

# **Ckoramaandel Cements Ltd**

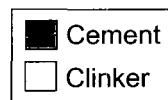
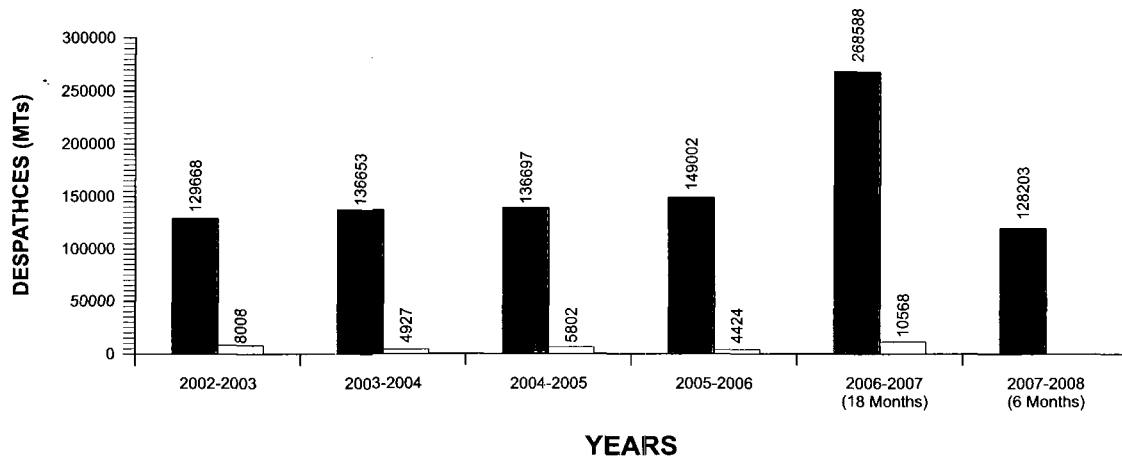
Manufacturers of  
**BHEEMA CEMENTS**  
**SUPER GRADE**  
43 & 53 Grade

## **Annual Report**

2007-2008

(6 Months)

## CEMENT & CLINKER DESPATCHES



**BOARD OF DIRECTORS**

SRI S. CHANDRA MOHAN	CHAIRMAN
CAPT. J. RAMA RAO IN (Retd.)	DIRECTOR
SRI K.R. CHARI	DIRECTOR
SRI S.V. REDDY	DIRECTOR
SRI S. KISHORE CHANDRA	WHOLE TIME DIRECTOR
SRI S.R.B. RAMESH CHANDRA	MANAGING DIRECTOR
SRI K.A.N. SUBBA RAO	COMPANY SECRETARY

**AUDITORS**

A. Rama Chandra Rao & Co.,  
Chartered Accountants  
3-6-369/A/11, Himayatnagar,  
Hyderabad – 500 029.

**COST AUDITORS**

Narasimha Murthy & Co.,  
104, Pavani Estate  
Y.V. Rao Mansion, Himayatnagar,  
Hyderabad – 500 029

**BANKERS**

HDFC Bank  
Axis Bank  
ICICI Bank Limited

**REGISTERED OFFICE**

6-3-652/C/A, Flat 5A,  
KAUTILYA, Amrutha Estates  
Somajiguda,  
Hyderabad – 500 082

**WORKS**

Ramapuram  
Mellacheruvu Mandal,  
Nalgonda Dist.  
ANDHRA PRADESH – 508 246

**NOTICE**

Notice is hereby given that the 29<sup>th</sup> Annual General Meeting of the Company will be held on Wednesday the 24<sup>th</sup> Day of September, 2008 at 10.00 A.M at Conference Hall, Hotel NKM's Grand, 6-3-563/31/1, Taraporewala Lane, Erramanzil, Somajiguda, Hyderabad – 500 082 to transact the following business:

**A. ORDINARY BUSINESS:**

1. To receive, consider, approve and adopt the Audited Profit and Loss Account for the year ended 31<sup>st</sup> March 2008 (Six Months) and Balance sheet and Cash Flow Statement as on that date together with the reports of the Directors' and Auditors' thereon.
2. To appoint M/s. A. Ramachandra Rao & Co., Chartered Accountants, as Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorize the Board to fix their remuneration.
3. To Appoint Director in place of Sri S.V.Reddy who retires by rotation and being eligible, offers himself for re-appointment
4. Declaration of Final Dividend:

“RESOLVED THAT in terms of the recommendation of the Board of Directors of the Company, the approval of the members of the Company be and is hereby accorded for payment of dividend Rs.1/- (Rupees one only) on the fully paid-up Equity Shares of Rs.10/- each of the Company for the year 2007-08 and the same be paid to all the members whose names appear in the Register of Members on 17<sup>th</sup> September, 2008 and in case of the shares held in the electronic mode to those members whose names appear in the records of the Depository participants as on closing hours of 16<sup>th</sup> September, 2008.”

**B. SPECIAL BUSINESS:****5. Issue of Convertible Warrants to Promoters and their Associates on Preferential Allotment Basis:**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to Section 81 (1A) and all other applicable provisions, if any, of the Companies Act, 1956 read with the Memorandum & Articles of Association of the Company and subject to the regulations/rules/guidelines issued by the Securities and Exchange Board of India (SEBI), Listing Agreement entered into with the Stock Exchanges where the shares of the Company are listed and subject to such approvals, consents, permissions and sanctions of all other appropriate and / or concerned authorities and departments, if any, and subject to such conditions and modifications as may be prescribed by any of them in granting such approvals, consents, permissions and sanctions which may be agreed to by the Board of Directors of the Company (hereinafter referred to as “Board” which term shall be deemed to include any Committee constituted / to be constituted by the Board to exercise its powers conferred by this Resolution), which the Board be and is hereby authorised to accept, if it thinks fit in the interest of the Company, the consent of the Company be and is hereby



accorded to the Board to offer, issue, allot and deliver 20,00,000 (Twenty Lakhs only) warrants on preferential basis in one or more trenches, convertible into 20,00,000 equity shares of the Company of the face value of Rs.10/- each, for cash which shall upon conversion rank pari-passu with the existing equity shares of the Company, in such form and manner and upon such terms and conditions as the Board may in its absolute discretion deem fit, at a price of Rs.240/- (Rupees Two Hundred and Forty only) each including premium of Rs.230/- (Two Hundred and Thirty only), which has been fixed as required under Clause 13.1.1 of SEBI (Disclosure and Investor Protection) Guidelines, 2000 to the following Promoters:

SI No.	Name of the Proposed Allottees	No. of Warrants to be allotted
1	S.R.B.Ramesh Chandra	6,66,666
2	S.Chandra Mohan	6,66,667
3	S.Kishore Chandra	6,66,667
	<b>TOTAL</b>	<b>20,00,000</b>

**"RESOLVED FURTHER THAT-**

- each warrant be convertible into one equity share can be exercised at any time within a period of 18 months from the date of allotment of such Warrants and on such other terms and conditions, subject to SEBI (Disclosure and Investor Protection) Guidelines, 2000, as may be applicable, from time to time.
- the aforementioned allottees shall have to pay a minimum 10% of the share offer price i.e. Rs.24/- per share as application money towards the warrants.
- The amount paid on issue of warrants shall be forfeited if the warrant holders does not exercise option within a period of 18 months from the date of issue of warrants.

Equity Shares to be issued and allotted by the Company on exercising of the option against the warrants shall rank pari passu in all respects with the then existing fully paid-up Equity Shares of the Company.

"RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things as may be necessary to give effect to this resolution and accept any alteration(s) or amendment(s) or corrections including change in the proposed allottees as they may deem fit and appropriate and give such directions/instructions as may be necessary to settle any questions, difficulties or doubts that may arise in regard to the offer, issue or allotment of the said securities and also to seek listing of such securities at the Stock Exchanges where the existing securities are listed."

**6. Change of Name of the Company:**

To consider and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:



"Resolved that subject to the approval of the Central Government, pursuant to Sec.21 of the Companies Act, 1956, the name of the Company be changed from CKORAMAANDEL CEMENTS LIMITED to **"BHEEMA CEMENTS LIMITED,"** and that wherever the name CKORAMAANDEL CEMENTS LIMITED appears in Memorandum and Articles be substituted by BHEEMA CEMENTS LIMITED."

#### **7. Issue of Shares under the Employee Stock Option Scheme 2008:**

To consider and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to section 81(1A) and all other applicable provisions of the Companies Act, 1956 ("the Act"), the provisions contained in the Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 ("the Guidelines") (including any statutory amendments, modification or reenactment to the Act or the Guidelines for the time being in force) read with the Articles of Association of the Company and subject to such approvals \ permissions, sanctions and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, approval and consent of the Company be and is hereby accorded to the Board of directors (hereinafter referred to as "the Board" which terms shall be deemed to include any Committee of Directors constituted for the purpose), to the proposed ESOS Scheme, 2008 and to create, offer, issue and allot in one or more tranches under the said proposed ESOS Scheme, 2008 at any time to or for the benefit of employees, whole Time Directors or any other persons as mentioned in the ESOS Scheme 2008 of the Company such number of equity shares of the Company, initially not exceeding 10,00,000 equity shares of the nominal value of Rs. 10/- each, at such price and on such terms and conditions as may be fixed or determined by the Board or by ESOS Compensation Committee in accordance with the Guidelines or other applicable provisions of any law as may be prevailing at that time."

"RESOLVED FURTHER THAT the Board or ESOS Compensation Committee be and is hereby authorised to formulate, evolve, decide upon and bring into effect any Scheme (hereinafter referred to as "the ESOS Scheme, 2008") on such terms and conditions as contained in the relevant Explanatory Statement to this notice and to make any modification(s), change(s), variation(s), alteration(s) or revision(s) in the terms and conditions of the scheme from time to time including but not limited to amendments with respect to vesting period, exercise price, eligibility criteria, vesting schedule or to suspend, withdraw or revive the ESOS Scheme, 2008."

By order of the Board

For **CKORAMAANDEL CEMENTS LIMITED**

Sd/-

Place: Hyderabad

K.A.N. SUBBA RAO

Date: 23<sup>rd</sup> August, 2008

Company Secretary

**NOTES**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. THE PROXIES, SHOULD HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE COMMENCEMENT OF THE MEETING.**
2. The Share Transfer Books of the company shall remain closed from 17<sup>th</sup> September, 2008 to 24<sup>th</sup> September 2008 (both days inclusive).
3. Dividend of Rs.1/- per Equity Share as recommended by the Board of Directors, if declared by the Company at the meeting, will be paid subject to the provisions of Section 205A of the Companies Act, 1956, to those shareholders whose names appear on the Register of Members of the Company as on closing hours of 16<sup>th</sup> September, 2008 or to their mandates, to the extent eligible, and also to the beneficial owners of equity shares held in electronic form on the same date as per the details furnished by the Depositories for this purpose.
4. The Securities and Exchange Board of India (SEBI) and the Department of Company Affairs have made it mandatory for all the listed companies to offer Electronic Clearing Service (ECS) facilities for payment of dividend, wherever applicable. This facility offers various benefits like timely credit of dividend to the shareholders' account, elimination of loss of instruments in transit or fraudulent encashment etc. Currently, the facility is available at locations specified by RBI. In case of shareholders staying at locations not currently covered by ECS, the bank account details will be used for suffixing along with the name of the shareholder on the Dividend Warrant. In view of the above:
  - i. Shareholders holding shares in Physical Form and desirous of availing the facility are requested to complete the ECS Form attached to this Annual Report and forward the same to the Company at its registered address.
  - ii. Shareholders holding shares in Dematerialised Form are requested to provide the Bank details to their Depository participants for incorporation in their records. The Depository in turn would also forward the required information to the Company.
5. Members desiring any information are requested to write to the Company at its Registered Office, 6-3-652/C/A, Flat 5A, KAUTILYA, Amrutha Estates, Somajiguda, Hyderabad – 500 082 well in advance of the date of the Annual General Meeting to enable the Management to keep the information ready.
6. Members are requested to bring their copies of Annual Report to the Annual General Meeting.
7. Members/Proxies should bring the attendance slip sent here with duly filled in for attending the Meeting.



**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.**

**Item No .5: Issue of Convertible Warrants to Promoters and their Associates on Preferential Allotment Basis:**

Your company is modernizing its technology and enhancing its production capacity in two phases. In 1<sup>st</sup> phase the capacity will be enhanced to 0.9 Million Tons. Total financial tie-up has been completed for this 1<sup>st</sup> phase of expansion and the work is going on. The first phase of expansion will be completed tentatively by March, 2009. The 2<sup>nd</sup> phase of expansion is for an additional capacity of 1.5 Million Tons. With this addition, the capacity stands enhanced to 2.4 Million Tons.

