

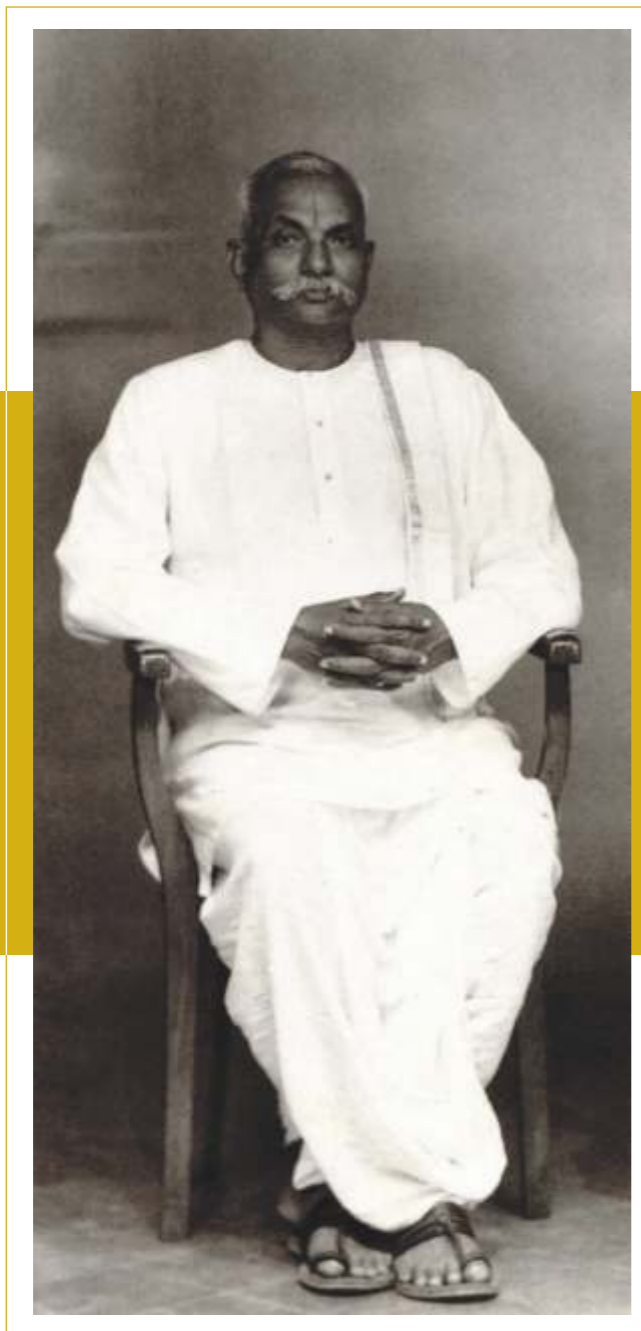
MADRAS CEMENTS LTD.

# Our Journey of 50 Years



MADRAS CEMENTS LTD,  
V Floor, 98-A, Dr. Radhakrishnan Salai, Mylapore, Chennai - 600 004.





Shri. P.A.C. Ramasamy Raja  
1894 - 1962  
Founder of the Ramco Group

Founder with Shri. Manubhai Shah



In the year 1956, the Industries Minister of Government of India, Shri. Manubhai Shah, invited Shri. P.A.C. Ramasamy Raja, founder of Ramco Group of Companies, to establish a cement plant that was being allotted to the State of Tamil Nadu.

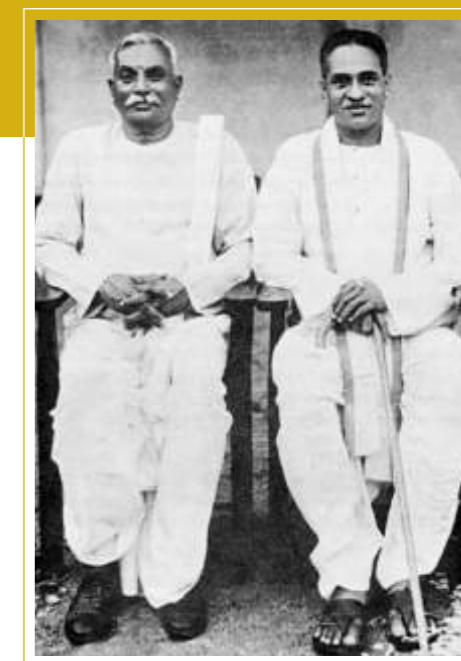
Shri. P.S. Kumarasamy Raja, Ex-Chief Minister of Composite State of Madras and Former Governor of Orissa, was mainly responsible for setting up this project by his timely advice and

## A look back on its journey of 50 years



encouragement to his cousin brother Shri. P.A.C. Ramasamy Raja, our Founder.

Further Shri. P.A.C. Ramasamy Raja was encouraged by the Honourable Chief Minister of Tamil Nadu, Shri. K. Kamaraj and Industries Minister, Shri. R. Venkataraman, in the formation of heavy industry like cement industry near Virudhunagar, home town of Shri. K. Kamaraj, in the most backward district of Ramnad, where founder's native place, viz. Rajapalayam is also situated.



Founder with  
Shri. P.S. Kumarasamy Raja

For establishing the cement plant, Madras Cements Ltd. was formed on 3<sup>rd</sup> July 1957 with the following as its First Directors.

Shri. P.A.C.Ramasamy Raja

Shri. L.Alagusundaram Chettiar

Shri. K.Venkataswami Naidu

Shri. A.S.K.Rathnasamy Nadar

The Company was initially granted an Industrial Licence by Government of India for setting up a cement factory for manufacturing 1,90,000 M.T of Portland Cement per annum.

this path breaking investment came about.

