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**THE**

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**INDIA CEMENTS**

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**LIMITED**

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ANNUAL REPORT  
**2001**



Mr. N. Srinivasan, Vice Chairman & Managing Director inaugurating the first ICL Cement seminar on 27th April, 2001 at Chennai.

#### 55th Annual General Meeting

Date : 28th September, 2001  
Time : 10.00 A.M.  
Venue : Sathguru Gnanananda Hall,  
(Narada Gana Sabha)  
314, (Old No. 254), T.T.K. Road,  
Chennai 600 018.

#### A REQUEST

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

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# THE INDIA CEMENTS LIMITED

## BOARD OF DIRECTORS

<b>Sri N. Sankar</b>	Chairman
<b>Sri N. Srinivasan</b>	Vice Chairman & Managing Director
<b>Sri N. Ramachandran</b>	Executive Director
<b>Sri N. Kumar</b>	
<b>Sri B.S. Adityan</b>	
<b>Dr. M.V. Kamath</b>	
<b>Sri N. Biswas</b>	(Representing ICICI Ltd.)
<b>Sri Gul M. Iqbal</b>	(Representing UTI)
<b>Sri N.R. Ranganathan</b>	(Representing LIC)
<b>Sri K. Sivaprakasam</b>	(Representing IDBI)

## Auditors

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

## Registered Office

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

## Cement Factories

### TAMILNADU

**Sankarnagar,**  
Tirunelveli District.

**Sankari,**  
Salem District.

**Dalavoi,**  
Perambalur District.

### ANDHRA PRADESH

**Chilamakur and Yerraguntla,**  
Cuddapah District.

**Vishnupuram,**  
Nalgonda District.



# THE INDIA CEMENTS LIMITED

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

## NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the fiftyfifth Annual General Meeting of The India Cements Limited will be held at 10.00 A.M. on Friday, the 28th September 2001 at SATHGURU GNANANANDA HALL (Narada Gana Sabha), 314, (Old No. 254), T.T.K. Road (Mowbrays Road), Chennai 600 018, to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Directors' Report, the accounts of the company for the year ended 31st March 2001 and the Auditors' Report thereon.
2. To declare dividend on preference and equity shares.
3. To appoint a Director in the place of Mr.N.R.Ranganathan who retires by rotation and is eligible for reappointment.
4. To appoint a Director in the place of Dr.M.V.Kamath who retires by rotation and is eligible for reappointment.
5. To appoint Auditors and fix their remuneration:

To consider and if thought fit, to pass with or without modification, the following SPECIAL RESOLUTION, pursuant to Section 224A of the Companies Act, 1956

"RESOLVED THAT M/s.Brahmayya & Co. and M/s.P.S.Subramania Iyer & Co., Chartered Accountants, Chennai, be and are hereby appointed Auditors of the Company including its branch offices to hold Office from the conclusion of the fifty-fifth Annual General Meeting until the conclusion of the fiftysixth Annual General Meeting and that their remuneration be and is hereby fixed at Rs. 7,50,000/- each, exclusive of all travelling and out of pocket expenses which shall be reimbursed to them."

### SPECIAL BUSINESS :

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

"RESOLVED that consent of the Company be and is hereby accorded in terms of Section 293(1)(a) and other applicable provisions if any, of the Companies Act, 1956, to mortgaging and/or charging by way of first mortgage/charge by the Board of Directors of the Company of all/any of the immovable and movable properties of the Company wheresoever situate, present and future and/or conferring power to enter upon and to take possession of the assets of the Company in certain events to or in favour of the Financial Institutions and Bank to secure the following loans:

- a. Industrial Development Bank of India of its Term Loan of Rs.1000 lakhs
- b. ICICI Limited of its Term Loan of Rs.5000 Lakhs and
- c. State Bank of India of its Term Loan of Rs.7000 Lakhs