Hence to meet the contingencies in Phase I of the Expansion Project and to meet partly the Margin Money Requirement of Phase II Expansion Project, it is proposed to issue 20,00,000 Convertible Warrants of Rs.10/- each at a premium of Rs.230/- each convertible into 20,00,000 equity shares at a later date as per the SEBI Guidelines to the promoters and their associates as per preferential allotment basis.

The information as required under Clause 13.1A of the SEBI (Disclosure and Investor Protection) Guidelines 2000 for the preferential issue are as under:

**a) Object of Issue**

The objects of the proposed issue of warrants is to augment resources to part finance the modernization and expansion of Company's operations and for other corporate purposes.

**b) Intention of the Promoters/Directors/Key Management persons to subscribe to the offer:**

The proposed issue of 20,00,000 Convertible Warrants to be converted into Equal Number of equity shares within 18 months from the date of allotment are being offered to Mr. S.R.B. Ramesh Chandra, Managing Director, Mr. S. Chandra Mohan, Chairman and Mr. S. Kishore Chandra, Wholetime Director and their Associates.

**c) Shareholding pattern before and after issue of warrants to be converted into equity shares within 18 months from the date of allotment of the warrants**

Category	Pre - Issue		Post - Issue	
	No. of shares held	% of share holding	No. of shares held	% of share holding
<b>A) Promoter's Holding</b>				
1) Promoters				
- Indian Promoters	1,65,89,676	74.45	1,65,89,676	74.45
- Foreign Promoters				
2) Persons acting in concert	—	—	—	—
<b>Sub Total</b>	<b>1,65,89,676</b>	<b>74.45</b>	<b>1,65,89,676</b>	<b>74.45</b>
<b>B) Non-Promoters Holding</b>				
3) Corporate Bodies & Indian Public	56,94,151	25.55	56,94,151	25.55
<b>Sub Total (B)</b>	<b>56,94,151</b>	<b>25.55</b>	<b>56,94,151</b>	<b>25.55</b>
<b>Total (A+B)</b>	<b>2,22,83,827</b>	<b>100.00</b>	<b>2,22,83,827</b>	<b>100.00</b>



**Note:**

- i) The above table has been prepared on the basis of shareholding pattern as on 19th August, 2008.
- ii) The Company proposes to issue Convertible Warrants and hence warrants were not considered for arriving at post issue shareholding pattern.
- iii) The Company will comply with the relevant SEBI (Disclosure and Investor Protection) Guidelines 2000 and Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 at the time of exercising the option by the allottees.
- iii) Promoters and Persons Acting in concert have informed the Company that they would be subscribing the proposed warrants subject to the provision of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997.

**d) Proposed time within which the allotment shall be completed**

Subject to approval from the relevant authorities the Allotment of Warrants shall be completed within 15 days from 24<sup>th</sup> September, 2008 being the date of the Meeting of the Members of the Company in accordance with the guidelines stipulated under SEBI (Disclosure and Investor Protection) Guidelines, 2000 as applicable from time to time.

**e) Identity of proposed allottees of Warrants on preferential basis and the percentage of the post issue capital that may be held by them.**

All the proposed allottees are the Promoter Directors of the Company.

S. No.	Name of the Allottee	Shares held presently	% of pre preferential holding	Shares held after the issue	% of post preferential holding
1.	S.R.B. Ramesh Chandra, Managing Director	48,81,868	21.91	48,81,868	21.91
2.	S. Chandra Mohan, Chairman	47,65,937	21.39	47,65,937	21.39
3.	S. Kishore Chandra, Wholetime Director	50,39,856	22.62	50,39,856	22.62
	<b>Total</b>	<b>1,46,87,661</b>	<b>65.91</b>	<b>1,46,87,661</b>	<b>65.91</b>

- Note: i) The Company proposes to issue Convertible Warrants and hence warrants were not considered for arriving at post issue shareholding percentage.
- ii) The Company will comply with the relevant SEBI (Disclosure and Investor Protection) Guidelines 2000 and Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 at the time exercising the option by the allottees.

**f) Change in the Composition of the Board of Directors and Control of the Company**

There will not be any change in the composition of the Board of Directors and the control of the Company on account of the proposed preferential allotment. But there will be a corresponding change in the shareholding patterns as well as voting rights consequent to the preferential allotment after exercising the option.



**g) Non transferability of the Securities**

The Warrants issued and allotted on a preferential basis hereunder will be subject to lock in as per the SEBI guidelines on Preferential Issues

**h) Relevant Date:**

The Relevant Date for the purpose of determining the issue price of the Equity shares as required under Clause 13.1.1 of the SEBI (Disclosure and Investor Protection) Guidelines 2000 is 25<sup>th</sup> August, 2008 which is the date 30 days prior to the date of this meeting of the Members of the Company.

**i) Price at which allotment is proposed**

The price has been fixed in accordance with the guidelines stipulated under SEBI (Disclosure and Investor Protection) Guidelines, 2000 as applicable from time to time.

As per Section 81 (1A) of the Companies Act 1956, approval of the shareholders in the General Meeting is required for the issue of the Convertible warrants by way of preferential allotment as stated in the resolution. Hence consent of the shareholders by way of special resolution is being sought in this regard.

Mr. S.R.B. Ramesh Chandra, Managing Director, Mr. S. Chandra Mohan, Chairman and Mr. S. Kishore Chandra, Wholetime Director being the proposed allottees and relatives are considered to be interested in the proposed resolution.

The Board of Directors recommends this resolution for your approval as a special Resolution.

None of the Directors are concerned or interested in the said resolution except to the extent of their respective shareholdings, if any, in the company.

**Item No. 6: Change of Name of the Company:**

You are aware that your company is manufacturing and selling Cement under the name and style "BHEEMA CEMENTS". It is now proposed to change the name of the Company as "BHEEMA CEMENTS LIMITED" to correlate and represent name of the Company with the Brand of Cement manufactured by the company and further consolidate the brand image.

The name was allowed by ROC vide SRN No. A43367721.

The Board of Directors recommends this resolution for your approval as a special Resolution.

None of the Directors are concerned or interested in the said resolution.

**Item No. 7: Issue of Shares under the Employee Stock Option Scheme 2008:**

Your company has always believed in rewarding its employees for their continuous hard work, dedication and support, which has led the Company on a growth path. To enable more and more employees to enjoy the fruits of the phenomenal growth that the Company has witnessed in the recent past it is proposed to implement ESOS Scheme. The main objective of the Scheme is to give employees who are performing well, a



certain minimum opportunity to gain from the Company's performance thereby acting as a retention and wealth creating tool and to attract best talent available in the market. Stock Options have long been recognized internationally, as an effective instrument, to align the interest of employees with those of the Company and its shareholders, providing an opportunity to employees to participate in the growth of the Company, and to create long-term wealth in the hands of employees. Stock Options create a common platform of ownership between the Company and its employees, paving the way for a unified approach to the common objective of enhancing overall shareholders value. The Board therefore proposed to evolve an Employee Stock Option Scheme (hereinafter referred to as "the ESOS Scheme, 2008" for the benefits of permanent employees and directors of the Company.

The following is the explanatory statement, which sets out the various disclosures as required by Clause 6 of the Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 (hereinafter referred to as "the Guidelines"). The salient features of the ESOS Scheme are as under:

**(A) Total number of options to be granted**

- (a) The total number of options to be granted under this scheme initially shall not exceed 10,00,000 equity shares of the nominal value of Rs.10/- each of the Company.
- (b) The Board may with the approval of the Shareholders increase the maximum number of options under the ESOS Scheme, 2008 at any time.
- (c) One option entitles the holder of the options to apply for one equity share of the Company.

**(B) Identification of classes of employees entitled to participate in the ESOS**

- (a) The employees of the Company.
- (b) Employees,—
  - (i) who are either promoter or belong to promoter group as defined in the Guidelines; or
  - (ii) holding 10% of the outstanding share capital of the Company's equity Share capital at any time after the commencement of this Scheme, will not be eligible for grant of options under this Scheme.

**(C) Requirements of vesting, period of vesting and maximum period of vesting:**

- (a) There shall be a minimum period of one year between the grant of options and vesting of options.
- (b) The vesting period may extend upto 5 years.



(c) The vesting shall happen in one or more tranches as may be decided by the ESOS Compensation Committee.

**(D) Exercise Price or Pricing Formula**

The exercise price for the purposes of the grant of options will be decided by the ESOS Compensation Committee, provided that the Exercise Price per option shall not be less than the par value of the equity share of the Company and shall not be more than the price prescribed under Chapter XIII of SEBI (Disclosure and Investor Protection) Guidelines, 2000. Relevant Date being the date of grant

**(E) Exercise Period and the Process of Exercise**

(a) Exercise period will commence from the vesting date and extend upto the expiry period of the options as decided by the ESOS Compensation Committee.

(b) The Options will be exercisable by employees by a written application to the designated officer of the Company to exercise the Options, in such manner, and on execution of such documents, as may be prescribed by the ESOS Compensation Committee under the Scheme

(c) The options will lapse if not exercised within the specified exercise period.

**(F) Appraisal Process for determining the eligibility of employees to the ESOS Scheme:**

(a) The Company has a formal performance appraisal system established wherein the performance of the employees is assessed each year on the basis of various functional and managerial parameters. The appraisal process is revised at regular intervals as per emerging global standards.

(b) Employees would be granted Stock Options based on performance linked parameters such as work performance, technical knowledge, period of service, designation and such other parameters as may be decided by the ESOS Compensation Committee from time to time.

(c) The ESOS Compensation Committee may at its discretion extend the benefits of the ESOS Scheme, 2008 to a new entrant or any existing employee on such other basis as it may deem fit.

**(G) Maximum number of options to be issued per employee and in aggregate**

(a) The maximum number of options to be granted to each employee will depend upon the rank/designation of the employee as on the date of grant of options.

(b) The aggregate number of options to be granted under this Scheme shall not exceed initially 10,00,000 equity shares of the nominal value of Rs.10/- each..



(c) The ESOS Compensation Committee shall decide on the number of options to be granted to each employee within this limit.

**(H) Accounting Methods**

The Company shall conform to the accounting policies specified in Clause 13.1 of the Guidelines, and/or such other guidelines as may be applicable, from time to time.

**(I) Method of valuation of these options**

The Company shall use the fair value method for valuation of the options.

Clause 6 of the ESOP Guidelines requires that any ESOS Scheme for offering stock options to the employees of the Company must be approved by the shareholders by way of a special resolution. Furthermore, as the Scheme will entail further shares to be offered to person other than existing shareholders of the Company, consent of the members is required by way of a special resolution pursuant to the provisions of section 81(1A) of the Companies Act, 1956.

Accordingly the resolution is being placed for the approval of shareholders pursuant to the provisions of section 81(1A) of the Companies Act and Clause 6 of the ESOS Guidelines and all other applicable provisions of law for the time being in force.

The Board of Directors recommends the Special Resolutions for the approval of the Members.

None of the Directors of the Company is, in any way, concerned or interested in the resolution, except to the extent of the Shares that may be offered to him/her under the Scheme.

By order of the Board  
For CKORAMAANDEL CEMENTS LIMITED  
Sd/-

K.A.N. SUBBA RAO  
Company Secretary

Place: Hyderabad  
Date: 23<sup>rd</sup> August, 2008



## DIRECTORS' REPORT

Your Directors have pleasure in presenting the 29<sup>th</sup> Annual Report together with the Audited Statement of Accounts of your Company for the year ended 31<sup>st</sup> March, 2008. (Six Months)

## CORPORATE RESULTS

The Financial highlights for the year under review are given below: (Rs. In Lacs)

	2007-08 (6 Months)	2006-07 (18 Months)
Sales and Other Income	4189.09	8170.41
EBITA	1232.55	1852.16
Interest	215.03	303.10
Depreciation	107.32	140.20
<b>Profit Before Tax</b>	<b>910.20</b>	<b>1408.86</b>
Provision for Tax*	*586.09	*223.08
<b>Profit After Tax</b>	<b>324.11</b>	<b>1185.83</b>
Net Worth**	**15282.49	2288.41

\* Includes Provision for Fringe Benefit Tax and Deferred Tax

\*\* Includes Mineral Capitalization Reserve of Rs. 12930.68 Lacs.

Your Directors as may be noted by the Members with reference to the Notes 1 & 3 in Schedule R read with Note 3 in Schedule S to the Audited Statement of Accounts for the year, have considered it appropriate and decided to recognize, in the said accounts, the value of (limestone) minerals during the year. This was done in the circumstances and the manner as enunciated in the said notes. In the opinion of your Directors, your company has exclusive rights to excavate and use the minerals in its production and hence it should recognize the value of such minerals as an asset in the accounts. Accordingly we have recognized a total amount of Rs. 129,30,67,619/- as an asset in the annual accounts. Further, in the opinion of Your Directors, the recognition would enhance the shareholders value in the company.

