



THE INDIA CEMENTS LIMITED

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SH/

21.09.2023

BSE Limited
Corporate Relationship Dept. First Floor,
New Trading Ring, Rotunda Building,
Phiroze Jeejeebhoy Towers
Dalal Street, Fort
MUMBAI - 400 001.

National Stock Exchange of India Limited
Exchange Plaza, 5th Floor
Plot No.C/1, G Block
Bandra-Kurla Complex
Bandra (E)
MUMBAI 400 051.

Scrip Code : 530005

Scrip Code : INDIACEM

Dear Sirs,

**Sub.: Summary of proceedings of Annual General Meeting held on
21.09.2023**

In terms of Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose a summary of proceedings of the 77th Annual General Meeting of our Company held on 21st September, 2023.

Thanking you,

Yours faithfully,
for **THE INDIA CEMENTS LIMITED**

COMPANY SECRETARY

Encl.: as above



**THE INDIA CEMENTS LIMITED
CHENNAI**

Summary of proceedings of the Seventy-seventh Annual General Meeting of the Company held through Video Conferencing (VC) / Other Audio Visual Means (OAVM) at 11.00 A.M. (IST) on Thursday, the 21st September, 2023.

I Number of shareholders present through Video Conferencing at the meeting:

- a) Promoters and Promoter group : 6
- b) Public : 103

II Directors: Attended through
VC From

- 1. Sri.N.Srinivasan, Vice Chairman & Managing Director,
Chairman of the Meeting Chennai
- 2. Smt.Chitra Srinivasan Chennai
- 3. Smt.Rupa Gurunath, Wholetime Director Chennai
- 4. Sri.S.Balasubramanian Adityan Chennai
Chairman – Audit Committee & Nomination and
Remuneration Committee
- 5. Sri.S.Christopher Jebakumar Chennai
- 6. Sri.Krishnan Skandan Chennai
- 7. Smt.Lakshmi Aparna Sreekumar Chennai
Chairperson – Stakeholders Relationship Committee
- 8. Sri.V.Manickam Chennai
- 9. Sri.V.Ranganathan Chennai
- 10. Smt.Sandhya Rajan Chennai
- 11. Sri.Sanjay Shantilal Patel Chennai
- 12. Sri.Y.Viswanatha Gowd Chennai

III Sri.S.Sridharan, Company Secretary Chennai

IV Statutory Auditors

- 1. Sri.N.Sri Krishna representing M/s.Brahmayya & Co. Chennai
- 2. Sri.Chella K Srinivasan representing M/s.S.Viswanathan LLP. Chennai

V Secretarial Auditor

- 1. Smt.P.R.Sudha, Practising Company Secretary Chennai

VI Scrutinizer

- 1. Smt.P.R.Sudha, Practising Company Secretary Chennai

All Statutory Registers, Auditors' Report, Secretarial Auditor's Report and other relevant documents were available to the members for inspection in electronic form.

VII QUORUM

The required quorum was present throughout the meeting.

VIII ELECTION OF CHAIRMAN OF THE MEETING

As chosen by the Directors present, Sri.N.Srinivasan, Vice Chairman & Managing Director, occupied the Chair.

The Chairman informed that in compliance with applicable provisions of the Companies Act, 2013 and as per the Circulars issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India, the 77th Annual General Meeting of the Company was conducted through Video Conferencing / Other Audio Visual Means. He then, called the meeting to order and welcomed the members to the meeting.

The Chairman then requested the Directors to introduce themselves. All the Directors present at the AGM introduced themselves from their respective locations.

The Chairman, then, informed that the Notice convening the 77th Annual General Meeting (AGM) of the Company, having been circulated electronically to the shareholders and hosted on the websites of the Company, National Securities Depository Limited (NSDL) and the Stock Exchanges, be taken as read and with the consent of the members present, the same was taken as read. The Chairman further informed that there was no necessity to read the Auditors' Report, as the same did not contain any qualification.

The Chairman, thereafter, proposed that his following address to the shareholders, having been already hosted and available on the website of the Company, be taken as read and with the permission of the members present, the same was taken as read.

Ladies and Gentlemen,

It gives me great pleasure in extending a warm welcome to all of you to the Seventy Seventh Annual General Meeting of your company being conducted through video conferencing and other audio-visual means in compliance with the applicable provisions of the Companies Act, 2013 and the circulars issued by the Ministry of Corporate Affairs and Securities and Exchange Board of India.

