



THE

INDIA CEMENTS

LIMITED

ANNUAL REPORT

2013



RELEASE OF THE COMMEMORATIVE POSTAGE STAMP ON THE BIRTH CENTENARY OF SHRI T.S.NARAYANASWAMI, FOUNDER OF THE INDIA CEMENTS LIMITED, PIONEER INDUSTRIALIST, VISIONARY, EDUCATIONIST & PHILANTHROPIST

67th Annual General Meeting

Date : 18th September, 2013
Time : 9.40 A.M.
Venue : Sathguru Gnanananda Hall
 (Narada Gana Sabha)
 No.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
Smt. Chitra Srinivasan	
Smt. Rupa Gurunath	Wholetime Director
Dr. B.S.Adityan	(till 19.04.2013)
Sri Arun Datta	
Sri Basavaraju	(Nominee of Life Insurance Corporation of India)
Sri R.K.Das	
Sri N.R.Krishnan	
Sri V.Manickam	
Sri K.P.Nair	(Nominee of IDBI Bank Limited)
Sri A.Sankarakrishnan	(till 09.04.2013)
Sri N.Srinivasan	

Auditors

Messrs Brahmayya & Co.
Chartered Accountants
48, Masilamani Road, Balaji Nagar,
Royapettah, Chennai - 600 014.

Messrs P.S. Subramania Iyer & Co.
Chartered Accountants
103, P.S.Sivaswamy Salai, Mylapore,
Chennai - 600 004.

Registered Office

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

Corporate Office

"Coromandel Towers"
93, Santhome High Road,
Karpagam Avenue,
R.A. Puram,
Chennai - 600 028.

Website: www.indiacements.co.in

Cement Factories

TAMIL NADU

Sankarnagar,
Tirunelveli District.

Sankari,
Salem District.

Dalavoi,
Ariyalur District.

TAMIL NADU

Vallur Village,
Tiruvallur District.

Grinding Units

ANDHRA PRADESH

Chilamakur & Yerraguntla,
Kadapa District.

Vishnupuram,
Nalgonda District.

Malkapur,
Ranga Reddy District.

MAHARASHTRA

Parli Vaijnath,
Beed District.



THE INDIA CEMENTS LIMITED

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

Corporate Office : "Coromandel Towers", 93, Santhome High Road,
Karpagam Avenue, R.A. Puram, Chennai 600 028.

NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the Sixtyseventh Annual General Meeting of The India Cements Limited will be held at 9.40 A.M. on Wednesday, the 18th September 2013, at Sathguru Gnanananda Hall, (Narada Gana Sabha), No. 314, T.T.K. Road, Alwarpet, Chennai 600018, 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 2013 and the Auditors' Report thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in the place of Sri N.R.Krishnan who retires by rotation and is eligible for reappointment.
4. To appoint a Director in the place of Sri Arun Datta 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. (Registration No.000511S) and M/s.P.S.Subramania Iyer & Co. (Registration No.004104S) Chartered Accountants, Chennai, be and are hereby appointed Auditors of the Company including its branch offices to hold office from the conclusion of the sixtyseventh Annual General Meeting until conclusion of the sixtyeighth Annual General Meeting and that their remuneration be and is hereby fixed at Rs.40,00,000/- (Rupees Forty Lakhs only) each, exclusive of service tax and all travelling and out of pocket expenses which shall be reimbursed to them."

SPECIAL BUSINESS:

6. To appoint Sri V.Manickam 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.Manickam be and is hereby appointed as a Director of the Company subject to retirement by rotation."

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

"RESOLVED THAT consent of the Company be and is hereby accorded in terms of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956, to mortgaging and/or charging by the Board of Directors of the Company 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 following loans:

- i) by way of first pari passu mortgage / charge on the immovable and movable fixed assets of the Company both present and future subject to prior charge(s) created / to be created in favour of the Company's bankers on its fixed assets as may be agreed to by ICICI Bank Limited for securing the borrowings for working capital requirements in the ordinary course of business, to and in favour of ICICI Bank Limited for its Rupee term loan of Rs.200 Crores.
- ii) by way of exclusive mortgage / charge on certain specified plant / assets of the Company as decided by the Board of Directors in favour of Axis Bank Limited for its Rupee term loan of Rs.200 Crores.
- iii) by way of first pari passu mortgage / charge on the immovable fixed assets of the Company's Boat Club Road property in Chennai in favour of HDFC Bank Limited for its Rupee term loan of Rs.100 Crores.

