franchise like remuneration to the players, travelling and accommodation expenses, advertisements, promotions, etc. are accounted in accordance with the Generally Accepted Accounting Principles. The expenses are grouped under the natural heads of accounts.
- The company capitalized the entire franchisee fee payable to BCCI-IPL as a "Franchise Right" under intangible asset. Considering the revenue by operating the franchise and the potential cash flows arising therefrom the "Franchise Right" is being amortized over a period of 10 years. The amount payable to BCCI towards the same is grouped under Sundry Creditors for Capital Expenditure under Current Liabilities.
- 22 Pending finalisation of ongoing negotiations with various Banks / Financial Institutions, the claims towards Interest / Penal interest by Banks / Financial Institutions are under negotiation for waiver, amount not determinable.
- 23 Related Party Disclosures:
- A. Names of the related parties and the nature of the relationship:
- (i) Subsidiary Companies:
- Industrial Chemicals and Monomers Limited
 - ICL Financial Services Limited
 - ICL Securities Limited
 - ICL International Limited
 - PT. Coromandel Minerals Resources
 - Trishul Concrete Products Limited
 - Trinetra Cement Ltd (Formerly Indo Zinc Ltd.)
 - Coromandel Minerals Pte. Ltd., Singapore



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 – Vice Chairman & Managing Director
Ms Rupa Gurunath – Wholetime Director (w.e.f. 05.03.2010)
- (iv) Relative of KMP, having transactions with the Company:
Ms Rupa Gurunath – Wholetime Director (w.e.f. 05.03.2010)
Mrs Chitra Srinivasan – Director (w.e.f. 05.03.2010)

B. Transactions with Subsidiary and Associate Companies:

	2011	2010
	Rs. Lakhs	Rs. Lakhs
Subsidiaries:-		
Sale of Goods	5119.32	2654.98
Purchase of Shares	1000.00	Nil
Purchase of Goods	39.96	40.38
Purchase of Assets	Nil	Nil
Rendering of Services	Nil	Nil
Receiving of Services	119.85	139.60
Interest on Advances	3033.41	2252.72
Guarantees Outstanding at the year end	0.00	31500.00
Outstanding balance included in current asset	104380.53	83372.12
Associates:-		
Sale of Goods	2.10	1.05
Purchase of Shares	Nil	Nil
Rendering of Services	Nil	Nil
Receiving of Services	7712.06	6300.01
Interest on Advances	398.16	211.88
Dividend received from Associate co.	260.59	272.79
Guarantees given by Associate co. on behalf of the company	0.00	32500.00
Guarantees Outstanding at the year end	8701.00	6608.00
Outstanding balance included in current asset	8479.48	6725.29
C. Transactions relating to persons mentioned in A. (iii) above:		
Remuneration	1221.57	2683.51
Dividend paid during the year	3.68	6.49
Total	1225.25	2690.00
D. Transactions relating to persons mentioned in A. (iv) above:		
Directors' Sitting Fee	0.80	1.60
Dividend paid during the year	1.57	1.57
Total	2.37	3.17



SCHEDULE 17
NOTES ON ACCOUNTS (Contd.)

	2011 Rs. Lakhs	2010 Rs. Lakhs
24 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
Trinetra Cement Ltd. (Formerly Indo Zinc Ltd.)	8%	8%
Coromandel Minerals Pte. Limited, Singapore.	Nil	Nil
(ii) Closing Balance for the Report Period:		
Industrial Chemicals and Monomers Limited	1354.90	1338.14
ICL Financial Services Limited	16512.07	16690.02
ICL Securities Limited	13420.38	13595.75
ICL International Limited	2317.49	2198.16
PT. Coromandel Minerals Resources	189.19	189.18
Trishul Concrete Products Limited	Nil	Nil
Trinetra Cement Ltd. (Formerly Indo Zinc Ltd.)	70586.50	49360.87
Coromandel Minerals Pte. Limited, Singapore.	Nil	Nil
Total	<u>104380.53</u>	<u>83372.12</u>
(iii) Maximum Balance for the Report Period:		
Industrial Chemicals and Monomers Limited	1354.90	1338.14
ICL Financial Services Limited	16690.50	16886.81
ICL Securities Limited	13595.75	13906.23
ICL International Limited	2317.49	2617.55
PT. Coromandel Minerals Resources	189.19	189.18
Trishul Concrete Products Limited	484.63	341.15
Trinetra Cement Ltd. (Formerly Indo Zinc Ltd.)	60596.74	49360.87
Coromandel Minerals Pte. Limited, Singapore.	Nil	Nil
Total	<u>95229.20</u>	<u>84639.93</u>
B. Loans and Advances to Associates:		
(i) Rate of Interest:		
Coromandel Sugars Ltd.	8%	8%
India Cements Capital Ltd.	8%	8%
Coromandel Electric Company Ltd.	Nil	Nil
Coromandel Travels Ltd.	Nil	Nil
Unique Receivable Management Private Ltd.	Nil	Nil

**SCHEDULE 17
NOTES ON ACCOUNTS (Contd.)**

	2011 Rs. Lakhs	2010 Rs. Lakhs
(ii) Closing Balance for the Report Period:		
Coromandel Sugars Ltd.	6448.96	4416.70
India Cements Capital Ltd.	2026.67	2107.81
Coromandel Electric Company Ltd.	(17.78)	47.10
Coromandel Travels Ltd.	21.62	153.68
Unique Receivable Management Private Ltd.	0.00	0.00
Total	<u>8479.47</u>	<u>6725.29</u>
(iii) Maximum Balance for the Report Period:		
Coromandel Sugars Ltd.	7223.79	4416.70
India Cements Capital Ltd.	2122.61	2107.81
Coromandel Electric Company Ltd.	(18.94)	68.71
Coromandel Travels Ltd.	159.33	153.68
Unique Receivable Management Private Ltd.	0.00	0.00
Total	<u>9486.79</u>	<u>6746.90</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.

	2011 Rs. Lakhs	2010 Rs. Lakhs
25 Deferred Taxation:		
Liability on account of Depreciation (Net of Unabsorbed Depreciation)	29241.67	28990.54
Asset arising on account of other timing differences	1814.67	2063.53
Net Deferred tax liability	<u>27427.00</u>	<u>26927.01</u>
26 Computation of Earnings / (Loss) per Share (EPS)		
Earnings:		
Earnings available to Equity Share Holders -Basic (A)	6810.36	35434.09
Income or (expenses) accounted in financial statements attributable to potential equity shareholders		
FCCB Forex Fluctuation (Gain) / Loss credited/debited to P&L during the period	(155.27)	(2876.39)
Earnings-Diluted (B)	<u>6655.09</u>	<u>32557.70</u>
No. of Shares:		
No. of Equity Shares	307177157	307175657
Weighted average No. of equity shares (C)	307177157	283776865
No. of Potential Equity Shares	11067981	11069481
Weighted average No. of Potential Equity Shares	11067981	11069481
Total weighted average No. of shares - Diluted (D)	<u>318245138</u>	<u>294846346</u>
EPS:		
Basic (Rs.) (A/C)	2.22	12.49
Diluted (Rs.) (B/D)	2.09	11.04



SCHEDULE 17
NOTES ON ACCOUNTS (Contd.)

27 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 Wholetime 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., under the Defined Benefit Plans and Defined Contribution Plans as at 31st March 2011 are Rs.4,427.95 Lakhs (as at 31st March 2010 are Rs.4,100.58 Lakhs) and Rs. 1,054.37 Lakhs (as at 31st March 2010 are Rs. 1,032.91 lakhs) respectively, as per the details given below:

Defined Benefit Scheme:

	2010-11 Rs. Lakhs	2009-10 Rs. Lakhs
Opening Balance as per actuarial valuation	4,100.58	3,772.71
Add: Interest income / differential interest due to change in discount rate during the year	0.00	99.87
Less: Settlements during the year	237.64	583.79
Sub total	3,862.94	3,288.79
Add: Provision created during the year	565.01	811.79
Closing Balance as on 31st March 2011	4,427.95	4,100.58
Assumptions:		
Discount rate	8.00%	8.00%
Salary escalation rate	2.00%	2.00%
Average Age	48 yrs.	48 yrs.
Average accrued service	14 yrs.	14 yrs.
Annuity rates for pension computation	Rates applicable for 15 years certain and life thereafter, with return of corpus.	

Defined Contribution Scheme:

	2010-11 Rs. Lakhs	2009-10 Rs. Lakhs
Opening Balance as per actuarial valuation	1032.91	760.52
Less: Settlements / transfers during the year	266.80	0.00
Sub total	766.11	760.52
Add: Provision created during the year	288.26	272.39
Closing Balance as on 31st March 2011	1054.37	1032.91

(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 2011 is Rs.5,079.18 Lakhs (as at 31st March 2010: Rs.4583.22 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.

	2010-11 Rs. Lakhs	2009-10 Rs. Lakhs
Opening Balance as per actuarial valuation	2571.00	2279.00
Add: Interest income during the year	50.62	20.00
Less: Settlements during the year	237.55	328.00
Sub total	2384.07	1971.00
Add: Provision created during the year	1039.62	600.00
Closing Balance as on 31st March 2011	3423.69	2571.00
Assumptions:		
Discount rate	8.00% p.a.	8.00% p.a.
Salary escalation rate	2.00% p.a.	2.00% p.a.
Average age	52 years	52 years
Average accrued service	26 years	26 years

28 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 shall vest 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 (as at 31st March 2010:7,19,000 shares) and 7,00,000 (as at 31st March 2010:7,00,000 shares) respectively as at the Balance sheet.