The balance Rs.40 lakhs was invested by the Shareholders of Rajapalayam Mills Limited and Ramaraju Surgical Cotton Mills Limited, spread over in Tirunelveli, Ramnad and Madurai Districts and other new investors and friends from Singapore and Malaysia who had immense faith and confidence in the founder, Shri. P.A.C.Ramasamy Raja. Industrial Finance Corporation of India (IFCI) participated in the project by sanctioning a term loan of Rs.40 lakhs. The entire share capital was collected without going to the share market.

Orders were placed for a 200 Tonnes Per Day (TPD) Wet Process Kiln with Skoda of Czechoslovakia.

The plant was formally inaugurated during Founder's time in 1961 by the Honourable Chief Minister, Shri. K.Kamaraj under the Presidentship of Minister for Industries and Labour, Shri. R.Venkataraman.

Subsequently, it was proposed to increase the plant capacity to 600 TPD by putting up a second kiln of 400 TPD capacity. Accordingly, order for 400 TPD capacity Wet Process Kiln was placed on Skoda of Czechoslovakia, during the founder's time.

Founder Shri. P.A.C.Ramasamy Raja with representatives of SKODA. Also seen is Shri. S.S. Ramachandra Raja



Chief Minister Shri. K.Kamaraj inaugurating the R R Nagar factory. Also seen is Shri. R.Venkataraman, Minister for Industries and Labour

The Founder addressing the gathering at the inaugural function of the cement factory. Also seen seated are Shri. K.Kamaraj and Shri. R.Venkataraman



The establishment of the cement factory, enabled our founder to realise his dream of providing economic upliftment to the most backward district of Ramnad.

The initial capital of the Company was Rs.50 lakhs. Out of this, a sum of Rs.10 lakhs was invested by the Government of Tamil Nadu as a

measure of encouragement to set up this major industry in the most backward district of Ramnad. This is the only time, the State Government has ever directly invested by way of share capital in a Company, after getting approval of the Central Planning Commission. Due to the pragmatic approach of the then Deputy Chairman of the Planning Commission, Mr. V.T. Krishnamachari,

This expansion was funded by a combination of share capital and term loan. Out of Rs.70 lakhs that was raised by way of share capital, the Government of Tamil Nadu again extended their helping hand by subscribing Rs.35 lakhs, through Tamil Nadu Industrial Investment Corporation (TIIC). Shri. A.M.M.Murugappa Chettiar, Chairman, T.I.Cycles, Sir. James Doak

of A & F Harvey Limited, Madurai and Shri. S.Rajarathnam, the then Secretary of TIIC, greatly assisted the Company in this regard. Substantial shares were collected from Indians in Malaysia with the help of Shri. A.Varadhachari, a reputed Chartered Accountant. The good friends of the founder Shri. K.Thiruvengada Mudaliar, Shri. V.G.Sundaram, Shri. K.Venkatasami Naidu,



Founder and Shri. K.Kamaraj offering the first cement bag to Thirupati Temple at the factory inaugural function. The bag is being received by Shri. K.Venketaswami Naidu, Chairman of Thirupati Devasthanam Board

key role in mobilising the share capital from the Public in India and Abroad and also liaising with the Government Departments in getting various licences and with the Financial Institutions in obtaining various loans.

Special mention should be made of His Holiness Sri Mahasannidhanam of Sringeri Sankaracharya Mutt - Sri Abhinava Vidhyatheertha Mahaswamigal and Shri Dharmapuram Adheenam - Sri Shanmuka Desika Gnanasambanda Paramacharia Swamigal, who blessed the venture by their kind and generous participation in the share capital of the company.

At the request of our founder, Shri. P.A.C.Ramasamy Raja, Shri. J.Dalmiaji, Chairman, Dalmia Cement (Bharat) Limited, helped in training Company's employees in his factory at Dalmiapuram and also actively associated himself with the progress of the factory by giving necessary technicians and materials at every stage, which greatly helped in completing the project in time.

Our Founder's strong belief in Ethical values, leadership qualities and, motivation to form a committed team, laid strong foundation for steady growth of the Company. His wide experience in the industrial field and vast business contacts were valuable to the Company



Founder being honoured by the Dharmapura Addheenam at the R R Nagar factory inaugural function. Also seen - Shri. P.R.Ramasubrahmaneya Rajha and Shri. S.Arjuna Raja

Shri. T.K.Thirumalaippa Mudaliar, Shri. K.E.S.Ellappan and Shri. S.Subbusamy Iyer, rendered active help and assistance in collecting shares from public. Besides, Shri. M.R.S.Radhakrishna Raja, brother-in-law of the founder also assisted in mobilising the share capital. In addition, Mr. Narayanan Iyer and Mr. Ponnusamy Mudaliar our trusted employees

actively helped in collection of shares.

From the earliest stages of founding the Company, Late. Shri. S.Arjuna Raja, Executive Director, had assisted our founder and subsequently the present Chairman, Shri. P.R.Ramasubrahmaneya Rajha. He was a source of strength and inspiration and played a



Shri. R.Venkataraman, Minister for Industries lighting up the second kiln on 31.07.1963

from its inception. The keen interest he had for the welfare of the employees and the shareholders was unique and unparalleled. On the demise of our Founder, Shri. P.A.C.Ramasamy Raja in the year 1962, the reins of the Company were taken over by his son Shri. P.R.Ramasubrahmaneya Rajha, our present Chairman.

The new second kiln of 400 TPD which was under erection during our founder's life time, was inaugurated on 31.07.1963 by Shri. R.Venkataraman, Minister for Industries, after our present Chairman took over.