- iv) by way of first pari passu mortgage / charge on the immovable fixed assets of the Company's Boat Club Road property in Chennai in favour of Karnataka Bank Limited for its Rupee term loan of Rs.100 Crores.
- v) by way of second pari passu mortgage and charge ranking after the charges created / to be created in favour of the term lenders on the immovable and movable properties (other than current assets) of the Company both present and future pertaining to cement business to and in favour of following banks for their revised/ additional working capital facility as detailed below:

(Rupees in millions)

	Name of the Bank	Fund Based	Non-fund Based	Total
a)	ICICI Bank Limited	2026.00	1593.50	3619.50
b)	Punjab National Bank	600.00	322.80	922.80
c)	State Bank of India	145.10	121.80	266.90
d)	HDFC Bank Limited	800.00	400.00	1200.00
e)	Indian Bank	339.50	254.80	594.30
f)	State Bank of Mysore	62.00	90.00	152.00
g)	Vijaya Bank	74.00	0.00	74.00
h)	State Bank of Patiala	162.50	60.00	222.50
i)	The South Indian Bank Limited	95.00	0.00	95.00
j)	IDBI Bank Limited	1500.00	1500.00	3000.00
k)	State Bank of Hyderabad	400.00	107.50	507.50
l)	Bank of India	48.00	0.00	48.00
m)	BNP Paribas	257.00	0.00	257.00
n)	Yes Bank Limited	500.00	500.00	1000.00
o)	Axis Bank Limited	500.00	500.00	1000.00
	Total	7509.10	5450.40	12959.50

together with interest thereon at the agreed rate, compound interest, additional interest, liquidated damages, commitment charges, premia on prepayment, costs, charges, expenses and other monies payable by the Company to the aforesaid banks in terms of their heads of agreements / loan agreements / hypothecation agreements / subscription agreements / letters of sanction / memorandum of terms and conditions entered into / to be entered into by the Company in respect of the said loans / facility."

"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."

NOTES:

1. Explanatory Statement is annexed to the Notice of the Sixtyseventh Annual General Meeting of the Company as required by Section 173(2) of the Companies Act, 1956 in respect of items no.6 & 7.
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 annexed hereto for items no. 3, 4 & 6.



3. ANY MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF 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 11th September, 2013 to 18th September, 2013 (both days inclusive).
5. The equity dividend, if declared, will be paid on or before 17th October, 2013 to those Members (or their mandatees) whose names appear in the Company's Register of Members as on 18th September, 2013. 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: corpserve@integratedindia.in.
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 / Corporate 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 up to 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) up to 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 2000-01 have been transferred to Investor Education and Protection Fund. Dividend for the financial years ended 31st March 2007 to 31st March 2012 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 years ended 31st March 2007 to 31st March 2012 are requested to make their claim forthwith to the Registered / Corporate 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 Sections 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. Members are requested to note that in case of transfers, deletion of name of deceased shareholder, transmission and transposition of names in respect of shares held in physical form, submission of photocopy of PAN Card of the transferee(s), surviving holder(s), legal heir(s) and joint holder(s) respectively, along with necessary documents at the time of lodgement of request for transfer / transmission / transposition, is now mandatory.