Members will be happy to know the Platinum Jubilee Celebration of Company was organised in Chennai on 12.11.2022 and to mark the occasion "Corporate My Stamp" of Postal Department was released.

The audited accounts and the Directors' Report for the year ended March 31, 2023, have been with you for some time now and with your consent, I shall take them as read.

ECONOMY

During the year 2022, recovery in world economy was impacted by resurgence of Covid virus in some geographies, risks created by the continuing Russian-Ukraine war, surge in oil and commodity prices, especially pet coke and thermal coal, depreciating Rupee value against US Dollar, monetary tightening, widening fiscal deficit and rising current account deficit.

Global GDP growth moderated to 3.1% in 2022 as estimated by World Bank and 3.5% by IMF. This was after Global growth rebounded from Covid pandemic crisis and registered a strong growth in 2021.

RESILIENT INDIAN ECONOMY WEATHERS GLOBAL HEADWINDS

During 2022-23, Indian economy was also stressed by inflationary pressure, surge in oil and commodity prices, shortage of coal and pet coke, inputs cost spiralling, high interest cost, depreciating Rupee value against US Dollar, headwinds from monetary tightening, widening fiscal deficit and rising current account deficit.

At the same time, the resilient Indian economy managed to weather the global headwinds and sustained the growth of last year in terms of high frequency indicators. Buoyed by the growth in almost all sectors, economy grew by 7.2% in 2022-23 although it is below the revised GDP growth rate of 9 % in 2021-22.

SECTORAL PERFORMANCE

As in the previous years, agriculture and allied sector remained a bright spot in 2022-23 and achieved the targeted 4 % growth in GVA (against revised growth rate of 3.5 % in 2021-22). Good rainfall reported in both South-West and North-East monsoons, good storage levels in major reservoirs, better farm practices, improved marketing facilities, farm inputs and crop loans bettered the prospects of farm sector and rural economy.

Last year, despite higher public spending and improvement in private consumption, industrial output, especially in the manufacturing sector was impacted by the high cost of inputs. Index of Industrial production grew by a modest 5.1% in 2022-23. The overall growth in manufacturing sector was a mere 1.3% against 11.1% in 2021-22.

CORE SECTOR GROWTH

Last year, the cumulative growth of core sector or infrastructure sector also moderated to 7.6% (after posting a strong growth of 10.4% in the previous year). This was aided by increased production of coal, fertilisers, steel and cement.

CONSTRUCTION AND HOUSE BUILDING ACTIVITY

Increased house building activity and infrastructure development in the first quarter saw brisk construction activity with 16% growth in the sector. It slipped to 5.7% in the second quarter and picked up at 8.3% in the third quarter and 10.4% in the fourth quarter. The overall growth was 10% compared to 14.8% in 2021-22 when the sector staged a smart recovery from the post Covid pandemic crisis.

Post pandemic, the growing preference for living in own homes and workplaces apart from the Government's thrust on infrastructure development, affordable housing, easy availability of home loans and Income tax rebates in the Budget have led to pick up in new house building, renovation of homes and construction activity.

CEMENT INDUSTRY

Like the construction sector, there were wide fluctuations in the growth of cement industry during the year under review. As per DIPP, there was significant pickup in demand with a growth of over 17% in the first quarter, but it started sliding down with sluggish growth of 1.8% to 2% only in the second quarter. While the demand picked up in later months, the growth again reversed in March 2023 with a negative growth of 1%. The overall growth last year was only 8.6 % implying a steep drop in growth in the last 3 quarters.

This inconsistent growth in cement demand had a telling impact particularly in the south where the industry is already saddled with huge capacity. Although the region witnessed a healthy 15% growth in the first half of last year, it moderated to 9 to 10% in the later period. The capacity utilization in south was also around 65% whereas it was over 73% at the all India level with other regions reporting close to 85% utilization.

In the first half of last year, the industry faced a steep increase in cost of production. This was compounded by a more than 10% depreciation in Rupee value against US Dollar. But, from November' 22, there was some relief in cost of production with softening prices of imported coal and petcoke. This along with better demand supply situation, all India players saw reasonable increase in the selling price elsewhere in the other regions, to partially offset the cost increase. However, with severe competition and capacity overhang, the industry in the south reeled under pressure with lower selling prices and uncompensated cost increase.

