

**CHETTINAD CEMENT CORPORATION LTD.  
CHENNAI – 600 006.**

**MINUTES OF THE 48<sup>TH</sup> ANNUAL GENERAL MEETING OF THE MEMBERS  
OF THE COMPANY HELD ON TUESDAY, THE 09<sup>TH</sup> AUGUST, 2011 AT "RANI  
SEETHAI HALL", No. 603, ANNA SALAI, CHENNAI – 600 006 AT 10.00 A.M.**

PRESENT : 511 Members (Including 6 Directors)  
2 Proxies

Dr. M.A.M. Ramaswamy, Chairman presided over the meeting.

The Meeting commenced with the Prayer and thereafter, the Chairman directed the Company Secretary to read out the Notice for the 48<sup>th</sup> Annual General Meeting, Directors' Report and the Auditors Report thereon for the year ended 31<sup>st</sup> March, 2011.

The Company Secretary started reading the Notice, and a shareholder present at the meeting informed the Chairman that the Notice, Directors' Report and the Auditors' Report thereon may be taken as read as they have already been circulated to the shareholders.

As suggested by the Shareholder, the Chairman declared that the same be taken as read.

Thereafter, the Chairman addressing the Shareholders, delivered his Speech as follows:

**Ladies and Gentlemen:**

On behalf of the Board of Directors and on my own behalf, I extend a very warm welcome to all of you to the 48<sup>th</sup> Annual General Meeting of the Company. The Notice convening the Meeting, the Directors' Report and Audited Statement of Accounts for the Financial year ended 31<sup>st</sup> March, 2011 have been with you for sometime now and so request your kind permission to take them as read.

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## **CEMENT INDUSTRY**

The previous Financial Year 2010-11 was not a very good year for the Industries Sector, where the Industrial Growth was lagging behind Agriculture. The Story of Cement was no different and for the first time in recent years, the growth in Cement Industry was less than the growth of the Indian Economy which has grown at the 8.5% during the previous financial year.

The Cement despatch during the financial year 2010-11 was 209 Million Tonnes as against 200 Million Tonnes during the financial year 2009-10, the sluggish growth mainly attributable to poor Industrial growth. The real estate market also slackened due to increase in the interest rates of housing loans.

However the Cement companies are bullish about the future and have continued investment in additional capacities, considering the scope for growth in infrastructure and economic development, which is evident from around 14% increase in capacity during the previous year.

The performance of the Cement Industry during the first Quarter of the Current financial year with Production of 42.38 Million Tonnes and Despatches of 42.17 Million Tonnes has been at par with the performance of the previous year.

## **YOUR COMPANY**

The performance of your company has been quite commendable considering the low demand and excess supply phase that the Cement Industry is going through. During the financial year 2010-11, your company achieved a growth of around 14% and 13% respectively in Production and Sale of Cement. But due to poor realization and increasing cost of Raw Materials and Fuel, there has been a 22% decrease in Net Profit.

On the growth and expansion front, your company commissioned its second Cement manufacturing unit with a capacity of 2 Million Tonnes per annum adjacent to its existing Unit at Karikkali Village during the financial year 2010-11 alongwith a Captive Power Plant to cater to its Power requirements.

The company's Greenfield Project at Gulbarga District, Karnataka State, to set up a Cement manufacturing Unit with a capacity of 2.5 Million Tonnes per annum and a Captive Power Plant with a capacity of 30 MW is in a advanced stage of implementation.

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## **OUTLOOK**

Post Global meltdown, Indian economy has been among the most vibrant economies being strong pillar of support to the revival of major world economies. The growth in both Industries sector and Agriculture sector has been quite healthy barring short term sluggishness. The outlook for the Indian economy in the long term future is quite healthy which augurs well for the Cement Industry.

The Cement Industry is currently reeling under excess capacity on one hand and rising trend in Coal and Freight cost on the other. The key remedy for revival of fortunes of the Cement Industry lies in persistent focus of the Government of India on development of Infrastructure and sustained inducement for growth in housing sector.

It is estimated that the requirement of Cement by the end of 11<sup>th</sup> Five Year Plan in 2012 would be to the tune of 300 Million Tonnes per annum. The 12<sup>th</sup> Five Year Plan which aims at double digit growth during the plan period estimates an investment of around ₹40 lakhs crores in development of infrastructure to sustain the economic growth.

As growth in infrastructure development is the main demand driver of Cement Industry, the 12<sup>th</sup> Five Year Plan definitely show great promise for the industry. A healthy economic growth always brings in better standard of living for its citizens which would translate in growth in housing sector, the second demand driver for the Cement Industry.

