



THE
INDIA CEMENTS
LIMITED

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ANNUAL REPORT
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MODERNISED DRY PROCESS PLANT OF SANKARIDURG WORKS

62nd Annual General Meeting

Date : 28th August, 2008

Time : 10.00 A.M

Venue : Sathguru Gnanananda Hall
(Narada Gana Sabha)
314, T.T.K. Road
Alwarpet
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.Srinivasan	Vice Chairman & Managing Director
Sri N.Ramachandran	Executive Director
Ms Rupa Gurunath	
Sri B.S.Adityan	
Sri Arun Datta	(Nominee of IDBI Bank Limited)
Sri Ashok Shah	(Nominee of Life Insurance Corporation of India)
Sri R.K.Das	
Sri N.R. Krishnan	
Sri V.Nachiappan	(Nominee of ICICI Bank Limited)
Sri A. Sankarakrishnan	
Sri N.Srinivasan	
Sri K.Subramanian	(Nominee of Housing and Urban Development Corporation Limited)

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

TAMIL NADU

Sankarnagar,
Tirunelveli District.
Sankari,
Salem District.
Dalavoi,
Perambalur District.

ANDHRA PRADESH

Chilamakur & Yerraguntla,
Cuddapah District.
Vishnupuram,
Nalgonda District.
Malkapur,
Ranga Reddy District.



THE INDIA CEMENTS LIMITED

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

NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the Sixtysecond Annual General Meeting of The India Cements Limited will be held at 10.00 A.M. on Thursday, the 28th August 2008, at Sathguru Gnanananda Hall, (Narada Gana Sabha), No.314, T.T.K Road, Alwarpet, 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 2008 and the Auditors' Report thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in the place of Sri. R.K.Das 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 sixtysecond Annual General Meeting until conclusion of the sixtythird Annual General Meeting and that their remuneration be and is hereby fixed at Rs.30,00,000/- 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.Ashok Shah 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.Ashok Shah be and is hereby appointed as a Director of the Company subject to retirement by rotation."
6. To appoint Sri.A.Sankarakrishnan 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.A.Sankarakrishnan be and is hereby appointed as a Director of the Company subject to retirement by rotation."
7. To appoint Sri.N.R.Krishnan 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.N.R.Krishnan be and is hereby appointed as a Director of the Company subject to retirement by rotation."
8. To appoint Ms.Rupa Gurunath 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 Ms.Rupa Gurunath be and is hereby appointed as a Director of the Company subject to retirement by rotation."

NOTES:

1. Explanatory Statement is annexed to the Notice of the sixtysecond Annual General Meeting of the Company as required by Section 173(2) of the Companies Act, 1956 in respect of item nos. 5 to 8.
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. 3, 5, 6, 7 & 8.
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 20th August 2008 to 28th August 2008 (both days inclusive).
5. The Equity dividend, if declared, will be paid on or before 26th September 2008 to those Members (or their mandatees) whose names will appear in the Company's Register of Members as on 28th August 2008. 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 are requested to contact the Registrar and Share Transfer Agent for all matters connected with the Company's shares at: Integrated Enterprises (India) Limited, 2nd Floor, 'Kences Towers', No.1, Ramakrishna Street, North Usman Road, T. Nagar, Chennai 600017. Tel.:044-28140801 to 28140803 & Fax : 044-28142479 Email: sureshababu@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 into one folio. In order to provide protection against fraudulent encashment of dividend warrants, Members are requested to provide, if not already provided, their bank account number, name of the bank and address of the branch, quoting their folio numbers, to the Registered Office of the Company or RTA.
7. 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.
8. 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-I, Chennai, No.26, Haddows Road, Chennai 600006, in the prescribed form which will be supplied by the Company/RTA on request.
9. Unclaimed dividends for the financial years from 1995-96 to 1999-2000 have been transferred to Investor Education and Protection Fund. Dividend for the financial year ended 31st March 2001 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 31st March 2001 or any subsequent financial year(s) are requested to make their claim forthwith to the Registered Office of the Company/RTA. It may 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.
10. 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.
11. The Company provides the facility of ECS to all shareholders, holding shares in electronic and physical forms, subject to availability of such facility at the respective location of such shareholders.
Shareholders holding shares in the physical form who wish to avail ECS facility, may authorise the company with their ECS Mandate in the prescribed form, which can be obtained from the Company / RTA.