In terms of the Scheme, 3000 options were issued to an eligible employee on 6th August 2009. Each option on such vesting can be exercised by applying for an equity share of Rs. 10/- each fully paidup for a sum of Rs. 50/- (inclusive of premium of Rs 40/-) on or before 1st September 2011 and 1st September 2012 respectively. 1,500 options vested on 01.09.2010 were exercised by the employee and equal number of shares were allotted to him on 2nd March 2011.

Accounting of ESOS

The fair market price per equity share of the company on the date of vesting, i.e., 1st December 2007, 1st December 2008 and 1st September 2010 was Rs.296.80, Rs.86.95 & Rs. 107.65 respectively. On vesting, the excess of fair market price over the price paid 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.

29 General Permission for exemption from disclosure of foreign exchange earnings and expenditure with regard to shipping operations has been issued by Government of India.

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



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

		2011		2010
	Rs.Lakhs	Rs.Lakhs	Rs.Lakhs	Rs.Lakhs
A. Cash flow from operating activities :				
Net profit before tax and extraordinary items		8987.35		53132.09
Adjusted for:				
Depreciation	24402.77		23312.06	
Provision for Doubtful Debts & Advances	162.18		296.74	
Foreign Exchange	-310.48		-5738.31	
Profit/Loss on sale of Investments	-2575.66		0.00	
Profit/Loss on sale of Assets	-32.37		100.83	
Interest Expense	20568.38		19316.94	
Interest Income	-7545.56		-7511.71	
Dividend Income	-530.86		-281.35	
Perquisite value of Employees' stock options	0.00		0.00	
Deferred revenue expenditure / income	0.00	34138.40	1355.12	30850.32
Operating profit before Working Capital changes		43125.75		83982.41
Trade and other receivables	-18388.32		-58772.79	
Inventories	-4954.37		-7726.69	
Trade payables	11584.88	-11757.81	17825.69	-48673.79
Cash generated from operations		31367.94		35308.62
Direct Taxes		-3305.18		-14434.05
Cash flow before extraordinary items		28062.76		20874.57
Extraordinary items		0.00		0.00
Net cash from operating activities	(A)	28062.76		20874.57
B. Cash flow from Investing activities :				
Purchase of Fixed Assets		-56896.29		-29625.14
Sale of Fixed Assets		171.37		11.23
Sale of Investments		21227.10		0.00
Purchase of Investments		-3281.75		-15500.00
Interest received		489.28		3068.31
Dividend received		530.86		281.35
Refund by / advances to Subsidiaries, Associates and Others		2312.44		-4403.45
Net cash from Investing activities	(B)	-35446.99		-46167.70



CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2011 (Contd.)

		2011		2010
	Rs.Lakhs	Rs.Lakhs	Rs.Lakhs	Rs.Lakhs
C. Cash flow from financing activities :				
Proceeds from issue of share capital		0.87		28308.98
Dividend paid		-7163.95		-6608.62
Proceeds from long term borrowings		63773.05		77118.24
Repayment of borrowings		-31163.46		-58334.05
Interest paid (net of remission)		-20134.56		-18329.82
Net Cash from financing activities	(C)	5311.95		22154.73
Increase / (Decrease) in cash and cash equivalent	(A+B+C)	-2072.28		-3138.40
Cash and cash equivalent at the beginning of the year		5381.34		8519.74
Cash and cash equivalent at the close of the year		3309.06		5381.34

Place : Chennai
Date : 30th May, 2011

N.SRINIVASAN
Vice Chairman & Managing Director

RUPA GURUNATH
Wholetime Director

N. SRINIVASAN
Director

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, 2011 and 31st March, 2010 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

For BRAHMAYYA & CO.,
Chartered Accountants

G.HARIHARAN
Partner
Membership No.15071

N.SRI KRISHNA
Partner
Membership No.26575

Place : Chennai
Date : 30th May, 2011



STATEMENT ATTACHED TO THE BALANCE SHEET AS AT 31st MARCH, 2011 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.	Trinetra Cement Ltd.(Formerly Indo Zinc Ltd.)	PT. Coromandel Minerals Resources, Indonesia	Coromandel Minerals Pte. Ltd., Singapore	
1. Financial year ending	31.03.2011	31.03.2011	31.03.2011	31.03.2011	31.03.2011	31.03.2011	31.12.2010	31.12.2010	
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%	99.88%	61.22%	98.00%	99.99%	
3. The net aggregate amount of the subsidiaries' profits 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	Rs. Lakhs	Rs. Lakhs	
(a) for the financial year mentioned against item 1 above	18.54 (Loss)	197.32 Profit	203.43 Profit	122.92 (Loss)	167.80 Profit	795.86 (Loss)	0.00	206.41 (Loss)	
(b) of the previous financial years of the subsidiaries since they became the holding company's subsidiaries	468.66 (Loss)	372.46 (Loss)	1972.87 (Loss)	2029.52 (Loss)	239.87 Profit	34.97 Profit	0.21 (Loss)	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	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.	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	Not dealt in the holding Company's Accounts	Not dealt 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.							Nil	Nil	
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 & Coromandel Minerals Pte. Ltd. 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.								
(a) the subsidiaries' fixed assets.							Nil	Nil	
(b) its investments.							Nil	Nil	
(c) the money borrowed by it for any purpose other than that of meeting current liabilities.							Nil	Nil	

Place : Chennai
Date : 30th May, 2011

N.SRINIVASAN
Vice Chairman & Managing Director

RUPA GURUNATH
Wholetime Director

N. SRINIVASAN
Director

R. SRINIVASAN
Joint President (Finance & Accounts)

G.BALAKRISHNAN
President & Company Secretary



INFORMATION IN AGGREGATE FOR EACH SUBSIDIARY AS AT 31st MARCH, 2011

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
Trinetra Cement Ltd. (Formerly Indo Zinc Limited)	TCL
Coromandel Minerals Pte. Ltd. Singapore	CMPL

	ICML	ICLSL	ICLFSL	ICLIntl	TCPL	CMR	TCL	CMPL	Rs. Lakhs
Capital: Paidup	227.82	5.00	5.00	5.00	193.73	128.54	1448.78	2281.75	
Advance towards equity	8.31	608.02	591.20	0.00	0.00	0.00	17741.68	0.00	
Reserves	4.52	0.00	0.00	0.00	837.86	12.08	5743.61	155.87	
Accumulated Losses	1531.47	175.14	1769.44	2152.44	0.00	0.00	0.00	206.41	
Total Assets (including Investments)	72.92	13253.69	14749.84	195.66	3749.10	190.90	110748.59	2231.21	
Total Liabilities	1363.74	12815.81	15923.08	2343.10	2717.51	50.28	92486.42	0.00	
Details of Investments (including investments held thro' Trusts)	0.02	12157.88	13974.84	0.00	0.00	0.00	0.00	0.00	
Turnover	0.00	199.54	203.72	143.30	8544.64	0.00	9158.92	0.47	
Profit / (Loss) before Taxation	(18.81)	197.32	203.47	(122.92)	258.25	0.00	(1300.00)	(206.41)	
Provision for Taxation	0.00	0.00	0.04	0.00	90.21	0.00	0.00	0.00	
Profit / (Loss) after Taxation	(18.81)	197.32	203.43	(122.92)	168.04	0.00	(1300.00)	(206.41)	
Proposed Dividend	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	

As per our Report of 30th May, 2011

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
Vice Chairman & Managing Director

R. SRINIVASAN
Joint President (Finance & Accounts)

RUPA GURUNATH
Wholetime Director

N. SRINIVASAN
Director

G.BALAKRISHNAN
President & Company Secretary

Place : Chennai
Date : 30th May, 2011

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

1. We have audited the attached Consolidated Balance Sheet of The India Cements Limited and its subsidiaries (The India Cements Limited Group) as at 31st March 2011, 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 and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.
2. 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.
3. (a) Brahmayya & Co. did not audit the financial statements and other financial information of 4 subsidiaries included in these consolidated financial statements, whose financial statements reflect total assets of Rs. 32636.97 lakhs, net assets of Rs. 4173.63 lakhs and net cash flows of Rs. 5.81 lakhs as at March 31, 2011, total revenue of Rs. 546.55 lakhs (including other income), net profit of Rs. 261.24 lakhs for the year then ended (after adjustments on consolidation) that have been audited by P.S. Subramania Iyer & Co., on whose reports Brahmayya & Co., has placed reliance for the purpose of this report. Further, P.S. Subramania Iyer & Co., did not audit the financial statements and other financial information of 3 associates considered in the consolidated financial statements, whose financial statements reflect the Group's share of profits of Rs. 28192.46 lakhs for the year ended on March 31, 2011 (after adjustments on consolidation) and a subsidiary whose financial statements reflect total assets of Rs. 1071.16 lakhs, net assets of Rs.1031.59 lakhs and net cash flows of Rs.113.76 lakhs, total revenue of Rs. 8544.64 lakhs (including other income), net profit of Rs.168.04 lakhs for the year then ended that have been audited by Brahmayya & Co. on whose reports P.S. Subramania Iyer & Co. has placed reliance for the purpose of this report.

