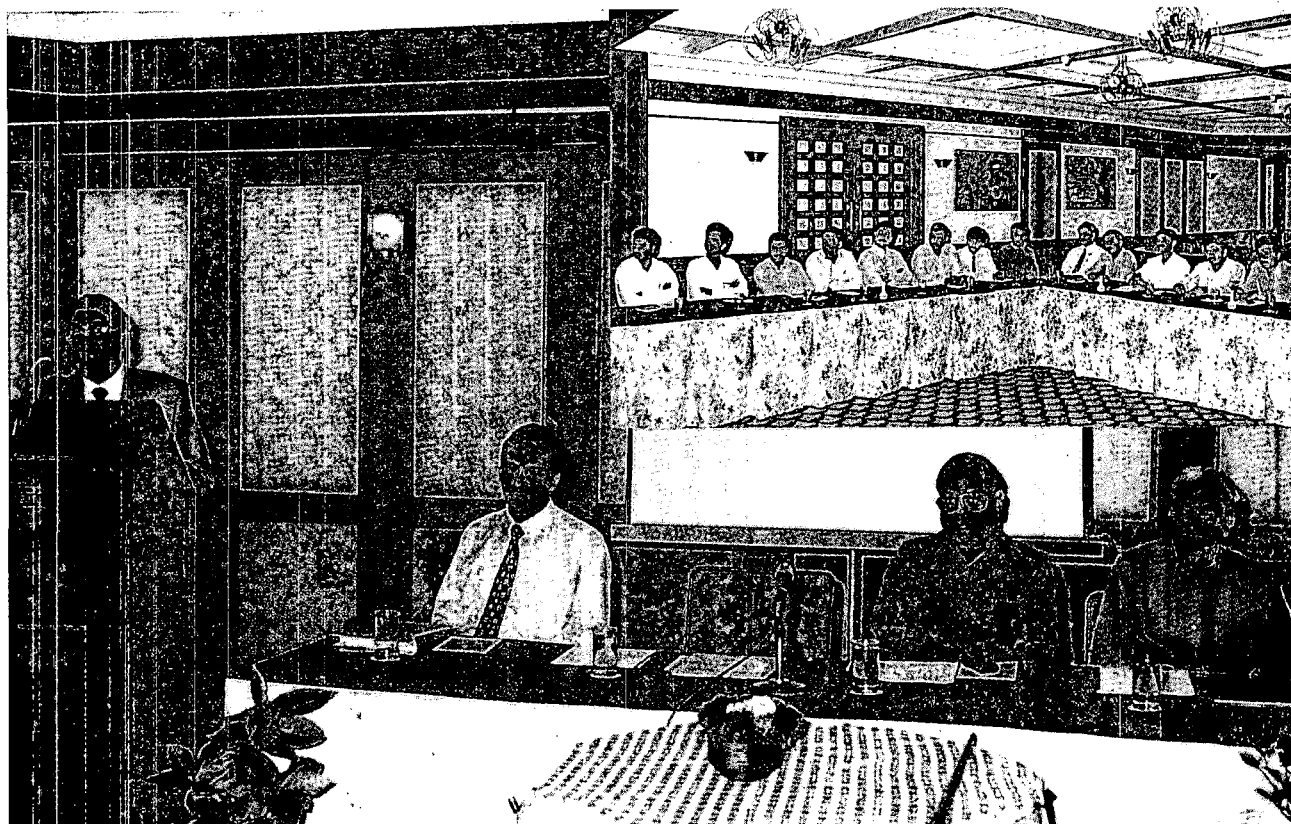




THE
INDIA CEMENTS
LIMITED

Report  junction.com

ANNUAL REPORT
1997



Mr. N. Srinivasan, Chairman of India Cements Capital & Finance Ltd. addressing the executives at the annual conference at Chennai.

Report  Junction.com

51st Annual General Meeting

Date : 28th August, 1997

Time : 10.30 A.M.

Venue : Sathguru Gnanananda Hall,
(Narada Gana Sabha)
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.

