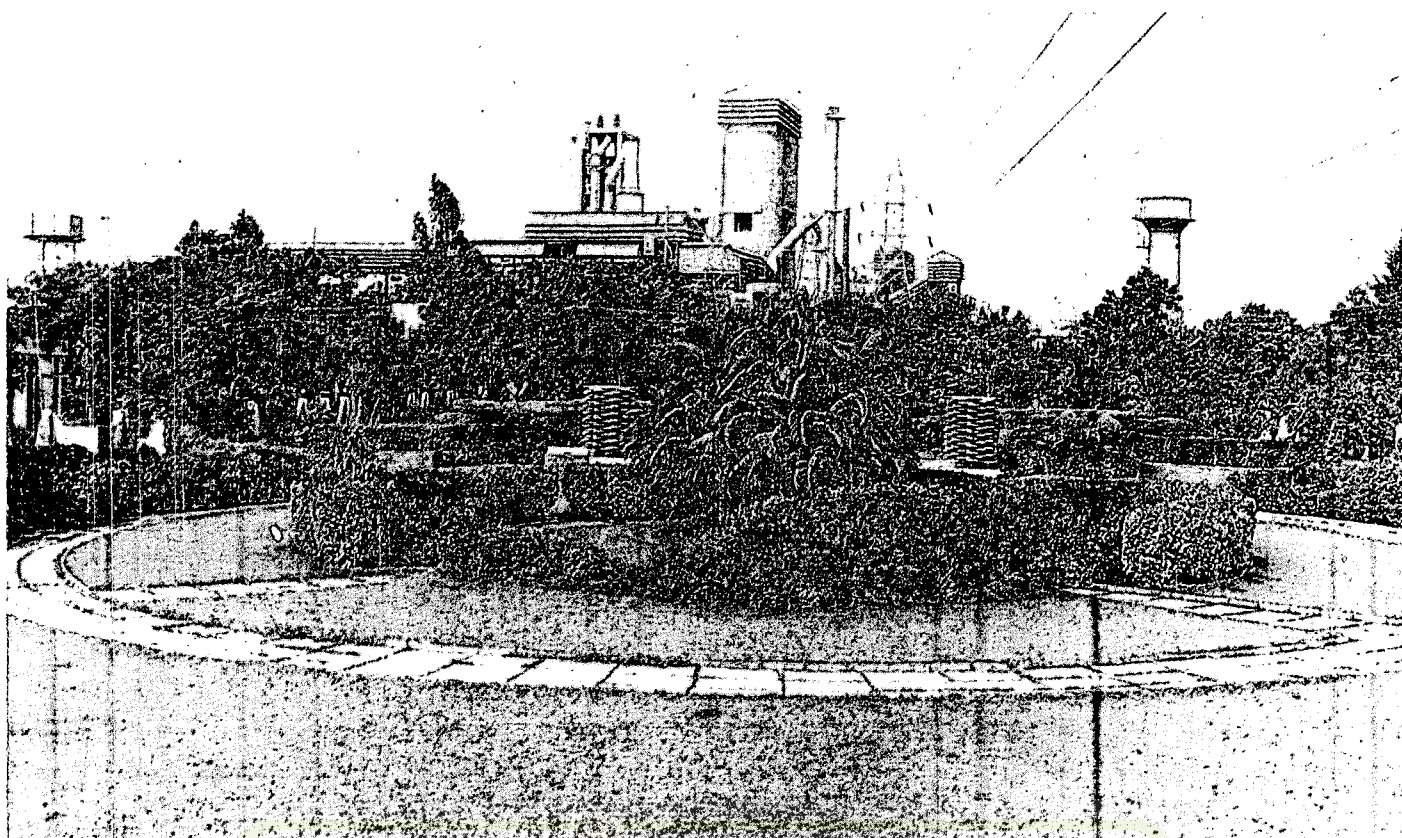


ANNUAL REPORT  
1998

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THE  
INDIA CEMENTS  
LIMITED





A VIEW OF THE YERRAGUNTLA CEMENT PLANT FROM THE ADMINISTRATIVE BLOCK

### 52nd Annual General Meeting

Date : 23rd November, 1998

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.

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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 K.V. Talcherkar</b>	
<b>Dr. M.V. Kamath</b>	
<b>Sri N.R. Ranganathan</b>	(Representing LIC)
<b>Sri Viney Kumar</b>	(Representing IDBI)
<b>Sri N.N. Mahajan</b>	(Representing ICICI)
<b>Sri V.M. Mohammed Meeran</b>	(Representing UTI)

## Management Team

Sri N. Srinivasan	Vice Chairman & Managing Director
Sri N. Ramachandran	Executive Director
Sri R.K. Das	President (Operations)
Sri T.S. Raghupathy	President (Marketing)
Sri PL. Subramanian	Vice President (Technical)

## 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  
Credit Lyonnais American Express Bank Ltd Citibank N.A.

## Registered Office:

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

## Cement Factories:

TAMILNADU  
Sankarnagar,  
Tirunelveli District.