(b) Brahmayya & Co. and P.S. Subramania Iyer & Co. did not audit the financial statements and other financial information of 3 subsidiaries included in the consolidated financial statements, whose financial statements together comprise, total assets of Rs.105931.61 lakhs and net assets of Rs. 20427.59 lakhs as at March 31, 2011, net cash flows of Rs.2343.92 lakhs, total revenue (including other income) of Rs. 8218.68 lakhs, net loss of Rs.1506.41 lakhs for the year then ended (after adjustments on consolidation). Further, Brahmayya & Co. and P.S. Subramania Iyer & Co. did not audit the financial statements and other financial information of 3 associates considered in the consolidated financial statements, whose financial statements reflect the Group's share of loss of Rs.791.23 lakhs for the year ended on March 31, 2011. The financial statements and other financial information for these subsidiaries and associates have been audited by other auditors whose reports have been furnished to us, and our audit opinion on the consolidated financial statements, to the extent they have been derived from such financial statements is based solely on the reports of such other auditors.
4. 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.
5. Attention is invited to the managerial remuneration referred in Note No. 23 of Notes on Accounts in Schedule No 17. *Subject to the excess remuneration of Rs. 530 lakhs paid / payable to the Managing Director requiring the approval of the Shareholders and Central Government*, 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 and 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:
 - a) in the case of Consolidated Balance Sheet, of the state of affairs of The India Cements Group as at March 31, 2011;
 - 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
Firm Registration No: 004104S
G.HARIHARAN
Partner
Membership No. 15071

For BRAHMAYYA & Co.,
Chartered Accountants
Firm Registration No. 000511S
N.SRI KRISHNA
Partner
Membership No. 26575

Place : Chennai
Date : 30th May, 2011

CONSOLIDATED ACCOUNTS

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2011

	Schedule	Rs. Lakhs	2011 Rs. Lakhs	Rs. Lakhs	2010 Rs. Lakhs
SOURCES OF FUNDS :					
1. Shareholders' Funds :					
a) Capital	1	30717.65		30717.45	
b) Share application money		2.22		1.00	
c) Funds Pending allotment of Shares [ICML]		8.30		8.30	
d) Reserves and Surplus	2	368442.62	399170.79	373806.83	404533.58
2. Minority Interest			1.26		152.33
3. Loan Funds :					
a) Secured Loans	3	144723.38		102616.13	
b) Unsecured Loans					
i) From Banks and others	4	33033.36		33145.60	
ii) Foreign Currency Convertible Bonds (Note No. 20)		33450.00		33682.50	
iii) Interest free sales tax deferral loans		62366.49	273573.23	60618.14	230062.37
4. Deferred Tax Liability (Note No. 25)			29281.01		29033.29
			702026.29		663781.57
APPLICATION OF FUNDS :					
1. Fixed Assets :	5				
a) Gross Block		648106.21		573997.03	
b) Less : Depreciation		210806.07		180114.27	
c) Net Block		437300.14		393882.76	
d) Capital Work-in-Progress		155422.13	592722.27	142905.77	536788.53
2. Investments	6		33717.13		51478.99
3. Current Assets, Loans and Advances:	7				
a) Inventories		53251.27		45020.47	
b) Real Estate - Projects in Progress		2042.47		2042.47	
c) Sundry Debtors		26331.96		26842.25	
d) Cash and Bank Balances		5088.61		7683.07	
e) Loans and Advances		111841.42		107885.07	
		198555.73		189473.33	
Less : Current Liabilities and Provisions	8	124807.66	73748.07	116022.81	73450.52
4. Deferred Tax Asset (Note No. 25)			1838.82		2063.53
			702026.29		663781.57

As per our Report of 30th May, 2011

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
Vice Chairman & Managing Director
R. SRINIVASAN
Joint President (Finance & Accounts)

RUPA GURUNATH
Wholetime Director

N. SRINIVASAN
Director

G.BALAKRISHNAN
President & Company Secretary

Place : Chennai
Date : 30th May, 2011

CONSOLIDATED ACCOUNTS

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2011

	Note No.	Schedule	Rs. Lakhs	2011 Rs. Lakhs	Rs. Lakhs	2010 Rs. Lakhs
INCOME :						
Sales		9		401921.18		415871.29
Other Income				12845.39		12621.64
Sales & other income				414766.57		428492.93
Less: Excise Duty				48050.35		41343.59
Total Income net of Excise Duty				366716.22		387149.34
EXPENDITURE:						
Manufacturing and other Operating Expenses		10		176071.96		168996.83
Salaries, Wages and Amenities		11		26052.31		25361.87
Administration and Other Charges		12		17167.93		17544.62
Selling and Distribution Expenses	8			98555.48		87718.65
Interest & Other Charges (Net)		13		15057.63		14284.54
Depreciation			31052.12		29460.27	
Less: Transfer from Revaluation Reserve			5653.87		5716.44	
Less: Transfer from Deferred Income			298.80	25099.45	298.80	23445.03
Directors' Remuneration		14		1226.29		2688.23
Donations		15		691.89		598.87
(Increase) / Decrease in Stock		16		(974.40)		(1510.58)
Total Expenditure				358948.54		339128.06
Profit / (Loss) before tax and Exceptional Items				7767.68		48021.28
Exceptional Items:						
Share / Bonds Issue Expenses			200.50		1327.96	
Less : Transfer from Share Premium			(200.50)	0.00	(1327.96)	0.00
Foreign Currency Translation difference on FCCBs				232.50		4357.50
Profit / (Loss) before tax for the year				8000.18		52378.78
Prior year (Expenses) / Income (Net)				(36.59)		0.00
Profit / (Loss) Before tax				7963.59		52378.78
Provision for taxes:						
Current Tax			(1791.36)		(16393.70)	
Minimum Alternate Tax credit entitlement			(0.04)		0.00	
Deferred Tax Liability	25		(475.84)	(2267.24)	(1373.00)	(17766.70)
Profit / (Loss) After tax				5696.35		34612.08
Proportionate Profit/(Loss) of Associate Companies						
Adjustments in value of investments in associates in accordance with AS 23				686.27		570.32
Minority Interest				309.45		0.00
Prior year items adjustments				(162.08)		267.27
Profit / (Loss) for the year				6529.99		35449.67
Balance from Previous Year				89001.61		72745.89
				95531.60		108195.56
Less : Proposed Dividend on Equity Capital				4607.66		6143.59
Less : Dividend Distribution tax				765.33		1020.36
Less : Transfer to Contingency Reserve				3600.59		5000.00
Less : Transfer to Debenture Redemption Reserve				0.00		0.00
Less : Transfer to General Reserve				1030.00		7030.00
Balance Carried to Balance Sheet				85528.02		89001.61
Earning / (Loss) Per Share (Rs.) - Basic	26			2.13		12.40
Earning / (Loss) Per Share (Rs.) - Diluted	26			2.00		10.96
Notes on Accounts		17				

As per our Report of 30th May, 2011

For P.S.SUBRAMANIA IYER & CO.,

Chartered Accountants

G.HARIHARAN

Partner

Membership No. 15071

Place : Chennai

Date : 30th May, 2011

For BRAHMAYYA & CO.,

Chartered Accountants

N.SRI KRISHNA

Partner

Membership No. 26575

N.SRINIVASAN

Vice Chairman & Managing Director

R. SRINIVASAN

Joint President (Finance & Accounts)

RUPA GURUNATH

Wholtime Director

N. SRINIVASAN

Director

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, 2011

SCHEDULE 1 SHARE CAPITAL

	No. of Shares	2011 Rs. Lakhs	No. of Shares	2010 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	307177223	30717.72	307175723	30717.57
		<u>30717.72</u>		<u>30717.57</u>
SUBSCRIBED :				
Equity Shares of Rs.10/- each	307177157	30717.72	307175657	30717.57
Less: Calls in arrears (Other than directors)	2247	0.07	3492	0.12
	<u>307174910</u>	<u>30717.65</u>	<u>307172165</u>	<u>30717.45</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 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 paidup 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. (Refer Note No. 20)
- 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 and 700,000 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 paidup, 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 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.
12. During the year 2009-10, 3000 options were granted under ESOS 2006. Out of this 1500 options were exercised during the year 2010-11. The Balance 1500 options will vest on September 01, 2011 to be exercised before September 1, 2012.
13. During the year 2009-10, the company allotted 245,94,000 Equity shares of Rs. 10/- each fully paid, to Qualified Institutional Buyers at a price of Rs.120.20 per share including premium of Rs.110.20 per share.
14. No Interest has been recognised as income from April 2002 on calls in arrears.

SCHEDULE 2

RESERVES AND SURPLUS

	2010 Rs. Lakhs	Additions Rs. Lakhs	Withdrawals Rs. Lakhs	2011 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	532.67	0.00	0.00	532.67
Securities Premium *1	165926.55	1.53	588.31	165339.77
Contingency Reserve *2	16399.41	3600.59	0.00	20000.00
General Reserve	34260.39	1205.99	0.00	35466.38
Deferred Income	4090.33	0.00	298.80	3791.53
Capital Investment Subsidy	15.00	0.00	15.00	0.00
Amalgamation Reserve	153.60	0.00	153.60	0.00
Revaluation Reserve *3	60755.91	0.00	5745.78	55010.13
Stock Options				
Outstanding account *4	65.19	0.00	65.19	0.00
Shipping Tonnage				
Tax Reserve *5	90.00	0.00	0.00	90.00
Profit and Loss account	89001.61	6529.99	10003.58	85528.02
Foreign Currency				
Translation Reserve	0	167.95	0	167.95
	<u>373806.83</u>	<u>11506.05</u>	<u>16870.26</u>	<u>368442.62</u>

Notes:

- *1 Securities Premium
Share Premium is net of Calls in arrears of Rs. 0.10 lakhs (As on 31st March 2010: Rs. 0.17 lakhs).
- *2 Contingency Reserve
For any possible erosion in the value of Investments / Advances / other contingencies.
- *3 Revaluation Reserve:
Amounts withdrawn include revaluation reserve on assets retired / sold.

CONSOLIDATED ACCOUNTS

SCHEDULE 2 (contd...)

*4 Stock Options Outstanding Account:

During the year an employee exercised 1500 options. The total fringe benefits of Rs. 0.86 lakhs arising on this exercise, being the difference between market price and the option exercise price, has been drawn from the opening balance of Stock Options Outstanding account. The remaining balance in this account of Rs. 64.32 lakhs is transferred to General Reserve.