12. a) Members holding the shares in electronic form may please note that the dividend would be paid through National Electronic Clearing System (NECS) at the available RBI locations. The dividend would be credited to their bank account as per the mandate given by the members to their Depository Participants. In the absence of availability of NECS facility, the dividend would be paid through warrants and the Bank details as furnished by the respective Depositories to the Company will be printed on their dividend warrants as per the applicable Regulations.
- b) Members are requested to send their Bank Account particulars (viz. Account No., Name & Branch of the Bank, IFSC Code and the MICR Code) (i) to their DPs in case the shares are held in electronic form and (ii) to the Registrar and Share Transfer Agents in case the shares are held in physical form, on or before 31st August, 2013 for printing of dividend warrants to ensure that there is no fraudulent encashment of the warrants.
- c) Members holding shares in physical form are requested to note that Bank Account particulars furnished by them for shares held in physical form will not be used for shares, if any, held by them in electronic form and vice versa.

13. The Ministry of Corporate Affairs (MCA) has taken a Green Initiative in Corporate Governance allowing paperless compliance by Companies through electronic mode. In line with the Green Initiative of the MCA, your Company has decided to send all correspondence like notices of general meetings, abstracts, audited financial statements (Annual Report) through electronic means to the Registered e-mail addresses of the Shareholders.

Shareholders are requested to note that the said documents would also be available on the Company's website www.indiacements.co.in from where it can be downloaded. In case any Shareholder desires to receive the above document(s) in Physical form, such Shareholder is required to send an e-mail to investor@indiacements.co.in quoting DP ID and Client ID Number in case the shares are held in electronic form and Folio Number in case the shares are held in physical form.

Members, who have not registered their e-mail addresses and wish to receive the above mentioned documents through electronic mode, are requested to register their e-mail addresses with (i) the Depository Participants if the shares are held in electronic form and (ii) with the Company / Registrar & Share Transfer Agent of the Company if the shares are held in physical form.

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

Place : Chennai
Dates : 20th May, 2013 & 12th August, 2013

G BALAKRISHNAN
Senior 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, 4 & 6 OF NOTICE DATED 20TH MAY 2013 & 12TH AUGUST 2013.

(i) 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	: 2 nd August 2010
Expertise in specific functional areas	: Administration and Management
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. India Cements Capital Limited 2. India Cements Investment Services Limited 3. Ponni Sugars (Erode) Limited 4. Tamil Nadu Petroproducts Limited 5. Tamil Nadu Road Development Company Limited 6. Trinetra Cement 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. India Cements Capital Limited - Audit Committee - Member Shareholders / Investors Grievance Committee - Member 2. Ponni Sugars (Erode) Limited - Audit Committee - Member 3. Tamil Nadu Petroproducts Limited - Audit Committee - Member 4. Tamil Nadu Road Development Company Limited - Audit Committee - Chairman 5. Trinetra Cement Limited - Audit Committee - Chairman
Relationship with other Directors	: Nil

(ii) Name of the Director	: Sri Arun Datta
Date of Birth	: 14 th June 1947
Date of appointment on the Board as Director	: 28 th October 2009
Date of last reappointment as Director	: 2 nd August 2010
Expertise in specific functional areas	: Management
Qualification	: B.E. (Mechanical Engineering) & Post Graduate Diploma in Marketing Management
Number of Equity Shares held in the Company by the Director or for other persons on a beneficial basis	: 4000
List of outside Directorships held in Public Companies	: 1. North Eastern Electric Power Corporation Limited 2. Tide Water Oil Co. India Limited 3. Trinetra Cement Limited
Chairman / Member of the Committees of Board of Directors of the Company	: Audit Committee - Member Shareholders' / Investors' Grievance Committee - Chairman
Chairman / Member of the Committees of Board of Directors of other Companies in which he is a Director	: Tide Water Oil Co. India Limited - Audit Committee - Member
Relationship with other Directors	: Nil
(iii) Name of the Director	: Sri V. Manickam
Date of Birth	: 1 st April 1952
Date of appointment on the Board as Director	: 14 th February 2013
Date of last reappointment as Director	: 13 th August 2012
Expertise in specific functional areas	: Investment
Qualification	: B.Sc., A.C.A.
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	: EID Parry (India) 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	: Member, Audit Committee, EID Parry (India) Limited
Relationship with other Directors	: Nil



EXPLANATORY STATEMENT ANNEXED TO THE NOTICE OF THE SIXTYSEVENTH ANNUAL GENERAL MEETING OF THE COMPANY IN RESPECT OF ITEMS NO. 6 & 7 OF THE NOTICE DATED 20TH MAY 2013 & 12TH AUGUST 2013.

