



# THE INDIA CEMENTS LIMITED

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R.A. Puram, Chennai - 600 028. Phone : 044-2852 1526, 2857 2100  
Fax : 044-2851 7198, Grams : 'INDCEMENT'  
CIN : L26942TN1946PLC000931

SH/

23.09.2024

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  
23.09.2024**

In terms of Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose a summary of proceedings of the 78<sup>th</sup> Annual General Meeting of our Company held on 23<sup>rd</sup> September, 2024.

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-eighth Annual General Meeting of the Company held through Video Conferencing (VC) / Other Audio Visual Means (OAVM) at 10.00 A.M. (IST) on Monday, the 23<sup>rd</sup> September, 2024.

- I Number of shareholders present through Video Conferencing at the meeting:
- a) Promoters and Promoter group : 6  
b) Public : 105
- II Directors:
- |   | Attended through<br>VC From |
|---|-----------------------------|
| 1. Smt.Rupa Gurunath, Wholetime Director<br>Chairperson of the Meeting                                    | Chennai                     |
| 2. Sri.N.Srinivasan, Vice Chairman & Managing Director  | Chennai                     |
| 3. Smt.Chitra Srinivasan  | Chennai                     |
| 4. Sri.S.Balasubramanian Adityan<br>Chairman – Audit Committee & Nomination and<br>Remuneration Committee | Chennai                     |
| 5. Sri.Krishna Srivastava   | Noida                       |
| 6. Sri.Krishnan Skandan   | Chennai                     |
| 7. Smt.Lakshmi Aparna Sreekumar<br>Chairperson – Stakeholders Relationship Committee                      | Chennai                     |
| 8. Sri.V.Manickam   | Denver, USA                 |
| 9. Sri.V.M.Mohan  | Chennai                     |
| 10. Sri.V.Ranganathan   | Chennai                     |
| 11. Smt.Sandhya Rajan   | Kyoto, Japan                |
| 12. Sri.Sanjay Shantilal Patel  | Chennai                     |
| 13. 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, Smt.Rupa Gurunath, Wholetime Director, was elected as Chairperson of the Meeting and she occupied the Chair.

The Chairperson welcomed all the Directors and Members to the 78<sup>th</sup> Annual General Meeting of the Company.

The Chairperson then requested the Directors to confirm their presence. The Directors Sri.S.Balasubramanian Adityan, Sri.Krishna Srivastava, Sri.V.Manickam, Sri.V.Ranganathan, Smt.Sandhya Rajan introduced themselves from their respective locations.

The Chairperson informed that along with her, Sri.N.Srinivasan, Vice Chairman & Managing Director, Smt.Chitra Srinivasan, Smt.Lakshmi Aparna Sreekumar, Sri.Krishnan Skandan, Sri.V.M.Mohan, Sri.Sanjay Shantilal Patel and Sri.Y.Viswanatha Gowd, Sri.S.Sridharan, Company Secretary, Sri.R.Srinivasan, Executive President (F&A) and Chief Financial Officer, were also present. She also informed that the Statutory Auditors and the Secretarial Auditor and Scrutinizer were present through VC. She then, called the meeting to order and welcomed the members to the meeting.

The Company Secretary 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 78<sup>th</sup> Annual General Meeting of the Company was conducted through Video Conferencing / Other Audio Visual Means.

The Company Secretary further informed that the e-voting module is open for those members, who have not cast their votes through remote e-voting to cast their simultaneously while attending the meeting.

Thereafter, the Chairperson informed that the Notice convening the 78<sup>th</sup> Annual General Meeting (AGM) of the Company, having been circulated electronically to the shareholders and uploaded 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 Chairperson further informed that there was no necessity to read the Auditors' Report, as the same did not contain any qualification.

The Chairperson, then, proposed that the following Chairman's address to the shareholders, having been already uploaded 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 Eighth 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 the Securities and Exchange Board of India (SEBI).

The audited accounts and the directors' report for the year ended 31<sup>st</sup> March, 2024, have been with you for some time now and with your consent, I shall take them as read.

At the outset, I am proud of our shareholders remaining an integral part of the inspiring journey of the Company for over seven decades.