*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 2008-09, no further Reserve has been created. (Note No. 16)

2011
Rs. Lakhs

2010
Rs. Lakhs

(C) Cash Credit Facilities and Other

Working Capital Loans from Scheduled Banks

(i) Working Capital Term Loans from Banks	846.60	984.84
(ii) Cash Credit Facilities from Scheduled Banks	27701.72	4543.20
Total [(i) and (ii)]	<u>28548.32</u>	<u>5528.04</u>
Total A to C	<u>144723.38</u>	<u>102616.13</u>

SCHEDULE 3

SECURED LOANS

	2011 Rs. Lakhs	2010 Rs. Lakhs
(A) Debentures: (Note No. 19)		
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. 375,000/- each	339.32	442.61
(ii) 7630 Debentures of Rs. 500,000/- each	1283.44	1687.79
Total [A] (i) and (ii)	<u>1622.76</u>	2130.40
Interest Accrued and due	0.00	0.27
Total	<u>1622.76</u>	2130.67
(B) Term Loans:		
(i) Dalavoi Cement Plant:		
Industrial Development Bank of India Ltd.	5064.57	6242.61
(ii) Yerraguntla Cement Plant:		
Industrial Development Bank of India Ltd.	2483.80	2740.54
(iii) Vishnupuram Cement Plant:		
a) Industrial Development Bank of India Ltd.	287.52	328.72
b) IFCI Ltd	89.52	107.36
Other Term Loans:		
(iv) State Bank of India	2382.02	2787.99
(v) IDBI Bank Ltd	9723.25	13056.25
(vi) Punjab National Bank	18385.67	22965.31
(vii) HDFC Ltd.	3333.33	6666.67
(viii) HDFC Ltd.	6375.00	7500.00
(ix) Kotak Mahindra Bank	5222.22	6000.00
(x) Axis Bank - 300 Crore Loan:	20000.00	0.00
(xi) Axis Bank	9286.28	0.00
(xii) Axis Bank (2009-10 - Foreign Currency Loan)	0.00	8982.00
(xiii) HDFC Bank Ltd.	5000.00	0.00
(xiv) Tandur Cement Plant:		
a) Industrial Development Bank of India Ltd.	0.00	474.82
b) Life Insurance Corporation of India	0.00	49.21
c) Indian Bank	0.00	1081.18
(xv) Axis Bank	4412.87	0.00
(xvi) Bank of Baroda	6.25	74.67
(xvii) IDFC	8000.00	0.00
(xviii) UCO Bank	6000.00	0.00
(xix) Yes Bank	8500.00	0.00
(xx) Other Financial Institutions	0.00	15867.85
(xxi) Liability towards assets acquired on Financial Lease	0.00	9.25
Total [B] (i) to (xxi)	<u>114552.30</u>	94934.43
Interest Accrued	0.00	22.99
Total	<u>114552.30</u>	<u>94957.42</u>

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 (v) 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.
- 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.
- Item (vi) 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.

CONSOLIDATED ACCOUNTS

SCHEDULE 3 (contd...)

6. Item (vii) is secured by an equitable mortgage on the immovable property at Boat Club Road, Chennai and by a lien on the fixed deposit held with the bank.
7. Item (viii) is secured by a first pari passu mortgage and charge on the movable and immovable properties and second pari passu charge on the current assets of the Company's Cement manufacturing facilities.
8. Item (ix) is secured by way of exclusive charge on the immovable properties being the land and building situated at 93, Santhome High Road, Chennai.
9. Item (x) is secured by first charge on a pari passu basis on the specific fixed assets of the Company's plant at Vishnupuram, Nalgonda district excluding the assets of the thermal power plant and the land on which it is proposed to be installed.
10. Item (xi) and (xii) are secured by a pari passu charge on all the movable assets of the Company excluding the current assets and movable assets at Chennai and Parli grinding units excluding current assets.
11. Item (xiii) is secured by an exclusive first charge on the movable plant and machinery relating to the power plant at Sankarnagar including the land and building.
12. The term loan from State Bank of India is additionally secured by a second charge on the current assets of the company.
13. Item (xv), (xvii) to (xix) are secured in favour of Axis Trustee services Limited the Security Trustee for the lenders namely Yes Bank Limited, UCO Bank, Axis Bank Limited and Infrastructure Development Finance Company Limited by Hypothecation of Company's movable properties, both present and future including current assets, movable machinery, machinery spares, tools and accessories, tangible and intangible assets of the Company, subject to prior charges on current assets created / to be created in favour of Company's Bankers for securing the working capital facilities and required

to be further secured by a first pari passu on all the fixed assets of the project at village Jhalo ka gara. Talukal Garhi Dist. Banswara, Rajasthan. The loans are further secured by pledge of shares held by promoters and Corporate guarantee from The India Cements Ltd.

14. Item (xvi) Secured against Vehicle purchased by using the loan availed.

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 assets.

- 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

	2011 Rs. Lakhs	2010 Rs. Lakhs
Fixed Deposits	1503.94	1285.85
Loans / Overdraft from Scheduled Banks	0.00	2.06
Short Term Loans from Banks	26500.18	13837.56
Commercial Papers placed with Banks	4000.00	18000.00
Unsecured Loans - Others	1029.24	0.00
	33033.36	33125.47
Interest accrued and due	0.00	20.13
	33033.36	33145.60

SCHEDULE 5

FIXED ASSETS *

Particulars	GROSS BLOCK			DEPRECIATION BLOCK			NET BLOCK	
	As at 31st Mar-10	Additions	Deductions	As at 31st Mar-11	For the Year	As at 31st Mar-11	As at 31st Mar-11	As at 31st Mar-10
Tangible Assets								
Land	46036.07	1543.94	8.76	47571.25	0.00	0.00	47571.25	46036.07
Buildings	50112.49	8666.22	17.57	58761.14	1522.80	13822.80	44938.34	37811.88
Plant and Machinery including Electrical installations	396334.37	63067.47	443.73	458958.11	20831.55	165158.33	293799.79	251727.44
Wind Electric Generators	7825.81	0.00	0.00	7825.81	413.20	4213.20	3612.61	4025.81
Ships	24423.30	0.00	0.00	24423.30	3265.07	9804.14	14619.16	17884.23
Furniture, Office Equipments	5924.58	943.27	22.87	6844.98	470.24	3546.53	3298.45	3009.55
Vehicles	2659.43	234.40	102.84	2790.99	314.62	1731.22	1059.77	1179.11
Intangible Assets								
Goodwill	684.88	0.00	444.35	240.53	0.00	0.00	240.53	684.88
Franchise Rights	36400.00	0.00	0.00	36400.00	3640.00	11229.15	25170.85	28810.85
Computer Software	3596.10	694.00	0.00	4290.10	594.64	1300.70	2989.40	2712.94
Total	573997.03	75149.31	1040.12	648106.21	31052.12	210806.07	437300.14	393882.76

* Includes Rs.536.52 Lakhs of equipments on "right to use" basis, which is depreciated over its useful life [As at March 2010 : Rs.536.52 Lakhs].

CONSOLIDATED ACCOUNTS

SCHEDULE 6 INVESTMENTS

Company Name	No of Shares/ Debentures	Face Value (Rs.) Per Share	2011 Cost Rs.Lakhs	2010 Cost Rs.Lakhs
1. TRADE INVESTMENTS – Long Term (Unquoted)				
Fully paid Equity Shares				
(i) Coromandel Electric Company Limited	246000	10	24.60	24.60
Preference Shares of Coromandel Electric Company Limited (CECL):				
(ii) 13.25% Redeemable Cumulative Participating Preference Shares (Redeemed during the year Rs.10.16 lakhs)	508	10000	40.77	50.93
(iii) 18% Redeemable Cumulative Participating Preference Shares (Redeemed during the year Rs.192 lakhs) (5000 Shares have been given as security towards a loan obtained by CECL)	11600	10000	1226.18	1418.18
(iv) 14% Redeemable Cumulative Preference Shares	4000000	10	455.08	455.08
			<u>1746.63</u>	<u>1948.79</u>
2. NON-TRADE INVESTMENTS – Long Term				
(A) Fully paid equity shares of Companies (Quoted)				
(i) Karur KCP Packagings Limited	996500	10	398.60	398.60
(ii) The India Cements Limited (Held in trust on behalf of Subsidiaries)	19954024	10	16730.84	16730.84
(iii) India Cements Capital Limited	10400000	10	2544.98	2544.99
			<u>19674.42</u>	<u>19674.43</u>
(B) Shares of Companies - Long Term (Unquoted):				
Fully paid Equity Shares:				
(i) Coromandel Sugars Limited	7000100	10	994.80	994.80
(ii) Andhra Pradesh Gas Power Corporation Ltd.	5896000	10	4831.01	4831.01
(iii) Raasi Cement Limited	239427	10	673.09	673.09
(iv) Jagati Publications Private Limited	1111110	10	4000.00	4000.00
(v) Carmel Asia Holdings Private Limited	190839	10	500.00	500.00
(vi) Coromandel Travels Ltd. (500000 Shares Purchased during the year)	990000	10	99.00	49.00
(vii) Unique Receivable Management Private Limited	24600	10	2.46	2.46
(viii) Pullivendula Polymers Pvt. Ltd.	460000	10	46.00	46.00
(ix) Senka Carbon Private Limited	6450	100	39.38	39.38
(x) Sun Paper Mill Limited (Listed but not quoted)	325200	10	32.52	32.52
(xi) Jubilee Cements Limited (Entire shares sold during the year)	100	10	0.00	0.01
(xii) ICL Shipping Limited	5000	10	0.50	0.50
(xiii) Class A Unit - Faering Capital India Evolving Fund- (acquired during the year)			150.00	0.00
Fully paid Preference Shares:				
(xiv) Zero coupon Convertible Preference Shares of Bharathi Cement Corporation Ltd. (Formerly known as Raghuram Cements Ltd.) (Sold during the year)	1803973	10	0.00	9532.63
			<u>11368.76</u>	<u>20701.40</u>
(C) Government and Trustee Securities:				
(i) National Savings Certificates			1.20	1.20
(ii) Indira Vikas Patra Certificates			0.02	0.02
			<u>1.22</u>	<u>1.22</u>

CONSOLIDATED ACCOUNTS
SCHEDULE 6 (contd...)