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

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

- NOTES:
1. Explanatory statement is annexed to the Notice of the fiftyfifth Annual General Meeting of the Company as required by section 173(2) of the Companies Act, 1956 in respect of items no.5 and 6.
  2. Details under clause 49 of the Listing Agreement with the Stock Exchanges in respect of Directors seeking reappointment at the Annual General Meeting are separately annexed hereto for items no.3 and 4.
  3. ANY MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. THE PROXIES SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
  4. The Register of Members of the Company will remain closed from 19th September 2001 to 28th September 2001 (both days inclusive).
  5. The Equity dividend, if approved, will be paid on or before 27th October 2001 to those Members (or their mandatees) whose names will appear in the Company's Register of Members as on 28th September 2001. In respect of shares held in electronic form, the dividend will be paid on the basis of beneficial ownership as per details furnished by the depositories for this purpose.
  6. Members who are holding shares in more than one folio are requested to write to the Company immediately enclosing their share certificates for consolidation of their holdings in one folio.
  7. Unclaimed dividends upto and including for the financial year 1994-95 have been transferred to the General Revenue Account of the Central Government. Shareholders who have not encashed their dividend warrants relating to financial year(s) upto 1994-95 may claim the same from the Registrar of Companies, Tamil Nadu, No.26, Haddows Road, Chennai 600 006, in the prescribed form which will be supplied by the Company on request.
  8. The shareholders may please note that any dividend for the financial year ended 31st March 1996 and thereafter, which remain unpaid or unclaimed for a period of 7 years will be transferred to the Investor Education and Protection Fund of the Central Government. Shareholders who have not encashed the dividend warrant(s) so far for the financial year ended 31st March 1996 and any subsequent financial year(s) are requested to make their claim to the Registered Office of the Company. It may also be noted that once the unclaimed dividend is transferred to the Investor Education and Protection Fund as above, no claim shall lie in respect thereof.
  9. Under the provisions of Section 109A and 109B of the Companies Act, 1956, shareholder(s) is/are entitled to nominate in the prescribed manner, a person to whom his/her shares in the Company, shall vest after his/her lifetime. Members who are interested in availing this nomination facility are requested to write to the Company.
  10. The members holding shares in the dematerialised mode are requested to intimate all changes with respect to their bank details, mandate, nomination, power of attorney, change of address etc. to their depository participant (DP). These changes will be automatically reflected in the Company's records.

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

G. BALAKRISHNAN  
Company Secretary

Place: Chennai  
Date : 26th June 2001.



**EXPLANATORY STATEMENT ANNEXED TO THE NOTICE OF THE FIFTYFIFTH ANNUAL GENERAL MEETING OF THE COMPANY IN RESPECT OF ITEMS NO. 5 AND 6.**

**Item No.5:**

The public Financial Institutions, Nationalised Banks and the Insurance Companies, presently hold close to 25% of the Subscribed Share Capital of the Company. It is possible that their shareholding may touch or exceed 25% of the subscribed capital on or before the date of the Annual General Meeting of the Company. Hence by way of abundant caution, a special resolution is proposed under Sec.224 A of the Companies Act, 1956.

**Item No.6:**

The financial assistance availed, as specified in resolution No.6 has to be secured by way of first mortgage/charge on the movable and immovable properties of the Company.

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

**INSPECTION:**

Copies of letters of sanction and other relevant agreements/documents/correspondence received from the Financial Institutions and the Bank are available for inspection at the Registered Office of the Company between 11.00 A.M. and 1.00 P.M. on any working day prior to the date of the meeting and will also be available for inspection at the meeting.

**INTEREST OF DIRECTORS:**

None of the Directors of the Company is concerned or interested in this resolution, except Mr.K.Sivaprakasam, representing Industrial Development Bank of India (IDBI) and Mr. N. Biswas, representing ICICI Limited (ICICI), in respect of Item No.6.

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

Place : Chennai  
Date : 26th June 2001.

G. BALAKRISHNAN  
Company Secretary

**PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGES, FOLLOWING INFORMATION ARE FURNISHED ABOUT THE DIRECTORS PROPOSED TO BE REAPPOINTED, VIDE ITEMS NO. 3&4 OF THE NOTICE DATED 26TH JUNE 2001..**

Name of Director	Mr. N.R. Ranganathan	Dr. M.V. Kamath
Date of Birth	27th May 1938	17th November 1918
Date of appointment on the Board as Director	20th November 1996	24th March 1980
Date of last reappointment as Director	23rd November 1998	15th December 1999
Expertise in specific functional areas	General Management	Management Consultant
Qualification	B.A.(Hons.), B.L., DDA (London)	FCMA, MBIM, AICWA, J. Diploma in MA
List of outside Directorships held	1. GIC Housing Finance Company Limited 2. GNFC, Bharuch, Gujarat 3. CAPAM (Common Wealth Association for Public Administration and Management), Toronto, Canada	
Chairman / Member of the Committees of Board of Directors of the Company		Member, Audit Committee
Chairman / Member of the Committees of Director of other Companies in which he is a Director	Member of Audit Committee – GNFC, Bharuch, Gujarat	