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

Place : Chennai
Date : 30th June 2008

G BALAKRISHNAN
President & 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. 3, 5, 6, 7 & 8 OF THE NOTICE DATED 30TH JUNE, 2008.

<p>(i) Name of the Director Date of Birth Date of appointment on the Board as Director Date of last reappointment as Director Expertise in specific functional areas Qualification Number of Equity Shares held in the Company by the Director or for other persons on a beneficial basis List of outside Directorships held in Public Companies Chairman / Member of the Committees of Board of Directors of the Company Chairman / Member of the Committees of Board of Directors of other Companies in which he is a Director Relationship with other Directors</p>	<p>: Sri. R.K.Das : 23rd May 1933 : 1st October 2004 : 25th August 2005 : Technical : B.E (Mech.) M.I.E : 1500 : 1. Coromandel Sugars Limited : 2. ICL Financial Services Limited : 3. ICL International Limited : 4. ICL Securities Limited : 5. ICL Shipping Limited : 6. Industrial Chemicals & Monomers Limited : 7. Raasi Cement Limited : Nil : Nil : Nil</p>
<p>(ii) Name of the Director Date of Birth Date of appointment on the Board as Director Date of last reappointment as Director Expertise in specific functional areas Qualification Number of Equity Shares held in the Company by the Director or for other persons on a beneficial basis List of outside Directorships held in Public Companies Chairman / Member of the Committees of Board of Directors of the Company Chairman / Member of the Committees of Board of Directors of other Companies in which he is a Director Relationship with other Directors</p>	<p>: Sri. Ashok Shah : 5th June 1950 : 22nd January 2007 : Not Applicable : Insurance : Masters Degree in Economics : Nil : Nil : Nil : Nil : Nil : Nil</p>
<p>(iii) Name of the Director Date of Birth Date of appointment on the Board as Director Date of last reappointment as Director Expertise in specific functional areas Qualification Number of Equity Shares held in the Company by the Director or for other persons on a beneficial basis List of outside Directorships held in Public Companies Chairman / Member of the Committees of Board of Directors of the Company Chairman / Member of the Committees of Board of Directors of other Companies in which he is a Director Relationship with other Directors</p>	<p>: Sri.A.Sankarakrishnan : 27th October 1942 : 24th September 2007 : Not Applicable : Industry : B.E.(Mechanical) : 1000 : Allsec Technologies Limited : Nil : Nil : Nil</p>

(iv) Name of the Director	: Sri.N.R.Krishnan
Date of Birth	: 20 th June 1938
Date of appointment on the Board as Director	: 24 th September 2007
Date of last reappointment as Director	: Not Applicable
Expertise in specific functional areas	: Indian Administrative Service (Retd)
Qualification	: B.Sc.(Hons.) Chemistry, M.Sc.Chemistry
Number of Equity Shares held in the Company by the Director or for other persons on a beneficial basis	: Nil
List of outside Directorships held in Public Companies	: 1. Southern Petrochemical Industries Corporation Ltd., 2. SPIC Petrochemicals Limited 3. Tamilnadu Petroproducts Limited 4. Tamilnadu Road Development Company Limited
Chairman / Member of the Committees of Board of Directors of the Company	: Nil
Chairman / Member of the Committees of Board of Directors of other Companies in which he is a Director	: 1. Southern Petrochemical Industries Corporation Ltd. – Audit Committee – Chairman – Shareholders/Investors' Grievance Committee – Chairman 2. Tamilnadu Petroproducts Limited – Audit Committee – Member 3. Tamilnadu Road Development Company Limited – Audit Committee – Chairman
Relationship with other Directors	: Nil
(v) Name of the Director	: Ms.Rupa Gurunath
Date of Birth	: 15 th February 1973
Date of appointment on the Board as Director	: 24 th September 2007
Date of last reappointment as Director	: Not Applicable
Expertise in specific functional areas	: Industry
Qualification	: B.Sc., Post Graduate Diploma in Computer Application
Number of Equity Shares held in the Company by the Director or for other persons on a beneficial basis	: 36440
List of outside Directorships held in Public Companies	: Coromandel Electric Company Limited
Chairman / Member of the Committees of Board of Directors of the Company	: Nil
Chairman / Member of the Committees of Board of Directors of other Companies in which she is a Director	: Nil
Relationship with other Directors	: Daughter of Sri.N.Srinivasan, Vice Chairman & Managing Director