Company Name	No of Shares/ Debentures	Face Value (Rs.) Per Share	2011 Cost Rs.Lakhs	2010 Cost Rs.Lakhs
(D) Other Investments (Quoted) :				
(i) Floating rate Fund of UTI (Sold during the year NAV as on 31.03.2010: Rs.500688807)	499615	1000	0.00	5000.00
(ii) Treasury Advantage Fund of Unit Trust of India (Sold during the year) (NAV as on 31.03.2010: Rs.500702939)	0	10	0.00	5000.00
(iii) Fixed Income Interval Fund of UTI (Net Asset Value as on 31.03.2011 Rs. 10,85,06,635) (Purchased during the year).	10830086	10	1083.34	0.00
			<u>1083.34</u>	<u>10000.00</u>
(E) Fully Paid Shares of Co-operative Societies - Long Term (Unquoted) :				
(i) The India Cements Mines Employees Co-operative Stores Limited, Sankarnagar.	30	50	0.02	0.02
(ii) The India Cements Employees Co-operative Stores Limited, Sankari West.	5000	10	0.50	0.50
(iii) The India Cements Mines Employees Co-operative Stores Limited, Sankari West.	5300	10	0.53	0.53
(iv) The India Cements Employees Co-operative Stores Limited, Sankarnagar	2500	50	1.25	1.25
			<u>2.30</u>	<u>2.30</u>
Grand Total (1) + (2)			33876.67	52328.14
Less: Provision for Diminution in Value			<u>673.09</u>	676.42
			33203.58	<u>51651.72</u>
Adjustment as per Accounting Standard 23				
1 - Increase / (Decrease) in Value Post Investment				
Raasi Cement Limited			(80.70)	(80.70)
Coromandel Sugars Limited			1354.81	662.50
India Cements Capital Limited			(1378.66)	(1217.72)
Coromandel Travels Limited			(99.00)	(49.00)
Coromandel Electric Company Limited			1151.68	946.77
			<u>948.13</u>	<u>261.85</u>
2 - Goodwill arising on Investment				
Raasi Cement Limited			(666.81)	(666.81)
India Cements Capital Limited			234.69	234.69
Unique Receivable Management Private Limited			(2.46)	(2.46)
			<u>(434.58)</u>	<u>(434.58)</u>
Grand Total			33717.13	51478.99
Note:				
Aggregate of Quoted Investments				
Cost			20758.99	29675.66
Market Value			30469.31	27283.90
Aggregate of Unquoted Investments				
Cost			13117.68	22652.48

CONSOLIDATED ACCOUNTS

SCHEDULE 7 CURRENT ASSETS, LOANS AND ADVANCES

	2011 Rs. Lakhs	2010 Rs. Lakhs
A. CURRENT ASSETS :		
1. Inventories :		
Stores/Spares (including coal and packing materials)	35594.53	29028.58
Raw Materials	4969.93	5009.12
Work-in-Process	749.96	560.84
Semi-Finished Goods	7367.61	7855.52
Finished Goods	4498.48	2566.41
Trading goods	70.76	0.00
	<u>53251.27</u>	<u>45020.47</u>
2. Real Estate - Projects in progress	2042.47	2042.47
3. Sundry Debtors		
Outstanding for more than six months (Including doubtful debts of Rs.544.38 lakhs (Previous year Rs.763.60 lakhs))	5301.17	3935.39
Less: Provision for doubtful debts	(571.38)	(716.10)
Sub total	4729.79	3219.29
Others	21602.17	23622.96
Total - Sundry Debtors, considered good (Net of Security deposits Rs.29040.65 lakhs (as at 31st March 2010: Rs.24294.97 lakhs))	<u>26331.96</u>	<u>26842.25</u>
4. Cash, Stamps and Bank Balances :		
Cash, Cheques and Stamps on hand	961.17	304.87
Cash at Scheduled Banks in Current Accounts	3938.73	292.79
Fixed Deposits with Scheduled Banks	188.71	7085.41
	<u>5088.61</u>	<u>7683.07</u>
[A]	<u>86714.31</u>	<u>81588.26</u>
B. LOANS AND ADVANCES		
1. Secured :		
Housing and other Loans to employees including interest accrued	631.81	565.54
2. Unsecured (Considered good) :		
Advance for Goods	13907.56	4897.17
Other Advances recoverable in cash or in kind or for value to be received (Note No.5)	91356.66	87189.93
Prepaid Expenses	843.21	1536.00
Deposits	5050.27	8235.42
Other Deposits	0.30	5406.92
Advance payment of Tax (Net of provision)	51.61	54.09
[B]	<u>111841.42</u>	<u>107885.07</u>
Total [A] & [B]	<u>198555.73</u>	<u>189473.33</u>

SCHEDULE 8 CURRENT LIABILITIES AND PROVISIONS

	2011 Rs. Lakhs	2010 Rs. Lakhs
CURRENT LIABILITIES:		
Creditors for Goods including Letters of Credit	26177.06	17654.35
Creditors for Expenses (including liability as per Accounting Standard 15)	30556.63	37953.04
Creditors for Capital Expenditure (Note No. 21)	28945.11	27673.17
Other Liabilities	11700.83	9769.56
Trade Deposits from customers	7822.30	5665.10
Interest accrued not due	2005.03	1450.42
Customers' Credit Balances	9991.07	4866.55
PROVISIONS:		
For Income Tax (Net)	2236.64	3826.67
For Proposed Dividend including tax	5372.99	7163.95
	<u>124807.66</u>	<u>116022.81</u>
Investor Education and Protection Fund (Appropriate amount shall be transferred to "Investor Education and Protection Fund", if and when due)		
(a) Unpaid Dividend	60.46	41.48
(b) Unpaid Share Application Money	0.00	0.00
(c) Unpaid Matured Deposits	49.12	41.11
(d) Unpaid Matured Debentures	0.00	0.00
(e) Interest accrued on (a) to (d) above	0.00	0.00
	<u>109.58</u>	<u>82.59</u>

SCHEDULE 9 SALES AND OTHER INCOME

	2011 Rs. Lakhs	2010 Rs. Lakhs
Sales including Excise Duty	388000.55	400923.31
Sales Ready Mix Concrete	8497.44	8416.74
Freight Earnings - Shipping	4158.41	5189.51
Home Textiles	31.72	31.85
Value of Power Generated from Wind Farms	1233.06	1309.88
[A]	<u>401921.18</u>	<u>415871.29</u>
DIVIDEND AND INTEREST:		
On Trade Investments	663.85	672.82
On Other Investments	276.60	8.56
Others (Tax deducted at source Rs. 59.98 lakhs Previous Year: Rs. 102.99 lakhs)	411.91	1698.28
	<u>1352.36</u>	<u>2379.66</u>
Rent Recovery	24.67	23.16
Profit on Sale of Assets	64.19	102.36
Profit on Sale of Investments	2575.66	0.00
Foreign Exchange Translation difference	158.89	1380.81
Miscellaneous Income (Note No. 21)	8669.62	8735.65
	<u>11493.03</u>	<u>10241.98</u>
Total Other Income [B]	<u>12845.39</u>	<u>12621.64</u>
Total [A] & [B]	<u>414766.57</u>	<u>428492.93</u>

CONSOLIDATED ACCOUNTS

SCHEDULE 10

MANUFACTURING AND OTHER OPERATING EXPENSES

	2011		2010	
	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs
1. Raw Materials Consumed				
Opening Stock		5009.12		5310.65
Add: Purchases	39789.57		36618.27	
Add: Own Quarrying (Net) (Note No. 6.a)	15975.95		<u>16111.77</u>	
		55765.52		<u>52730.04</u>
		60774.64		58040.69
Less: Closing Stock		4969.02		5009.12
Total Raw Materials Consumed		55805.62		<u>53031.57</u>
2. Trade Purchases		164.20		0.00
3. Stores Consumed (Note No. 6.b)		4999.40		4547.75
4. Power and Fuel		104310.36		100132.00
5. Repairs & Maintenance:				
Buildings	24.84		53.64	
Machinery	5718.20		4774.73	
Others	3007.30		<u>4864.18</u>	
Total Repairs & Maintenance		8750.34		9692.55
6. Agency and Port Charges - Shipping		130.74		349.55
7. Excise Duty on stock adjustments		378.96		20.80
8. Transit Mixer Expenses		1532.34		1222.61
		176071.96		<u>168996.83</u>

SCHEDULE 11

SALARIES, WAGES AND AMENITIES

	2011		2010	
	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs
Salaries, Wages and Bonus		19256.06		18115.63
Contribution to Provident Fund		802.85		730.63
Gratuity		1034.52		605.05
Superannuation		801.27		1084.18
Employees' Provident Fund Admn Charges		56.72		51.05
Employees' State Insurance Scheme		48.80		12.55
Workmen and Staff Welfare Expenses*		3459.88		3286.78
Unavailed leave (Note No. 27)		592.21		1476.00
Total		26052.31		<u>25361.87</u>

* Includes Expenses on Schools Rs. 226.05 Lakhs (Previous year Rs. 197.19 Lakhs) which is net of Grants Rs. 385.32 Lakhs (Previous year Rs. 324.76 Lakhs)

