



THE INDIA CEMENTS LIMITED

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CIN : L26942TN1946PLC000931

SH/NSE

13.09.2019

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

Dear Sirs,

Sub.: Summary of proceedings of Annual General Meeting held on
12.09.2019

In terms of Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose a summary of proceedings of the 73rd Annual General Meeting of our Company held on 12th September, 2019.

Thanking you,

Yours faithfully,
for THE INDIA CEMENTS LIMITED

COMPANY SECRETARY

THE INDIA CEMENTS LIMITED
CHENNAI

Summary of proceedings of the Seventy-third Annual General Meeting held at 3.30 P.M. on Thursday, the 12th September, 2019, at Sathguru Gnanananda Hall (Naradha Gana Sabha), 314, T.T.K. Road, Alwarpet, Chennai 600 018.

I Number of shareholders present in the meeting either in person or through proxy:

- a) Promoters and Promoter group : 8
- b) Public : 4028

II Directors:

- 1. Sri.N.Srinivasan, Vice Chairman & Managing Director, Chairman of the Meeting
- 2. Smt.Chitra Srinivasan
- 3. Smt.Rupa Gurunath, Wholetime Director
- 4. Sri.S.Balasubramanian Adityan
Chairman – Audit Committee & Nomination and Remuneration Committee
- 5. Sri.Basavaraju
- 6. Smt.Lakshmi Aparna Sreekumar
Chairperson – Stakeholders Relationship Committee
- 7. Sri.V.Ranganathan
- 8. Smt.Sandhya Rajan
- 9. Sri.V.Venkatakrishnan

III Sri.S.Sridharan, Company Secretary

IV Statutory Auditors

- 1. Sri.M.Krishna Chaitanya representing M/s.K.S.Rao & Co.
- 2. Sri.Chella K Srinivasan representing M/s.S.Viswanathan LLP.

V Secretarial Auditor

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

VI Scrutinizers

- 1. Smt.P.R.Sudha, Practising Company Secretary
- 2. Sri.S.Sivaguru, Member

All Statutory Registers, Auditors' Report, Secretarial Auditor's Report and other relevant documents were made available at the meeting for inspection.

VII QUORUM

The required quorum was present throughout the meeting.

VIII ELECTION OF CHAIRMAN OF THE MEETING

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

The Chairman Called the meeting to order and welcomed the members and proxies present to the meeting.

The Chairman introduced the Directors present in the dais to the members.

The Chairman, then, proposed that the Notice convening the 73rd Annual General Meeting (AGM) of the Company be taken as read and with the consent of the members present at the meeting, the Notice was taken as read. The Chairman 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 printed and circulated already, be taken as read and with the permission of the members present, the same was taken as read.

Ladies and Gentlemen,

It gives me a great pleasure in extending a warm welcome to all of you to the Seventy Third Annual General Meeting of your Company.

The audited accounts and the Directors' Report for the year ended March 31, 2019, have been with you for some time now and with your consent, I shall take them as read.

ECONOMY

The global economy, after a strong recovery in 2017 with GDP growth of 3.7%, faced slowdown in 2018 and growth moderated to 3.6% during the year as per IMF estimates.

The growth was impacted by slower expansion of economic activity in the second half of 2018 mainly caused by the escalation in US-China trade disputes, macro-economic stress and financial tightening. Major economies continued their protectionist policies in favour of their domestic industry and markets.

INDIAN ECONOMY: AFTER A BRISK START, GROWTH SLACKENS

Indian economy, on the back of macro-economic stability, began the year 2018-19 on a positive note with a strong GDP growth of 8.2% in the first quarter (April-June), aided by macro-economic stability. It was then hoped that the economy had recovered from the twin shocks of demonetisation and the roll-out of goods and services tax (GST).

However, the growth momentum slackened in the second quarter of 2018-19 and again slipped to a six quarter low of 6.6% in the third quarter. The trend continued in the fourth quarter and growth slumped to a 20 quarter low of 5.8% belying expectations of improved economic activity with discretionary public spending ahead of General Elections in April-May 2019.