EXPLANATORY STATEMENT ANNEXED TO THE NOTICE OF THE SIXTYSECOND ANNUAL GENERAL MEETING OF THE COMPANY IN RESPECT OF ITEMS NO. 5 TO 8 OF THE NOTICE DATED 30TH JUNE, 2008

Item No.5:

Sri.Ashok Shah, nominated by Life Insurance Corporation of India, was appointed by the Board as a Director of the Company on 22nd January 2007 to fill the casual vacancy caused by the withdrawal of nomination of Sri.P.N.Jambunathan. Under provisions of Article 105 of the Articles of Association of the Company read with Section 262 of the Companies Act, 1956, Sri.Ashok Shah will hold the office upto the date of sixtysecond 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.Ashok Shah as a Director at the sixtysecond Annual General Meeting. Sri.Ashok Shah is Zonal Manager, Life Insurance Corporation of India, New Delhi. This ordinary resolution is submitted to the members for approval.

Interest of Directors:

Sri.Ashok Shah is interested in the resolution as it concerns his appointment. No other Director is directly or indirectly concerned or interested in this resolution.

Item No.6:

Sri.A.Sankarakrishnan was co-opted as an additional Director on the Company's Board with effect from 24.09.2007. Under provisions of Article 103 of the Articles of Association of the Company read with Section 260 of the Companies Act, 1956, Sri.A.Sankarakrishnan will hold the office upto the date of sixtysecond 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. A.Sankarakrishnan as a Director at the sixtysecond Annual General Meeting. Sri.A.Sankarakrishnan is Managing Director of Kone Elevators India Private Limited. This ordinary resolution is submitted to the members for approval.

Interest of Directors:

Sri.A.Sankarakrishnan is interested in the resolution as it concerns his appointment. No other Director is directly or indirectly concerned or interested in this resolution.

Item No.7:

Sri.N.R.Krishnan was co-opted as an additional Director on the Company's Board with effect from 24.09.2007. Under provisions of Article 103 of the Articles of Association of the Company read with Section 260 of the Companies Act, 1956, Sri.N.R.Krishnan will hold the office upto the date of sixtysecond 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.N.R.Krishnan as a Director at the sixtysecond Annual General Meeting. Sri.N.R.Krishnan was a member of the Indian Administrative Service. This ordinary resolution is submitted to the members for approval.

Interest of Directors:

Sri.N.R.Krishnan is interested in the resolution as it concerns his appointment. No other Director is directly or indirectly concerned or interested in this resolution.

Item No.8:

Ms.Rupa Gurunath was co-opted as an additional Director on the Company's Board with effect from 24.09.2007. Under provisions of Article 103 of the Articles of Association of the Company read with Section 260 of the Companies Act, 1956, Ms.Rupa Gurunath will hold the office upto the date of sixtysecond 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 Ms.Rupa Gurunath as a Director at the sixtysecond Annual General Meeting. Ms.Rupa Gurunath represents the promoter group. This ordinary resolution is submitted to the members for approval.

Interest of Directors:

Ms.Rupa Gurunath and Sri.N.Srinivasan, Vice Chairman & Managing Director being related to each other, are interested in the resolution. No other Director is directly or indirectly concerned or interested in this resolution.