SCHEDULE 12

ADMINISTRATION AND OTHER CHARGES

	2011		2010	
	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs
Insurance		516.41		614.64
Rent		441.04		385.33
Rates and Taxes		520.85		508.18
Printing and Stationery		222.08		190.47
Postage, Telephones and Telegrams		390.47		357.03
Other Administration Expenses		14403.22		12415.67
Legal Fees		313.44		173.92
Travelling Expenses		0.00		32.22
Directors' Sitting Fees		43.71		20.14
Auditors' Expenses:				
Audit Fees		84.24		84.63
Cost Audit Fees		10.00		10.00
Certifications/Others		11.55		16.72
Tax Audit/Other Services		16.92		16.50
Travel/out of pocket expenses		4.84		5.67
		127.55		133.52
Amortisation of Deferred Revenue Expenditure		0.00		1594.90
Loss on Sale of Assets		26.98		148.77
Provision for Diminution in Investments		0.00		673.09
Provision for Doubtful Advances / Debtors		162.18		296.74
Provision for Doubtful Advances / Debtors - Opening balance		983.60		730.42
Add: Additional Provisions during the year		162.18		357.74
		1145.78		1088.16
Less: Bad debts / Advances written off during the year		1307.96		104.56
Provision for Doubtful Advances / Debtors - Closing Balance		(162.18)		<u>983.60</u>
Total		17167.93		<u>17544.62</u>

SCHEDULE 13

INTEREST AND OTHER CHARGES (NET)

Interest on Debentures		313.46		323.74
Interest on Fixed Loans		11964.43		12745.43
Interest - Others		2008.03		443.45
Bank Charges		771.71		771.92
		15057.63		<u>14284.54</u>

CONSOLIDATED ACCOUNTS

SCHEDULE 14

DIRECTORS' REMUNERATION

	2011	2010		
	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs
Managing Director :				
Salary	360.00		360.00	
HRA	108.00		108.00	
Contribution to Provident Fund	43.20		43.20	
Contribution to Gratuity and Superannuation Funds	69.00		69.00	
Commission	315.00		1011.00	
Others	3.97	899.17	2.64	1593.84
Wholtime Director :				
(Part of the year of 2009-10)				
Salary	123.60		12.31	
HRA	36.00		2.61	
Contribution to Provident Fund	14.83		1.48	
Contribution to Gratuity and Superannuation Funds	23.69		2.41	
Commission	129.00		0.00	
Others	0.00	327.12	0.00	18.81
Executive Director				
(Part of the year of 2009-10)				
Salary	0.00		105.60	
HRA	0.00		31.68	
Contribution to Provident Fund	0.00		12.67	
Contribution to Gratuity and Superannuation Funds	0.00		18.40	
Commission	0.00		0.00	
Unavailed Leave and Gratuity in Excess of Rs 3.50 lakhs	0.00		662.59	
Others	0.00	0.00	244.64	1075.58
Total		1226.29		2688.23

SCHEDULE 15

DONATIONS

The India Cements Educational Society	400.00		100.22	
Cancer Institute	75.00		0.00	
Flood Relief Fund	0.00		65.00	
Great Lakes Institute of Management	0.00		200.00	
Others	216.89		233.65	
Total	691.89		598.87	

SCHEDULE 16

(INCREASE) / DECREASE IN STOCK

Opening Stock of:				
Work-in-Process	560.84		849.35	
Semi-finished Goods	7855.52		5910.15	
Finished Goods	2566.41		2712.69	
Real Estate - Projects in Progress	2042.47		2042.47	
		13025.24		11514.66
Stock Value transferred to CWIP upto 31.01.2011				
Work-in-Process	16.62		0.00	
Semi-finished Goods	509.85		0.00	
Finished Goods	203.17		0.00	
Real Estate - Projects in Progress	0.00		0.00	
		729.64		0.00
Less:				
Closing Stock of:				
Work-in-Process	749.96		560.84	
Semi-finished Goods	7367.41		7855.52	
Finished Goods	4569.44		2566.41	
Real Estate - Projects in Progress	2042.47		2042.47	
		14729.28		13025.24
Total (Increase) / Decrease in Stock		(974.40)		(1510.58)

SCHEDULE 17

(A) SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Preparation of Financial Statements

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 of 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). Accounting policies have been consistently adopted except where a change in existing GAAP requires a change in accounting policy hitherto in use.

2. Use of estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

3. Inventories

- Valuation of inventories of raw materials, packing materials, stores, spares, fuels is at weighted average cost.
- Work in Process & Semi-finished goods are valued at cost or net realisable value whichever is lower. The value of WIP and Semi-finished goods does not include interest and other administrative overheads.
- Finished goods are valued at cost or net realisable value whichever is lower. The value of finished goods includes excise duty and does not include interest and other administrative overheads.
- Real Estate Projects are valued at cost or net realisable value whichever is lower.

4. Cash and Cash equivalents

Cash and cash equivalents for the purpose of Cash Flow Statement comprise cash at bank, in hand (including cheques in hand) and short term investment with an original maturity of three months or less.

5. Fixed Assets

Fixed Assets are valued and shown adopting the following basis:

- Fixed assets and Capital work-in-progress of all the cement manufacturing facilities are revalued and shown at revalued amounts as at 31st March 2004. All other Fixed assets acquired are shown at the cost of acquisition.
- 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 tenure 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. All costs including financing costs incurred on specific projects/ acquisition of undertakings are charged to the concerned heads.
- 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 are capitalised and depreciated along with computers 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 a 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.

6 (a) Foreign Currency Transactions

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.

CONSOLIDATED ACCOUNTS

SCHEDULE 17

(A) SIGNIFICANT ACCOUNTING POLICIES (Contd.)

- (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 6(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.
- (c) Forward Exchange contracts used to hedge Foreign Currency Transactions are initially recognised at the spot-rate on the date of contract. Forward Exchange contracts remaining unsettled at the end of the year are translated at the year end rates. The difference in translation of Forward Exchange contracts are recognised in the Profit and Loss Account. The discount or premium is amortised over the life of the contract.
7. (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.
8. Research and Development
Research and Development expenses not resulting in any tangible property/equipment are charged to revenue.
9. Borrowing Costs
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 and other borrowing costs are charged to Profit and Loss Account.
10. Claims / Incomes arising from price escalation and/or any other item of compensation and which are indeterminate are accounted on cash basis.
11. 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 in value is made wherever necessary in accordance with the Mandatory Accounting Standard.
12. Employee Benefits
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 respective employee's earnings as at the balance sheet date.
13. 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 Account to Securities Premium Account.
14. Premium on redemption of Debentures/Bonds
Premium on redemption of Debentures / Bonds is accounted on redemption and set-off against the Securities Premium Account.
15. Tax Expense
- (a) Current income tax is measured and accounted based on the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961 at the tax rates prevailing during the year.
- (b) Deferred Tax
Deferred tax is measured and accounted based on the tax rates and tax laws enacted or substantively enacted at the Balance Sheet Date.

(B) NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2011

	2011	2010
	Rs. Lakhs	Rs. Lakhs
1. Estimated amounts of Capital Expenditure Commitments.	19611.89	21669.22
2. Monies for which the company is contingently Liabile:		
(a) Letter of Credit Opened by Bankers.	2941.10	9032.34
(b) Counter Guarantees to Bankers (including guarantees given on behalf of Subsidiaries and Associates).	42440.65	41969.20
(c) Sales Tax demand for various years under dispute.	1308.81	1389.87

	2011	2010
	Rs. Lakhs	Rs. Lakhs
(d) Contingent Liability pertaining to Raasi Cement Limited (Residuary Company) for Sales Tax, Central Excise and Income Tax.	2284.00	2295.56
(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.	0.00	3519.93
(f) Contingent Liability on account of Cenvat Cases and Others.	22363.14	12905.04
3. Claims against the Company not acknowledged as debts.	12353.29	11423.88
4. Building includes purchase of flats on leasehold 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 long term investments in Cement, Sugar, Shipping and Financial Services, which represent strategic long term investments, which in the opinion of the management, having regard to intrinsic value of such investments held by them will realise values stated in the long term. The company, as a prudent measure has created a Contingency Reserve to the extent of Rs.200 Crores for any possible erosion in the value of the said advances.	64617.98	59578.95
(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.	581.17	632.74
6. (a) Raw Materials consumed: Own Quarrying includes:		
(i) Salaries & Wages	1325.03	1285.34
(ii) Stores Consumed	2555.08	2679.87
(iii) Royalty	6648.71	6595.54
(b) Total Consumption of Stores and Spares during the year, including used in own quarrying; Captive Power generation and Repairs & Maintenance.	16528.74	17818.45
7. Repairs and maintenance includes Stores & Spares	5223.94	5437.34
8. Selling and Distribution expenses include:		
(i) Packing Charges	16189.91	15490.51
(ii) Additional Sales Tax	105.97	39.82
(iii) Freight outwards	66354.63	59110.02
(iv) Advertisement	3201.74	3016.17
9. Detailed quantitative information of goods manufactured during the Report Period:		
1. CEMENT:		
(a) Installed capacity (Tonnes)	15550000	14050000
(b) Production (Tonnes)	10155808	10493568
(c) Sales - Cement (Tonnes)	10107357	10501271
- Clinker (Tonnes)	33712	462827
Sales - Cement (Gross) (Rs.Lakhs)	389595.66	392002.08
- Clinker (Rs.Lakhs)	750.30	11568.81
	<u>390345.96</u>	<u>403570.89</u>
(d) Opening Stock of cement produced (Tonnes)	98433	106136
Value (Rs.Lakhs)	2495.33	2627.83
(e) Closing stock of Cement produced (Tonnes)	154360	98433
Value (Rs.Lakhs)	4446.63	2495.33
2. CALCIUM CARBIDE :		
(a) Licensed Capacity (Tonnes)	10000	10000
(b) Installed Capacity (Tonnes)	12500	12500

CONSOLIDATED ACCOUNTS

SCHEDULE 17

NOTES ON ACCOUNTS (Contd.)