Your company is best equipped to make the most of the fruits of 12<sup>th</sup> Five Year Plan with its newly added capacities in Ariyalur and Karikkali, and forthcoming Greenfield Cement Plant at Karnataka.

## **ACKNOWLEDGEMENT**

I take this opportunity to thank my colleagues on the Board and the employees of the company at all levels for their unstinted commitment and contribution to the growth and development of the company.

Our sincere thanks to the Shareholders, bankers, financial institutions and all stakeholders for their unstinted support in the best interests of the company.

Thereafter, the Chairman proceeded to take up the subjects included in the Notice and to move the following resolutions for consideration and approval of the shareholders.

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**ORDINARY BUSINESS:**

**ITEM No.1: ADOPTION OF AUDITED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2011, BALANCE SHEET AS AT THAT DATE AND THE REPORTS OF DIRECTORS AND AUDITORS THEREON.**

Dr. M.A.M. Ramaswamy, Chairman proposed the following resolution regarding adoption and approval of the Profit and Loss Account for the year ended 31<sup>st</sup> March, 2011, the Balance Sheet as at that date, and the Reports of the Directors and the Auditors thereon.

**1/2011: "RESOLVED** that the Audited Profit & Loss Account for the year ended 31<sup>st</sup> March, 2011 along with the Balance Sheet as at that date and the Reports of the Directors and the Auditors thereon, be and are hereby approved and adopted".

Thereafter, the Chairman requested the shareholders to raise their views or queries if any, on the Profit and Loss Account for the year ended 31.3.2011 and the Balance Sheet as at that date.

The queries raised were deliberated and duly replied by the Chairman.

Thereafter, the above said resolution was seconded by Sri M. Chockalingam, a Shareholder.

The Chairman put the above resolution to vote and the same was carried unanimously.

**ITEM No.2: RE-APPOINTMENT OF SRI RAMANATHAN PALANIAPPAN AS DIRECTOR.**

Sri R. Vidya Shankar, a Shareholder proposed the following resolution.

**2/2011: "RESOLVED** that **SRI RAMANATHAN PALANIAPPAN** , Director who retires by rotation in accordance with the Articles of Association of the Company and who is eligible for re-appointment, be and is hereby re-appointed as a Director of the Company."

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The above resolution was seconded by Sri V.K. Rama Rao, a Shareholder.

The Chairman put the above resolution to vote and the same was carried unanimously.

**ITEM No.3: RE-APPOINTMENT OF SRI SP.ST. PALANIAPPAN AS DIRECTOR.**

Mr. G. Iyyappan, a Shareholder proposed the following resolution.

**3/2011: "RESOLVED** that **SRI SP.ST. PALANIAPPAN**, Director who retires by rotation in accordance with the Articles of Association of the Company and who is eligible for re-appointment, be and is hereby re - appointed as a Director of the Company."

The above resolution was seconded by Mr. V. Palaniappan, a Shareholder.

The Chairman put the above resolution to vote and it was carried unanimously.

**ITEM No.4: DECLARATION OF DIVIDEND FOR THE YEAR 2010 - 11**

Mr. R. Vidya Shankar, a Shareholder proposed the following resolution.

**4/2011: "RESOLVED** that the Dividend @ Rs.5/- per Equity Share i.e., 50% on the Equity Share Capital of the Company be paid to the Equity Shareholders for the Financial year 2010-11."

The above resolution was seconded by V.K. Rama Rao, a Shareholder.

The Chairman put the above resolution to vote and it was carried unanimously.

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## **ITEM No.5: APPOINTMENT OF STATUTORY AUDITORS**

Mr. B. Srinivasan, a Shareholder proposed the following resolution.

**5/2011: "RESOLVED THAT** M/s P.B. Vijayaraghavan & Co., M/s Krishnaan & Co., and M/s V. Soundararajan & Co., Chartered Accountants, be and are hereby appointed as Auditors of the Company to hold Office from the conclusion of the Forty Eighth Annual General Meeting until the conclusion of the next Annual General Meeting on a remuneration of Rs.2,25,000/- (Rupees Two Lakhs Twenty five thousand only) each, plus applicable Taxes, if any, besides their out of pocket expenses."

The above resolution was seconded by P. Subbiah, a Shareholder.

The Chairman put the above resolution to vote and the same was carried unanimously.

## **VOTE OF THANKS**

The Vote of Thanks was presented by Mr. P. Subbiah, a shareholder of the Company.

Thereafter, the Chairman declared the conclusion of the Meeting.