



THE  
INDIA CEMENTS  
LIMITED

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ANNUAL REPORT  
**2 0 0 4**

### **58th Annual General Meeting**

Date : 24<sup>th</sup> September, 2004

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>Sri V.M. Mohammed Meeran</b>	
<b>Sri N.D. Pinge</b>	(Nominee of ICICI Bank Ltd.)
<b>Sri Gul M. Iqbal</b>	(Nominee of Unit Trust of India)
<b>Sri J.Jayaraman</b>	(Nominee of Industrial Development Bank of India)

## Auditors

Messrs. Brahmayya & Co. and  
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 & 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 fiftyeighth Annual General Meeting of The India Cements Limited will be held at 10.00 a.m. on Friday, the 24<sup>th</sup> September 2004 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 2004 and the Auditors' Report thereon.
2. To appoint a Director in the place of Sri.N.Kumar who retires by rotation and is eligible for reappointment.
3. To appoint a Director in the place of Sri.Gul M Iqbal who retires by rotation and is eligible for reappointment.
4. 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 fiftyeighth Annual General Meeting until the conclusion of the fiftyninth Annual General Meeting and that their remuneration be and is hereby fixed at Rs.12,50,000/- each, exclusive of service tax and all travelling and out of pocket expenses which shall be reimbursed to them."

### SPECIAL BUSINESS:

5. To appoint Sri.V.M. Mohammed Meeran as a Director of the Company and for that purpose to consider and if deemed fit, to pass the following ORDINARY RESOLUTION of which notice has been received from a member of the Company as required under section 257 of the Companies Act, 1956:

"RESOLVED THAT Sri.V.M.Mohammed Meeran be and is hereby appointed as a Director of the Company subject to retirement by rotation."

6. To consider and pass the following resolution as a SPECIAL RESOLUTION:

"RESOLVED THAT approval of the shareholders be and is hereby accorded in terms of the provisions of the Companies Act, 1956, including Sec.309(1) of the said Act, for payment of total remuneration of Rs.5,00,000/- (Rupees Five Lakhs only) per month besides earned/ privilege leave and encashment of unavailed leave as per rules of the Company, to Sri.N.Srinivasan, Managing Director of the Company, for the period from 01.04.2003 to 14.09.2004 as approved by Government of India (GOI), vide its letter No.2/6/2003-CL.VII dated 21<sup>st</sup> October 2003."

7. To consider and pass the following resolution as a SPECIAL RESOLUTION:

"RESOLVED THAT approval of the shareholders be and is hereby accorded in terms of the provisions of the Companies Act, 1956, including Sec.309(1) of the said Act, for payment of total remuneration of Rs.4,20,000/- (Rupees Four Lakhs and Twenty Thousand only) per month besides earned/privilege leave and encashment of unavailed leave as per rules of the Company, to Sri.N.Ramachandran, wholtime Director of the Company, for the period from 01.04.2003 to 14.09.2004 as approved by Government of India (GOI), vide its letter No.2/6/2003-CL.VII dated 21<sup>st</sup> October 2003."

8. To consider and if thought fit, to pass with or without modification the following resolutions as SPECIAL RESOLUTIONS:

"RESOLVED THAT subject to the consent of the All India financial institutions and other approvals as may be required from the Government of India and other appropriate authorities and pursuant to the provisions of Sec.198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII of the said Act as amended and Articles of Association of the Company, Sri.N.Srinivasan be and is hereby reappointed as Managing Director of the Company for a further period of 3 years with effect from 15<sup>th</sup> September 2004 on the following terms and conditions:

#### Remuneration:

- a) Salary of Rs.5,00,000/- per month. This includes dearness allowance and all other allowances not otherwise specified herein.  
In addition, the Managing Director will be entitled to the following:

b) Perquisites as under:

- 1) Contribution to Provident Fund, Superannuation Fund and Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- 2) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.
- 3) Encashment of leave at the end of the tenure.

Minimum Remuneration:

The above appointee shall be paid the remuneration as stated above as minimum remuneration in the event of loss or inadequacy of Profits."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to accept such modifications in the terms and conditions of appointment, as may be required by the All India financial institutions, Government of India and other appropriate authorities and agreeable to the appointee."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take all necessary steps as may be required to give effect to the above resolution."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to fix such percentage of commission (in addition to salary and perquisites hereinabove stated) calculated with reference to any net profit of the Company in accordance with Sec.349 and Sec. 350 of the Companies Act,1956 for each financial year which together with salary and perquisites shall not exceed the ceiling laid down under Sec.198 & Sec.309 of the Companies Act, 1956."