	2011	2010		2011	2010
	Rs. Lakhs	Rs. Lakhs		Rs. Lakhs	Rs. Lakhs
(c) Production	-	-	14. Details of imported and indigenous materials consumed during the year		
(d) Opening Stock of Finished Goods (Tonnes)	36	36	Raw materials:		
Value (Rs. Lakhs)	7.88	7.88	Imported	3157.52	3446.53
(e) Closing Stock of Finished Goods (Tonnes)	36	36	Indigenous	49182.00	46067.66
Value (Rs. Lakhs)	7.88	7.88	Total	52339.52	49514.19
3. READY MIX CONCRETE:			Percentage to Total Consumption		
(a) Installed Capacity (Cu.m.)	990000	990000	Raw materials:		
(b) Production (Cu.m.)	299652	276745	Imported	6.03%	6.96%
(c) Purchase (Cu.m.)	2918	34454	Indigenous	93.97%	93.04%
(d) Sale (Cu.m.)	303668	311238	Total	100.00%	100.00%
(e) Opening Stock of Finished Goods (Cu.m.)	-	-	Spare Parts and Components:		
Value (Rs. Lakhs)	-	-	Imported	596.92	739.91
(f) Closing Stock of Finished Goods (Cu.m.)	-	-	Indigenous	1759.87	1370.08
Value (Rs. Lakhs)	-	-	Total	2356.79	2109.99
4. TEXTILES :			Percentage to Total Consumption		
(a) Opening Stock of Home Textiles Produced (Pieces)	17674	25007	Spare Parts and Components:		
Value (Rs. Lakhs)	71.08	84.29	Imported	25.33%	35.07%
(b) Closing Stock of Home Textiles Produced (Pieces)	16601	17674	Indigenous	74.67%	64.93%
Value (Rs. Lakhs)	70.76	71.08	Total	100.00%	100.00%
(c) Opening Stock of Fabrics [Pieces]	3567	4436	15. Details of Raw Materials consumed:		
Value (Rs. Lakhs)	5.23	6.46	Quantity in Tonnes:-		
(d) Closing Stock of Fabrics [Pieces]	3753	3567	Limestone	11010692	12362748
Value (Rs. Lakhs)	6.30	5.23	Gypsum	517771	520646
(e) Sales Quantity Home Textiles (Pieces)	2894	7345	Others	2308014	2400647
Value (Rs. Lakhs)	7.09	4.93	Value:-		
(f) Sales Quantity Yarn (Kgs)	-	-	Limestone	21168.06	22125.78
Value (Rs. Lakhs)	-	-	Gypsum	7189.33	6436.92
(g) Sales Quantity Fabrics (Meters)	5	618	Others	15476.85	13287.50
Value (Rs. Lakhs)	0.005	1.68	Freight on Inter Unit Transfer of Clinker	8505.28	7663.99
(h) Non Textiles (Nos.)	3516	4300	Total	52339.52	49514.19
Value (Rs. Lakhs)	28.22	25.24	16. 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 the financial year 2008-09.		
10. Value of import on CIF basis:			17. 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.		
(a) Raw Materials	1662.88	2236.63	18. 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.		
(b) Fuel	45466.02	37524.11	19. Note on Debt Restructuring:		
(c) Spare Parts and Components	498.83	3304.35	[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.		
(d) Capital goods	205.31	997.17			
(e) Textiles	13.26	12.61			
11. Earnings in Foreign Exchange:					
Export (FOB)					
Cement - Quantity (Tonnes)	5734	4517			
- Value (Rs. Lakhs)	159.71	127.72			
12. Expenditure in Foreign Currency:					
Legal & Consultancy Charges	-	75.93			
Travel Expenses and Others	201.12	281.62			
Indian Premier League - payments to foreign players	2595.54	2305.58			
13. Remittances in Foreign Currency :					
Final Dividend on account of GDS					
No. of shareholders	1	1			
Amount remitted (Rs. Lakhs)	91.73	56.88			
Year to which it pertains	2010	2009			
Final Dividend on account of GDR					
No. of shareholders	1	1			
Amount remitted (Rs. Lakhs)	6.27	4.15			
Year to which it pertains	2010	2009			

CONSOLIDATED ACCOUNTS SCHEDULE 17

NOTES ON ACCOUNTS (Contd.)

	2011 Rs. Lakhs	2010 Rs. Lakhs		2011 Rs. Lakhs	2010 Rs. Lakhs
[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 Pending finalisation of ongoing negotiations with various Banks / Financial Institutions, the claims towards Interest / Penal interest by Banks / Financial Institutions are under negotiation for waiver, amount not determinable.		
20 The company had issued USD 75 Million Zero Coupon Foreign Currency Convertible Bonds [FCCB] which matures on 12th May 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.			23 Related Party Disclosures:		
The Company has, since redeemed the bonds in full on 12th May 2011 being the maturity date, at 147.70% of its principal value.			A. Names of the related parties and the nature of the relationship:		
21 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 a platform to build corporate and brand image especially in the context of the company becoming a Pan India Player.			(i) Associate Companies:		
The consideration to operate the franchise, aggregating to USD 91 Million is payable over a period of 10 years in equal instalments commencing from 2008.			Raasi Cement Ltd.		
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 revenue from operating the franchise is grouped under Miscellaneous Income. Currently, the company is following a policy of accounting for all the expenditure and revenue associated with IPL related operation upon commencement of the Season.			Coromandel Sugars Ltd.		
The costs involved in operating the franchise like remuneration to the players, travelling and accommodation expenses, advertisements, promotions, etc. are accounted in accordance with the Generally Accepted Accounting Principles. The expenses are grouped under the natural heads of accounts.			India Cements Capital Ltd.		
The company capitalized the entire franchisee fee payable to BCCI-IPL as a "Franchise Right" under intangible asset. Considering the revenue by operating the franchise and the potential cash flows arising therefrom the "Franchise Right" is being amortized over a period of 10 years. The amount payable to BCCI towards the same is grouped under Sundry Creditors for Capital Expenditure under Current Liabilities.			Coromandel Travels Ltd.		
			Coromandel Electric Company Ltd.		
			Unique Receivable Management Private Ltd.		
			(ii) Key Management personnel (KMP):		
			Sri. N.Srinivasan – Vice Chairman & Managing Director		
			Ms. Rupa Gurunath – Wholetime Director (w.e.f. 05-03-2010)		
			(iii) Relative of KMP having transactions with the Company:		
			Ms. Rupa Gurunath – Director (became wholetime Director w.e.f. 05-03-2010)		
			Mrs. Chitra Srinivasan – Director (w.e.f. 05-03-2010)		
			B. Transactions with Associate Companies:		
			Associates:-		
			Sale of Goods	2.10	1.05
			Purchase of Shares	Nil	Nil
			Purchase of Goods	Nil	Nil
			Rendering of Services	Nil	Nil
			Receiving of Services	7712.06	6300.01
			Interest receivable on Advances	398.16	211.88
			Dividend received from Associate Co.	260.59	272.29
			Guarantees given by Associate Co. on behalf of the Company	0.00	32500.00
			Guarantees Outstanding at the year end	8701.00	6608.00
			Outstanding balance included in current asset	8479.48	6725.29
			C. Transactions relating to persons mentioned in		
			A. (ii) above:		
			Remuneration	1221.57	2683.51
			Dividend paid during the year	3.68	6.49
			Total	1225.25	2690.00
			D. Transactions relating to persons mentioned in		
			A. (iii) above:		
			Directors' Sitting Fee	0.80	1.60
			Dividend paid during the year	1.57	1.57
			Total	2.37	3.17
			24 Details of Loans and Advances given to Associates:		
			A. Loans and Advances to Associates		
			(i) Rate of Interest		
			Coromandel Sugars Ltd.	8%	8%
			India Cements Capital Ltd.	8%	8%
			Unique Receivable Management Pvt. Ltd.	Nil	Nil
			Coromandel Electric Company Ltd.	Nil	Nil
			Coromandel Travels Ltd.	Nil	Nil

CONSOLIDATED ACCOUNTS
SCHEDULE 17
NOTES ON ACCOUNTS (Contd.)

	2011 Rs. Lakhs	2010 Rs. Lakhs
(ii) Balance as at 31st March		
Coromandel Sugars Ltd.	6448.96	4416.70
India Cements Capital Ltd.	2026.67	2107.81
Coromandel Electric Company Ltd.	(17.78)	47.10
Coromandel Travels Ltd.	21.62	153.68
Unique Receivable Management Pvt. Ltd.	0.00	0.00
Total	<u>8479.47</u>	<u>6725.29</u>
(iii) Maximum Balance for the Report Period		
Coromandel Sugars Ltd.	7223.79	4416.70
India Cements Capital Ltd.	2122.61	2107.81
Coromandel Electric Company Ltd.	(18.94)	68.71
Coromandel Travels Ltd.	159.33	153.68
Unique Receivable Management Pvt. Ltd.	0.00	0.00
Total	<u>9486.79</u>	<u>6746.90</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.