As a result, GDP growth for the entire year slipped to a five year low of 6.8%. Among other things, official reports have traced lower growth rate to factors like declining growth in private consumption, tepid increase in fixed investment and muted exports.

SECTORAL PERFORMANCE

During the year, growth in agriculture and allied sector is estimated at 2.7% against 5% in the previous year. In a bid to improve farmers' income and address the stress in the sector, Centre and States stepped up crop loans and raised the crop prices apart from implementing schemes like direct income transfer for farmers having less than two hectares and loan waivers.

Reflecting the subdued industrial activity the overall growth in terms of Index of Industrial Production (IIP) in 2018-19 is pegged lower at 3.6% compared to 4.4% in 2017-18.

While the capacity utilisation improved in major sectors, the new investment activity remained weak.

The overall growth was equally muted in the core sector viz., infrastructure sector with erratic performance of most of the eight Industries.

The cumulative growth of core sector in 2018-19 remained same at 4.3 per cent. Cement sector, by recording a double digit growth last year, bucked the subdued growth in the core sector.

ECONOMIC OUTLOOK 2019-20

Global headwinds and the projected lower growth appear to have cast a shadow on Indian economy with reports of slowdown and decline in consumption in some sectors like automobile, consumer durables and consumer goods.

The year has begun on a tough note with GDP growth rate plummeting to a five year low at 5% in the first quarter (April-June). IMF has cut its GDP growth forecast for India to 7% for 2019-20 from 7.3% projected earlier. RBI has also lowered the growth projection for the current year to 6.9% from 7% earlier.

FOCUS ON DEVELOPING A NEW \$ 5 TRILLION ECONOMY

There are hopes of economy regaining growth momentum with a decisive mandate in the general elections and the country assured of a stable and strong Government.

The Centre as well as new Governments in States like Karnataka and Andhra Pradesh are expected to be very pro-development in their approach for reviving growth.

The Centre has embarked on the goal of developing a new India and doubling the size of economy to \$ 5 Trillion in the next five years. Union Budget for 2019-20 has laid out a clear roadmap to stimulate investment led growth with a mega investment of Rs.100 lakh crore in infrastructure over the next five years.

NEW MEASURES TO ADDRESS STRESS IN THE ECONOMY

Both the Centre and RBI appear to be working in tandem to address the stress in the economy, slump in demand in some major sectors and the liquidity crunch in the NBFCs sector. Central Bank has further reduced the Repo rate and leading banks have also cut the lending rates.

The Finance Minister has also announced a package of administrative and tax changes aimed at reversing the downturn in certain sectors, improving liquidity and boosting the sentiments of foreign investors. These measures are expected to ease the credit flow, increase consumption, revive investment and stimulate growth.

CEMENT INDUSTRY: BUOYANCY IN DEMAND

After three years of nil or negative growth, cement industry showed signs of recovery from the second half of fiscal 2017-18. This uptrend in demand cycle continued till the third quarter of 2018-19. Even South, which was reeling under pressure, achieved a turnaround last year with buoyancy in demand.

According to official estimates the cement industry (with an estimated total capacity of 430 million tonnes) registered a double digit growth of 13.31% in production at 337.32 million tonnes in 2018-19 compared to 297.71 million tonnes in the previous year. Average capacity utilisation also moved closer to 78% from 70% in 2017-18.

The growth was estimated to be 19% in the South having the highest capacity of over 150 million tonnes and it was largely driven by the demand from infrastructure push by Andhra Pradesh, Telangana and Maharashtra Governments. The utilisation level in the region improved to 70% from around 60% in the previous year while in other regions, it was in the range of 80 to 85% in 2018-19. However, the huge supply overhang in the South affected the price of cement which remained subdued during most part of the year and was much lower when compared with earlier levels.