India Cements made its humble beginning in 1946. It was founded by the two visionary Founders and enterprising entrepreneurs, SNN Sankaralinga Iyer (1901-1972) and T.S. Narayanaswami (1911-1968) when political freedom was around the corner. The year 2021 marked its historic Platinum Jubilee Year.

India Cements represents the story of the Country from the time we became Independent to now. We have gone through every phase of development. In very many ways, India Cements participated in the development and growth of technology in India.

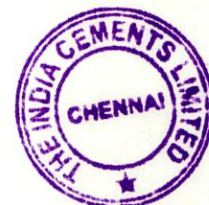
You have witnessed its crossing several milestones, significantly contributing to industrial, infrastructure and socio-economic development of our country and touching the lives of so many people. I see a great future for the Company in the years ahead.

### **ECONOMIC SCENE & OUTLOOK**

During the year 2023, global economy retained its growth pace despite challenges and uncertainties and clocked a growth of 3.2% in terms of output as estimated by IMF and 2.6% by World Bank.

In the current year, World Bank and IMF are optimistic on global economy remaining resilient and its growth "steading and stabilising" in the coming years. IMF has projected global growth to stay at 3.2% this year and in 2025 and World Bank expects it to be 2.6% this year and edging up to 2.7% next year and later.

Still, there are risks staring at global economy from headwinds like geo-political tensions, continuing Russia-Ukraine war, monetary policy tightening, inflationary pressure, food and energy price shocks, volatile global commodity prices and supply side disruptions in key shipping lines.



## **RESILIENT INDIAN ECONOMY**

As in the previous year, during 2023-24, Indian economy faced risks from global headwinds like geo-political tensions, high cost of fuel, energy and inputs, volatile commodity prices and monetary tightening. It was also stressed by inflationary pressure, high interest cost and depreciating Rupee value against US Dollar.

However, Indian economy showed remarkable resilience and remained as the fastest growing major economy of the world. As per official estimates, GDP growth is pegged at 8.2% in 2023-24, significantly above 7% in 2022-23.

The economy achieved a record growth last year buoyed by domestic demand, public spending by Government through capital expenditure, improved activities in almost all sectors (barring agriculture and allied activities) and higher capacity utilisation.

In the current year, Indian economy is expected to continue the trend of the fastest growing major economy of the world. IMF and World Bank have revised the GDP growth for Indian economy to 7% in 2024-25 from 6.8% and 6.6% respectively projected earlier. RBI has also raised its growth forecast to 7.2% in 2024-25 from 7% estimated earlier.

The economy is projected to sustain robust growth buoyed by the forecast of above normal rainfall fuelling rural demand apart from the uptick in sectoral growth and domestic consumption and demand.

## **CONSTRUCTION & HOUSE BUILDING ACTIVITY**

The construction sector witnessed brisk activity in most part of last year with increased house building activity in rural and urban centres, re-development of homes, old apartments and commercial space apart from Centre and States executing a number of infrastructure projects. The overall growth as per official provisional estimate was 9.9% against 9.4% in 2022-23.

The construction activity is expected to be brisk in the coming months driven by continuing investments by the Government on infrastructure and housing projects and spending by private sector in realty, housing and industrial projects.

## **CEMENT INDUSTRY**

The year under review was a mixed fortune for the cement industry with fluctuation in cement demand marked by sharp downward and upward movements in its growth in various quarters. As per information published by Department of Industrial Policy and Promotion (DIPP) for the year ended 31<sup>st</sup> March 2024, the overall growth in cement demand on all India basis was a moderate 9.1%. The growth was substantially higher at 13% in the first half of the year, but it was much lower in the second half of the fiscal.



The demand trend was varying in different regions with South lagging behind with lower capacity utilisation of around 65% as compared to all India capacity utilisation of more than 75%. This inconsistent movement in cement demand growth had a telling impact on the selling prices with a free fall in cement prices in the first 2 quarters of the fiscal. While there were some signs of improvement in the 3<sup>rd</sup> quarter, the selling price slipped in the 4<sup>th</sup> quarter impacting margins of the industry in general.