	2011 Rs. Lakhs	2010 Rs. Lakhs
25 Deferred Taxation:		
Liability on account of Depreciation (Net of Unabsorbed Depreciation)	29281.01	29033.29
Asset arising on account of other timing differences	1838.82	2063.53
Net Deferred tax liability	<u>27442.19</u>	<u>26969.76</u>
26 Computation of Earnings / (Loss) per Share (EPS) Earnings:		
Profit / [Loss] for the period	6529.99	35182.40
Less : Provision for Preference Share Dividend	0.00	0.00
Earnings available to Equity Shareholders - Basic (A)	6529.99	35182.40
Income or (expenses) accounted in financial statements attributable to FCCB Forex fluctuation (Gain)/loss credited/debited in P & L during the period (232.5 x 0.6678)	(155.27)	(2876.39)
Earnings- Diluted (B)	<u>6374.72</u>	<u>32306.01</u>
No. of Shares		
No. of Equity Shares	307177157	307175657
Weighted average No. of Equity Shares (C)	307177157	283776865
No. of Potential Equity Shares	11067981	11069481
Weighted average No. of Potential Equity Shares	11067981	11069481
Total weighted average no. of shares - Diluted (D)	<u>318245138</u>	<u>294846346</u>
EPS: Basic (Rs) (A/C)	2.13	12.40
Diluted (Rs) (B/D)	2.00	10.96

CONSOLIDATED ACCOUNTS
SCHEDULE 17
NOTES ON ACCOUNTS (Contd.)

	2011 Rs. Lakhs	2010 Rs. Lakhs		2011 Rs. Lakhs	2010 Rs. Lakhs
27 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 2011 is Rs.5158.51 Lakhs (as at 31st March 2010: Rs.4583.22 Lakhs).		
(a) Contribution to Pension Funds:			(c) Gratuity:		
The company offers pension plans for managerial Grade employees and Wholetime 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., under the Defined Benefit Plans and Defined Contribution Plans as at 31st March 2011, are Rs.4,427.95 Lakhs (as at 31st March 2010 are Rs.4,100.58 Lakhs) and Rs. 1,054.37 Lakhs (as at 31st March 2010 are Rs. 1,032.91 Lakhs) respectively, as per the details given below:					
Defined Benefit Scheme:			Opening Balance as per actuarial valuation	2571.00	2279.00
Opening Balance as per actuarial valuation	4100.58	3772.71	Add: Interest income during the year	50.62	20.00
Add: Interest income / differential interest due to change in discount rate during the year	0.00	99.87	Less: Settlements during the year	237.55	328.00
Less: Settlements during the year	237.64	583.79	Sub Total	2384.07	1971.00
Sub Total	3862.94	3288.79	Add: Provisions created during the year	1039.62	600.00
Add: Provision created during the year	565.01	811.79	Closing balance as per actuarial valuation	3423.69	2571.00
Closing balance as on 31.03.2011	4427.95	4100.58	Assumptions:		
Assumptions:			Discount rate	8.00%	8.00%
Discount rate	8.00%	8.00%	Salary escalation rate	2.00%	2.00%
Salary escalation rate	2.00%	2.00%	Average Age	52yrs.	52yrs.
Average Age	48yrs.	48yrs.	Average accrued service	26yrs.	26yrs.
Average accrued service	14yrs.	14yrs.			
Annuity rates for pension computation		Rates applicable for 15 years certain and life thereafter, with return of corpus.			
Defined Contribution Scheme:			28 Note on Employees Stock Option Scheme, 2006:		
Opening Balance as per actuarial valuation	1032.91	760.52	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 shall vest 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.		
Less: Settlements/transfers during the year	266.80	0.00			
Sub Total	766.11	760.52			
Add: Provision created during the year	288.26	272.39			
Closing balance as on 31.03.2011	1054.37	1032.91			

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 (as at 31st March 2010:7,19,000 shares) and 7,00,000 (as at 31st March 2010:7,00,000 shares) respectively, as at the Balance sheet.

In terms of the Scheme, 3000 options were issued to an eligible employee on 6th August 2009. Each option on such vesting can be exercised by applying for an equity share of Rs. 10/- each fully paidup for a sum of Rs. 50/- (inclusive of premium of Rs. 40/-) on or before 1st September 2011 and 1st September 2012 respectively. 1,500 options vested on 01.09.2010 were exercised by the employee and equal number of shares were allotted to him on 2nd March 2011.

Accounting of ESOS

The fair market price per equity share of the company on the date of vesting, i.e 1st December 2007, 1st December 2008 & 1st September 2010 was Rs.296.80, Rs.86.95 & Rs.107.65 respectively. On vesting, the excess of fair market price over the price paid 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.

- 29 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 a line by line basis as required by AS-21. The minority interest is shown separately.

	2011 Rs. Lakhs	2010 Rs. Lakhs		2011 Rs. Lakhs	2010 Rs. Lakhs
			Name of the Subsidiary Company	% 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.	99.88	99.88
			PT. Coromandel Minerals Resources, Indonesia	100.00	100.00
			Trinetra Cement Ltd. (Formerly Indo Zinc Ltd.)	61.22	60.89
			Coromandel Minerals Pte. Ltd. Singapore	99.99	-
			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.	49.50	49.00
			Unique Receivable Management Pvt. Ltd.	49.20	49.20
30			The Primary Segment of the Company is Cement and Other Segments are below the required reportable levels as per the Accounting Standard 17.		
31			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.		
32			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.		
33			General Permission for exemption from disclosure of foreign exchange earnings and expenditure with regard to shipping operations has been issued by Government of India.		
34			Previous year's figures have 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.	00931	State Code	18
Balance Sheet Date	310311		

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

Public Issue	N I L	Rights Issue	12
Bonus Issue	N I L	Private Placement	0
		Employees' Stock Options exercised	75

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

Total Liabilities	70202629	Total Assets	70202629
Sources of Funds :		Application of Funds :	
Paid up Capital	3071765	Net Fixed Assets	59272227
Reserves & Surplus	36845440	Net Current Assets	7374807
Secured Loans	14472338	Investments	3371713
Unsecured Loans	12884985	Deferred Tax Asset	183882
Deferred Tax liability	2928101	Profit and Loss Account	N I L

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

Turnover	40192118	Total Expenditure	39395759
Profit/Loss Before Tax	796359	Profit/Loss After Tax	652999
Earnings Per Share (in Rs.)	2.13	Dividend Rate %	15

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

Item Code No.(ITC Code)	Product Description
252329.01	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
	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
	S H I P P I N G

As per our Report of 30th May, 2011

Signatures to Schedules 1 to 17

For P.S.SUBRAMANIA IYER & CO.,
Chartered Accountants
G.HARIHARAN
Partner
Membership No. 15071
Place : Chennai
Date : 30th May, 2011

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

N.SRINIVASAN
Vice Chairman & Managing Director

R. SRINIVASAN
Joint President (Finance & Accounts)

RUPA GURUNATH
Wholetime Director

N. SRINIVASAN
Director

G.BALAKRISHNAN
President & Company Secretary

CONSOLIDATED ACCOUNTS

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

		2011		2010
	Rs.Lakhs	Rs.Lakhs	Rs.Lakhs	Rs.Lakhs
A. Cash flow from operating activities :				
Net Profit before tax and extraordinary items		8797.23		52949.10
Adjusted for :				
Depreciation	25099.45		23445.03	
Provision for Doubtful Debts & Advances	162.18		296.74	
Foreign Exchange	-391.39		-5738.31	
Profit / Loss on Sale of Investments	-2575.66		0.00	
Profit / Loss on Sale of Assets	-37.21		46.41	
Interest Expense	18386.77		19336.83	
Interest Income	-4512.76		-7522.49	
Dividend Income	-940.45		-664.26	
Perquisite value of Employees' stock options	0.00		0.00	
Deferred Revenue Expenditure/Income	0.00	35190.93	1576.00	30775.95
Operating Profit before Working Capital Changes		43988.16		83725.05
Trade and other receivables	1424.98		-10592.69	
Inventories	-8230.80		-7709.07	
Trade payables	10339.29	3533.47	27756.90	9455.14
Cash generated from operations		47521.63		93180.19
Direct Taxes		-3382.36		-14531.09
Cash flow before extra-ordinary items		44139.27		78649.10
Extraordinary items		0.00		0.00
Net Cash from operating activities (A)		44139.27		78649.10
B. Cash flow from investing activities :				
Purchase of Fixed Assets		-86393.72		-103053.96
Sale of Fixed Assets		625.09		669.35
Sale of Investments		21227.13		0.00
Purchase of Investments		-1331.02		-15919.44
Interest received		738.75		3079.09
Dividend received		940.45		664.26
Refund by / advances to Associates and others		-938.18		-4053.20
Net Cash from investing activities (B)		-65131.50		-118613.90

CONSOLIDATED ACCOUNTS

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2011 (Contd.)

	2011 Rs. Lakhs	2010 Rs. Lakhs
C. Cash flow from financing activities :		
Proceeds from issue of share capital	-198.41	28309.98
Dividend paid	-7163.95	-6608.62
Proceeds from long term borrowings	90895.73	93823.62
Repayment of borrowings	-47260.05	-58324.88
Interest paid (net)	-17875.55	-18349.71
Net Cash from financing activities (C)	<u>18397.77</u>	<u>38850.39</u>
Increase / (Decrease) in cash and cash equivalent (A+B+C)	-2594.46	-1114.41
Cash and cash equivalent at the beginning of the year	7683.07	8797.48
Cash and cash equivalent at the close of the year	5088.61	7683.07

Place : Chennai
Date : 30th May, 2011

N.SRINIVASAN
Vice Chairman & Managing Director

R. SRINIVASAN
Joint President (Finance & Accounts)

RUPA GURUNATH
Wholetime Director

G.BALAKRISHNAN
President & Company Secretary

N. SRINIVASAN
Director

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, 2011 and 31st March, 2010 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 : 30th May, 2011

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.
Corporate Office: 'Coromandel Towers', 93, Santhome High Road
Karpagam Avenue, R.A. Puram, Chennai - 600 028.

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 Sixtyfifth Annual General Meeting of the Company to be held at 9.30 A.M on Wednesday, the 24th August 2011 and at any adjournment thereof.

Signed thisday of2011.

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 9.30 a.m. on Monday, the 22nd August 2011.

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.