PERFORMANCE OF THE COMPANY

The performance of the company during the year under review was severely dented on account of significant increase in input cost, supply overhang, tough market conditions with severe competition and subdued price realization resulting in drop in margins and due to one off expenses on account of provision for impairment for certain investment and advances. This was to some extent compensated by the profit on sale of investments. As a prudent measure, the Company sold its investments in Madhya Pradesh which infused liquidity and improved the capacity utilization to around 72% in the 4th quarter against 60% in the previous 9 months.

Last year, Company's overall sales volume was up by 9%, marginally lower than the industry growth. While clinker production increased by 8% at 72.98 lakh tonnes (67.60 lakh tonnes), the overall sales improved to 98.93 lakh tonnes (90.70 lakh tonnes).

With a basket of plants of various vintage and technology with varying operating parameters of power and fuel, the impact on cost of production on account of steep increase in coal price, diesel, pet coke, power, etc. was much higher for the company as compared to many of the peers.

With lower capacity utilization of 64% during the year and blended cement proportion accounting for only of 50% in the overall sales mix due to increased infra-activity in South, the margins were squeezed with uncompensated cost increase.

Total revenue, including other income increased to Rs.5415 crores against Rs.4730 crores in the previous year. On the operational front, cost per Kcal of fuel increased to Rs.2.90 from around Rs.1.85 in the previous year and average rate of power went up by 35% to Rs.7.04 per KWH from Rs 5.20 per KWH.

These two major factors together with reduction in blended cement proportion increased the cost of production by more than Rs.840 per tonne or 31% over the previous year. The net plant realisation improved hardly by Rs.200 per tonne resulting in substantial erosion in profit margin. This together with all the factors mentioned above resulted in a negative EBIDTA of Rs.140 crores as compared to EBIDTA of Rs.478 crores in the previous year.

Interest and other charges were Rs.234 crores (Rs.204 crores) while depreciation was Rs.213 crores (Rs.220 crores). After reckoning the exceptional income representing profit on sale of investments and after setting of one-time charges for impairment of investments and advances, the loss before tax for the year stood at Rs.407 crores against a profit of Rs.54 crores in the previous year. After tax and other adjustments, the total comprehensive loss for the year was Rs.188 crores compared to total comprehensive income of Rs.231 crores in the previous year.

The Company continued its efforts in reducing the fixed cost with strict control on contract labour and administrative overheads. It had met all its obligations to banks and financial institutions.

ECONOMIC OUTLOOK FOR 2023-24

Global economy is still facing uncertain growth prospects. In its latest report, IMF has projected global growth to fall from an estimated 3.5% in 2022 to 3% in both 2023 and 2024.

At the same time, this year too, India is expected to remain stable (weather global headwinds) and sustain the growth momentum. The Economic Survey and RBI have projected a GDP growth of 6.5% in 2023-24 against the official estimated growth of 7.2% last year.

Centre and States are expected to give push to spending on infrastructure projects ahead of Lok Sabha Elections in 2024. Budget for 2023-24 has envisaged big ticket infrastructure projects and urban infrastructure development in tier 2 and 3 cities with a big jump of 33% in capex at Rs.10 lakh crore apart from the highest ever outlay of Rs.2.4 lakh crore for railways.

This along with the growing preference for homeownership and rebuilding homes in metro cities, urban and semi-urban and rural India centres augur well for the brisk construction activity to continue this year and thereby a positive demand outlook for cement.

Cement industry in the South has excess capacity to meet the healthy demand from housing and infrastructure sectors. However, the continuing Ukraine-Russia war and its impact on the supply chain position of coal and petroleum products remain a cause for concern as this could have a long-term influence in the price of fuel and oil. Therefore, margins are expected to come under pressure with rising operational costs, intense competition in the market and logistics and supply chain constraints.

COMPANY PERFORMANCE DURING THE CURRENT YEAR

As per DIPP, in the first quarter ending June 30, 2023, cement demand improved by a brisk 12.2% at all India level. The trend was visible in south also with a double-digit growth in demand.

Surprisingly, the substantial improvement in cement demand did not lead to improvement in selling price in the market as the industry focused on improving volume and capacity utilization and therefore the quarter witnessed a marginal reduction in the net plant realization.