The company earned profit from the very second year of its operation and declared its maiden dividend of 10% for the year 1965 (i.e) within 4 years from commencement of production, in

spite of the selling and distribution price was controlled by Government of India.

In the year 1973, our Chairman was advised by Shri. Pherwani, then working in New India Assurance, who later on became the Chairman of UTI, to go in for new technology and also to increase the capacity of our R R Nagar Plant, adopting the new Dry Process Technology to save fuel. His advise was very timely and our Chairman took his advise seriously and decided to put up a 1200 TPD kiln by adopting the latest Dry Process Technology. That was single largest capacity Kiln with ESP and Cooling Towers also to control pollution for the first time in the country. This FLS plant supplied by Larsen & Toubro was established in the factory by scraping the old Wet

Process Kilns of 600 TPD. By this bold and timely step taken by our Chairman, the production was doubled with the new Dry Process Technology changing the entire fortunes of the Company as the cost of production was reduced drastically due to saving in fuel cost.

For this expansion project, Holtec Engineers Private Limited, Patna, were retained as technical consultants, who advised the Company on selection of equipments, keeping in view the latest developments in the cement industry. In this connection, we have to thank Founder of M/s. Larsen & Toubro Limited, Mr. Holck Larsen, for his personal involvement in setting up this unique project.

IDBI, IFCI, ICICI, UTI, LIC, SIPCOT, Oriental Fire and General Insurance Company Limited, New India Assurance Company Limited and United India Group of Insurers underwrote the issue. In addition, the above financial institutions together with SIPCOT and Indian Bank sanctioned financial assistance of Rs.700 lakhs

for the expansion-cum-modernisation programme. Besides, Indian Bank also sanctioned a bridge loan of Rs.150 lakhs, for speedy completion of the expansion-cum-modernisation programme.

The capacity of R R Nagar plant at present is 1.2 Million Tonnes Per Annum. The capacity addition

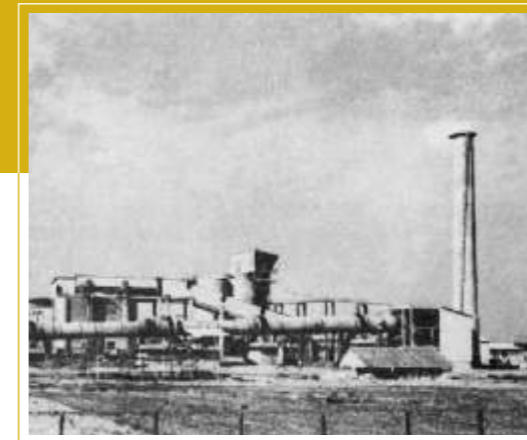
R R Nagar factory model being presented by Shri. N.M.Desai, Chairman, Larsen & Toubro Limited to our Chairman & Managing Director, Shri. P.R.Ramasubrahmaneya Rajha



Chairman & Managing Director, Shri. P.R.Ramasubrahmaneya Rajha performing Vaasthu for the Company's Dry Process Expansion Project

Shri. S.S.Ramachandra Raja played a key role in successfully planning and executing the Company's expansion-cum-modernisation which was commissioned on 05.03.1977.

In the year 1973-74, to fund the expansion cum modernisation programmes, the Company went for a rights issue and public issue of share capital. Even at that time, when the investors were shy of investing in cement scrips, owing to the rigid control imposed by the Government over the price and distribution of cement, the public issue of Rs.107.50 lakhs was over subscribed to an extent of Rs.170 lakhs demonstrating the faith and reputation enjoyed by the Company among the investing public.



RR Nagar Plant - initial and present stage

was made by way of putting up a new kiln of 1000 TPD capacity in the year 1992 and by optimising utilisation of support equipments and auxiliaries and increasing their productivity.

We are now in the process of scraping the 1200 TPD kiln as it has served more than 30 years

and in its place we are putting up a new Dry Process Kiln of 1600 TPD, thereby taking the annual cement manufacturing capacity to 1.5 Million Tonnes Per Annum.



## GOVERNMENT'S POLICY ON LEVY OF CEMENT AND IMPACT ON COMPANY

During the initial two decades of the Company, the cement industry was under total control with cement being considered as essential commodity.

The Government exercised total control over price and distribution of cement, which resulted in the sluggish growth for the entire industry. The price of cement was fixed by the Government of India in consultation with Tariff Commission. The distribution of cement was regulated by Cement Allocation and Co-ordinating Organisation.

In February 1982, partial de-control was announced. During 1982 to 1988 partial de-control was in vogue. Under this scheme, levy cement quota was fixed for the companies and the balance could be sold in the open market. During this period, the Company undertook extensive modernisations.

In the year 1989, Government of India announced total de-control of cement. The investments already made and the capacities created by the Company were taken advantage of, for accelerating rapid growth.

Jayanthipuram Plant - initial and present stage



## EXPANSION OF CEMENT DIVISION

The Company believed in expansion of its cement manufacturing capacities by going in for green field projects.

In the year 1986, it established a new cement plant in Jayanthipuram near Vijayawada in Andhra Pradesh, with a capacity of 0.75 MTPA. The plant capacity was increased to 1.6 MTPA in 2000 and further expanded to the present capacity of 3.6 MTPA, by installing a new kiln to produce 2 Million Tonnes in the Company's Golden Jubilee year.

The plant could proudly claim many firsts, which

would include the Continuous Flow Silo for Blending, Scanners for Refractory Monitoring and FL Smidth's exclusive Fuzzy Logic for computer control for Kiln operation.