## OPERATIONS

Your Directors are glad to report that the Company has maintained satisfactory Production and Sales levels. During the year the Company achieved production of **1,28,322 MTs** (Six Months) of Cement (Previous year 2,67,968 MTs 18months) and sold **1,28,203 MTs** (Six Months) (Previous year 2,68,588 MTs 18months) and the Company has produced **90,048 MTs** (Six Months) Clinker during the year (previous year 2,38,594 MTs 18 Months.)

The company is modernizing and expanding its plant in two phases for enhancing its production capacity. In 1<sup>st</sup> phase the capacity will be enhanced to 0.9 Million Tons. Total financial tie-up has been completed for this 1<sup>st</sup> of expansion and the work is going on. The first phase of expansion will be completed tentatively by March, 2009. The 2<sup>nd</sup> phase of expansion is for an additional capacity of 1.5 Million Tons. With this addition, the capacity will stand enhanced to 2.4 Million Tons.

**DIVIDEND**

Your Directors are pleased to recommend a dividend of Rs. 1/- per Equity Shares of the Company for the Year ended 31<sup>st</sup> March, 2008.

**BONUS ISSUE**

During the year under review your Company has issued Bonus Shares in the ratio of 7:4 i.e Seven Equity shares of Rs. 10/- each for every Four Equity share of Rs. 10/- each on 14.02.08 for which the members gave their approval in the Annual General Meeting held on 31.12.07. The said shares were admitted to dealings on the Bombay Stock Exchange Limited on 08.04.2008.

**FUTURE OUTLOOK**

The Governments both at Centre as well at the State continue to patronize Infrastructure, Housing and Agriculture sectors, which they believe in generating employment and investment opportunities and thereby spiraling economic growth and employment. The thrust to the agrarian sector results in employment generation in rural areas. The Governments continue to give a thrust to irrigation, roads, metro rail, housing, ports and related infrastructural areas. This spells a huge demand for the cement consumption and also augurs well for your Company. The Company is gearing itself to rise to these challenges by expanding its cement manufacturing capacities.

**DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to the provisions of Section 217 (2AA) of the Companies Act, 1956 the Board of Directors state:

- i) that in preparation of the Annual Accounts, applicable accounting standards have been followed and there were no material departures there from except as otherwise explained in the notes to accounts.
- ii) that the directors have selected such accounting policies and adopted them consistently, *except as stated in the notes on accounts*, 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 on 31<sup>st</sup> March, 2008 (6 months) and Profit & Loss account of the company for the year ended 31<sup>st</sup> March, 2008 (6 months). *The auditors comments in this regard are self explanatory*
- iii) that the directors have taken proper and sufficient care 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:
- iv) the accounts were prepared on a going concern basis.

**DIRECTORS**

Sri S.V.Reddy retires by rotation and being eligible, offers himself for re-appointment.



### AUDITORS

A. Ramachandra Rao & Co., Chartered Accountants, Auditors of the Company retires at the conclusion of this Annual General Meeting and they are eligible for re-appointment.

### COST AUDITORS

The Central Government prescribed the appointment of Cost Auditor under Sec. 233B of the Companies Act 1956 and M/s DZR & Co., Cost Accountants are appointed as Cost Auditors for the Financial Year 2008-09

### PARTICULARS OF EMPLOYEES

The information required under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of employees) Rules, 1975 as amended is as follows:

Name	Age	Qualification	Designation	Date of Commencement	Years of experience	Remuneration	Previous Employment
Venkata Vasudev	40	B.E. (Civil) M.B.A	President	01-04-2004	17	Rs.12,31,631/-	Vice President IMAP Technologies Limited

### ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Additional information on Conservation of Energy, Technology absorption, Foreign Exchange earnings and out go as required to be disclosed in terms of 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 is annexed thereto (Annexure-I) and forms part of this report.

### HUMAN RESOURCES

Your Company adopts an open door policy to promote better working environment for all employees.

Your Company has been holding monthly meetings at factory for the last 10 years where the Management interacts with all the employees which forges a good employer employee relation and also provides to air their views for achieving better results. This has led to increased employee participation for better productivity and congenial environment at work.

Since the date of incorporation your Company has not lost a single day of work due to industrial strike. The industrial relations during the year were harmonious. Your Directors wish to place on record the co-operation extended by Employees in achieving the objectives of your Company.





### **CORPORATE COMMITMENT TO THE COMMUNITY**

Your Company has always been a responsible corporate citizen and has made significant contributions towards community development. Your Company supports various social causes by providing drinking water, basic medical facilities and minimum education to the people in the adjoining villages. Your Company takes active interest in environmental issues and is continually making efforts to make eco-friendly zone. Your Company has also been assisting the surrounding community with primary health and veterinary programs.

### **ACHIEVEMENTS**

Your Company was a proud recipient of the highest rating in the ranking of India's top 500 manufacturing Small & Mid Sized Company rating.

### **ACKNOWLEDGEMENTS**

Your Directors would like to express their grateful appreciation and sincere thanks to the Centurion Bank of Punjab (Now HDFC Bank), AXIS Bank and ICICI Bank, various Departments of Central and State Governments for their valuable guidance and assistance extended during the year under review. Your Directors would like to thank all the Share Holders, Dealers and Consumers for the confidence reposed in the Company and its management. Your Directors wish to place on record the deep sense of appreciation of the devoted services rendered by the Executives, Staff and Workers of the Company at all levels.

Place: Hyderabad  
Date: 19<sup>th</sup> August, 2008

For and on behalf of the Board

Sd/-

**S.R.B.RAMESH CHANDRA**  
MANAGING DIRECTOR

Sd/-

**S.KISHORE CHANDRA**  
WHOLE TIME DIRECTOR

**ANNEXURE TO DIRECTORS' REPORT****ANNEXURE – I**

Disclosure of particulars with respect to conservation of Energy, Technology absorption and Foreign Exchange earnings and outgo as required under Companies (Disclosure of particulars in the Board of Directors' Report) Rules, 1988.

**A. Conservation of Energy****a. Energy Conservation Methods adopted :**

Conservation of energy continues to be accorded with priority. Efforts are being made in monitoring, on a continuous basis, for energy conservation.

**b. Additional Investments and proposals, if any, being implemented for reduction of consumption of energy.**

The Company has identified the following areas where there was ample scope for energy conservation and carried out modernization..

1. We replaced one cyclone with New LP cyclone in our existing Pre-Heater in order to bring down the pressure drop across the Pre-Heater. We have also added additional cyclone at stage 4 to the existing cyclone.
2. We have improved the blending efficiency and produced more blended cement.

**c. By implementing the above mentioned two measures the Company is achieving considerable savings in Energy consumptions.****d. The total energy consumption and energy consumption per unit of production:**

The above information is given in the prescribed Form – A annexed.

**B. Technology Absorption**

Particulars are given in Form "B" annexed:

**C. Foreign Exchange savings and outgo****a. Activities relating to exports, initiatives taken to increase export, development of new export market for production & services and export plans.**

The company presently is not envisaging any export market for production & services and export plans.

**b. Total foreign exchange used : Rs. 2,85,17,746/-**



**FORM - A**  
(See Rule - 2)  
**FORM OF DISCLOSURE OF PARTICULARS WITH RESPECT TO  
CONSERVATION OF ENERGY**

	For the year ended 31-03-2008 (Six Months)	For the year ended 30-09-2007 (EighteenMonths)
<b>A POWER AND FUEL CONSUMPTION</b>		
1. Electricity:		
a. Purchased Units (Nos)	90,72,614	2,54,86,873
Amount (Rs)	3,00,72,143	8,66,71,728
Rate/Unit (Rs)	3.31	3.40
b. Own Generation		
i) Through Diesel Generator (unit/Nos)	38,584	44,640
Units per Ltr.of Diesel Oil	3.64	3.56
Cost/Unit (Rs.)	10.29	9.38
ii) Through Steam Turbine Generator Unit per Liter.of Fuel Oil/Gas Cost/Unit (Rs)	—	—
2. Fuel:		
Coal used in Kiln		
Quantity (MTs)	18,931	49,477
Total Cost (Rs.)	5,30,38,550	11,48,52,100
Average Rate (Rs)	2801.68	2321.32
3. Furnace Oil	—	—
4. Others/Internal Generation	—	—
<b>B CONSUMPTION PER UNIT OF PRODUCTION</b>		
Standard Production (With details)	OPC & PPC	OPC & PPC
Electricity (Units/Ton of Cement)	71.84	88.76
Coal (% on Clinker)	21.02	20.74

**FORM - B**  
(See Rule-2)  
**FORM OF DISCLOSURE OF PARTICULARS WITH  
RESPECT TO TECHNOLOGY ABSORPTION**

**RESEARCH AND DEVELOPMENT (R&D) : NIL**  
**TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION :**

The company has made several efforts to bring down Power and Coal Consumptions.



## REPORT ON CORPORATE GOVERNANCE

### 1. Company's Philosophy on Corporate Governance

The Company philosophy on the code of Corporate Governance is:

- (i) To ensure that adequate control system exists to enable the board to effectively discharge its responsibility to all the shareholders of the company.
- (ii) To ensure that the decision making process is fair and transparent.
- (iii) To ensure that the fullest commitment of the Management and the board to the maximization of shareholders value.
- (iv) To ensure that the employees of the company subscribe to the corporate values and apply them in their conduct and to ensure that the company follows globally recognized Corporate Governance practices.

### 2. Board of Directors:

- (i) Composition : the details of composition and categories of Directors are :

Name	Category	Designation held	No. of Meetings Attended	No. of Meetings Last AGM (Y/N)	Whether Attended	No. of Directorships In other Boards	No. of Memberships In other committees
Sri S.Chandra Mohan	Executive Director	Chairman	5	5	Yes	Nil	Nil
Sri S.R.B.Ramesh Chandra	Executive Director	Managing Director	5	5	Yes	Nil	Nil
Sri S.Kishore Chandra	Executive Director	Whole time Director	5	2	Yes	Nil	Nil
Capt J.Rama Rao	Independent	Non Executive	5	5	No	Nil	Nil
Sri S.V.Reddy	Independent	Non Executive	5	5	Yes	1	1
Sri K.R.Chari	Independent	Non Executive	5	3	Yes	Nil	Nil

### Meeting of Board of Directors

During the Financial year 2007-08 Board of Directors met on the following dates: 31<sup>st</sup> October, 2007, 30<sup>th</sup> November, 2007, 7<sup>th</sup> January, 2008, 31<sup>st</sup> January, 2008 & 14<sup>th</sup> February, 2008.



### 3. Audit committee:

As a measure of good Corporate Governance and to provide assistance to the Board of Directors in fulfilling the Board's oversight responsibilities, an Audit Committee has been constituted consisting of two Independent Directors and one Executive Director as Sub-Committee to the Board and considers the terms of reference as stipulated under Clause 49 of the Listing Agreement :

**Composition and other details :** The Audit Committee of the Company was constituted with two Independent Directors and one Executive Director viz.,

Chairman	-	Sri. K.R.Chari	-	Independent Director
Member	-	Sri S.V.Reddy	-	Independent Director
Member	-	Sri S.Chandra Mohan	-	Promoter & Executive Director

During the year the Audit Committee met 3 times on the following Dates:

31<sup>st</sup> October, 2007

30<sup>th</sup> November, 2007 &

31<sup>st</sup> January, 2008

Attendance of the Directors in the Audit Committee Meeting:

Name of the Director	No. of Meetings held	No. of Meetings attended
Sri K.R.Chari	3	3
Sri S.V.Reddy	3	3
Chandra Mohan	3	3

### 4. Remuneration Committee:

a) Composition, Name of the Chairman and members:

Sri K.R.Chari  
Sri S.V.Reddy  
Sri S.Chandra Mohan

b) The Terms of reference stipulated by the Board to the Remuneration Committee:

To formulate a remuneration policy and approve the remuneration or revise the remuneration payable to the Managing/Whole Time Directors, The remuneration policy of the Company is directed towards motivating and retaining the senior officers of the Company by rewarding performance.

c) Attendance during the year:

The Remuneration Committee had met on 31<sup>st</sup> January, 2008 and all the members of the Committee was present at the meeting.