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

Place : Chennai
Date : 30th June, 2008

G BALAKRISHNAN
President & Company Secretary

TEN YEARS IN BRIEF - FINANCIAL INFORMATION
YEAR ENDED 31st MARCH

		1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Sales & Earnings											
1. Sales and other Income	Rs.Lakhs	139184	141966	145137	131325	103300	123688	140230	183669	262088	360561
2. Profit/(Loss) before tax	Rs.Lakhs	8704	4731	5115	(757)	(30723)	(11273)	458	4998	49196	84464
3. Cash Generated (internally)	Rs.Lakhs	15669	12120	13416	7994	(22582)	(3122)	8335	12652	59289	94816
Assets											
4. Fixed Assets (Net)	Rs.Lakhs	145187	150202	149109	142562	134458	233387	220485	211497	293858	403937
5. Capital Investments	Rs.Lakhs	57685	12471	7437	2461	405	1971	2212	4896	14870	91990
6. Current Assets	Rs.Lakhs	29194	36093	37911	43572	28415	30796	38791	49803	73889	108735
7. Loans and Advances	Rs.Lakhs	53659	76733	102704	97769	103167	100022	98054	101439	97862	106206
Capital & Reserves											
8. Share Capital	Rs.Lakhs	12500	16339	16348	16359	16359	16359	16359	21577	26037	28187
9. Reserves and Surplus*	Rs.Lakhs	50515	57951	60251	42778	23795	12105	12132	57567	108319	224427
10. Shareholders' Fund	Rs.Lakhs	63015	74290	76599	59137	40154	28464	28491	79144	134356	252614
Net worth, EPS & Dividend											
11. Net worth per equity share	(Rs.)	50.91	52.20	53.88	41.18	27.38	18.88	18.90	40.18	51.60	89.62
12. Earnings per equity share	(Rs.)	12.57	3.33	3.25	(0.06)	(14.74)	(7.13)	0.12	2.61	19.65	23.97
13. Equity Dividend	(%)	35	18	18	-	-	-	-	-	10	20

* Figures exclude revaluation reserve and deferred income and after adjustment of deferred revenue expenditure.



DIRECTORS' REPORT

Your Directors have pleasure in presenting their **sixtysecond Annual Report** together with audited accounts for the year ended 31st March 2008.

	Rs. in Crores	
	For the year ended 31st March	
	2008	2007
FINANCIAL RESULTS		
Profit before Interest & Depreciation	1130.56	744.39
Less: Interest & Other Charges	109.86	149.80
Less: Depreciation	127.92	102.63
Add: Transfer from General Reserve	—	294.05
Less: Reversal of Sales tax deferral assignments	—	294.05
Add: Transfer from Share Premium	12.68	59.01
Less: Shares/Bond issue expenses	12.68	59.01
Less: Extraordinary item	48.14	—
Profit before Tax	844.64	491.96
Fringe Benefit Tax	9.60	1.70
Deferred Tax	182.70	11.43
Provision for Taxation (net)	14.80	—
Profit after tax	637.54	478.83
Add: Balance brought forward from last year	46.57	(262.53)
Less: Dividend on Preference Capital (including Dividend Tax)	—	19.65
Less: Dividend proposed on Equity Capital (including Dividend Tax)	65.89	30.46
Less: Transfer to Capital Redemption Reserve	—	25.00
Less: Transfer to Debenture Redemption Reserve	—	34.62
Less: Transfer to General Reserve	90.00	60.00
Less: Transfer to tonnage tax reserve	0.90	—
Balance carried in Profit & Loss A/c	527.32	46.57

DIVIDEND

The Board of Directors has recommended a dividend at the rate of 20% equivalent to Rs. 2/- per equity share of Rs.10/- each including on 2,07,89,000 equity shares allotted to Qualified Institutional Buyers (QIBs) and 7,18,500 equity shares allotted to option grantees in terms of India Cements Employees Stock Option Scheme, 2006.

SHARE CAPITAL

The paid up equity share capital of the Company has increased to Rs.281.87 crores as on 31st March, 2008 comprising 28,18,69,157 shares of Rs.10/- each on allotment in August 2007 of 4,00,00,000 equity shares of Rs.10/- each to the erstwhile shareholders of Visaka Cement Industry Limited pursuant to the scheme of amalgamation approved by the Hon'ble High Court of Madras and consequent to placement of 2,07,89,000 equity shares at a price of Rs.285/- per share (including premium of Rs.275/- per share) by way of Qualified Institutional Placement made in December 2007 and issue of 7,06,500 equity shares at a price of Rs.50/- per share (including premium of Rs.40/- per share) in December 2007 on exercise of options in terms of India Cements Employees Stock Option Scheme, 2006. Further, the Company has allotted in April 2008 12,000 equity shares of Rs.10/- each on exercise of options by more option grantees in terms of the said Scheme.

EMPLOYEE STOCK OPTION SCHEME

As stated above, 7,18,500 equity shares of Rs.10/- each were issued and allotted in December 2007 and April 2008 upon exercise of equivalent number of options by the eligible employees in terms of India Cements Employees Stock Option Scheme, 2006. The said shares rank pari passu with other equity shares of the Company.

Details of options granted / exercised and other disclosures as required under Clause 12 of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 are set out in Annexure 'F' to this Report.