Shri. P.R.Venketrama Raja, a B.Tech in Chemical Engineering, son of Shri. P.R.Ramasubrahmaneya Rajha and Director of Madras Cements Ltd, contributed to the speedy implementation of the Jayanthipuram Project.

In the year 1997, it established a new cement plant in Alathiyur in Tamil Nadu with a capacity of

0.9 MTPA - Line 1. The unit was expanded by putting up a second line. The Line 2 was commissioned ahead of schedule in a record time of just nine months. The great feat was made possible because of the co-operation extended by the contractors and suppliers, viz., Petron, Fuller, Loesche, Aumund, etc.

The Alathiyur unit was set up with the state of the art technology in cement industry, such as latest revolutionary SF Cross Bar Coolers, which was installed for the first time outside USA. Also for the first time in India, Vertical Roller Mills - OK Mill of FL Smidth and Loesche

Mills of Loesche were installed for cement grinding.

With further upgradation, the capacity of the Alathiyur plant increased to 3 MTPA and the Company became the largest producer of cement in Tamil Nadu and second largest in South India.

The unit has been consistently rated as the best energy and fuel efficient and environmental friendly unit in the country. We have won the "Four Leaves" Award for our Alathiyur Plant. This is the first time ever "Four Leaves" was awarded to

Alathiyur Plant



Ariyalur project in progress - Blending Silo, Preheater and Bag House



Honourable Chief Minister of West Bengal, Shri. Buddhadeb Bhattacharjee, for having allotted suitable land inside the Kolaghat Thermal Power Station, it is being designed in such a way that flyash from the power station would be directly pumped to the grinding unit.

Also we are setting up grinding units at Salem and Chenglepet in Tamil Nadu, which would enable the Company to serve the customers in time.

With this, the seed sown by the Founder with the plant capacity of less than 1 lakh tonnes per annum is poised to reach 11 Million Tonnes per annum in the year of Golden Jubilee, under the vision and stewardship



Ariyalur project in progress - Pre Heater

any industry in India - more so to a cement industry. The "Four Leaves" was awarded to us by Centre for Science and Environment, New Delhi.

The Company is establishing a 2 MTPA capacity cement plant in a green field site, in Ariyalur in Tamil Nadu, coinciding with the Golden Jubilee year of the Company.

Customers' continued satisfaction and sensitivity to their needs are the Company's source of strength and security. With this focus in view, the company is establishing a grinding unit at Kolaghat at West Bengal. Thanks to the

of the Chairman & Managing Director, Shri. P.R.Ramasubrahmaneya Rajha.

At the time of Shri. P.R.Ramasubrahmaneya Rajha assuming charge, the company's networth was Rs.1.15 crores and the turnover was Rs.0.60 crores, with only plant for the Company with a capacity of 0.66 lakh tonnes per annum. Under his leadership, the Company has now grown having cement plants in 5 different locations in 3 states with an aggregate capacity of 11 Million Tonnes Per Annum. Its networth as on 31<sup>st</sup> March 2008 has increased to Rs.951crores with the turnover

exceeding Rs.2,000 crore mark. All these have been achieved with an actual investment of Rs.3 crores only by way of Share Capital from the shareholders and an investment of more than Rs.3,000 crores, mainly by plough-back of profits and short term borrowings, without seeking additional investment from the shareholders. Under his leadership, the Company has become a trend setter in technology, in fuel efficiency, quality and cost control.



## MARKETING NETWORK

With the completion of all the above expansions, the Company is poised to become the largest cement producer in South India and its market share in the four southern states of the country will reach 20%.

The Company is a pioneer in Blended Cement and 90% of its production is Blended Cement, specifically

Pozzolana Cement, by adding flyash from thermal power stations. The Company's product of blended cement is marketed under the brand name "RAMCO SUPER GRADE" (RSG). It is the largest selling brand in Tamil Nadu and Kerala. RSG stands for quality and consistency in making a very good concrete for building.

Besides the quality of its product, one of the main reasons for the Company's ability to retain its strong hold and also consistently expand its market share in new areas is due to a vast network of dealers developed over a period of time. The Company can be proud of having the largest number of stockists, besides having largest number of exclusive stockists spread over in rural and semi urban areas. The dealers are

treated as part of RAMCO FAMILY and the Company has many welfare schemes including extension of Medical Insurance for dealers and their families.

On the support extended by the RAMCO dealers, it is worthwhile to mention that the company has dealers who are continuing their business relationship with the Company for more than 2 generations.