#### 4. Share Holders / Investors Grievance Committee

a. **Constitution:** The share holder's grievance committee was constituted by the Board of Directors in accordance with the requirement of clause 49 of the listing agreement.

b. **Composition:** The composition of the Committee is as follows:

Chariman-	Sri S.R.B.Ramesh Chandra	-	Managing Director
Member -	Sri S.Chandra Mohan	-	Executive Chairman
Member -	Sri S.Kishore Chandra	-	Whole Time Director

c. **Functions:** The functions of the committee are as follows: oversees

- (i) Share Transfer with in stipulated time.
- (ii) Non-receipt of Dividends, if any.
- (iii) To consider Replacement of lost/ stolen/ mutilated share certificates.
- (iv) Non-receipt of rights/ bonus / share certificates.
- (v) Other related issues.

Investor Grievances received during the year 2007-08 - NIL

#### 5. GENERAL BODY MEETINGS

a. Details of Location and Time of holding the last three Annual General Meetings.

Date	Venue	Time	No. of Special resolutions
September 28, 2005	Hotel NKM's Grand, Erramanzil Colony, Hyd	9.45 AM	2
September 29, 2006	Hotel NKM's Grand Erramanzil Colony, Hyd	10.00 AM	Nil
December 31, 2007	Hotel NKM's Grand Erramanzil Colony, Hyd	10.00 AM	1

#### 6. DISCLOSURES

(a) **RELATED PARTY TRANSACTIONS:** The Company has no related party transactions during the year 2007-2008 .

(b) **COMPLIANCE BY THE COMPANY:** The Company has complied with the requirements of the Stock Exchange, Securities Exchange Board of India (SEBI) and other Statutory authorities on all matters related to capital markets during the last three years; no penalties, strictures have been imposed on the company by the Stock Exchange or Securities Exchange Board of India (SEBI) or any other Statutory authorities relating to the above.



## 7. MEANS OF COMMUNICATION:

- a. In compliance with the requirements of Listing Agreement, the Company regularly intimates Un-audited as well as Audited financial results to the Stock Exchange immediately after they are taken on record by the Board. These financial results are normally published in the Times of India, Andhra Prabha and Eenadu (Telugu) Newspaper.
- b. The Management Discussion and Analysis Report is part of this Annual Report

## 8. GENERAL SHAREHOLDERS INFORMATION:

### (a) Annual General Meeting :

Date & Time : 24<sup>th</sup> September, 2008 at 10.00 AM

Venue : Conference Hall, Hotel NKM's Grand, Erramanzil,  
Somajiguda, Hyderabad

- (b) Tentative calendar of events for the Financial Year 2008-09 (April - March) is given below:

### (i) Un-audited Financial Results:

For the Quarter ending on 30<sup>th</sup> June, 2008 - July, 2008

For the Quarter ending on 30<sup>th</sup> Sept, 2008 - October, 2008

For the Quarter ending on 31<sup>st</sup> Dec, 2008 - January, 2009

For the Quarter ending on 31<sup>st</sup> Mar, 2009 - April, 2009

### (ii) Financial year - April - March

- (c) Date of Book Closure : 17<sup>th</sup> September, 2008 to 24<sup>th</sup> September, 2008 (both days inclusive)

- (d) Listing on Stock Exchange : The Equity Shares of the company are listed on the following Stock Exchange:

The Bombay Stock Exchange, Mumbai,  
Phiroze Jeejeebhoy Towers  
Dalal Street, Mumbai- 400 001.

### (e) STOCK CODES :

B.S.E CODE NO : 518017

ID ON HOS : 1480

- (f) ISIN Number for NSDL & CDSL:INE333H01012



(g) Registrars & Transfer Agents : Share Transfers & Communication regarding Share Certificates and Change of address etc.

M/s BIGSHARE SERVICES PRIVATE LIMITED  
G-10, Left Wing, Amrutha Ville, Opp: Yashoda Hospital, Somajiguda, Rajbhavan Road, Hyderabad – 500 082

Phone: +91-40-23374967 Fax: +91-40-23370295  
E-mail ID: [hyd2\\_bigshare@yahoo.com](mailto:hyd2_bigshare@yahoo.com)

(h) The listing fee for the year 2008-09 has been paid to all the Stock Exchanges where the Company's shares are listed.

(i) Outstanding GDRs/ADRs/Warrants or any Convertible instruments conversion date & likely impact on equity:

The Company has not issued any of these instruments till date.

(j) Pursuant to the Guide lines issued by the Securities and Exchange Board of India vide Circular no.D&CC/FITTC/CIR-15/2002 dated 27<sup>th</sup> December, 2002 regarding 'Appointment of Common Agency' for share registry work, the Board of Directors have appointed M/s BIGSHARE SERVICES PRIVATE LIMITED, as Share Transfer Agents.

(k) Distribution of Shareholding as on 31<sup>st</sup> March, 2008

Share holding of Nominal value (Rs.)	Number of Shareholders	%	Number of shares	
Upto 5000	563	53.88	141718	0.64
5001-10000	248	23.73	155973	0.70
10001-20000	111	10.62	151424	0.68
20001-30000	42	4.02	114512	0.51
30001-40000	4	0.38	13800	0.06
40001-50000	5	0.48	22925	0.10
50001-100000	24	2.30	150625	0.68
100001 & above	48	4.59	21532850	96.63
<b>Total</b>	<b>1045</b>	<b>100.00</b>	<b>22283827</b>	<b>100.00</b>





<b>(l) Shareholding Pattern as on 31<sup>st</sup> March, 2008</b>			
<b>Sl. No</b>	<b>Category</b>	<b>No. of shares</b>	<b>%</b>
1.	Promoters	16589676	74.45
2.	Financial Institutions & banks	—	—
3.	Foreign Institutional Investors	—	—
4.	Non-Resident Indians	—	—
5.	Mutual Funds & UTI	—	—
6.	Corporate Bodies and Indian Public	5694151	25.55
<b>Total</b>		<b>22283827</b>	<b>100.00</b>

**(m) Plant Location of the Company :**  
 Ramapuram Village,  
 Mellachervu Mandal, Nalgonda District- 508 246

**(n) Address for Correspondence :**

Ø For suggestions / Grievances/ Queries to:  
 K.A.N. Subba Rao,  
 Company Secretary and  
 Senior Manager Administration  
 Ckoramaandel Cements Limited,  
 Regd.Office: 6-3-652/C/A, Flat 5A,  
 Kautilya, Amrutha Estates,  
 Somajiguda, HYDERABAD – 500 082

Ø For Share Transfer / Dematerialization / Consolidation / Split of Shares, Issue of Duplicate Share Certificates and Change of Address of members:  
 M/s BIGSHARE SERVICES PRIVATE LIMITED  
 G-10, Left Wing, Amrutha Ville, Opp: Yashoda Hospital,  
 Somajiguda, Rajbhavan Raod, Hyderabad – 500 082  
 Phone: +91-40-23374967 Fax: +91-40-23370295  
 E-mail ID: [hyd2\\_bigshare@yahoo.com](mailto:hyd2_bigshare@yahoo.com)

**(o) Depository Services:**

For guidance on Depository Services, Shareholders may write to the Company or to the respective Depositories:

National Securities Depository Limited Trade World, 4 <sup>th</sup> Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower parel, Mumbai – 400 013. Tel: +91-22-24972964 to 70 Fax: +91-22-24972993 / 24976351 Email: <a href="mailto:info@nsdl.co.in">info@nsdl.co.in</a>	Central Depository Services (India) Limited Phiroze Jeebhoi Towers, 28 <sup>th</sup> Floor, Dalal Street, Mumbai – 400 023. Tel: +91-22-22723333 Fax: +91-22-22723199 Email: <a href="mailto:investors@cdslindia.com">investors@cdslindia.com</a>
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(p) **Shareholders Right :** The half yearly declaration of financial performance including summary of the significant events in last Six months should be known to the shareholders.

As the Company's Half yearly results are published in English Newspaper and in Telugu Newspaper (Vernacular language) having wide circulation, the Half yearly financial information is brought to the knowledge of the shareholders.

There are no Second Half yearly results as the audited results for the full year as approved by the Board are sent to the Shareholders through the Annual Report.

### **MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT**

Management Discussion and Analysis Report on the Business of the Company as applicable and to the extent relevant is given below:

#### **Overview & Operations of the Company:**

Ckoramaandel Cements Ltd has been in the business of manufacturing Ordinary Portland Cement since inception and diversified its product range by introducing Pozzolona Portland Cement or PPC under the name and style "Bheema Super Grade" during March 2007. The market has received the product well and now this product has become the main stay for the Company. The Brand is now commanding good premiums over other competitors and has become a most sought after Cement Brand in certain pockets of the market. Our endeavour is to extend this edge over all market segments in the days to come. With further stringent and effective management our Company has been further able to bring down the per ton consumption of electrical energy, thereby contributing its effort in easing the shortage of power.

As reported last year, the year 2007 has also seen your Company enter un-chartered territory of power generation. Your Company has successfully commissioned three 1.5 MW wind turbine at Udayatoor, Tirunelveli District, Tamil Nadu. The power generated from these turbines is being sold to the Tamil Nadu Electricity Board under a Power Purchase Agreement. The performance and output from these units have been more than satisfactory.

The overall performance of the Company during the period under review continues to be on a positive note.

#### **Business Environment:**

The gap in demand and supply with demand outstripping supply and introduction of PPC has allowed your Company post good profits. During the years 2008-09, 2009-10 the Company expects a steady growth in demand with increasing price realizations and hopes to consolidate and establish itself as a major cement player in the region. The Company continues in its effort to improve efficiency of its working in all spheres and thereby maximize the profits.

#### **Opportunities & Threats**

Full fledged demand of Cement continues to rise over the horizon and the industry continues to be on the upward swing as far as the demand is concerned. The firming up of price realizations has been the proof.



The continued growth in infrastructure and construction activity coupled with the relentless thrust on irrigation projects by the Governments offers scope for the Cement Industry to grow.

Changes in the Govt. policies in terms of Taxes, Duties and other Levies and increase in input costs may affect the profitability of the company.

#### **Outlook for the Company**

The Company foresees a bright future for the Cement Industry in the State of Andhra Pradesh, with so many Irrigation and Infrastructure projects on the anvil. The Company also envisages a healthy price for it's product with demand continuously outstripping supply. The Company is modernizing its existing capacity by replacing and adding certain critical equipment and thereby expanding its cement manufacturing capacity to 900000 tons per annum. Under the process, the Company has successfully commissioned its new Packing Plant in the month of August 2008. The Company is confident of commissioning its new cement capacity by the first quarter of the next fiscal.

#### **Risks and concerns**

Any Governmental policy to intervene in the pricing of Cement, raise in the input costs such as Coal, Human Resources, drop in demand due to unforeseen adverse market conditions are issues of concern and may put pressure on the performance of the Company.

#### **Internal control systems and their adequacy**

The Company has adequate Internal Control Procedures commensurate to the size of the Company.

#### **Cautionary statement**

Statement in this "Management Discussion & Analysis" may be considered to be "forward looking statements" within the meaning of applicable securities laws or regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations including global and Indian demand supply conditions, increased installed capacity, finished goods prices, raw materials availability and prices, cyclical demand and pricing in the Company's markets, changes in Government regulations, tax regimes, besides other factors such as litigations and labour negotiations.

**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

To

The Members of

M/s. Ckoramaandel Cements Ltd

We have examined the compliance of conditions of Corporate Governance by Ckoramaandel Cements Ltd, for the period ended 31st March 2008, as stipulated in clause 49 of the Listing Agreement of the said company with Stock Exchanges in India.

The compliance of conditions of Corporate governance is the responsibility of the management. Our examinations has been limited to a review of the procedures and implementation thereof, adopted by the company for ensuring the compliance with the conditions of the Corporate Governance as stipulated in the said clause. 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 based on the representations made by the directors and the management, we certify that the company has complied with the conditions of the Corporate Governance as stipulated in Clause 49 of the above-mentioned Listing Agreement.

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

**For A Ramachandra Rao & Co.**  
Chartered Accountants

Sd/-

**(P.S.R.V.Surya Rao)**

Partner

Membership No.202367

Place: Hyderabad

Date: 19/08/2008

**DECLARATION OF COMPLIANCE OF CODE OF CONDUCT**

Pursuant to the Circular No. SEBI/CFD/DIL/CG/1/2004/12/10 dated 29th October, 2004, it is hereby declared that the Company has obtained confirmation from all the Board Members and Senior Management Personnel of the Company for the compliance of the Code of Conduct of the Company for the year 2007-08 as envisages in Clause 49 of the Listing agreement with Stock Exchange.