Cement and clinker sales of Company was at 26.66 lakh tonnes in the first quarter compared to 27.85 lakhs tonnes in the 4th quarter of previous year. The lower sales were mainly due to liquidity crunch faced by the Company consequent to lower margins and losses. Still, it continued to improve its performance during the quarter. The Rs.168 per tonne reduction in variable cost had directly flown to the bottom line resulting in positive EBIDTA during the quarter after three quarters of continued negative EBIDTA.

The Company is seriously pursuing its plan to monetize some of the non-core assets for improving liquidity and operating performance as well as meeting some of the minimum capital expenditure.

Variable costs continue to be high for the Company compared to peers and the company has initiated necessary action to address the same. The new Cement Mill at Sankarnagar, replacing the old cement mills, is expected to be commissioned by 2nd quarter of the current fiscal.

The waste heat recovery system at Chilamkur in Andhra Pradesh is also being taken up for completion during the current year and both these projects are expected to bring in substantial relief in variable cost in the two plants.

Members will appreciate that in harnessing green energy, India Cements was a pioneer and the first one to set up a waste heat recovery plant in the entire cement industry in 2004 at Vishnupuram, now part of Telangana. In 1995, we ventured into generating power from windmills in Tamil Nadu. We are also exploring the opportunities for producing green power from solar energy.

The company has engaged the services of experts like FLSmith and ThyssenKrup Industries to conduct a detailed study on the operating parameters of some of its plants for refurbishment/modernization to bring them in line with that of state-of-the-art modern plants.

The company has engaged Boston Consulting Group to study the operations at 3 of its plants in Andhra Pradesh and Telangana and suggest measures for improving efficiency in their operations.

We are focused on lifting the fortunes of our core business, cement. We know the cement industry the best. The Company has copious limestone deposits. It has wealth of experience in cement manufacturing, having long serving professionals and experts across the functions and extensive network for marketing cement. Though cyclical in nature, the industry has immense potential for growth with the focus on infrastructure development by the Centre and States and the growing demand for housing.

MARKETING INITIATIVES

As part of its focus on strengthening its sales and marketing force, Company has revamped the marketing team with change of guards at various levels. It has taken up a series of marketing and brand promotion drive with renewed focus on achievement of targets on sales, collection and market development.

The Company has also launched slew of ground level activities for connecting with its consumers, dealers, stockists and influencers like engineers, contractors and masons. They are regularly taken to its plants to understand the best practices followed in cement manufacturing process and the focus on maintaining consistent high quality.

CORPORATE SOCIAL RESPONSIBILITY

The Company retained its focus on supporting socially relevant activities and livelihood programmes in and around the plants.

SUSTAINABLE ENVIRONMENT, HEALTH AND SAFETY

Sustainability remains an integral part of our business strategy to ensure sustainable living conditions in and around all the plants. The Company is committed to maintaining sustainable environment through meeting the norms of environment regulations, improving efficiencies, reducing greenhouse gas emissions, water conservation and afforestation at its plants to protect nature. All the plants have been conducting various safety and health related training programmes for the workforce.

AWARDS, RECOGNITIONS AND LICENCES

During the year, Company's Sankari Works received Confederation of Indian Industry-Southern Region- EHS Excellence Bronze Award 2022-23 for commitment to Environment, Health and Safety practices. Sankari Works also bagged various prizes for Environmental monitoring, sustainable development and afforestation during the Mines Environment and Mineral Conservation Week Celebrations.

Bureau of Indian Standards (BIS) conducted Surveillance Audit for Integrated Management System as per IS/ISO 9001:2015, IS/ISO 14001:2015 and IS/ISO 45001:2018 and recommended for continuing the QMS, EMS & OHSMS certificates for Dalavoi Works. TUV India Pvt Ltd conducted renewal audit for Energy Management Systems licence and recommended for renewing the same for Dalavoi Works.

BIS recommended recertification of Quality Management Systems licence for Malkapur Works valid for the next two years. Malkapur Works also won 1st prize in the category of afforestation in medium and large mechanised mines in the area.

Besides the above, Company's other plants have won several safety awards and environmental conservation awards during mines safety week celebrations.

HUMAN RESOURCE DEVELOPMENT AND TRAINING

Company's HR philosophy strongly believes in the concept of good people making a good organisation. It is known for its strong focus on maintaining cordial relationship, team building, enhancing leadership qualities and encouraging the workforce to grow along with the organisation.