The silver lining, however, was that the cost of fuel remaining reasonably stable during the year with the softening of imported coal and petcoke prices. This was offset by drop in selling prices.

The cement industry in South had to bear the brunt of lower selling prices throughout the year given the overhang in supply. With the announcement of General Elections from April 2024, the economic activities also shrunk in the last quarter adding to the woes of the industry.

The continuing Russia-Ukraine war and its impact on the supply chain position of petroleum products remained a concern with a long-term influence on the price of fuel and oil. However, with the conclusion of Elections and a stable Government, it is expected that the Central Government will continue its thrust on improving infrastructure with huge capital outlay and the medium and long-term prospects augur well for the growth of the industry.

### **PERFORMANCE OF THE COMPANY**

During the year, the stressed working capital conditions continued to haunt the Company's performance. It was compounded by the tough market conditions due to severe competition from the players in the marketplace to enhance their market share.

On its part, the Company took pro-active steps for improving liquidity including sale of lands, recovery of portion of the advances etc., which improved the capacity utilization marginally to 63% in the 4<sup>th</sup> quarter. Still, the overall capacity utilization for the year was 61% against 64% in 2022-23.

The capacity utilization was also lower compared to peers as the competitive edge of Company to compete in the market was limited due to it having a basket of varying vintage plants and technology with higher operating parameters.

During the year, the Company engaged the services of Boston Consulting Group for suggesting short term measures for improving operations and cost reduction in three of its plants. Implementation of its recommendations have contributed to increasing the usage of alternate fuel for which further investments are also being envisaged at the plants.

Despite the lower capacity utilization, the blended cement proportion was stepped up to 62% (56%) and power consumption was brought down by close to 4 unit per tonne of cement while heat consumption was maintained as that of the previous year.



The fuel cost also went down paving way for more relief in the cost of production. The overall variable cost came down by 13% but the cement realization came down by 4%.

During the year under review, the overall sales volume was lower at 94.57 lakh tonnes compared to 98.93 lakh tonnes in 2022-23. Total revenue, including other income was Rs.4996.76 crores against Rs.5415.08 crores in the previous year.

With improved operating performance, there was a turnaround with a positive EBIDTA of Rs.163 crores during the year compared to a negative EBIDTA of Rs.140 crores in the previous year. The interest and other charges were Rs.240 crores (Rs.234 crores) while depreciation was Rs.220 crores (Rs.213 crores). There was an exceptional item representing profit on sale of land and ship (net) amounting to Rs.42 crores during the year and after reckoning the tax adjustments and other comprehensive items, the comprehensive loss for the year was Rs.202 crores as compared to a loss of Rs.188 crores in the previous year.

### **PERFORMANCE DURING THE CURRENT YEAR**

In the first quarter of current year, the industry faced a tough market due to prolonged General Elections in the country over two months, severe heat waves, shortage of labour and other factors affecting construction activity. As a result, there was weak demand for cement with muted growth of 0.3% in April-June 2024 compared to a healthy growth of 12.7% in April-June 2023.

The capacity utilization was severely impacted by the continuous liquidity crunch on account of losses sustained in the earlier quarters. The Company hived off its Parli Grinding Unit to improve liquidity. The Company could not take advantage of the reduced fuel cost as operating margins further shrunk on account of low volume. The higher cost of production as compared to peers due to varying vintage of the plants together with free fall in cement prices affected the dispatch and the margins.

The cement and clinker volume for the quarter was 19.61 lakh tonnes as compared to 26.66 lakh tonnes in the same quarter of the previous year. The sharp decline in selling prices impacted the margins which resulted in a negative EBIDTA of Rs.25 crores for the quarter as against a positive EBIDTA of Rs.12 crores during the same quarter of previous year. However, after reckoning the profit from sale of Parli Grinding Unit, the profit before tax was at Rs.78 crores against a loss of Rs.99 crores during the First quarter of previous year.