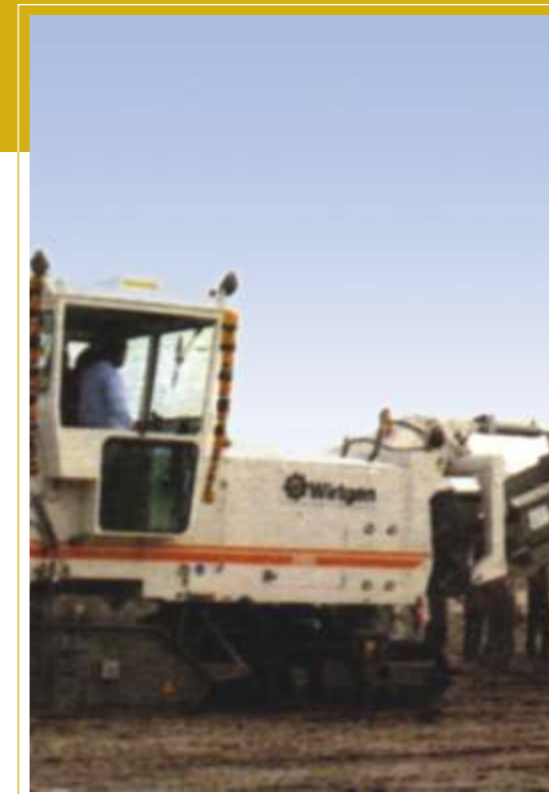
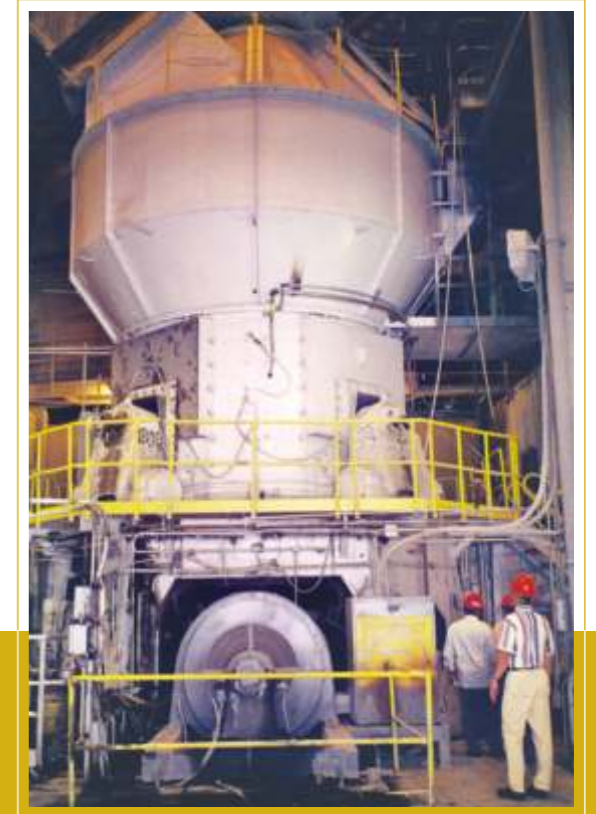
## TECHNICAL FORE-RUNNER

The Company remained in the forefront in absorption of scientific and technological development in cement production.

We are the first

- to go in for large capacity Dry Process Kilns.
- to adopt dry process technology in South, thus saving of fuel.
- to introduce the concept of blended cements with flyash, producing 100% blended cement and successfully marketing it.

Vertical Roller Mill at Alathiyur



Surface Miner in operation

- to set up Vertical Grinding Mill for cement production, to save power.
- to use magnetic separators for enriching limestone quality.
- to go in for surface miner for mining limestone, thereby avoiding the conventional method of drilling and blasting, which is detrimental to the environment.
- to introduce ESP with Cooling Towers in the cement industry for pollution control.
- to use X-Ray analyser for clinker and raw materials to control quality.
- to go in for PLC based system for process control.



## ENERGY MANAGEMENT

To optimise the cost of electrical energy, the company had installed coal based captive thermal power plants at Alathiyur and Jayanthipuram units. Both the thermal power plants, are of 36 MW capacity (2 x 18 MW) each. The electrical energy requirements of both Alathiyur and Jayanthipuram units are being fully met from the respective thermal power plants.

In the year 1993, as part of self-reliance in power and diversification, the Company went for setting up of wind farms to meet the electrical energy requirements of its cement plants. The first wind farm was set up with a capacity of 4 MW,

The new Wind farm at Coimbatore District



The windfarm at Muppandal, Kanyakumari District

comprising of 16 nos. of Wind Electric Generators. Over a period of time, there has been significant improvement in the capacity addition and the present capacity of our wind farm is 139 MW, comprising of 217 nos of Wind Electric Generators. The total investment in the wind farm division is Rs.717 crores. The diversification to go in for renewable energy sources, demonstrates the Company's commitment for protecting the environment and reduce the power cost. The investment in wind farm has helped the Company to isolate its power cost from ever increasing oil and coal prices, which in turn increases the cost of Electricity Board Power. The entire power requirement of our first plant at RR Nagar, grinding plants and new Ariyalur plant will be met by energy generated from our wind farms.

## DIVERSIFICATIONS

In the year 1998, the Company established its Ready Mix Concrete unit to cater to the needs of the Infrastructure and Housing industry.

In the year 2003, the Company established its Dry Mortar Plant, the first of its kind in India, manufacturing plastering materials and tile fixing compounds, required for the Housing industry.

## R & D CENTRE

From the beginning, the Company has believed in continuous upgradation of

technology to improve the quality of its production and productivity.

With this aim in mind, the Company has always been in the forefront in absorbing the latest research and scientific developments relating to cement, cement production and its application.

In the year 2001- 2002, the Company established a dedicated R & D Centre in Chennai. It was inaugurated by Prof. P.K.Mehta, University of California, USA, in the presence of Dr. V.M.Malhotra, Emeritus Scientist, Canada.

The Centre consists of 3 laboratories, viz.

Strength of Materials Laboratory  
Chemical Laboratory  
Instrumental Laboratory

The R & D centre is actively pursuing efforts in using alternative fuel material, improving the strength of cement and cost reduction in manufacturing of cement, leading to increase in quality and cost competitiveness of the Company's products.