9. To consider and if thought fit, to pass with or without modification the following resolutions as SPECIAL RESOLUTIONS:

"RESOLVED THAT subject to the consent of the All India financial institutions and other approvals as may be required from the Government of India and other appropriate authorities and pursuant to the provisions of Sec.198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII of the said Act, as amended and Articles of Association of the Company, Sri.N.Ramachandran be and is hereby reappointed as a wholetime Director of the Company for a further period of 3 years with effect from 15<sup>th</sup> September 2004 on the following terms and conditions:

Remuneration:

- a) Salary of Rs.4,20,000/- per month. This includes dearness allowance and all other allowances not otherwise specified herein.

In addition, the wholetime Director will be entitled to the following:

b) Perquisites as under:

- 1) Contribution to Provident Fund, Superannuation Fund and Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- 2) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.
- 3) Encashment of leave at the end of the tenure.

Minimum Remuneration:

The above appointee shall be paid the remuneration as stated above as minimum remuneration in the event of loss or inadequacy of Profits."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to accept such modifications in the terms and conditions of appointment, as may be required by the All India financial institutions, Government of India and other appropriate authorities and agreeable to the appointee."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take all necessary steps as may be required to give effect to the above resolution."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to fix such percentage of commission (in addition to salary and perquisites hereinabove stated) calculated with reference to any net profit of the Company in accordance with Sec.349 and Sec. 350 of the Companies Act,1956 for each financial year which together with salary and perquisites shall not exceed the ceiling laid down under Sec.198 & Sec.309 of the Companies Act, 1956."



10. To consider and if thought fit, to pass with or without modification the following Resolution as an ORDINARY RESOLUTION:

“RESOLVED THAT the consent of the Company be and is hereby accorded to the Board of Directors under Section 293(1)(d) of the Companies Act, 1956 to borrow any sum or sums of monies from time to time notwithstanding that the money or monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purposes, provided that the total amount which may be so borrowed by the Board of Directors and outstanding at any time (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) shall not exceed Rs.2000 crores over and above the Paid-up Capital and free reserves of the Company for the time being.”

**NOTES:**

1. Explanatory Statement is annexed to the Notice of the fiftyeighth Annual General Meeting of the Company as required by Section 173(2) of the Companies Act, 1956 in respect of items no. 5 to 10 .
2. Details pursuant to clause 49 of the Listing Agreement with the Stock Exchanges in respect of Directors seeking appointment / reappointment at the Annual General Meeting are separately annexed hereto for items no.2, 3,5, 8 and 9.
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 and Share Transfer Books of the Company will remain closed from 15<sup>th</sup> September, 2004 to 24<sup>th</sup> September, 2004 (both days inclusive).
5. Members are requested to contact the Registrar and Share Transfer Agent for all matters connected with the Company's shares at:  
M/s Integrated Enterprises (India) Limited  
2<sup>nd</sup> Floor, 'Kences Towers' No.1, Ramakrishna Street, North Usman Road, T Nagar, CHENNAI 600 017.  
Tel.: 044 – 28140801 to 28140803 Fax : 044 – 28142479 Email: yesbalu@iepindia.com  
Members holding shares in physical form are requested to notify change of address, if any, to the Registrar and Share Transfer Agent (RTA). Members holding shares in physical form in more than one folio are requested to write to the RTA 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 note that the dividend for the financial year ended 31<sup>st</sup> March 1997 and all dividends declared thereafter, which remain unpaid or unclaimed for a period of 7 years will be transferred to the Investor Education and Protection Fund established under section 205C of the Companies Act, 1956. Shareholders who have not encashed the dividend warrant(s) so far for the financial year ended 31<sup>st</sup> March 1997 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.  
The final dividend for the financial year ended 31<sup>st</sup> March 1996 which was unclaimed and unpaid has been transferred to Investor Education and Protection Fund, on 22.10.2003.
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/RTA.
9. 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 : 28<sup>th</sup> June, 2004

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 APPOINTED / REAPPOINTED, VIDE ITEMS NO. 2, 3, 5, 8 & 9 OF THE NOTICE DATED 28<sup>th</sup> JUNE 2004.**

(i) Name of the Director	:	Sri. N .Kumar
Date of Birth	:	28 <sup>th</sup> January 1950
Date of appointment on the Board as Director	:	27 <sup>th</sup> August 1990
Date of last reappointment as Director	:	16 <sup>th</sup> September 2002
Expertise in specific functional areas	:	Industrialist
Qualification	:	B.E. (Electronics & Communications)
List of outside Directorships held	:	1. Indchem Software Technologies Limited 2. Chemplast Sanmar Limited 3. AMP Sanmar Life Insurance Company Limited 4. SilkRoute Indchem Limited 5. Bharti Tele-Ventures Limited 6. MRF Limited 7. Ennore Port Limited 8. Indchem Software Technologies (India) Limited
Chairman / Member of the Committees of Board of Directors of the Company	:	Nil
Chairman / Member of the Committees of Directors of other Companies in which he is a Director	:	1. Chemplast Sanmar Ltd a) Audit Committee – Member b) Shareholders / Investors Grievance Committee – Member 2. Bharti Tele-Ventures Ltd Audit Committee – Member 3. AMP Sanmar Life Insurance Co. Ltd a) Remuneration Committee – Chairman b) Audit Committee – Chairman
(ii) Name of the Director	:	Sri. Gul M Iqbal
Date of Birth	:	18 <sup>th</sup> November 1938
Date of appointment on the Board as Director	:	19 <sup>th</sup> January 1999
Date of last reappointment as Director	:	16 <sup>th</sup> September 2002
Expertise in specific functional areas	:	Consultant
Qualification	:	M.S. (Engg.)
List of outside Directorships held	:	Nil
Chairman / Member of the Committees of Board of Directors of the Company	:	Nil
Chairman / Member of the Committees of Directors of other Companies in which he is a Director	:	Nil