Place: Hyderabad

Date: 19-08-2008

Sd/-

**S.R.B.RAMESH CHANDRA**  
MANAGING DIRECTOR

**AUDITORS' REPORT**

To  
The Members of  
M/s. Ckoramaandel Cements Limited

We have audited the attached Balance Sheet of M/s. Ckoramaandel Cements Limited, as at 31<sup>st</sup> March, 2008, the Profit and Loss Account and also the Cash Flow Statement for the six months' period ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditor's Report) Order, 2003, and amendments there to made from time to time, issued by the Central Government of India in terms of sub – section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
2. Further to our comments in the Annexure referred to above, we report that:
  - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - (iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - (iv) In our opinion, the Balance Sheet, Profit and Loss account and Cash Flow Statement dealt with by this report comply with the mandatory accounting standards, referred to in sub - section (3C) of section 211 of the Companies Act, 1956,
  - (v) On the basis of written representations received from the Directors, as on 31<sup>st</sup> March, 2008 and taken on record by the Board of Directors, we report that none of the Directors is



disqualified as on 31<sup>st</sup> March, 2008 from being appointed as a Director in terms of Clause (g) of sub section (1) of section 274 of the Companies Act, 1956;

- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with the significant Accounting Policies and other notes thereon and subject to Notes 1 & 3 in Schedule R read with Note 3 in Schedule S with respect to accounting of the value of Mining Deposits and Mining Rights, give the information required by the Companies Act 1956, in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India;
- a) In the case of Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March 2008;
- b) In the case of Profit and Loss Account, of the Profit for the Period ended on that date; and
- c) In the case of Cash Flow Statement, of the cash flows for the Period ended on that date.

**For A.RAMACHANDRA RAO & CO.,**  
Chartered Accountants

Place: Hyderabad,

Date: 18/07/2008.

**(A. RAMACHANDRA RAO)**

Partner  
Membership No. 9750

**ANNEXURE TO THE AUDITOR'S REPORT**

(Of even date referred to in Para 3 of our Report)

Re: M/s. Ckoramaandel Cements Limited.

- (i)
  - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - (b) All the Fixed Assets have not been physically verified by the management during the period but there is a regular program of verification which in our opinion, is reasonable having regard to the size of the company and the nature of its assets and to the best of our knowledge no material discrepancies were noticed on such verification;
  - (c) In our opinion, the Company has not disposed off substantial part of Fixed Assets during the period and the going concern status of the company is not affected
- (ii)
  - (a) As explained to us inventories have been Physically verified by the Management at regular intervals during the period;
  - (b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business;
  - (c) The Company is maintaining proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventory as compared to the book records.
- (iii) Based on the information and explanations provided to us, the company has not granted or taken any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained u/s 301 of the Act during the period. Accordingly the sub-clauses (b),(c),(d),(e) and (f) of clause 4(iii) are not applicable for the period.
- (iv) In our opinion and according to the information and explanations given to us there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and also for the sale of goods and services. During the course of our audit we have not observed any continuing failure to correct major weaknesses in the internal control.
- (v) In our opinion, and according to the information and explanations given to us, the company has not entered into any transactions referred to in section 301 of the Act and hence clause 4(v) is not applicable to the company.
- (vi) Based on the information provided to us, the Company has not accepted any deposits from the public during the year and hence, in our opinion, the clause 4(vi) is not applicable to the company for the period.



- (vii) In our opinion, the company has an internal audit system commensurate with its size and nature of its business.
- (viii) We are of the opinion, based on information provided to us, that the accounts and records, as prescribed by the Central Government under Sec. 209(1)(d) of the Act in respect of maintenance of cost records, have been made and maintained.
- (ix) a) According to the records of the Company, the company is regular in depositing the undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Customs Duty, Excise Duty and Cess, with the appropriate authorities. We have been informed that the provisions of Investor Education and Protection Fund, Wealth Tax are not applicable to the company.
- b) According to the information and explanations given to us, there are no dues of Sales Tax/Income Tax/Wealth Tax/Customs Duty/Excise Duty/Cess to be deposited on account of any dispute;
- (x) The Company has no accumulated losses and has not incurred any cash losses during the period covered by our audit or in the immediately preceding financial year.
- (xi) Based on the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to banks.
- (xii) In our opinion and according to the information and explanations given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion the Company is not a chit fund or a Nidhi / Mutual Benefit Fund / Society. Therefore, clause 4 (xiii) of the Companies (Auditor's Report) Order 2003 is not applicable to the Company.
- (xiv) In our opinion, the Company has not dealt or traded in shares, securities, debentures or other investments during the year.
- (xv) As per the information and explanations given to us, the Company has not given guarantees for loans taken by others from banks or financial institutions.
- (xvi) In our opinion and based on the explanations given to us, the Term Loans were applied for the purpose for which the loans were obtained.
- (xvii) According to the information and explanation given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that the funds raised on short-term basis have not been used specifically for long-term investments.





- (xviii) In our opinion and based on the information provided and explanations offered, the Company has not made preferential allotment of shares to parties and companies covered in the register maintained u/s. 301 of the Companies Act, 1956 and hence Clause (xviii) of the order is not applicable to the company for the year.
- (xix) The Company has not issued any debentures and not created any securities or charges in respect of any debentures.
- (xx) In our opinion and based on the explanations given to us, the Company has not raised any money by Public issue during the year.
- (xxi) In our opinion and according to the information provided and explanations offered to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

**For A.RAMACHANDRA RAO & CO.,**  
Chartered Accountants

Sd/-

**(A. RAMACHANDRA RAO)**

Partner

Membership No. 9750

Place: Hyderabad,

Date: 18/07/2008.



<b>CKORAMAANDEL CEMENTS LIMITED</b>			
<b>BALANCE SHEET AS AT 31st MARCH 2008</b>			
	Schedule	As at 31-03-2008 (6 months) (Rs.)	As at 30-09-2007 (18 months) (Rs.)
<b>LIABILITIES</b>			
Share Capital	A	22, 28, 38,270	8, 10, 32,100
Share Application Money	B	4, 06, 01,790	3, 48, 96,790
Reserves & Surplus	C	130, 54, 09,998	14, 78, 08,283
Secured Loans	D	39, 50, 91,942	29, 98, 34,710
Unsecured Loans	E	9, 14, 93,580	2, 98, 33,996
Deferred Tax Liability		5, 42, 37,081	55, 57,062
Current Liabilities and Provisions	F	12, 54, 66,455	9, 44, 68,332
<b>TOTAL</b>		<b>223, 51, 39,116</b>	<b>69, 34, 31,273</b>
<b>ASSETS</b>			
Fixed assets	G	204, 96, 21,534	52, 81, 83,951
Less: Depreciation		20, 38, 04,585	12, 05, 33,388
Net Block		184, 58, 16,949	40, 76, 50,563
Investments	H	70,00,000	0
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>			
<b>Current Assets</b>			
Inventories		16, 24, 55,426	9, 44, 88,578
Sundry Debtors		6, 29, 23,400	10, 43, 90,345
Cash & Bank Balance		3, 43, 51,494	4, 86, 73,976
Other Current Assets		1, 81,881	11, 74,223
		<b>25, 99, 12,201</b>	
Loans & Advances	J	12, 24, 09,966	3, 70, 53,588
<b>TOTAL</b>		<b>223, 51, 39,116</b>	<b>69, 34, 31,273</b>
Accounting policies	S		
Notes to Accounts	T		
As per our Report Attached		for and on behalf of the Board	
for <b>A.RAMACHANDRA RAO &amp; CO.,</b> Chartered Accountants		<b>Sd/-</b> <b>S.CHANDRA MOHAN</b> Chairman	
<b>Sd/-</b> <b>A.RAMACHANDRA RAO</b> Partner Place : Hyderabad Date : 18-07-2008		<b>Sd/-</b> <b>S.R.B. RAMESH CHANDRA</b> Managing Director	
<b>Sd/-</b> <b>K.A.N. SUBBA RAO</b> Company Secretary			



**PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED 31st MARCH, 2008**

	Schedule	For the Period ended 31-03-2008 (Rs.)	For the period ended 30-09-2007 (Rs.)
<b>INCOME</b>			
Sales (Including Sale of Clinker and Packing Material)		41, 89, 08,691	81, 70, 41,045
Sale of wind power		85, 72,107	15,660
Increase/(Decrease) in stocks	K	(95, 01,333)	69, 11,041
Other Income	L	13, 15,588	27, 03,652
		<b>41, 92, 95,053</b>	<b>82, 66, 71,398</b>
<b>EXPENDITURE</b>			
Consumption of Raw Materials		4, 33, 77,029	9, 48, 34,277
Consumption of Stores & Spares		70, 17,082	2, 30, 94,820
Packing Materials		1, 80, 47,607	3, 83, 64,306
Power & Fuel	M	8, 35, 07,779	20, 19,42, 685
Manufacturing Expenses	N	48, 86,322	1, 04, 95,141
Taxes & Duties	O	9, 43, 84,515	17, 37, 53,211
Employees Cost	P	1, 57, 33,112	3, 42, 56,070
Administrative & Sales Expenses	Q	2, 90, 87,122	6, 47, 14,399
Depreciation		8, 35, 63,937	
Less: Transferred from Mineral Capitalization Reserve		7, 28, 32,381	
Interest	R	1, 07, 31,556	1, 40, 20,092
		<b>2, 15, 02,656</b>	<b>3, 03, 10,057</b>
		<b>32, 82, 74,780</b>	<b>68, 57, 85,058</b>
Profit before Tax		9, 10, 20,273	14, 08, 86,340
<b>Provision for Tax</b>			
Current Tax		94, 61,188	1, 52, 07,017
Fringe Benefit Tax		4, 67,839	7, 59,118
Deferred Tax		4, 86, 80,017	63, 37,305
<b>Net Profit after Tax</b>		3, 24, 11,229	11, 85, 82,900
Net surplus b/f from previous year		34, 27,103	2, 58, 70,140
Add: Deferred Tax asset as on 01.04.2006		0	7, 80,243
		<b>3, 58, 38,332</b>	<b>14, 52, 33,283</b>
<b>Net Profit Available For Appropriation:</b>			
1) Proposed Dividend		2, 22, 83,827	0
2) Dividend Tax		37, 87,136	0
3) Transfer to general Reserve		35, 83,833	14, 18, 06,180
<b>Balance carried forward</b>		<b>61, 83,536</b>	<b>34, 27,103</b>
<b>Earnings per share (Rs)</b>			
<b>Basic</b>		<b>2.53</b>	<b>21.16</b>
<b>Diluted</b>		<b>1.90</b>	<b>12.10</b>
<b>(Refer Note of Schedule S)</b>			
Accounting Policies	S		
Notes to Accounts	T		

As per our Report Attached

for **A.RAMACHANDRA RAO & CO.,**  
Chartered Accountants  
Chairman  
**A.RAMACHANDRA RAO**  
Partner

for and on behalf of the Board

Sd/-  
**S. CHANDRA MOHAN**

Sd/-  
**S.R.B. RAMESH CHANDRA**  
Managing Director

Place : Hyderabad  
Date : 18-07-2008

Sd/-  
**K.A.N. SUBBA RAO**  
Company Secretary



	As at 31-03-2008 (Rs.)	As at 30-09-2007 (Rs.)
<b>SCHEDULE "A" SHARE CAPITAL</b>		
3,30,00,000 Equity Shares of Rs 10/each (Previous year 3,30,00,000 Equity Shares of Rs 10/each	33,00,00,000	33,00,00,000
4, 50,000 Preference Shares of Rs. 100/- each (Previous year 4, 50,000 Preference shares of Rs. 100/- each)	4, 50, 00,000 <u>37,50,00,000</u>	4, 50, 00,000 <u>37,50,00,000</u>
<b>ISSUED, SUBSCRIBED AND PAID UP</b>		
2,22,83,827(Previous Period 81,03,210)Equity Shares of Rs. 10/- each of the above 14180617 Equity Shares of Rs.10 each were allotted as fully paid-up by way of bonus shares by capitalizing free reserves	22,28,38,270 <u>22,28,38,270</u>	8,10,32,100 <u>8,10,32,100</u>
<b>SCHEDULE "B" SHARE APPLICATION MONEY</b>		
Moneys received from promoters towards convertible warrants	4, 06, 01,790	50, 96,790
Share Application Money (Preference Shares)	<u>4, 06, 01,790</u>	<u>2, 98, 00,000</u> 3,48,96,790
<b>SCHEDULE "C" RESERVES &amp; SURPLUS</b>		
Central Subsidy	15, 00,000	15, 00,000
Housing Subsidy	10, 75,000	10, 75,000
<b>Mineral Capitalization Reserve</b>		
As per last Balance Sheet	0	
Add: Capitalization during the Period	1,36,59,00,000 <u>1,36,59,00,000</u>	
Less: Transferred to Profit & Loss A/C	7,28,32,381	1,29,30,67,619
General Reserve		
As per last Balance Sheet	14,18,06,180	0
Add: Amount transferred from Profit & Loss A/c	35,83,833 <u>14,53,90,013</u>	14,18,06,180 <u>14,18,06,180</u>
Less:Capitalised for issue of 14180617 equity shares	14,18,06,170	0
as bonus shares fully paid	35, 83,843	14, 18, 06,180
<b>Profit &amp; Loss Account</b>	<u>61, 83,536</u>	<u>34,27,103</u>
	<u>1,30,54,09,998</u>	<u>14,78,08,283</u>