## TEN YEARS IN BRIEF

YEAR ENDED

		1992	1993
<b>Sales &amp; Earnings</b>			
1.	Sales and other Income	Rs./Lakhs 41639	47787
2.	Profit/(Loss) before tax	Rs./Lakhs 1938	1403
3.	Cash Generated (internally)	Rs./Lakhs 4147	4190
<b>Assets</b>			
4.	Fixed Assets (Net)	Rs./Lakhs 25147	29303
5.	Capital Investments	Rs./Lakhs 5113	6556
6.	Current Assets	Rs./Lakhs 10154	11353
7.	Loans and Advances	Rs./Lakhs 2645	3232
<b>Capital &amp; Reserves</b>			
8.	Share Capital	Rs./Lakhs 1598	1985
9.	Reserves and Surplus	Rs./Lakhs 5443	7872
10.	Shareholders' Fund	Rs./Lakhs 7041	9857
<b>Net worth, EPS &amp; Dividend</b>			
11.	Net worth per equity share	(Rs.) 44.04	49.66
12.	Earnings per equity share	(Rs.) 12.08	7.47
13.	Equity Dividend	(%) 25	25

Figures exclude revaluation reserve/deferred revenue expenditure.



## — FINANCIAL INFORMATION

31st MARCH

1994	1995	1996	1997	1998	1999	2000	2001
54997	62908	80644	83250	92731	139184	141966	<b>145137</b>
1848	4728	8090	8258	6276	8704	4731	<b>5115</b>
4223	7211	11737	12661	11287	15669	12120	<b>13416</b>
25936	35068	55970	78527	100499	145187	150202	<b>149109</b>
1390	11609	21899	26033	31496	57685	12471	<b>7437</b>
15961	18779	19626	22536	25745	29194	36093	<b>37911</b>
4363	4987	9559	12110	38097	53659	76733	<b>102704</b>
2481	3067	6434	6434	6434	12500	16339	<b>16348</b>
12047	29783	35389	40225	42291	50515	57951	<b>60251</b>
14528	32850	41823	46659	48725	63015	74290	<b>76599</b>
58.55	107.10	65.00	72.52	75.73	50.91	52.20	<b>53.88</b>
8.08	17.22	22.79	12.83	9.06	12.57	3.33	<b>3.25</b>
25	40	45	30	30	35	18	<b>18</b>



## DIRECTORS' REPORT

Your Directors have pleasure in presenting their fiftyfifth Annual Report together with audited accounts for the year ended 31st March, 2001.

	Rs. in Crores For the year ended 31st March	
<b>FINANCIAL RESULTS</b>	<b>2001</b>	<b>2000</b>
Income from Operations	312.31	274.78
Add: Other Income	9.50	13.21
Profit before Interest & Depreciation	321.81	287.99
Less: Interest	187.65	166.80
Less: Depreciation	83.00	73.79
Profit Before Tax	51.16	47.40
Less: Provision for Income Tax	3.00	2.00
Less: Prior year adjustments	0.01	0.09
Profit after Tax	48.15	45.31
Add: Balance brought forward from last year	13.56	30.19
Transfer from:		
Investment Allowance Reserve	0.08	0.55
Debenture Redemption Reserve	1.70	10.52
Share Premium	6.74	10.06
Less: Share/Debenture Issue expenses	6.74	10.06
Less: Extra-ordinary items	—	25.13
Surplus available for appropriation	63.49	61.44
Transfer to:		
Debenture Redemption Reserve	—	13.50
General Reserve	5.00	4.00
Dividend proposed (including dividend tax)		
– On Preference Capital	3.52	2.07
– On Equity Capital	27.47	28.31
Balance carried in Profit & loss A/c	27.50	13.56

### DIRECTORS' RESPONSIBILITY STATEMENT

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

We confirm that :

1. In the preparation of the accounts for the year ended 31<sup>st</sup> March 2001, the applicable accounting standards have been followed.