CONTENTS

	Pg. No.
Notice	2
Ten Years in Brief - Financial Information	6
Directors' Report	8
Auditors' Report	22
Balance Sheet	25
Profit & Loss Account	26
Schedules	28
Cash Flow Statement	50
Statement Pursuant to Sec. 212 of Companies Act, 1956	52

Subsidiary Companies

ICL Foundries Limited	54
Industrial Chemicals and Monomers Limited	70
ICL Financial Services Limited	87
ICL Securities Limited	95
ICL International Limited	100



THE INDIA CEMENTS LIMITED

BOARD OF DIRECTORS

MD	✓		BKC	✓
CS	✓		DPY	✓
RO	✓		DIV	✓
TRA	✓		AC	✓
ACM	✓	✓	SHI	✓
YE	✓	✓		✓

Sri N. Sankar	Chairman
Sri N. Srinivasan	Vice Chairman & Managing Director
Sri N. Ramachandran	Executive Director
Sri N. Swaminathan	Vice President (Finance) & Director
Sri N. Kumar	
Sri B.S. Adityan	
Sri K.R. Ramamani	
Sri K.V. Talcherkar	
Dr. M.V. Kamath	
Sri N.R. Ranganathan	(Representing LIC)
Sri Viney Kumar	(Representing IDBI)
Sri N.N. Mahajan	(Representing ICICI)
Sri V.M. Mohammed Meeran	(Representing UTI)

Management Team

Sri N. Srinivasan	Vice Chairman & Managing Director
Sri N. Ramachandran	Executive Director
Sri N. Swaminathan	Vice President (Finance) & Director
Sri R.K. Das	Vice President (Operations)
Sri T.S. Raghupathy	Vice President (Marketing)
Sri S. Tarakesan	Vice President (Shipping)
Capt. K.C. Thomas	Vice President (Commercial & Operations – Shipping)

Auditors

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

Bankers

Punjab National Bank State Bank of India State Bank of Hyderabad
State Bank of Mysore ANZ Grindlays Bank Standard Chartered Bank
Hongkong and Shanghai Banking Corporation Ltd Bank of America

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

Cement Factories :
TAMILNADU
Sankarnagar,
Tirunelveli District,
Sankari,
Salem District
Dalavoi,
Perambalur Dist.
ANDHRA PRADESH
Chilamakur,
Cuddappah Dist.,

Shipping Division :
"Tarapore Towers", 8th Floor,
826, Anna Salai, Chennai-600 002.

Real Estate Division :
"Dhun Building", 4th Floor,
827, Anna Salai, Chennai-600 002.



THE INDIA CEMENTS LIMITED

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

NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the Fiftyfirst Annual General Meeting of The India Cements Limited will be held at 10.30 A.M. on Thursday the 28th August 1997 at SATHGURU GNANANANDA HALL (Narada Gana Sabha), 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 1997, and the Auditors' Report thereon.
2. To declare dividend.
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. B.S. Adityan who retires by rotation and is eligible for reappointment.
5. To appoint a Director in the place of Mr.N.Sankar who retires by rotation and is eligible for reappointment.
6. 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 224-A 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 (but excluding its foreign branch at Singapore) to hold office from the conclusion of the Fiftyfirst Annual General Meeting until the conclusion of the Fiftysecond Annual General Meeting and that their remuneration be and is hereby fixed at Rs. 3,25,000 each, exclusive of all travelling and out of pocket expenses which shall be reimbursed to them".

7. To appoint Auditors for the Singapore Branch of the Company and fix their remuneration:

To consider and if thought fit, to pass with or without modification, the following SPECIAL RESOLUTION, pursuant to Section 228 and other applicable provisions of the Companies Act, 1956;

"RESOLVED that M/s Natarajan and Swaminathan, a firm of Certified Public Accountants in Singapore be and are hereby appointed Branch Auditors of the Company at Singapore to hold office from the conclusion of the Fiftyfirst Annual General Meeting until the conclusion of the Fiftysecond Annual General Meeting and that their remuneration shall not exceed Singapore \$ 2000 inclusive of all travelling and out of pocket expenses, the actual amount to be determined by the Board of Directors within this Ceiling".