	As at 31-03-2008 (Rs.)	As at 30-09-2007 (Rs.)
<b>SCHEDULE "D" SECURED LOANS</b>		
<b>TERMS LOANS</b>		
<b>From Banks</b>		
Centrion Bank of Punjab Ltd	49,63,967	81,54,728
Axis Bank Limited	12,23,43,220	5,70,00,000
ICICI Bank Limited	14,30,32,268	14,23,80,553
<b>WORKING CAPITAL</b>		
Centurion Bank of Punjab Ltd	10,49,08,583	7,29,83,237
Axis Bank Limited	1,98,43,904	1,93,16,192
	<u>39,50,91,942</u>	<u>29,98,34,710</u>
<b>SCHEDULE "E" UNSECURED LOANS</b>		
From Promoters & Associates	35,09,959	45,09,959
Security Deposits from Dealers, Contractors & others	8,79,83,621	2,53,24,037
	<u>9,14,93,580</u>	<u>2,98,33,996</u>
<b>SCHEDULE "F" CURRENT LIABILITIES AND PROVISIONS</b>		
<b>A. CURRENT LIABILITIES</b>		
1. Sundry Creditors		
a. For Materials	2,76,16,544	2,88,58,859
b. For Expenses	2,67,43,825	2,16,45,364
c. For other Liabilites	<u>1,81,66,616</u>	2,79,97,974
	<b>7,25,26,985</b>	
<b>B. PROVISIONS</b>		
a. Provision fr Income Tax	2,61,18,164	1,52,07,017
b. Provision for Fringe Benefit Tax	7,50,343	7,59,118
c. Proposed Dividend	2,22,83,827	0
d. Dividend Tax Payable	37,87,136	0
	<u>5,29,39,470</u>	0
	<u>12,54,66,455</u>	<u>9,44,68,332</u>

**SCHEDULE "G" : FIXED ASSETS**

(Rupees)

PARTICULARS	GROSS BLOCK (AT COST)				DEPRECIATION				NET BLOCK	
	As at 01.10.2007	Additions During the period 01.10.2007 31.03.08	Sales Adj. During the period 01.10.2007 31.03.08	As at 31.03.08	As at 01.10.2007	For the period 01.10.07 31.03.08	Adjustment 01.10.07 31.03.08	As at 31.03.08	As at 31.03.08	As at 30.09.2007
1. LAND	16816186	6592633	0	23408819	0	0	0	0	23408819	16816186
2. BUILDINGS	39108205	2887214	0	41995419	14206190	514697	0	14720887	27274532	24902015
3. PLANT & MACHINERY	203706010	0	0	203706010	78558605	3788309	0	82346914	121359096	125147405
4. ELECTRICAL INSTALLATIONS	29106456	0	0	29106456	18199006	530547	0	18729553	10376903	10907450
5. FURNITURE & FIXTURES	11293486	1416658	0	12710144	5984015	655234	0	6639249	6070895	5309471
6. LABORATORY EQUIPMENTS	2311626	0	0	2311626	478108	56184	0	534292	1777334	1833518
7. VEHICLES	12392791	2182615	1078364	13497042	3079872	592257	-292740	3379389	10117653	9312919
8. WIND FARMS	95029554	188863790	-	283893344	27592	4594328	0	4621920	279271424	95001962
9. MINING DEPOSITS	0	1072558915	0	1072558915	0	58165327	0	58165327	1014393588	
10. MINING LEASE RIGHTS	0	293341085	0	293341085	0	14667054	0	14667054	278674031	0
	<b>409764314</b>	<b>1567842910</b>	<b>1078364</b>	<b>1976528860</b>	<b>120533388</b>	<b>83563937</b>	<b>-292740</b>	<b>203804585</b>	<b>1772724275</b>	<b>289230926</b>
Capital work in progress	118419637	52339851	97666814	73092674		0	0	0	73092674	118419637
	<b>528183951</b>	<b>1620182761</b>	<b>98745178</b>	<b>2049621534</b>	<b>120533388</b>	<b>83563937</b>	<b>-292740</b>	<b>203804585</b>	<b>1845816949</b>	<b>407650563</b>
Previous Period	245287586	282954366	58000	528183951	106536414	14020092	-23118	120533388	407650563	





<b>SCHEDULE-H</b>				
<b>INVESTMENTS</b>				<b>As At</b>
<b>Lont term at cost, unless otherwise specified Unquoted Investments Non traded IN mutual funds</b>	<b>31.03.08 Face Value  (In Rs.)</b>	<b>31.03.08 Units</b>	<b>31.03.08 Cost  (In Rs.)</b>	<b>30.09.07 Cost  (In Rs.)</b>
ICICI Prudential Infrastructure Fund-Growth	10	28200.800	1000000	Nil
J M Basic Fund-Growth	10	25857.270	1000000	Nil
J M Financial Services Sector fund-Growth	10	51696.952	1000000	Nil
J M Financial Small Mid-Cap Fund-Regular-Growth	10	28447.057	500000	Nil
Prudential ICICI Discovery Fund-Growth	10	14293.880	500000	Nil
Prudential ICICI Emerging STAR Fund-Growth	10	10917.030	500000	Nil
Reliance media & Entertainment Fund-Growth	10	24523.268	1000000	Nil
Reliance Diversified Power Fund-Growth	10	18460.127	1500000	Nil
	<b>Total</b>		<b>7000000</b>	<b>Nil</b>
<b>(Market Value of the mutual funds as on 31.03.2008Rs. 49,78,193</b>				



	As at 31-03-2008 (Rs.)	As at 30-09-2007 (Rs.)
<b>SCHEDULE "I" CURRENT ASSETS</b>		
<b>1. INVENTORIES</b> (Valued and Certified by Management)		
a) Stores & Spares (at Cost)	12,43,50,012	5,67,78,663
b) Raw Materials (at Cost)	2,79,12,123	1,80,15,291
c) Work-in-Process (at Cost)	90,39,761	1,86,96,058
d) Finished Goods (at Cost or realizable value whichever is less)	<u>11,53,530</u>	<u>9,98,566</u>
<b>2. SUNDRY DEBTORS (UNSECURED &amp; COSIDERED GOOD)</b>		
Out standing for over six months	8,35,507	13,15,572
Other Debts	<u>6,20,87,893</u>	<u>10,30,74,773</u>
3. Cash Balance on Hand	15,49,260	9,97,754
4. Balance With Scheduled Banks		
i) In Current Accounts	2,86,86,930	1,46,69,345
ii) In Fixed Deposit Accounts With Banks	<u>41,15,304</u>	<u>3,30,06,877</u>
5. Interest receivable	<u>1,81,881</u>	11,74,223
	<b><u>25,99,12,201</u></b>	<b><u>24,87,27,122</u></b>
<b>SCHEDULE "J" LOANS AND ADVANCES</b>		
<b>LOANS AND ADVANCES</b> (Unsecured, Considered good) (Advances recoverable in cash or kind for value to be received)		
a) Advances for Materials etc.,	1,56,15,676	1,19,01,963
b) Earnest Money Deposit	11,12,093	11,12,093
c) Advances For Others	9,02,22,373	1,18,40,100
Balance with Central Excise Deposits	41,50,180	8,89,788
	<u>1,13,09,644</u>	<u>1,13,09,644</u>
	<b><u>12,24,09,966</u></b>	<b><u>3,70,53,588</u></b>





	For the Period ended 31.03.08 (Rs.)	For the Period ended 30.09.07 (Rs.)
<b>SCHEDULE "K" INCREASE (DECREASE) IN STOCKS</b>		
<b>(a) Work in Process:</b>		
Opening Stock	1,86,96,058	1,10,70,646
Closing Stock	<u>90,39,761</u>	<u>1,86,96,058</u>
	-96,56,297	76,25,412
<b>(b) Finished Goods:</b>		
Opening Stock	9,98,566	17,12,937
Closing Stock	<u>11,53,530</u>	<u>9,98,566</u>
	1,54,964	-714371
	-	<u>69,11,041</u>
	<u>(95,01,333)</u>	
<b>SCHEDULE "L" OTHER INCOME</b>		
Sale of Scrap	3,375	8,13,209
Interest received	12,95,990	18,87,943
Miscellaneous Income	16,223	2,500
	<u>13,15,588</u>	<u>27,03,652</u>
<b>SCHEDULE "M" CONSUMPTION OF STORES &amp; SPARES</b>		
Power	3,04,69,229	8,70,90,585
Coal Consumed	<u>5,30,38,550</u>	<u>11,48,52,100</u>
	<u>8,35,07,779</u>	<u>20,19,42,685</u>
<b>SCHEDULE "N" MANUFACTURING EXPENSES</b>		
Repairs & Maintenance		
Machinery	37,41,551	67,06,120
Buildings	2,85,384	8,63,528
Other Fixed Assets	8,59,387	29,25,493
	<u>48,86,322</u>	<u>1,04,95,141</u>



	For the Period ended 31.03.08 (Rs.)	For the Period ended 30.09.07 (Rs.)
<b>SCHEDULE "O" TAXES AND DUTIES</b>		
Central excise Duty	4,80,54,800	8,29,72,142
Sales Tax	4,63,29,715	9,07,81,069
	<u>9,43,84,515</u>	<u>17,37,53,211</u>
<b>SCHEDULE "P" EMPLOYEES COST</b>		
Salaries, Wages & Bonus	1,39,85,495	2,93,87,458
Contribution to Provident Fund	7,59,422	21,05,439
Contribution to ESI	17,950	60,703
Contribution to Group Gratuity Scheme	1,68,127	5,69,258
Workmen & Staff Welfare Expenses	8,02,118	21,33,212
	<u>1,57,33,112</u>	<u>3,42,56,070</u>



	For the Period ended 31.03.08 (Rs.)	For the Period ended 30.09.07 (Rs.)
<b>SCHEDULE "Q"</b>	<b>ADMINISTRATIVE AND SALES</b>	
<b>ADMINISTRATIVE EXPENSES</b>		
Rent	13,15,746	25,89,693
Rates & Taxes	5,03,745	11,86,469
Insurance	5,14,634	15,75,050
Printing & Stationary	6,20,709	16,52,510
Postage, Telegrams & Telephones	11,46,137	26,56,686
Traveling & Conveyance	10,61,263	38,68,348
Bank Charges	36,74,918	67,10,294
Miscellaneous Expenses	57,90,060	1,21,60,164
Loss on Sale of Fixed Assets	4,85,625	4,721
Directors Sitting Fees	64,000	84,000
Managerial Remuneration	35,73,756	68,97,000
Cost Audit Fee	55,000	25,000
Auditor's Remuneration:		
Statutory Audit Fee	1,35,000	67,500
Tax Audit Fee	65,000	22,500
Other Services		10,000
Meter Reading charges-Wind Power	2,400	0
RKVAH Charges-Wind Power	1,878	0
<b>SALES EXPENSES</b>		
Advertisement & Publicity	3,72,236	54,96,539
Transport Charges & Others	86,08,608	1,80,48,944
Handling and Delivery Charges	10,96,407	16,58,981
	<u>2,90,87,122</u>	<u>6,47,14,399</u>
<b>SCHEDULE "R"</b>	<b>INTEREST &amp; OTHER FINANCE COST</b>	
Interest on Working Capital	61,15,901	1,27,92,261
Interest on Term Loan	1,25,57,984	85,24,364
Other Finance Charges	28,28,771	89,93,432
	<u>2,15,02,656</u>	<u>3,03,10,057</u>

**SCHEDULE 'S'****SIGNIFICANT ACCOUNTING POLICIES:****1. BASIS OF PREPARATION:**

The financial statements are prepared and presented under the historical cost convention, on the accrual basis of accounting in accordance with the accounting principles and generally accepted in India and comply with mandatory Accounting Standards issued by the Institute of Chartered Accountants of India to the extent applicable and the relevant provisions of the Companies Act, 1956, except in respect of mineral deposits and rights which are recorded at estimated realizable value.

**2. USE OF ESTIMATES:**

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and reported amounts of revenues and expenses for the period. Actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods.

**3. FIXED ASSETS:**

Fixed Assets are stated at acquisition cost (net of MODVAT) less depreciation cost includes installation and expenditure during construction period including interest on borrowings till the date of capitalization. The mineral deposits and mining rights are stated at the estimated realizable value, based on a valuation by an independent valuer.