### **OUTLOOK**

With a stable Government at the Centre after the elections and with the renewed thrust on infrastructure with a huge outlay, experts have predicted a growth rate of 7 to 8% for cement industry in the current year. The full-fledged Union Budget for 2024-25, presented after the Lok Sabha Elections and Assembly Elections in some States, has envisaged substantial capital expenditure of Rs.11.11 lakh crore (3.4% of GDP) and Rs.1.5 lakh crore interest-free long-term loan to States for infrastructure development.



The Budget has also announced an investment of Rs.10 lakh crore in the next five years under Prime Minister Housing Programme to address the needs of one crore urban poor and middle-class families. Special financial support of Rs.15000 crore is announced this year for Andhra Pradesh.

The increasing preference for homeownership and the growing trend of rebuilding of homes in urban and semi-urban centres auger well for the robust growth in the construction sector. This along with expected recovery in cement prices presents a healthy demand outlook and the industry, especially the South has built adequate capacity to meet firm demand.

### **AWARDS, RECOGNITIONS & LICENSES**

During the year, the Company's plants have obtained/renewed various certificates from BIS pertaining to quality standards and integrated management system. Besides, the plants have won several safety and environmental conservation awards during mines safety week celebrations. They are detailed in Annual Report 2024.

### **CORPORATE SOCIAL RESPONSIBILITY**

As a responsible corporate citizen, the Company has been a forerunner in supporting socially relevant activities, community development and livelihood programmes for a long time now, even before it was made mandatory by law.

CSR policy has the following objectives: Understanding, supporting and developing the communities, nurturing the environment and the surroundings of the Company's plants and enhancing the value of Company through sustainable development.

During the year, the Company has retained its focus on supporting socially relevant activities and livelihood programmes in and around its plants.

### **SUSTAINABLE ENVIRONMENT, HEALTH & SAFETY**

Sustainability remains an integral part of the Company's business strategy to ensure sustainable living conditions in and around all its plants.

The Company strictly complies with all the statutory regulations with adequate investments on pollution control and environment related equipments.

Members may refer the detailed report in Annual Report 2024. The Company's ESG initiatives are outlined in detail in the Company website: [www.indiacements.co.in](http://www.indiacements.co.in).

### **HUMAN RESOURCE DEVELOPMENT & TRAINING**

Retaining the talented manpower is a challenging task for the cement industry. The Company has been taking various steps to ensure lesser attrition rate. It gives top priority to health and safety at the workplace.





It has retained its strong focus on maintaining cordial relationship with employees, enhancing leadership qualities, upgradation of knowledge and skills, developing multi-tasking, promoting team spirit and encouraging the workforce to grow along with the organisation.

Special Workshops were conducted in all the plants for building capabilities for people managers and multi contemporary performance appraisal system for recognising the talents has been introduced along with the focus on developing future leaders.

### **MARKETING INITIATIVES**

The Company has taken up a series of marketing and brand promotion drive with renewed focus on achievement of targets on sales, collection and market development.

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

### **SHARE PURCHASE AGREEMENTS**

The Promoters and Promoter Group of the Company have entered into Share Purchase Agreements (SPAs) with UltraTech Cement Limited ("Acquirer") on 28.07.2024, whereby they have agreed to sell 8,80,74,448 equity shares of Rs.10/- each, constituting 28.42% of the paid-up equity share capital of the Company to the Acquirer at a price of Rs.390/- per share. In terms of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, the Acquirer has on 02.08.2024 published a Detailed Public Statement to the public shareholders announcing the 'Open Offer' for acquisition of upto 8,05,73,273 fully paid equity shares of Rs.10/- each, representing 26% of the paid-up equity share capital of the Company at a price of Rs.390/- per share. The aforesaid acquisition of equity shares under SPAs and the 'Open Offer' is subject to the receipt of requisite approvals, including from the Competition Commission of India (CCI).

### **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 Chairperson delivered her following address to the shareholders:

The performance of your Company for the current financial year was slightly better than that of the previous year. Your Company reported an EBITA of Rs.163 crores as compared to a negative EBITA of Rs.140 crores in the previous year. This was achieved despite a marginal reduction of 4% in the clinker and cement sales.

