



THE

INDIA CEMENTS

LIMITED

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ANNUAL REPORT

2002

MEETING OF PRIME MINISTER'S COUNCIL ON TRADE AND INDUSTRY



Mr. N. Srinivasan Member, The Prime Minister's Council on Trade and Industry,
participating in the Meeting held on 10th July 2002

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56th Annual General Meeting

Date : 16th September, 2002
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

Sri N. Sankar	Chairman
Sri N. Srinivasan	Vice Chairman & Managing Director
Sri N. Ramachandran	Executive Director
Sri N. Kumar	
Sri B.S. Adityan	
Dr. M.V. Kamath	
Sri N. Biswas	(Representing ICICI Bank Ltd.)
Sri Gul M. Iqbal	(Representing Unit Trust of India)
Sri N.R. Ranganathan	(Representing Life Insurance Corporation of India)
Sri K. Sivaprakasam	(Representing Industrial Development Bank of India) upto 3.9.2002
Sri J. Jayaraman	(Representing Industrial Development Bank of India) w.e.f. 3.9.2002

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 fiftysixth Annual General Meeting of The India Cements Limited will be held at 10.00 A.M. on Monday, the 16th September 2002 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 2002 and the Auditors' Report thereon.
2. To declare dividend on preference shares.
3. To appoint a Director in the place of Mr N Kumar who retires by rotation and is eligible for reappointment.
4. To appoint a Director in the place of Mr Gul M Iqbal 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 resolution as an ORDINARY RESOLUTION:

"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 fiftysixth Annual General Meeting until the conclusion of the fiftyseventh Annual General Meeting and that their remuneration be and is hereby fixed at Rs.10,00,000/- each, exclusive of all travelling and out of pocket expenses which shall be reimbursed to them."

- NOTES:
1. Details pursuant to clause 49 of the Listing Agreement with the Stock Exchanges in respect of Directors seeking reappointment at the Annual General Meeting are separately annexed hereto for items no.3 and 4.
 2. An Explanatory Statement on the appointment of Statutory Auditors and their proposed remuneration is enclosed.
 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 12th September 2002 to 16th September 2002 (both days inclusive).
 5. 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.
 6. 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, Tamilnadu-I, Chennai, No.26, Haddows Road, Chennai 600 006, in the prescribed form which will be supplied by the Company on request.
 7. 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 or 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.

8. Under the provisions of Section 109A and 109B of the Companies Act, 1956, shareholder(s) is/are entitled to nominate in the prescribed manner, a person to whom his/her/their shares in the Company, shall vest after his/her/their lifetime. Members who are holding shares in physical form and are interested in availing this nomination facility are requested to write to the Company.
9. 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

Place : Chennai
Date : 29th June 2002

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 29TH JUNE 2002.

Name of Director	Mr.N.Kumar	Mr.Gul M. Iqbal
Date of Birth	28 th January 1950	18 th November 1938
Date of appointment on the Board as Director	27 th August 1990	19 th January 1999
Date of last reappointment as Director	15 th December 1999	15 th December 1999
Expertise in specific functional areas	Industrialist	Consultant
Qualification	B.E (Electronics)	M.S.(Engg.)
List of outside Directorships held	<ol style="list-style-type: none"> 1. Indchem Software Technologies Limited 2. Chemplast Sanmar Limited 3. Sanmar Shipping Limited 4. Sanmar Speciality Chemicals Limited 5. Sanmar Properties and Investments Limited 6. AMP Sanmar Assurance Company Limited 7. Dragoco India Limited 8. SilkRoute Indchem Limited 9. Spencer & Co. Limited 10. Bharti Tele-Ventures Limited 11. N Kumar Investments Limited 12. Apex NK Software Solutions Limited 13. Indchem Software Technologies (India) Limited 	1. Dhunn – Carr Venture Capital
Chairman / Member of the Committees of Board of Directors of the Company	None	None
Chairman / Member of the Committees of Director of other Companies in which he is a Director	<ol style="list-style-type: none"> 1. Chemplast Sanmar Limited <ol style="list-style-type: none"> a) Audit Committee - Member b) Shareholders'/Investors' Grievance Committee - Member 2. Bharti Tele-Ventures Ltd. <ol style="list-style-type: none"> a) Audit Committee - Member 	None

EXPLANATORY STATEMENT ANNEXED TO THE NOTICE OF THE FIFTYSIXTH ANNUAL GENERAL MEETING OF THE COMPANY IN RESPECT OF ITEM NO. 5 OF THE NOTICE DATED 29TH JUNE 2002.