Depreciation on fixed assets other than those mentioned hereunder, has been calculated using the straight-line method at the rates arrived on the basis of useful lives of the assets as estimated by the Management. Assets costing less than Rs. 5,000 are depreciated fully in the year of acquisition.

Depreciation on the mineral deposits and mineral rights has been provided, based on the estimated present value of the consumption over the remaining estimated useful period, at an equated amount of the total consumption so arrived at.

Depreciation on the 4.5MW wind farms has been provided at the rates specified in the Schedule-XIV of the Companies Act, 1956 at the appropriate rate on the basis of Straight Line Method.



Management estimates the useful life of various assets as follows:

Factory Buildings Owned	28 years
Non-factory Buildings	58 years
Plant & Machinery, Electrical Equipment	26 years
Furniture, Fixtures and Office Equipment	15 years
Vehicles	10 years
Computer Equipment	6 years
Mineral Deposits	13/15/20 years
Mining Rights	13/15/20 years

#### 4. INVENTORIES:

Inventories are valued as under: Stores & Spares, Raw Materials and Work-in-process are valued at cost; finished goods are valued at lower of cost or net realizable value. The Cost is arrived on FIFO basis.

#### 5. INVESTMENTS

Investments are classified into Long Term and are carried at cost. Provision for diminution, if any, in the value of each Long Term Investment is made only if such a decline is other than temporary in the opinion of the management.

#### 6. LIABILITY FOR RETIREMENT BENEFITS:

The Company contributes to the funds administered by the Regional Provident Fund Commissioner towards Provident Fund and has also taken a group gratuity policy with the LIC of India covering its gratuity liability. The contribution and premium paid are charged to the Revenue Account.

#### 7. FOREIGN EXCHANGE TRANSACTIONS:

Foreign currency transactions are recorded using the exchange rates prevailing on the dates of the respective transactions. Exchange differences arising on the foreign currency transactions settled during the year are recognized in the profit & Loss A/c except that the exchange differences related to acquisition of fixed assets from a country outside India are adjusted in the carrying amount of the related fixed assets.

#### 8. REVENUE RECOGNITION:

- i) All income and expenditure are accounted on accrual basis, except other wise stated.



- ii) In respect of desirable contracts, gain/loss is recognized on actual settlement of respective contracts.

Internal Consumption of the Company's end product, which is other wise marketable, is accounted for at a transfer price and is included under sales.

#### **9. IMPAIRMENT OF ASSETS:**

An Asset is treated as Impaired when the carrying of cost of Assets exceeds its receivable value. An impairment loss is charged for when the asset is identified as impaired. The impairment loss received in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

#### **10. PROVISION, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:**

Provisions involving Substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

#### **11. DEFERRED INCOME TAXES:**

Deferred Tax charge or credit reflects that tax effects of timing differences between accounting income and taxable income for the period. The deferred tax charge or credit and the corresponding deferred tax liability or asset are recognized using the tax rates that have been enacted or substantial enacted by the Balance Sheet date. Deferred Tax assets recognized only to that extent there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carry forward losses, deferred tax assets are recognized only if there is ritual certainty of realization of such assets. Deferred tax assets are reviewed at each balance sheet date and written down or written up to reflect the amount that is reasonable/virtual certainty (as the case may be) to be realized.

### **SCHEDULE "T"**

#### **NOTES TO ACCOUNTS**

1. Contingent Liabilities not provided for:
  - (a) Bank guarantees given for Rs.92, 07,315/- (Previous Period Rs. 64, 11,750/-.
  - (b) Estimated Amount of Contracts remaining to be executed on capital account and not provided for Rs.35,05,63,665 (Net of Advances) (previous year Rs.8, 77, 23,069)
  - (c) Claims against the Company not acknowledged as debts: Rs.31, 41,000/- (Previous Year Rs. 31, 41,000/-)



## 2. SECURED LOANS:

- a) The Term loans from Centurion Bank of Punjab Limited, Axis Bank Limited secured by equitable mortgage by deposit of title deeds by creating first charge on immovable properties and second charge by hypothecation of all current assets both present and future, subject to prior charge on current assets in favour of Company's Bankers for Working Capital and also Guaranteed by Promoter Directors, in their individual capacities.
- b) The term loans from Axis Bank Ltd and ICICI Bank Ltd are secured by first charge on the three wind energy machines i.e. fixed assets purchased out of Axis Bank Ltd and ICICI term loan and second charge on all current assets of the company with the existing bankers and also guaranteed by Promoter Directors, in their individual capacities.
- c) Cash Credit from the Centurion Bank of Punjab Limited and Axis Bank Limited is secured by hypothecation of Raw Materials, Consumable Stores, Work-in-Process, Finished Goods and Book Debts etc. and is guaranteed by Promoters in their personal capacity and is further secured by way of second charge on fixed assets.
- d) Other liabilities include the assets acquired under Hire purchase system are Secured by Hypothecation of those assets.

## 3. ACCOUNTING OF THE VALUE OF MINERAL DEPOSITS AND RIGHTS:

The company owns lands and has leasehold rights in respect of other lands, beneath which lie Limestone deposits. The Limestone is excavated and used as a raw material in the production of Clinker. The lands are owned and held on lease for many years and the relevant costs had been accounted, during the relevant years, either as capital or revenue expenditure as the case may be. However, the minerals lying beneath the lands were not valued earlier. During the year the management reviewed and felt that the minerals have a long term commercial value adding benefit to the business of the company and that they should have been accounted & brought into books. Consequently it considered appropriate to value them and account for it in the books of account during the year.

Accordingly the company made an estimate of the quantity of minerals based on a report by M/s. C C Geo Engineering Consultants Pvt Ltd, Hyderabad, Hyderabad, independent Geological Consultants, and of the realizable value at Rs. 136, 59, 00,000 of those minerals based on a report by M/s. G.S.Sekhar, Hyderabad, independent Chartered Accountants. The value of minerals so estimated has been accounted in two parts namely Mineral Deposits to the extent of lands owned at Rs. 107, 25, 58,915 and Mineral Rights to the extent of lands held on lease at Rs.29,33,41,085. The said values have been debited and shown as a Mineral Deposits and Mineral Rights, as the case may be, under the Fixed Assets. A corresponding liability at Rs.136, 59, 00,000 has been credited as a Capital Reserve under the Reserves and Surplus. The value of assets so accounted has been depreciated, in accordance with the accounting policy mentioned hereinabove, by withdrawing an equal amount from the Capital Reserve.

The above accounting of mineral deposits resulted in change in accounting policy to the extent of preparing and presenting financials statements on and recording fixed assets at estimated realizable value in respect of mineral deposits and providing depreciation thereon. The change however has no impact on the profit of the company for the period but the net value of the assets has been overstated by an amount of Rs.129, 30, 67,619.



#### 4. SEGMENT REPORTING:

In terms of the Accounting Standard 17 relating to "Segment Reporting", the company operates in two business segments viz. cement manufacturing and wind power generation and operates only in one geographical segment viz. India. Considering the source and nature of risks and returns the business segment will be the primary segment for this purpose and there are no secondary segments. The segment revenues and the assets and liabilities are stated below:

S No	Particulars	6 months Ended 31.03.2008
1	<b>Segment Revenue</b>	
	(i) Cement	41,89,08,691
	(ii) Wind Power	85,72,107
	<b>Sub Total</b>	42,74,80,798
	(iii) Other income-Scrap Sales	4,088
	(iv) Other Income	13,11,500
	<b>Total</b>	42,87,96,386
	Less: Inter segment revenue	NIL
2	Net Sale/Income from operations	42,87,96,386
3	<b>Segment Results</b>	
	<b>(Profit before interest and tax)</b>	
	(i) Cement	10,85,49,427
	(ii) Wind Power	39,73,502
4	Less: Interest Paid	2,15,02,656
5	Add: Unallocable income net off un allocable expenses	Nil
6	Profit Before Tax	9,10,20,273
7	<b>Capital employed ( segment assets less segment liabilities)</b>	
	(i) Cement	21,20,29,910
	(ii) Wind Power	6,37,52,528
	<b>Total</b>	<b>27,57,82,438</b>

The previous period figures for the above segment reporting are not available since, in the opinion of the management, the company did not have reportable segments during the previous period.





## 5. RELATED PARTY TRANSACTIONS:

The Company has no related parties other than the key management personnel and relatives of such personnel in terms of Accounting Standard 18, in respect of the related party disclosure. The company paid remuneration to the Chairman, Managing Director, and Whole time Director among the key management personnel. The particulars of such remuneration are furnished in the Note No. 10(c) hereunder. The company has no related party transactions with the relatives of key management personnel. In addition the Company has paid Rs. 64,000/- as Directors Sitting fee to all the Directors.

## 6. DEFERRED TAXATION:

Deferred Tax Liability included in the Balance Sheet comprises the following:

	As at 31-03-2008	As At 30.09.2007
A) Deferred Tax Assets		
Unabsorbed business loss Allowances	Nil	2, 81, 87,143
Provision for expenses	Nil	85, 41,740
	Nil	3,67,28,883
B) Deferred Tax Liabilities		
-Fixed Assets	4, 86, 80,017	4.22.85.945
C) Deferred Tax Liability (Net) (A-B)	<u>(4, 86, 80,017)</u>	<u>(55, 57,062)</u>

## 7. EARNINGS PER SHARE:

The Computation of Earnings per Share is set out below :

	2007-08	2006-07
(a) Earnings	3,24,11,229	11,85,82,900
(b) Weighted average no. of shares outstanding during the period	1,28,30,082	56,03,210
(c) Weighted average No. of Equity Shares outstanding during the year	1, 70, 26,872	98, 00,000
(d) Earnings per Share		
Basic	2.53	21.16
Diluted (face value of Rs.10/-)	1.90	12.10

**8. CONVERTIBLE WARRANTS:**

During the current period a total amount of Rs.3, 55, 05,000 (previous year Rs. 9, 00,000) has been received from the promoters. It represents the monies receivable from them towards 41, 96,790 Convertible Warrants issued and allotted to them, during the previous period 2006-07. In terms of the relevant scheme, the promoters have an option to convert the warrants into shares within a period of 18 months from the date of allotment of warrants. An amount of Re.1 per warrant was paid by them at the time of allotment and the remaining amount is to be paid before the exercise of the said option. The amount so received till the date of balance sheet has been included under the Share Application Money.

**9. HOUSING SUBSIDY:**

The Company has received a sum of Rs.10, 75,000/- from Government of India during earlier years for the purpose of constructing 50 tenements for housing to its personnel in its Limestone Mines. The Company has entered into an agreement with Government of India for a period of 20 years.

10. The company has not received the required information from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006. Hence disclosures, if any, relating to amounts unpaid as at the period end together with interest paid/payable as required under the said Act have not been made.

There are no outstanding dues to SSI units for more than 30 days as at 31.03.08.

**11. CURRENT ASSETS & LOANS AND ADVANCES:**

The Board is of the opinion that the Current Assets & Loans and Advances have a value on realization in the Ordinary Course of Business at least to the amount at which they are stated.

**12. PROFIT & LOSS ACCOUNT:**

- a) The provision for Income Tax has been made in terms of the provisions of Sec. 115 JB of Income Tax Act 1961. The company is not liable to Income Tax under regular provisions of the Act in view of brought forward losses and allowances.
- b) Consumption of Raw Materials and value of Inventories includes Royalty and other levies paid to Government to the extent of Rs. 60, 66,185/- (previous period Rs.1, 91, 62,079).
- c) Particulars of Remuneration paid/provided to the, Chairman, Managing Director and Whole Time Director:



	S. Chandra Mohan Chairman	S.R.B. Ramesh Chandra Managing Director	S. Kishore Chandra Whole Time Director
	Current Period (Rupees)	Current Period (Rupees)	Current Period (Rupees)
Remuneration	9,30,000 (21,30,000)	11,40,000 (22,80,000)	14,07,168 (24,87,000)
Rent Free	5,85,000	3,87,000	51,888
Accommodation	8,70,000	(6,60,000)	(3,93,000)
Provident Fund	4,680 (14,040)	4,680 (14,040)	4,680 (14,040)
Total	15,19,680 (30,14,040)	15,31,680 (29,54,040)	14,63,736 (28,94,040)

( ) Figures indicated in brackets relates to previous period.