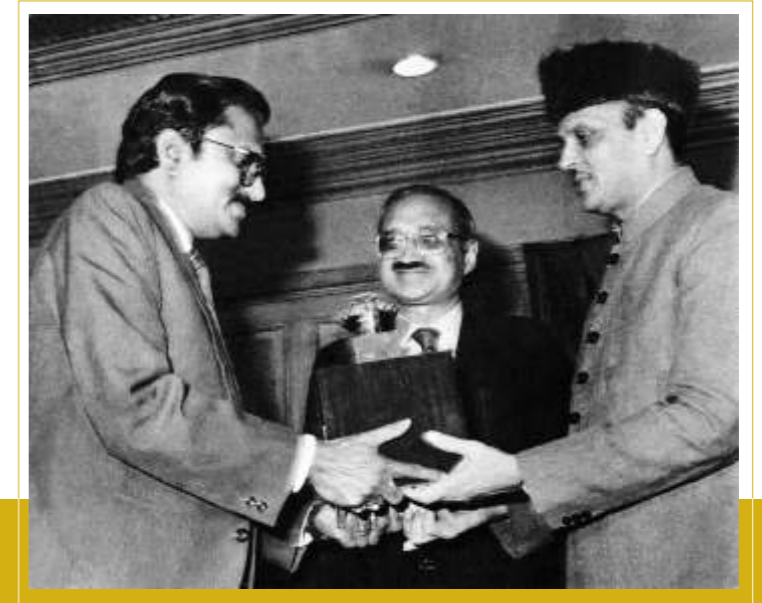
## MANAGEMENT INFORMATION SYSTEM

The Company has an excellent Management Information System - Enterprises Resources Planning - designed, developed and implemented by its group company, Ramco Systems Limited.

Starting with the mining through manufacturing till marketing, the entire operations are supported

by this ERP system. Because of this, excellent Management Information System is facilitated across all levels. The MIS makes it possible to take right decisions in time. This has enabled the Company to improve its performance in all its areas and to develop strategic initiatives, in tune with the changes happening in the business horizon.

Shri. P.R.Ramasubrahmaneya Rajha receiving the Corporate Performance Award from Honourable Finance Minister, Mr. V.P. Singh, in the year 1985



## AWARDS

Over the period of 50 years, there has not been a single award, which the Company has not won. To list a few among the awards that have been given to us

- Four Leaves Award from Centre for Science and Environment, the first in the country to get the Four Leaves rank, for most dust free and environmental friendly factory.
- Excellence in Energy Efficiency Awards instituted by Confederation of Indian Industry (CII).



'The Four Leaves Award'



Shri. P.R.Venketrama Raja receiving the Safety Award from the Honourable Chief Minister of Tamil Nadu, Dr. M.Karunanidhi in the year 1989

 VISITS BY VIPs

Our plants have been visited and acclaimed by many National Leaders.



P.R. Venketrama Raja receiving the Capexil Award for Export from the Honourable Minister for Commerce, Mr. P.Chidambaram in the year 1991



Smt. Indira Gandhi, the Prime Minister of India along with our Chairman & Managing Director, during her visit to the R R Nagar Factory in the year 1980

- National Award for Best Electrical Energy Performance instituted by National Council for Cement and Building Materials (NCCBM).
- Safety Awards, including for Lowest Accident Frequencies.
- Best Industrial Relations Award.
- Award as the Best among the mini giant companies in the Private Sector from Economic Times - Harvard Business School Association of India.
- Certificate of Merit Award for export performance from Chemicals and Allied Products Export Promotion Council (CAPEXIL)
- Jawaharlal Nehru Memorial National Award for Pollution Control.
- Largest Private Sector Exporter Award.
- Visweswaraya Industrial Award.
- Business Excellence Award from Industrial Economist.
- Quality Circles Award.



Chairman and Managing Director welcoming Mr. Rajiv Gandhi, the Prime Minister of India and Mrs. Sonia Gandhi, during their visit to the R R Nagar factory in the year 1988



## CORPORATE SOCIAL RESPONSIBILITY

The Company strongly believes that it has to contribute its share to the community around it and to the society at large as a responsible corporate citizen. Accordingly, the company directly and indirectly participates in various welfare measures intended to benefit the needy. For this measure, among other things, it has established Ramco Social Service League - the service arm of the Company.

Its activities include:

- Conducting regular blood donation camps
- Conducting health and hygiene awareness camps in villages
- Conducting eye camps and distribution of free spectacles to the poor people



Mr. M.G.Ramachandran,  
Chief Minister of Tamil Nadu,  
during his visit to the R R Nagar  
Factory in the year 1981



Mr. M.Karunanidhi, Chief Minister of Tamil Nadu,  
during his visit to the R R Nagar Factory in year 2001



Chairman & Managing Director  
presenting clothes to poor people  
on behalf of Ramco Social  
Service League

- Conducting polio vaccination programmes
- Adoption of villages and providing infrastructure facilities and essential services
- Providing relief measures during national calamities, such as flood, tsunami, etc
- Plantation of trees

The Company also directly contributes for various charitable causes, including for renovation of temples, churches, mosques and places of religious worship.

Ramco Annual Eye camp



Mathura village, near Alathiyur Plant adopted by the Company



Chairman & Managing Director handing over a cheque for Rs.10 lakhs to Honourable Chief Minister of Tamil Nadu, Dr. M.Karunanidhi, towards Public Relief Fund in the year 1997

 EMPLOYEES AS A FAMILY



Chairman & Managing Director handing over a cheque for Rs.25 lakhs to Honourable Chief Minister of Andhra Pradesh, Dr. Y.S.Rajasekhara Reddy, towards Chief Minister Relief Fund, in the year 2007

The Company lays great emphasis on human resources. A contented and well developed worker will give to the Company better work and therefore better profits, had been the philosophy of the Founder. The Company has

strong faith in innate and infinite potential of human resources. It believes in the creative abilities of the people who work for the Company and believes in investing in their development and growth as foundation for

Chairman & Managing Director laying foundation stone for 'Own Your Housing Scheme' for the workers



'Own Your Housing Scheme'



Chairman & Managing Director handing over a cheque for Rs.51 lakhs to Honourable Chief Minister of Tamil Nadu, Dr. J. Jayalalitha, towards Tsunami Relief Operations, in the year 2005

strong and qualitative growth of the organisation.

schools at all our cement plant locations for providing quality education to the children of the employees. It has extended medical insurance coverage to all its employees and their family. In addition to the medical insurance covered, wherever needed, the Company is providing specialist medical aids not only for the employees but also to their family members.