(iii) Name of the Director	:	Sri.V.M.Mohammed Meeran
Date of Birth	:	9 <sup>th</sup> May 1927
Date of appointment on the Board as Director	:	31 <sup>st</sup> July 2003
Date of last reappointment as Director	:	Not Applicable
Expertise in specific functional areas	:	Consultant
Qualification	:	National Diploma in Commerce (GOD)
List of outside Directorships held	:	ICL Sugars Limited
Chairman / Member of the Committees of Board of Directors of the Company	:	Nil
Chairman / Member of the Committees of Directors of other Companies in which he is a Director	:	ICL Sugars Ltd Audit Committee – Member
(iv) Name of the Director	:	Sri. N. Srinivasan
Date of Birth	:	3 <sup>rd</sup> January 1945
Date of appointment on the Board as Director	:	15 <sup>th</sup> September 1989
Date of last reappointment as Director	:	15 <sup>th</sup> September 1999
Expertise in specific functional areas	:	Industrialist
Qualification	:	B.Sc (Tech.), M.S. (IIT) Chicago
List of outside Directorships held	:	1. Andhra Pradesh Gas Power Corporation Ltd. 2. Ceat Limited 3. Chemplast Sanmar Limited 4. Coromandel Electric Company Limited, (Chairman & Managing Director) 5. EWS Finance & Investments Limited 6. ICL International Limited 7. ICL Securities Limited 8. ICL Shipping Limited 9. ICL Sugars Limited 10. India Cements Capital & Finance Limited 11. M M Forgings Limited 12. Raasi Cement Limited 13. Spencer & Co. Limited 14. Visaka Cement Industry Limited
Chairman / Member of the Committees of Board of Directors of the Company	:	Shareholders / Investors Grievance Committee – Member



Chairman / Member of the Committees of Directors of other Companies in which he is a Director	:	<ol style="list-style-type: none"> <li>1. ICL Sugars Limited Audit Committee – Chairman</li> <li>2. Visaka Cement Industry Limited Audit Committee – Chairman</li> <li>3. India Cements Capital &amp; Finance Limited               <ol style="list-style-type: none"> <li>a) Audit Committee – Member</li> <li>b) Shareholders / Investors Grievance Committee –Chairman</li> </ol> </li> <li>4. M M Forgings Limited Audit Committee – Member</li> </ol>
(v) Name of the Director	:	Sri. N.Ramachandran
Date of Birth	:	26 <sup>th</sup> October 1948
Date of appointment on the Board as Director	:	27 <sup>th</sup> August 1990
Date of last reappointment as Director	:	15 <sup>th</sup> September 1999
Expertise in specific functional areas	:	Industrialist
Qualification	:	B.Tech (Chem. Engg.)
List of outside Directorships held	:	<ol style="list-style-type: none"> <li>1. Coromandel Electric Company Limited</li> <li>2. EWS Finance &amp; Investments Limited</li> <li>3. ICL Financial Services Limited</li> <li>4. ICL International Limited</li> <li>5. ICL Securities Limited</li> <li>6. ICL Shipping Limited</li> <li>7. ICL Sugars Limited</li> <li>8. India Cements Capital &amp; Finance Limited</li> <li>9. India Cements Infotech Limited</li> <li>10. Industrial Chemicals &amp; Monomers Limited</li> <li>11. Raasi Cement Limited</li> <li>12. Visaka Cement Industry Limited</li> </ol>
Chairman / Member of the Committees of Board of Directors of the Company	:	Nil
Chairman / Member of the Committees of Directors of other Companies in which he is a Director	:	<ol style="list-style-type: none"> <li>1. ICL Sugars Limited Audit Committee – Member</li> <li>2. Visaka Cement Industry Limited Audit Committee – Member</li> <li>3. India Cements Capital &amp; Finance Limited               <ol style="list-style-type: none"> <li>a) Audit Committee – Member</li> <li>b) Shareholders / Investors Grievance Committee – Member</li> </ol> </li> </ol>