Your Company continued its efforts towards reduction of the variable cost and with a reduction in the cost of fuel, the variable cost of cement was brought down to Rs.3,062 for the year under review as compared to Rs.3,520 in the previous year. The realization, however, reduced marginally over that of the previous year. The stressed working capital situation coupled with continuing losses constricted the operations and sales. Despite reducing the variable cost and almost maintaining the realization, your Company could not reap the benefits due to lower volumes.

Your Company engaged the services of experts like Boston Consulting Group and a few others to suggest measures for improving the operating efficiency. These efforts have provided some relief in the form of a reduction in the variable cost for some of its plants.

Your Company has not delayed / defaulted on any of the scheduled loan repayments and has been able to manage the situation by recovering some of the advances as well as through sale of some of the non-core assets.

Your Company replaced its Ship "Chennai Jayam" with a new Ship "Chennai Valarchi", which is also on a time charter with TANGEDCO.

Your Company divested its Grinding Unit at Parli to UltraTech Cement for a total consideration of Rs.315 crores during the first quarter of the current financial year i.e. 2024-25. Net plant realization during the first quarter decreased drastically by about Rs.306 per ton and despite your Company controlling the variable cost, the operations for the first quarter resulted in a negative EBITA of Rs.25 crores. However, this was offset by the sale of the Parli Grinding Unit.

The volumes are low during the first quarter due to Elections and also due to some unseasonal rains in the home markets of your Company. Cement sales were about 19.51 lakh tonnes as compared to 26.57 lakh tonnes in the corresponding quarter of the previous year. Low volumes and low realization resulted in a negative EBITA during the first quarter of the current financial year. Your Company is continuing its efforts in containing the variable cost as well as fixed cost.

You are probably aware the Promoters and Promoter Group of your Company have entered into Share Purchase Agreements with UltraTech Cement for the divestment of their holdings, consequent to which, UltraTech Cement has announced an "Open Offer" and is in the process of completing it after receipt of Regulatory approvals.

We thank all the Shareholders, Bankers and Regulators for all the support extended to the Management. We also thank our employees and consultants for their efforts in supporting the Company's operations going.



The Chairperson, then, 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 78<sup>th</sup> AGM of the Company.

Sl. No.	Items of Business	Type of Resolutions
1.	Adoption of Audited Standalone Financial Statements for the financial year ended 31.03.2024 and Reports of Directors and Auditors thereon.	Ordinary
2.	Adoption of Audited Consolidated Financial Statements for the financial year ended 31.03.2024 and Report of Auditors thereon.	Ordinary
3.	Appointment of a Director in the place of Sri.Y.Viswanatha Gowd (DIN:09048488), who retires by rotation and being eligible, offers himself for reappointment.	Ordinary
4.	Ratification of remuneration payable to Cost Auditor of the Company for the financial year 2024-25.	Ordinary

The Company Secretary, then, informed that the Company provided remote e-voting facility to the shareholders during the period 19.09.2024 to 22.09.2024 and few shareholders had already cast their votes electronically on the aforesaid resolutions, as set-out in the Notice convening the 78<sup>th</sup> AGM of the Company.

The Company Secretary further informed that the Company, vide its Notice convening the 78<sup>th</sup> AGM, requested members, who would like to speak at the AGM to register themselves with the Company as a "Speaker". Accordingly, few shareholders have registered themselves and a link was provided to them for the said purpose. He then invited the "Speakers" one after another to raise any query / seek clarification if required.

The Chairperson clarified the queries raised by the Speaker Shareholders.

Thereafter, the Chairperson informed the members that Smt.P.R.Sudha, Practising Company Secretary, had been appointed 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. She 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.

The Chairperson further informed the members that the voting results would be declared and intimated to the Stock Exchanges and the same would also be uploaded on the website of the Company and that of NSDL not later than two working days from the conclusion of the meeting.

There being no other business to transact, the Chairperson 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 10.42 A.M. and the e-Voting window provided during the AGM closed at 11.00 A.M.

Place : Chennai  
Date : 23.09.2024

*Rupa Gurunath*  
**RUPA GURUNATH**  
**CHAIRPERSON**  
**(DIN: 01711965)**