SPECIAL BUSINESS

8. To consider and if thought fit to pass with or without modification the following resolutions as ORDINARY RESOLUTIONS:
 1. "RESOLVED that consent of the Company be and is hereby accorded in terms of Sec. 293 (1) (a) and other applicable provisions, if any, of the Companies Act, 1956, to mortgaging and/or charging by way of second mortgage/charge by the Board of Directors of the Company of all 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 following Banks to secure the loans/ Debentures indicated against each,

			Rs./Lakhs
1.	IDBI Bank Ltd	– Term loan	1500
2.	ABN AMRO Bank N V	– Term loan	1500
3.	Bank of America	– 14.5% Non-Convertible Secured Debentures of Rs. 100 each.	1500

together with interest thereon at the agreed rate, compound interest, additional interest, liquidated damages, commitment charges, premia on prepayment or redemption, remuneration payable to the Trustees, costs, charges, expenses and other monies payable by the Company to the aforesaid Institutions in terms of their heads of Agreements/loan agreements/hypothecation agreement/debenture issue/subscription agreements, trustee agreements/letters of sanction/memorandum of terms and conditions entered into/to be entered into by the Company in respect of the said loans/ debentures.

RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorised to finalise with the said Banks 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”.

- II. “RESOLVED that consent of the Company be and is hereby accorded in terms of Sec. 293 (1) (a) and other applicable provisions, if any, of the Companies Act, 1956, to mortgaging and/or charging by way of second mortgage/charge by the Board of Directors of the Company of all the immovable and movable properties of the Company situate at Chilamakur, 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 Punjab National Bank to secure the following financial facilities provided to the Company:

Fund Based Facilities:

1.	Cash Credit – Cement Division workable within CC limit:	Rs.1430 lakhs
i.	Packing Credit	Rs.350 lakhs
ii.	BD/DD	Rs.150 lakhs
iii.	Clean DD	Rs.100 lakhs
2.	FOBNLC/FOUBNLC	Rs. 500 lakhs

Non-fund Based Facilities:

i.	DOC, FLC/ILC	Rs.1000 lakhs
ii.	L.G. (Performance/Disputed)	Rs. 750 lakhs

together with interest thereon at the agreed rate, compound interest, additional interest, liquidated damages, commitment charges, costs, charges, expenses and other monies payable by the Company to Punjab National Bank in terms of their heads of agreements/loan agreements/hypothecation agreement/letters of sanction/memorandum of terms and conditions entered into/to be entered into by the Company in respect of the said facilities.

RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorised to finalise with Punjab National 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 Fiftyfirst Annual General Meeting of the Company, as required by Section 173(2) of the Companies Act, 1956 in respect of Items No.6 to 8.
2. 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.
3. The Register of Members of the Company will remain closed from August 13, 1997 to August 28, 1997 (both days inclusive).
4. The dividend, if approved, will be paid on or before October 8, 1997 to those Members (or their mandatees) whose names will appear in the Company's Register of Members on August 28, 1997.
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. Pursuant to the Companies Act, 1956, unclaimed dividends upto and including for the financial Year 1992-93 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) up to 1992-93 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.

Report Junction.com

(By Order of the Board)

For The India Cements Limited

G. BALAKRISHNAN
Company Secretary

Place : Chennai - 600 002
Date : 18th June, 1997

Explanatory Statement Annexed to the Notice of the Fiftyfirst Annual General Meeting of the Company in respect of Items No.6 to 8

Items No.6 & 7:

A special resolution is necessary under Sec.224-A of the Companies Act, 1956, for the appointment of Auditors as Financial Institutions, Nationalised Banks, Insurance Companies hold not less than 25% of the subscribed Share Capital of the Company.

Item No.8:

The financial assistance from the Banks specified in the Resolution-I has to be secured by a second mortgage of all the immovables and a charge on movable properties of the Company, present and future.

The financial assistance from Punjab National Bank specified in the Resolution-II is presently secured by way of second mortgage by deposit of title deeds in respect of immovable properties of the Company situated at Sankarnagar and Sankaridrug. As required by Punjab National Bank, it is proposed to mortgage immovable properties at Chilamakur, Kalamalla, Chinnadandlur villages within Cuddappah District in the State of Andhra Pradesh, in favour of Punjab National Bank by way of second mortgage as additional security.

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 charging of 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.

Inspection

Copies of letters of sanction received from Banks and relevant agreements/documents/correspondence between the said Banks and the Company 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

No Director of the Company is directly or indirectly concerned or interested in this resolution.