## **EXPLANATORY STATEMENT ANNEXED TO THE NOTICE OF THE FIFTYEIGHTH ANNUAL GENERAL MEETING OF THE COMPANY IN RESPECT OF ITEMS NO. 5 TO 10 OF THE NOTICE DATED 28<sup>th</sup> JUNE 2004**

### **Item No. 5:**

Sri. V.M. Mohammed Meeran was appointed by the Board as a Director of the Company on 31<sup>st</sup> July 2003 to fill in the casual vacancy caused by the resignation of Dr.M.V.Kamath. Under provisions of Article 105 of the Articles of Association of the Company read with Section 262 of the Companies Act, 1956, Sri. V.M. Mohammed Meeran will hold office upto the date of fiftyeighth Annual General Meeting. Notice in writing under section 257 of the Companies Act, 1956 has been received along with necessary deposit from a member signifying his intention to propose the appointment of Sri. V.M. Mohammed Meeran as Director at the fiftyeighth Annual General Meeting. Sri. V.M. Mohammed Meeran was Dy. General Manager (Retd.), Unit Trust of India. This ordinary resolution is submitted to the meeting for approval.

### **Interest of Directors:**

Sri. V.M. Mohammed Meeran is interested in the resolution as it concerns his appointment. No other Director is directly or indirectly concerned or interested in this resolution.

### **Items No. 6 & 7:**

The shareholders at the Annual General Meeting held on 25<sup>th</sup> September 2000 approved the revision of remuneration payable to Sri.N.Srinivasan, Managing Director and Sri.N.Ramachandran, wholetime Director, with effect from 1<sup>st</sup> July 2000 to 14<sup>th</sup> September 2004. The shareholders also authorised the Board of Directors to accept such modifications in the terms and conditions of appointment, as might be required by the All India financial institutions, Government of India and other appropriate authorities and were agreeable to the appointee.

Industrial Development Bank of India (IDBI), vide its letter No. HO.CFD-II.B-18/1375 dated 9<sup>th</sup> September 2003, approved (on its behalf and on behalf of other participating institutions as well) the revision of remuneration for the period upto 14<sup>th</sup> September 2004 payable to Sri.N.Srinivasan and Sri.N.Ramachandran.

On application made by the Company for payment of enhanced remuneration to the aforesaid directors, the Government of India (GOI), vide its letter Nos.2/152/2000-CL.VII dated 07/03/01 and 2/32/2002-CL.VII dated 21/06/2002, has conveyed its approval for making payment of total remuneration of Rs.5,00,000/- (Rupees Five Lakhs only) per month besides earned/ privilege leave and encashment of unavailed leave as per rules of the Company, to Sri.N.Srinivasan and Rs.4,20,000/- (Rupees Four lakhs and Twenty Thousand only) per month besides earned/ privilege leave and encashment of unavailed leave as per rules of the Company, to Sri.N.Ramachandran, for period from 01/07/2000 to 30/06/2002 and subsequently for the period from 01/07/2002 to 31/03/2003 respectively. The Company made another application to GOI seeking its approval for continuing the payment of existing remuneration for the remaining period of appointment i.e. 1/4/2003 to 14/09/2004. GOI vide its letter no. 2/6/2003-CL.VII dated 21<sup>st</sup> October 2003 conveyed its approval subject to the Shareholders passing a Special Resolution approving the remuneration at a general meeting. Hence the proposed resolutions.

### **Interest of Directors:**

Sri.N.Srinivasan, Managing Director and Sri.N.Ramachandran, wholetime Director are interested in these resolutions as they concern their remuneration and being related to each other. No other director is directly or indirectly concerned or interested in these resolutions.

### **Inspection of Documents:**

The letter No.2/6/2003-CL.VII dated 21<sup>st</sup> October 2003 of Government of India and letter No. HO.CFD-II.B-18/1375 dated 9<sup>th</sup> September 2003 of Industrial Development Bank of India (IDBI) are available for inspection of the shareholders 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.

### **Items No. 8 & 9:**

The Board of Directors of the Company at its Meeting held on 28<sup>th</sup> June 2004 has reappointed Sri.N.Srinivasan as Managing Director for a further period of three years with effect from 15<sup>th</sup> September 2004, and Sri.N.Ramachandran as a whole time Director designated as Executive Director for a further period of three years with effect from 15<sup>th</sup> September 2004.

The terms of reappointment of the two Directors were considered and approved by the Remuneration Committee of the Board of Directors at its Meeting held on 28<sup>th</sup> June, 2004, as per details furnished in the relevant resolutions.

Members' approval is sought by way of special resolutions for reappointing the Managing Director and the Wholetime Director for a further period of 3 years with effect from 15<sup>th</sup> September 2004 and payment of remuneration as set out in the respective resolutions.