## Shipping Division:

"Tarapore Towers", 8th Floor  
826, Anna Salai,  
Chennai 600 002.

Sankari  
Salem District

Dalavoi  
Perambalur District

ANDHRA PRADESH  
Chilamakur & Yerraguntla,  
Cuddappah District

## Real Estate & Property Development Division :

123, Marshalls Road, 2nd Floor,  
Egmore, Chennai 600 008.

MD	<input checked="" type="checkbox"/>	BKC	<input checked="" type="checkbox"/>
CS	<input checked="" type="checkbox"/>	DPY	<input checked="" type="checkbox"/>
RO	<input checked="" type="checkbox"/>	DIV	<input checked="" type="checkbox"/>
TRA	<input checked="" type="checkbox"/>	AC	<input checked="" type="checkbox"/>
AGM	<input checked="" type="checkbox"/>	SHI	<input checked="" type="checkbox"/>
YE	<input checked="" type="checkbox"/>		



# THE INDIA CEMENTS LIMITED

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

## NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the Fiftysecond Annual General Meeting of The India Cements Limited will be held at 10.30 A.M. on Monday the 23rd November 1998 at SATHGURU GNANANANDA HALL (Narāda Gana Saba) 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 1998, and the Auditors' Report thereon.
2. To declare dividend.
3. To appoint a Director in the place of Mr.K.V.Talcherkar who retires by rotation and is eligible for reappointment.
4. To appoint a Director in the place of Mr. N.R. Ranganathan who retires by rotation and is eligible for reappointment.
5. To appoint a Director in the place of Mr. N.N. Mahajan 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. PS. 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 Fiftysecond Annual General Meeting until the conclusion of Fiftythird Annual General Meeting and that their remuneration be and is hereby fixed at Rs. 4,00,000 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 Fiftysecond Annual General Meeting until the conclusion of the Fiftythird 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 resolution as a SPECIAL RESOLUTION:

"RESOLVED that subject to all applicable provisions of the Companies Act, 1956 (including any statutory modification or reenactment thereof for the time being in force and as may be enacted from time to time or any ordinance that may be promulgated in this

regard) and subject to such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed to, by the Board of Directors of the Company (hereinafter referred to as "the Board"), consent of the Company be and is hereby accorded to the Board to acquire/purchase and hold Company's fully or partly paid shares either from open market or through direct negotiations, from holders of equity shares and/or equity related securities on such terms and conditions and upto such limits as may be determined by the Board or prescribed by law from time to time subject to such purchase not exceeding 10% of the voting capital and/or equity related securities outstanding for the time being and such acquisition shall be made out of Share/Security Premium Account or free reserves or out of proceeds of any further Issue made specifically in this regard or from such other sources, as may be permitted by law; Provided that acquisition/purchase of such fully or partly paid Equity Shares of the Company be not construed as reduction of Equity Share Capital which is subject to the controls as stipulated in Sections 100 to 104 and Section 402 of the Companies Act, 1956, for the time being in force and that the Board of Directors of the Company be and is hereby authorised to determine the detailed terms and conditions of such buy back and do all acts and things as may be necessary or proper to implement this resolution."

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

- a] "RESOLVED that pursuant to Section 81 and other applicable provisions, if any, of the Companies Act, 1956 and subject to the provisions in the Memorandum and Articles of Association of the Company and the Listing Agreements entered into by the Company with the Stock Exchanges where the securities of the Company are listed and subject to the approvals, consents, permissions and/or sanctions as may be necessary, of the Government of India (GOI), Reserve Bank of India (RBI), Securities And Exchange Board of India (SEBI), Financial Institutions, Debenture Trustees and any other appropriate Authority, Institution or Body and subject to such conditions and/or modifications as may be prescribed by any one or all of them in granting such approval, consent, permission and/or sanction, consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee constituted by the Board of Directors or any Committee which the Board of Directors may hereafter constitute, to exercise one or more of its powers including the powers conferred by this resolution) to issue, offer and allot to the members and/or to banks, insurance companies, financial institutions, investment institutions, mutual funds, Companies and other bodies corporate, non-resident Indians, Overseas Corporate Bodies (OCBs), Foreign Institutional Investors (FIIs), individuals and such other persons or class of persons or institutions whether Indian or foreign or bodies whether incorporated or not or others whether or not such investors are members of the Company on rights basis and/or on private placement basis and/or otherwise, as may be decided by the Board, equity shares and/or securities linked to equity shares (hereinafter collectively referred to as "Securities") at such price and in such manner and during such period as the Board may decide for an aggregate amount not exceeding Rs.200 crores [Rupees Two Hundred Crores], inclusive of such premium as may be fixed on such securities subscribed through prospectus and/or offer letter or circular and at such time(s), in such tranch(es) at the price(s) or at a discount or at a premium and in such manner as the Board may, in its absolute discretion think fit, in consultation with the Lead Managers and/or Underwriters and/or other Advisors, and otherwise on such terms and conditions as may be decided and deemed appropriate by the Board subject to any prevailing guidelines".
- b] "RESOLVED FURTHER that without prejudice to the generality of the above, the securities may have all or any terms or combination of terms in accordance with prevailing practice including but not limited to terms and conditions in relation to payment of interest, additional interest, premia on redemption, prepayment or any other debt service payments whatsoever, besides terms as to security, if any, to be created for any of the securities with such ranking as the Board may determine and including terms for issue of additional equity shares or variation of the conversion price(s) of the securities during the duration of the securities".