The combined shareholdings of the Public Financial Institutions, Nationalised Banks and the Insurance Companies have come down well below 25% of the subscribed share capital of the Company. Hence only an Ordinary Resolution is proposed for appointment of the Auditors.

The scope and coverage of statutory audit and the responsibilities of the Statutory Auditors have increased, thanks to the recent provisions on Audit Committee, Corporate Governance, Accounting Standards, Limited Review of six monthly accounts etc. The last increase in audit fee was effected in 2000. Hence it is proposed to increase the audit fee from Rs. 7.5 lakhs to Rs.10 Lakhs each to the two joint Auditors.

(BY ORDER OF THE BOARD)
for THE INDIA CEMENTS LIMITED

Place : Chennai
Date : 29th June 2002

G BALAKRISHNAN
Company Secretary





TEN YEARS IN BRIEF YEAR ENDED

		1993	1994
Sales & Earnings			
1. Sales and other Income	Rs./Lakhs	47787	54997
2. Profit/(Loss) before tax	Rs./Lakhs	1403	1848
3. Cash Generated (internally)	Rs./Lakhs	4190	4223
Assets			
4. Fixed Assets (Net)	Rs./Lakhs	29303	25936
5. Capital Investments	Rs./Lakhs	6556	1390
6. Current Assets	Rs./Lakhs	11353	15961
7. Loans and Advances	Rs./Lakhs	3232	4363
Capital & Reserves			
8. Share Capital	Rs./Lakhs	1985	2481
9. Reserves and Surplus	Rs./Lakhs	7872	12047
10. Shareholders' Fund	Rs./Lakhs	9857	14528
Net worth, EPS & Dividend			
11. Net worth per equity share	(Rs.)	49.66	58.55
12. Earnings per equity share	(Rs.)	7.47	8.08
13. Equity Dividend	(%)	25	25

Figures exclude revaluation reserve/deferred revenue expenditure.

– FINANCIAL INFORMATION

31st MARCH

1995	1996	1997	1998	1999	2000	2001	2002
62908	80644	83250	92731	139184	141966	145137	131325
4728	8090	8258	6276	8704	4731	5115	(757)
7211	11737	12661	11287	15669	12120	13416	7994
35068	55970	78527	100499	145187	150202	149109	142562
11609	21899	26033	31496	57685	12471	7437	2461
18779	19626	22536	25745	29194	36093	37911	43572
4987	9559	12110	38097	53659	76733	102704	97769
3067	6434	6434	6434	12500	16339	16348	16359
29783	35389	40225	42291	50515	57951	60251	42778
32850	41823	46659	48725	63015	74290	76599	59137
107.10	65.00	72.52	75.73	50.91	52.20	53.88	41.18
17.22	22.79	12.83	9.06	12.57	3.33	3.25	–
40	45	30	30	35	18	18	–



DIRECTORS' REPORT

Your Directors have pleasure in presenting their fiftysixth Annual Report together with audited accounts for the year ended 31st March, 2002.

Rs. in Crores
For the year ended
31st March

FINANCIAL RESULTS

	2002	2001
Income from Operations	157.78	312.31
Add: Other Income	124.68*	9.50
Profit before Interest & Depreciation	282.46	321.81
Less: Interest	202.51	187.65
Less: Depreciation	87.47	83.00
Profit/ (loss) Before Tax	(7.52)	51.16
Less: Provision for Income Tax	-	3.00
Add: Prior Year adjustments	(0.04)	(0.01)
Less: Deferred Taxation – Asset	6.75	-
Profit/(loss) after Tax	(0.81)	48.15
Add: Balance brought forward from last year	27.50	13.56
Transfer from:		
Investment Allowance Reserve	—	0.08
Debenture Redemption Reserve	—	1.70
Share Premium	—	6.74
Less: Share/Debenture Issue expenses	—	6.74
Surplus available for appropriation	26.69	63.49
Transfer to:		
Provision for diminution in value of investments	1.81	—
General Reserve	—	5.00
Dividend proposed (including dividend tax for 2000-01)		
– On Preference capital	—	3.52
– On Equity capital	—	27.47
Balance carried in Profit & loss a/c	24.88	27.50

* includes extraordinary income by way of profit on sale of investments Rs.118.89 Crores

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 31st March, 2002 the applicable accounting standards have been followed.

- Such accounting policies have been selected and applied consistently and judgements and estimates that are reasonable and prudent made so as to give a true and fair view of the state of affairs of the Company at the financial year ended 31st March, 2002 and of the loss of the Company for that year.
- Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act,