The Company, all along is having smooth and cordial relationship with its employees based upon mutual trust and well being. The Company is pioneer in introduction of many welfare schemes. It developed well provided housing colonies for its entire workforce within the factory premises. It also introduced "Own Your Housing Scheme", wherein the employee is able to own his house.

Because of the above, the Company is able to attract and nurture talents. Due to the excellent atmosphere and training, the employees develop as professionals and perform at their best. The professionalism in the management, has enabled the employees as well as the Company to grow hand in hand.

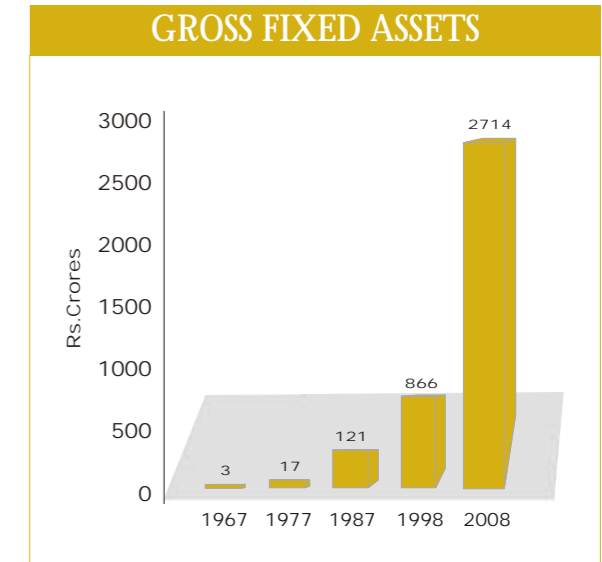
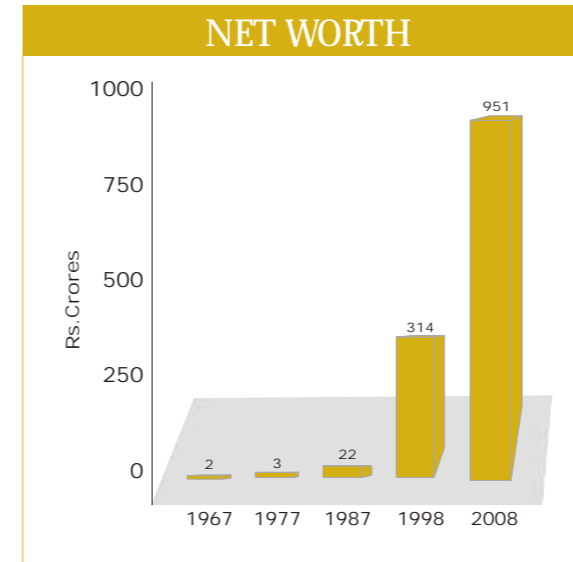
Health and Education are the Two Eyes of any person. Recognising this, the Company has provided educational loans for the employees' children, besides establishing and running



## RETURNS TO SHAREHOLDERS

The objective of the Company is to protect and enhance the value of the shareholders' investment. Even during the initial stages of the Company, when the plant was being set-up,

before commencement of commercial production and earning of profits, the Company considered it necessary to reward its shareholders by paying interest on the amount invested by them.



# Financial Performance

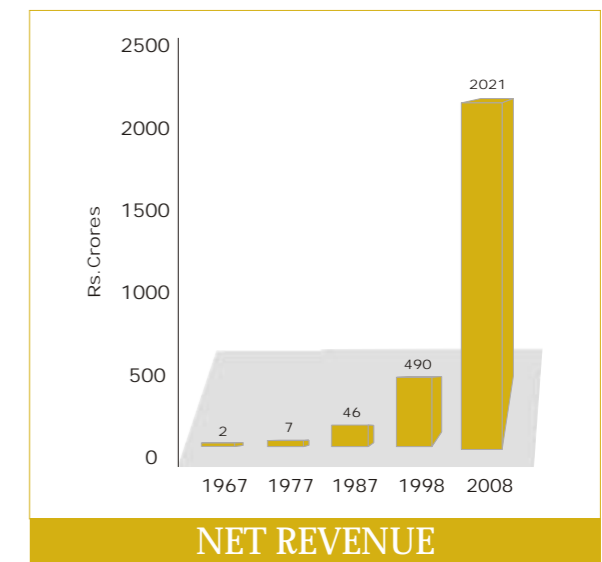
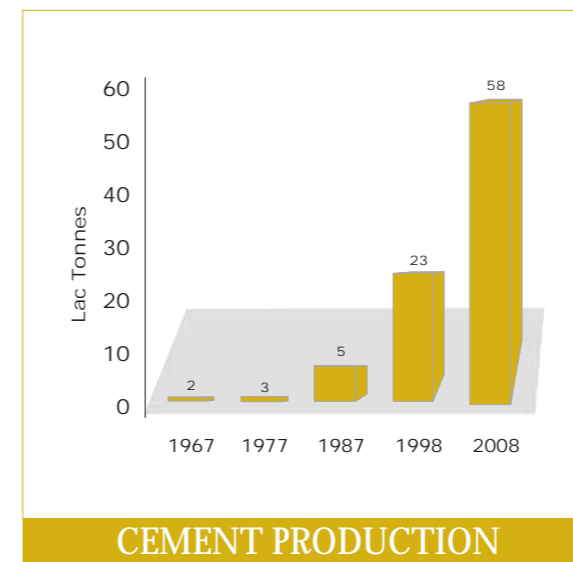
The Company has always been rewarding the shareholders handsomely, by way of dividend and issue of bonus shares. The Company is having a record of paying maximum percentage of dividend to the shareholder, in the cement industry.