Our Company, known for its established tradition of maintaining cordial industrial relations with workmen, amicably reached an important new tripartite four-year wage settlement with recognised trade unions across the company on 13.1.23. The accord provides for good increase in wages and allowances for the benefit of workmen in all our cement plants.

With the role of human resources evolving over a period of time, the Company is focused on improving the multi-tasking of its employees. The emphasis is on improving our operational efficiency, reduce cost and streamline the way we distribute and market cement.

Special Workshops were conducted in all the plants for building capabilities on people management and engagement-oriented leadership among our people managers. Contemporary performance appraisal system for recognising the talents has been introduced along with the focus on developing future leaders.

ACKNOWLEDGEMENT

I would like to acknowledge with gratitude the help and co-operation received by us from the Central Government, the Governments of Tamil Nadu, Maharashtra, Andhra Pradesh, Telangana, Rajasthan and their agencies, the all-India Financial Institutions, our Bankers, Investors and stockists.

I wish to commend the management team and the employees of the Company for their dedicated endeavours during the year.

Thanking You.

Thereafter, the Chairman requested the Company Secretary to read the items of business to be transacted at the AGM and the Company Secretary read the following items of business, as set-out in the Notice convening the 77th AGM of the Company.

Sl. No.	Items of Business	Type of Resolutions
1.	Adoption of Audited Standalone Financial Statements for the financial year ended 31.03.2023 and Reports of Directors and Auditors thereon.	Ordinary
2.	Adoption of Audited Consolidated Financial Statements for the financial year ended 31.03.2023 and Report of Auditors thereon.	Ordinary
3.	Appointment of a Director in the place of Sri.S.Christopher Jebakumar (DIN: 06956160), who retires by rotation and being eligible, offers himself for reappointment.	Ordinary
4.	Appointment of a Director in the place of Sri.V.Ranganathan (DIN: 00550121), who retires by rotation and being eligible, offers himself for reappointment.	Ordinary
5.	Appointment of Sri.Y.Viswanatha Gowd (DIN: 09048488), as a Director of the Company, liable to retire by rotation.	Ordinary
6.	Appointment of Sri.V.Manickam (DIN: 00179715) as an Independent Director of the Company to hold office for a term of three consecutive years from 24.06.2023.	Special
7.	Ratification of remuneration payable to Cost Auditor of the Company.	Ordinary

The Chairman, then, briefed the members present on the industry scenario, cement demand-supply position, capacity utilisation, pricing and the increase in fuel cost on the operating performance of the Company, the prognosis of the industry in general and the South in particular and other matters connected with the Company.

The Company Secretary, thereafter, informed that the Company had made necessary arrangements for the shareholders to register themselves as “speakers” to express their views at the AGM and that the Company had received request from few shareholders to speak at the meeting. He then invited the “speakers” one after another to raise any query / seek clarification if required.

The Chairman clarified the queries raised by them.

The Company Secretary, then, informed that a number of shareholders took advantage of the remote e-voting facility that commenced at 9.00 A.M. on 17.09.2023 and ended at 5.00 P.M. on 20.09.2023 and had already cast their votes electronically on the aforesaid resolutions, as set-out in the Notice convening the 77th AGM of the Company. He further informed that the e-Voting facility is available for those members, who have not availed the remote e-Voting facility, to cast their votes during the meeting and that the e-Voting window would be kept open for 15 minutes from the conclusion of the meeting for the members to cast their votes.

Thereafter, the Company Secretary informed the members that Smt.P.R.Sudha, Practising Company Secretary, had been appointed by the Board as Scrutinizer to oversee the votes cast through remote e-Voting and e-Voting process at the AGM and would be submitting a Consolidated Scrutinizer's Report. He further informed the members that the voting results would be declared and intimated to the Stock Exchanges and also be uploaded on the Company's website and on the website of NSDL within 48 hours from the conclusion of the meeting.

There being no other business to transact, the Chairman thanked the members, who participated at the Annual General Meeting through VC, for their cooperation and declared the meeting closed.

The Annual General Meeting concluded at 11.50 A.M. and the e-Voting window provided during the AGM closed at 12.05 P.M.

Place : Chennai
Date : 21.09.2023

N.SRINIVASAN
CHAIRMAN
(DIN: 00116726)