13. The information required as per Clause 4 (c) and 4(d) and notes thereon part II of Schedule VI of the Companies Act, 1956 (as certified by the Management).

a. Annual Capacities

- i) Class of goods manufactured : Ordinary Portland Cement
- ii) Licensed Capacity : 66,000 MTs
- iii) Installed Capacity : 66,000 MTs
- iv) Actual Production : 1, 28,322 MTs  
(Previous period 2, 67,968MTs)

b. Turnover

	2007 - 2008		2006 - 2007	
	Qty MTs	Value Rs.	Qty MTs.	Value Rs.
Sale of Cement*	1,28,203	41,89,08,691	2,68,588	75,35,53,325
Sale of Clinker	Nil	Nil	10,568	2,61,52,080
Sale of Raw	Nil	Nil	86,717	3,73,35,640
Sale of wind Power (Units)	29,50,449	85,72,107	5,400	15,660
		<b>42,74,80,798</b>		<b>81,70,56,705</b>

\* Includes 495.850 MTs Internal Consumption (Previous Year 241.380 MTs)



<b>c. Raw Materials consumed during the year</b>				
<b>2007 - 2008</b>			<b>2006 - 2007</b>	
<b>Sl.</b>	<b>Qty MTs</b>	<b>Value Rs.</b>	<b>Qty MTs.</b>	<b>Value Rs.</b>
1. Lime Stone	1,18,718	1,76,95,341	4,08,806	4,86,11,901
2. Gypsum	3,612	41,18,572	8,233	73,83,882
3. Others		2,15,63,116		3,88,38,494
<b>Total</b>		<b>4,33,77,029</b>		<b>9,48,34,277</b>
<b>d. Stocks</b>				
<b>2007 - 2008</b>			<b>2006 - 2007</b>	
<b>Sl.</b>	<b>Qty MTs</b>	<b>Value Rs.</b>	<b>Qty MTs.</b>	<b>Value Rs.</b>
1. Opening Stock	397	9,98,566	1,017	17,12,937
2. Production	1,28,322	-	2,67,968	-
3. Closing Stock	516	11,53,530	397	9,98,566
			<b>2007-08</b>	<b>2006-07</b>
<b>e) Foreign Exchange transactions:</b>				
1. Advances for suppliers		Rs.2, 73, 48,346	Rs.1, 22, 90,879	
2. Foreign Travel		Rs. 11,69,400	—	
<b>Total</b>		<b>Rs.2,85,17,746</b>	<b>Rs.1,22,90,879</b>	



f) Value of imported and indigenous Raw Materials Consumption and percentage of each in total consumption.

Sl.	2007 - 2008		2006 - 2007	
	Value Rs.	% of Consumption	Value Rs.	% of Consumption
<b>1. Raw Materials</b>				
a) Imported	-	-	-	-
b) Indigenous	4,33,77,029	100%	9,48,34,277	100%
<b>2. A. Consumables</b>				
a) Imported	-	-	-	-
b) Indigenous	70,17,082	100%	2,30,94,820	100%
<b>B. Coal</b>				
a) Imported	-	-	-	-
b) Indigenous	5,30,38,550	100%	11,48,52,100	100%

14. Previous period figures have been regrouped wherever necessary to conform to the groupings adopted in these accounts and are not comparable as they represent 18 months period from 01/04/2006 to 30/09/2007 as against the current year period of 6 months ending 31/03/2008.

15. The amounts have been rounded off to the nearest rupee.

As per our Report Attached

for and on behalf of the Board

Sd/-

For **A.RAMACHANDRA RAO & CO.,**  
Chartered Accountants

**S.CHANDRA MOHAN**  
Chairman

Sd/-

Sd/-

**A.RAMACHANDRA RAO**  
Partner  
Membership No.9750

**S.R.B. RAMESH CHANDRA**  
Managing Director

Sd/-

**K.A.N. SUBBA RAO**  
Company Secretary

Place: Hyderabad

Date: 18.07.2008



Additional Information as required under Part IV of Schedule VI to the Companies Act, 1956

ANNEXURE "A" Forming part of Schedule N

**BALANCE SHEET ABSTRACT AND COMPANY'S  
GENERAL BUSINESS PROFILE AS AT 31.03.2008**

1. Registration Details

Registration No. 2315 State code : 01

2. Capital Raised during the year (Rs. In Thousands) Nil

3. Position of Mobilization and Deployment of Funds (Rs. In Thousands)

**Total Liabilities : 2235139 Total Assets : 2235139**

**Sources of Funds**

Paid-up Capital : 222838 Share Application Money : 40602

Reserves & Surplus 1305410 Secured Loans : 395092

Unsecured Loan 91494 Current Liabilities 125466

Deferred Tax Liability : 54237

**Application of funds**

Net Fixed Assets : 1845816 Current Assets : 382322

Investments : 7000

Profit & Loss — Misc. Expenditure —

4. Performance of Company (Rs. In thousands)

Turnover 419295 Total Expenditure : 328275

Profit/(Loss) Before Tax: 91020 Profit/(Loss) after Tax : 32411

Earnings per Share (Rs) : 2.53 Dividend Rate % : 20

5. Generic names of two Principal Products/Services of Company (as per monetary terms):

a) Item Code No. 252300

(ITC CODE)

Product Description : CEMENT

b) Item Code No. : 252310

(ITC CODE)

Product Description : CLINKER


**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 200**

	For the Period ended 31-03-2008 (Rs.)	For the Period ended 30-09-2007 (Rs.)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit Before Tax and Extraordinary items	9,10,20,273	14,08,86,340
Adjusted for:		
Interest	2,15,02,656	3,03,10,057
Depreciation	1,07,31,556	1,40,20,092
(Profit) / Loss on sale of Fixed Assets	485625	4,721
Operating Profit before Working Capital changes	12,37,40,110	18,52,21,210
Adjusted for:		
(Increase) / Dec. in Inventories	(6,79,66,849)	(3,18,17,408)
(Increase) / Dec. in Debtors	4,14,66,945	(3,64,93,481)
(Increase) / Dec. in Other Current Assets	9,92,342	(11,64,421)
(Increase) / Dec. in Loans and Advances	(8,53,56,378)	1,21,67,764
Increase / (Dec.) in Current Liabilities	7,96,78,142	3,88,83,350
<b>Cash Generated from Operations</b>	<b>9,25,54,313</b>	<b>16,67,97,014</b>
less : Interest on Working Capital, Term Loan & others	2,15,02,656	3,03,10,057
less : Provision for Taxation	5,86,09,044	2,15,23,197
less : Provision for proposed dividend and dividend tax	2,60,70,963	0
<b>Net Cash Flow from Operating Activities</b>	<b>(1,36,28,350)</b>	<b>11,49,63,760</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(15,66,15,947)	(28,29,54,365)
Sale of Fixed Assets	3,00,000	30,162
Investments	(70,00,000)	0
<b>Net Cash Flow from Investing Activities</b>	<b>(16,33,15,947)</b>	<b>(28,29,24,203)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Equity Deposit / Share Capital	57,05,000	24,11,940
Inc. / (Dec.) in Long Term Borrowings	6,28,04,174	17,03,10,421
Inc. / (Dec.) in Unsecured loans	6,16,59,584	15,476
Inc. / (Dec.) in Cash Credit	3,24,53,058	3,72,89,555
<b>Net Cash Flow from Financing Activities</b>	<b>16,26,21,816</b>	<b>21,00,27,392</b>



	For the Period ended 31-03-2008 (Rs.)	For the Period ended 30-09-2007 (Rs.)
<b>D. NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(1,43,22,482)</b>	<b>4,20,66,949</b>
Cash and Cash Equivalents as at The Commencement of the year	4,86,73,976	66,07,027
Cash and Cash Equivalents as at The close of the year	<u>3,43,51,494</u>	<u>4,86,73,976</u>
<p>We have verified the above cash flow of <b>M/s. CKORAMAANDEL CEMENTS LTD</b> derived from Audited Financial Statements for the period ended 31st March, 2008 and found the same in accordance therewith and also with the requirements of clause 32 of the listing agreement with Stock Exchanges.</p>		
As per our Report Attached	for and on behalf of the Board	
For <b>A.RAMACHANDRA RAO &amp; CO.,</b> Chartered Accountants	Sd/-	<b>S.CHANDRA MOHAN</b> Chairman
Sd/-		Sd/-
<b>A.RAMACHANDRA RAO</b> Partner Membership No. 9750	Sd/-	<b>S.R.B. RAMESH CHANDRA</b> Managing Director
	<b>K.A.N. SUBBA RAO</b> Company Secretary	
Place: Hyderabad Date: 18.07.2008		





**ELECTRONIC CLEARING SERVICES (CREDIT CLEARING) MANDATE FORM  
FOR PAYMENT OF DIVIDEND**

To  
**BIG SHARE SERVICES PRIVATE LIMITED**  
 Unit: Ckoramaandel Cements Limited  
 G-10, Left Wing, Amrutha Ville,  
 Opp.Yashoda Hospital, Somajiguda  
 Rajbhavan Road  
 HYDERABAD – 500 082  
 Phone No: 040-23374967, Fax: 040-23370295  
 E.Mail ID: hyd2 bigshare@yahoo.com

Share holder's authorization to receive Dividends through Electronic Credit Clearing Mechanism.

Registered Folio No.	ECS Ref.No: (for Office use only)
Name of the first/sole share holder	
Bank Name	
Branch Address & Telephone No. of Branch	
Bank Account Number (As appearing on the Cheque Book)	
9 Digit code number of the Bank and Branch appearing on the MICR cheque issued by the Bank (Please attach a blank cancelled cheque, or a photocopy of a cheque issued to you by your Bank, for verification of the above particulars)	
Account Type (Please tick the Option)	<input type="checkbox"/> Savings <input type="checkbox"/> Current <input type="checkbox"/> Cash Credit
Bank Account Ledger Folio No.(If any)	
Effective date of this mandate	

I, hereby declare that the particulars given above are correct and complete. If the payment transaction is delayed or not effected at all for any reasons, including but not limited to incomplete or incorrect information, I will not hold M/s. Ckoramaandel Cements Limited responsible. I agree to discharge the responsibility expected of me as a participant under the scheme.

I further undertake to inform the Company of any subsequent change(s) in the above particulars.

Place:

Date:

Signature of the First Holder

Note:

1. Please fill in the information in CAPITAL LETTERS in ENGLISH ONLY.
2. In case of shareholders holding the equity shares in demat form, the shareholders are requested to provide details to NSDL/CDSL as the case may be, through their respective Depository Participants. Shareholders are also requested to note that changes, if any, intimated by the Demat Account holders directly to the Company will not be considered.





**CKORAMAANDEL CEMENTS LIMITED**

Regd. Office : 6-3-652/C/A, Flat 5A, 'Kautilya' Amrutha Estates,  
Somajiguda, Hyderabad - 500 082.

**Admission Slip**

Folio No. \_\_\_\_\_

No. of Shares Hold \_\_\_\_\_

(To be filled in by the  
Shareholder)

I declare that I am Registered Share Holder of the Company \_\_\_\_\_

(Signature of the Shareholder)

I hereby record my presence at the 29<sup>th</sup> Annual General Meeting of the Company being held at the Conference Hall, Hotel NKM's Grand, 6-3-563/31/1, Taraporewala Lane, Erramanzil, Somajiguda, Hyderabad - 500 082 on \_\_\_\_\_ the 24<sup>th</sup> Day of September 2008 at 10.00 A.M. as a member / as a Proxy appointed by \_\_\_\_\_

- NOTE :
1. A member / Proxy attending the meeting must complete this admission slip and hand it over at the entrance.
  2. Member intending to appoint a Proxy, should complete the Proxy form below and deposit at the Company's Registered Office not later than 48 hours before the commencement of the meeting.

**CKORAMAANDEL CEMENTS LIMITED**

Regd. Office : 6-3-652/C/A, Flat 5A, 'Kautilya' Amrutha Estates,  
Somajiguda, Hyderabad - 500 082.

**Proxy Form**

Folio No. \_\_\_\_\_

No. of Shares Hold \_\_\_\_\_

(To be filled in by the Shareholder)

I / We \_\_\_\_\_ being a Member / Members of Ckoramaandel Cements Limited, hereby appoint \_\_\_\_\_ in the District of \_\_\_\_\_ as my / our Proxy to vote for me / us on my / our behalf at the 27<sup>th</sup> Annual General Meeting of the Company to be held on \_\_\_\_\_

Signed this \_\_\_\_\_ of \_\_\_\_\_  
Name \_\_\_\_\_

N.B. The Proxy Form should be deposited at the Registered Office of the Company not later than 48 Hours before commencement of the Meeting.



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No. 6-3-652/C/A, Flat 5 A, "KAUTILYA" Amrutha Estates,  
Beside Medinova, Somajiguda, Hyderabad - 082.  
E-mail : [info@bheemacements.co.in](mailto:info@bheemacements.co.in)