Place : Chennai - 600 002
Date : 18th June, 1997

(By Order of the Board)
For The India Cements Limited
G. BALAKRISHNAN
Company Secretary



TEN YEARS IN BRIEF
YEAR ENDED

		1988	1989
Sales & Earnings			
1.	Sales and other Income	Rs./Lakhs 13595	13698
2.	Profit/(Loss) before tax	Rs./Lakhs 178	(79)
3.	Cash Generated (internally)	Rs./Lakhs 621	300
Assets			
4.	Fixed Assets (Net)	Rs./Lakhs 4140	9165
5.	Capital Investments	Rs./Lakhs 1358	4675
6.	Current Assets	Rs./Lakhs 3258	4407
7.	Loans and Advances	Rs./Lakhs 885	602
Capital & Reserves			
8.	Share Capital	Rs./Lakhs 490	490
9.	Reserves and Surplus	Rs./Lakhs 1928	1768
10.	Shareholders' Fund	Rs./Lakhs 2418	2258
Net worth, EPS & Dividend			
11.	Net worth per share	(Rs.) 49.35	46.08
12.	Earnings per Share	(Rs.) 3.69	(2.27)
13.	Equity Dividend	(%) 12	8

Figures exclude revaluation / deferred revenue expenditure.

— FINANCIAL INFORMATION

31st MARCH

1990	1991	1992	1993	1994	1995	1996	1997
14851	25937	41639	47787	54997	62908	80644	83250
285	1903	1938	1403	1848	4728	8090	8258
746	3228	4147	4190	4223	7211	11737	12661
11810	22587	25147	29303	25936	35068	55970	78527
3804	11580	5113	6556	1390	11609	21899	26033
4637	8483	10154	11353	15961	18779	19626	22536
954	1625	2645	3232	4363	4987	9559	12110
490	1598	1598	1985	2481	3067	6434	6434
1944	3993	5443	7872	12047	29783	35389	40225
2434	5691	7041	9857	14528	32850	41823	46659
49.68	34.97	44.04	49.66	58.55	107.10	65.00	72.52
5.29	21.61	12.08	7.47	8.08	17.22	22.79	12.83
15	25	25	25	25	40	45	30



DIRECTORS' REPORT

Your Directors have pleasure in presenting their Fiftyfirst Annual Report together with audited Accounts for the year ended 31st March, 1997.

	Rs. in lakhs For the year ended 31st March	
	1997	1996
FINANCIAL RESULTS		
Profit from operations before Interest and Depreciation	17400.72	15623.89
Less : Interest	4739.60	3886.73
Profit before Depreciation	12661.12	11737.16
Less : Depreciation	4406.63	3662.94
Profit before Tax	8254.49	8074.22
Less : Provision for Income Tax	—	—
Prior year adjustments	(3.67)	(16.10)
Profit after Tax	8258.16	8090.32
Less : Provision for Investments	—	216.00
Add : Balance brought forward from last year	2971.33	1368.79
Transfer from		
Investment Allowance Reserve	186.00	100.00
Debenture Redemption Reserve	184.59	266.66
Share Premium	16.66	11.67
Premium on Redemption of Debentures	(16.66)	(11.67)
Surplus available for appropriation	11600.08	9609.77
TRANSFER TO:		
Debenture Redemption Reserve	83.00	83.50
General Reserve	6000.00	5000.00
Taxation Reserve	1075.00	—
Proposed Dividend 30% (Last year 45%)	2123.15	1554.94
Balance Carried in Profit & Loss A/c	2318.93	2971.33

DIVIDEND

Your Directors recommend a dividend of 30% on the equity shares for the year ended 31st March, 1997. The equity shares represented by preferential issue in January 1996 and bonus issue in February 1996 will also rank for full dividend as against proportionate dividend in 1995-96. The dividend declared will be exempt from tax in the hands of the shareholders.

OPERATIONS

Your Directors are pleased to report another satisfactory performance during the year under review. While production

of cement was 25.5 Lakh Ts (98% of capacity), there was a significant increase in operating profit from Rs. 15623.89 lakhs to Rs. 17400.72 lakhs while the net profit was marginally higher at Rs. 8258.16 lakhs as against Rs. 8090.32 lakhs. This performance must be considered extremely gratifying in view of the trends of adverse corporate performance in general and the gloomy forecast for a major section of the Cement Industry in particular. In fact, the profitability of the Company would have been even better but for the downtrend in shipping freights, which had its impact on the revenues of the Shipping Division.