A shareholder investing Rs.100/- in the share capital of the Company at the time of incorporation, would have received Rs.1,786/- as dividend, yielding an average annual return of 35.72%.

The said investment of Rs.100/- would have risen to a value of Rs.1,33,960/- as on 31.03.2008, yielding an annual average capital appreciation of 26.77%.

The Company has issued Bonus shares in the ratio of 1 : 1 in 1992 and 1994.

Its Board of Directors have also recommended a Bonus issue in the ratio of 1 : 1 for consideration in the Annual General Meeting to be held on 11<sup>th</sup> August 2008.





## 50 YEARS FINANCIAL HIGHLIGHTS

### MADRAS CEMENTS LTD.

(Rupees in Crores)

AGM No.	YEAR ENDED	CAPITAL	RESERVES & SURPLUS	FIXED ASSETS - GROSS BLOCK	CEMENT PRODUCED (IN LAC TONNES)	NET REVENUE	NET PROFIT	DIVIDEND (%)
1	30.09.1958	0.26	-	0.01		-	-	-
2	30.09.1959	0.45	-	0.47				
3	30.09.1960	0.49	-	0.85				
4	30.09.1961	1.05	-	1.00	0.22	0.19	-0.10	-
5	30.09.1962	1.19	-	1.84	0.64	0.60	0.06	-
6	30.09.1963	1.19	0.01	2.09	0.62	0.56	0.05	-
7	30.09.1964	1.19	0.04	2.18	1.41	1.24	0.10	-
8	30.09.1965	1.19	0.17	2.42	1.82	1.79	0.25	10
9	30.09.1966	1.19	0.45	2.54	1.64	1.90	0.11	10
10	30.09.1967	1.19	0.61	2.61	1.69	2.00	0.11	10
11	30.09.1968	1.19	0.63	2.73	1.81	2.10	0.04	10
12	30.09.1969	1.19	0.67	2.83	1.78	2.24	0.08	10
13	30.09.1970	1.19	0.74	3.03	2.10	2.69	0.17	12
14	30.09.1971	1.16	0.74	3.25	1.83	2.48	0.09	12
15	30.09.1972	1.12	0.67	3.35	1.49	2.09	0.01	6
16	30.09.1973	1.43	0.51	3.50	1.21	1.82	-0.21	-
17	30.09.1974	2.62	0.55	3.66	1.72	2.89	-0.15	-
18	30.09.1975	2.72	0.56	4.06	1.42	3.35	0.26	-
19	30.09.1976	2.74	0.56	4.87	2.00	4.15	0.01	-
20	31.12.1977	2.74	0.25	17.14	3.35	6.68	-0.84	-
21	31.12.1978	3.02	0.32	17.36	3.21	7.48	-0.40	-
22	31.12.1979	3.02	0.32	18.07	3.55	9.81	0.37	-
23	31.12.1980	3.03	0.77	19.26	4.29	13.09	1.34	-
24	31.12.1981	2.93	2.69	21.78	4.93	17.38	2.66	15
25	31.12.1982	2.96	9.09	24.74	4.60	24.71	6.95	20
26	31.12.1983	3.41	10.91	27.73	3.85	22.84	2.30	15
27	31.12.1984	3.42	12.11	32.07	4.67	27.97	1.66	15
28	31.12.1985	3.42	15.76	65.66	4.24	33.36	5.83	25
29	31.12.1986	3.42	23.26	110.43	4.59	34.88	4.29	25
30	31.12.1987	4.02	17.91	121.00	5.49	46.00	-4.63	-
31	31.03.1989	3.72	11.31	133.79	11.29	101.06	-7.03	-
32	31.03.1990	3.72	12.55	136.32	10.27	102.11	1.25	-
33	31.03.1991	3.72	30.45	141.00	11.16	139.97	19.31	30
34	31.03.1992	3.72	52.64	161.86	12.62	184.73	23.21	30
35	31.03.1993	6.64	66.33	208.68	12.59	202.18	20.17	30
36	31.03.1994	6.64	83.79	233.98	14.41	240.72	19.59	36
37	31.03.1995	11.97	125.85	333.24	15.12	298.91	52.85	40
38	31.03.1996	11.98	207.34	478.30	18.29	392.09	90.56	55
39	31.03.1997	11.98	277.06	784.07	18.10	419.69	77.20	55
40	31.03.1998	11.98	301.70	865.69	23.00	489.72	31.97	55
41	31.03.1999	12.07	325.07	902.86	25.80	523.71	31.85	55
42	31.03.2000	12.07	355.86	1050.79	27.20	519.07	37.83	55
43	31.03.2001	12.07	392.34	1215.09	26.50	620.83	44.33	55
44	31.03.2002	12.07	250.03	1403.22	31.80	709.37	25.66	60
45	31.03.2003	12.08	252.75	1445.54	35.20	630.37	12.96	60
46	31.03.2004	12.08	273.97	1449.76	37.00	699.82	33.40	75
47	31.03.2005	12.08	318.40	1570.47	38.00	745.11	55.92	100
48	31.03.2006	12.08	377.92	1640.53	47.10	1031.35	79.02	150
49	31.03.2007	12.08	652.75	1798.98	56.69	1581.69	308.02	250
50	31.03.2008	11.90	938.96	2714.45	58.45	2021.35	408.29	400