Item No.6:

Sri V.Manickam was a nominee Director appointed by Life Insurance Corporation of India, during 31st October 2008 to 14th September 2012 on the Board of the Company. He was co-opted as an additional Director on the Company's Board with effect from 14th February 2013. Under provisions of Article 103 of the Articles of Association of the Company read with Section 260 of the Companies Act, 1956, Sri V.Manickam will hold the office up to the date of sixtyseventh 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.Manickam as a Director of the Company, liable to retire by rotation, at the sixtyseventh Annual General Meeting. This ordinary resolution is submitted to the members for approval.

Interest of Directors:

Sri V.Manickam 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:

- (i) The Company has availed financial assistance in the form of Rupee Term Loan of Rs.200 Crores from ICICI Bank Limited for the purpose of repayment of existing debts. One of the terms and conditions set out by ICICI Bank Limited in its sanction letter No.CBG/2011/CMOG No.12/CBGCHN/ 34553 dated 27.07.2011 is that the financial assistance is required to be secured by a first mortgage and charge on the fixed assets of the Company both present and future.
- (ii) The Company has availed financial assistance in the form of Rupee Term Loan of Rs.200 Crores from Axis Bank Limited for the purpose of part financing thermal power project at Company's Vishnupuram plant. One of the terms and conditions set out by Axis Bank Limited in its sanction letter No.AXISB/CO/RMG/KSH/2012-13/58 dated 24.09.2012 is that the financial assistance is required to be secured by an exclusive mortgage / charge on certain specified plant/assets of the Company as decided by the Board of Directors.
- (iii) The Company has been sanctioned financial assistance in the form of Rupee Term Loan of Rs.100 Crores by HDFC Bank Limited for the purpose of meeting / refinancing capital expenditure. One of the terms and conditions set out by HDFC Bank Limited in its sanction letter dated 27.06.2013 is that the financial assistance is required to be secured by first pari passu mortgage / charge on immovable fixed assets of the Company's Boat Club Road property in Chennai.
- (iv) The Company has been sanctioned financial assistance in the form of Rupee Term Loan of Rs.100 Crores by Karnataka Bank Limited for the purpose of meeting capital expenditure. One of the terms and conditions set out by Karnataka Bank Limited in its sanction letter no.BDR No.V-16 DT 31.07.2013 dated 06.08.2013 is that the financial assistance is required to be secured by first pari passu mortgage / charge on immovable fixed assets of the Company's Boat Club Road property in Chennai.
- (v) The Company's bankers have revised their working capital facility to Rs.12959.50 millions as set out in the resolution. The aforesaid revised working capital facility is, inter alia, required to be secured by second pari passu mortgage and charge on the immovable and movable properties of the Company both present and future pertaining to cement business in favour of various Bankers as set out in the resolution.

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 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 mortgage / charge. Hence the resolution.

Inspection of Documents:

Copies of Credit Arrangement letter No. CBG/2011/CMOG No.12/CBGCHN/34553 dated 27.07.2011 and letter of amendment dated 07.09.2012 to master facility agreement dated 27.07.2011 from ICICI Bank Limited, sanction letter No. AXISB/CO/RMG/KSH/2012-13/58 dated 24.09.2012 from AXIS Bank Limited, sanction letter dated 27.06.2013 from HDFC Bank Limited, sanction letter no.BDR No.V-16 DT 31.07.2013 dated 06.08.2013 from Karnataka Bank Limited and Working Capital Consortium Agreement entered by the Company with Company's Bankers, are available for inspection of the shareholders at the Registered Office / Corporate 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 except Sri K.P.Nair representing IDBI Bank Limited is directly or indirectly concerned or interested in this resolution.

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

Place : Chennai
Dates : 20th May, 2013 & 12th August, 2013

G BALAKRISHNAN
Senior President & Company Secretary