- c] "RESOLVED FURTHER that the Board be and is hereby authorised to accept any modifications in the proposal as may be required by the agencies involved in such issues but subject to such conditions as the Government of India (GOI)/Reserve Bank of India (RBI)/Securities And Exchange Board of India (SEBI)/Financial Institutions/Debenture Trustees and/or such other appropriate authority may impose at the time of their approval and as agreed to by the Board".
- d] "RESOLVED FURTHER that the Board be and is hereby authorised to enter into and execute all such contracts/arrangements with any Lead Managers, Managers, Co-Managers, Underwriters, Registrars, Guarantors and all such agencies as may be involved or concerned in such offerings of Securities and to remunerate all such Lead Managers, Underwriters, Registrars and all other agencies by way of commission, brokerage, fees or the like, and also to seek listing of such Securities in one or more Indian Stock Exchanges".
- e] "RESOLVED FURTHER that the Board be and is hereby authorised to issue and allot subject to the Memorandum and Articles of Association of the Company such number of securities/equity shares as may be required to be issued and allotted in accordance with the terms of offer and all such shares will rank pari passu with the existing equity shares of the Company in all respects for and from the financial year in which they are allotted save and except that the said new equity shares shall be entitled to such dividend as may be declared at any time after allotment thereof on the amount paid up thereon on pro-rata basis".
- f] "RESOLVED FURTHER that pursuant to Sec.293(1)(a) and other applicable provisions of the Companies Act, 1956, the Board be and is hereby authorised to secure, if deemed fit, the entire or any part of the Securities together with interest, costs, charges and other amounts payable in respect thereof by creation of mortgage/charge on the whole or part of the Company's immovable and/or movable properties, present and/or future with such ranking and other terms as may be decided by the Board".
- g] "RESOLVED FURTHER that, for the purpose of giving effect to the aforesaid resolutions, the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things as it may, at its discretion deem necessary or desirable for such purpose, including without limitation the entering into of underwriting, marketing arrangements, with power to settle any questions, difficulties or doubts that may arise in regard to any such issue and the allotment as it may in its absolute discretion deem fit".

#### NOTES :

1. Explanatory statement is annexed to the Notice of the Fiftysecond Annual General Meeting of the Company as required by Section 173(2) of the Companies Act, 1956 in respect of item Nos.6 to 9.
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 20th November 1998 to 23rd November 1998 (both days inclusive).
4. The dividend, if approved, will be paid on or before 3rd January 1999 to those Members (or their mandatees) whose names will appear in the Company's Register of Members on 23rd November 1998.

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 1993-94 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 1993-94 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.

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

G. BALAKRISHNAN  
Company Secretary

Place: Chennai - 600 002  
Date : 3rd August, 1998

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## **Explanatory Statement annexed to the Notice of the Fiftysecond Annual General Meeting of the Company in respect of item Nos.6 to 9**

### **Item No.6 and 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 existing provisions of the Companies Act do not allow buy back of its shares by a company. It is likely that necessary amendments will be made to the Companies Act to allow such buy back.

It is proposed that the Board of Directors be authorised to effect such buy back upto 10% of the voting capital and/or equity related securities of the company as and when amendment is made in this regard.

The detailed terms and conditions of buy back may be allowed to be decided by the Board of Directors subject to provisions of law.

The Directors consider that this resolution is in the best interests of the Company and recommend the same for approval by the shareholders.

### **Interest of Directors**

The Directors of the Company may be deemed to be interested or concerned in this resolution to the extent of their shareholdings, if any, in the company or the shareholdings of Companies/Institutions/Entities in which they are Directors or Members or Employees or otherwise interested

### **Item No.9**

The Shareholders passed necessary resolutions on 6th May 1998 for issue of Equity shares/Equity linked instruments on Rights/Private placement basis for a sum not exceeding Rs.200 crores inclusive of any premium.

Insofar as the private placement of equity shares is concerned, the resolutions are valid only for a period of 3 months from the date of passing (i.e) upto 5th August 1998.

The Company is not likely to finalise the proposal for private placement by 5th August 1998. Hence the resolutions are once again included for getting a fresh approval of the shareholders. The details of the proposed issue of Capital are as under:

The Company proposes to issue, offer and allot Equity Shares and/or any security(ies) linked with equity for an aggregate amount not exceeding Rs.200 crores, inclusive of any premium to the members and/or to banks, insurance companies, financial institutions, investment institutions, mutual funds, companies and other bodies corporate, non-resident Indians, Overseas Corporate Bodies (OCBs), Foreign Institutional Investors (FIIs), individuals and such other persons or class of persons or institutions whether Indian or foreign or bodies whether incorporated or not or others whether or not such investors are members of the Company on rights and/or private placement basis, as per statutory provisions and guidelines issued by Securities And Exchange Board of India and such other appropriate authority(ies).

The money raised by issue of equity shares and/or securities linked with equity will be utilised for expansion of cement business through investment in other companies and/or for meeting its capital expenditure requirements and/or for augmenting



the long term working capital requirements of the Company and/or replacement of debt.

The nature, detailed terms and conditions and timing of the offer(s) will be determined by the Board in consultation with the investment bankers, issue advisors and underwriters. The issue price of the securities will be determined by the Board at the time of the offer depending on the then prevailing market conditions and the guidelines, if any, of Securities And Exchange Board of India (SEBI) and/or Government of India (GOI) and/or other appropriate authority. The said securities will be listed in one or more Indian Stock Exchanges, as may be necessary.

The Board may be authorised to issue, offer and allot Equity Shares and/or other securities linked with equity for an aggregate amount not exceeding Rs.200 crores, inclusive of premium, if any, on rights and/or private placement basis, as may be deemed necessary by it, in one or more tranches, at the appropriate time after obtaining approval of the Government of India (GOI), Reserve Bank of India (RBI), Securities And Exchange Board of India (SEBI), Financial Institutions, Debenture Trustees and any other appropriate authority, as may be required. The directors may also be authorised to determine the terms of the issue including time of the issue, the nature of the issue, the price of the issue and target investors of the issue and the amount and to modify and accept modifications of any of these and to appoint and to determine the terms of appointment of lead managers, managers, co-managers, underwriters, guarantors, registrars and all such agencies and enter into necessary contracts and/or arrangements with all or any of them.

The Board may also be authorised to issue the equity shares and/or securities linked with equity, as may be necessary, in accordance with the terms of offer and to take all necessary actions without any limitation for implementing this resolution.

Consent of the members is being sought under Sec.81 of the Companies Act, 1956, for the issue, offer and allotment of equity shares and/or securities linked with equity, as detailed in the respective resolutions.

### **Interest of Directors**

The Directors of the Company may be deemed to be interested or concerned in the resolutions to the extent of the shares that may be offered to or subscribed by them or by the Companies/Institutions/Entities in which they are Directors or Members or Employees or otherwise interested.

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

G. BALAKRISHNAN  
Company Secretary

Place : Chennai - 600 002  
Date : 3rd August, 1998.



## TEN YEARS IN BRIEF

### YEAR ENDED

		1989	1990
<b>Sales &amp; Earnings</b>			
1. Sales and other Income	Rs./Lakhs	13698	14851
2. Profit/(Loss) before tax	Rs./Lakhs	(79)	285
3. Cash Generated (internally)	Rs./Lakhs	300	746
<b>Assets</b>			
4. Fixed Assets (Net)	Rs./Lakhs	9165	11810
5. Capital Investments	Rs./Lakhs	4675	3804
6. Current Assets	Rs./Lakhs	4407	4637
7. Loans and Advances	Rs./Lakhs	602	954
<b>Capital &amp; Reserves</b>			
8. Share Capital	Rs./Lakhs	490	490
9. Reserves and Surplus	Rs./Lakhs	1768	1944
10. Shareholder's Fund	Rs./Lakhs	2258	2434
<b>Net worth, EPS &amp; Dividend</b>			
11. Net worth per share	(Rs.)	46.08	49.68
12. Earnings per Share	(Rs.)	(2.27)	5.29
13. Equity Dividend	(%)	8	15

Figures exclude revaluation / deferred revenue expenditure