PERFORMANCE OF THE COMPANY

During the year under review, the Company posted an improved performance despite the severe competition for market share in the South due to supply overhang and the substantial increase in the prices of petroleum products and fuel.

Last year, the Company faced the double effect of reduction in net plant realisation due to the tremendous pressure in the selling price of cement in the first three quarters and nearly 9% increase in variable cost, caused by increase in power and fuel charges.

The Company took pro-active steps for substantial savings in logistics expenses with an overall reduction of around 5% in freight and handling expenses. It also continued its thrust on reducing fixed cost by closing down non-core verticals, cutting down manpower cost, advertisement and administrative expenses.

It was only in the fourth quarter that the NPR went up aided by the improved selling price and volume. The overall volume during the year increased by 11% to 124.40 lakh tonnes compared to 111.76 lakh tonnes and capacity utilisation improved to 79% from 71% in the previous year.

Total revenue, including other income improved to Rs.5659 crore against Rs.5360 crore. The reduction in net plant realisation of cement coupled with cost increase dented the bottom line which however, was maintained at reasonable levels with higher volume and due to pro-active measures taken by the Company as mentioned elsewhere. The resultant EBITDA was Rs.669 crore against Rs.712 crore in the previous year.

Total interest charges were lower at Rs.324.17 crore against Rs.340.17 crore while depreciation was Rs.251.31 crore compared to Rs.255.94 crore. The profit after tax was Rs.64.14 crore compared to Rs.106.91 crore.

CORPORATE SOCIAL RESPONSIBILITY

As a responsible corporate citizen, India Cements has always been in the forefront of supporting socially relevant activities and livelihood programmes for a long time now, even before it was made mandatory by law. During the year also, Company helped people in and around the plants through various activities as part of CSR, which are outlined in the Annual Report.

SUSTAINABLE DEVELOPMENT, HEALTH & SAFETY

Like CSR, Company is committed to the cause of sustainable development and has a well-defined policy in place for Safety, Health and Environment. It has been implementing slew of measures for improvement of environment, bio diversity, mines rehabilitation and greener initiatives in and around all its cement plants.

Every year, Celebration of World Environment Day, National Safety Day, Mines Environment and other national days in the cement plants is marked by mass plantation of tree saplings for maintaining ecological balance, green rally for creating awareness, competitions for employees, their family, ladies club members and students, skit and cultural programmes.

HUMAN RESOURCE DEVELOPMENT & TRAINING

In view of the competitive business environment and intense competition in the market place, the Company has been giving thrust to ensuring a strong performance culture and developing leaders for future.

At the plant level, importance is being given to implementing TPM practices and Kaizen initiatives. Training programmes and knowledge sharing sessions are conducted on multi-skilling, on the job learning, maintenance and increasing the performance of machines and systems etc.

PERFORMANCE DURING THE CURRENT YEAR

The Company has reported significant improvement in its operating performance for the quarter ended 30th June, 2019 on the back of improved selling prices and sustained efforts for cost reduction. The EBIDTA of the Company increased by more than 50% when compared with the same quarter of the previous year.

The elections during the months of April and May 2019 had its impact on economic growth. The 8 core industries reported a marginal growth of 3.5% during the current quarter. The cement industry which witnessed a substantial growth of over 13% in the first quarter of the previous fiscal had to be content with a marginal growth of only 1.2% during the quarter ended 30th June, 2019, as per the statistics furnished by DIPP.

The growth in cement demand in the South is estimated at 3% on a larger base during the first quarter of the current fiscal. Demand is expected to revive post monsoon once the new Governments in Andhra Pradesh and Centre start implementing their development schemes.

The cement prices, which started improving from the month of February 2019, stabilised at reasonable levels during the next three months. However, in July and August, due to heavy monsoon in some parts of India, particularly South, there was pressure on prices. Now that monsoon is getting over, there is every expectation of brisk demand leading to better prices.

The Company continued its pro-active steps to contain the cost of production and the variable cost has come down by nearly 4% on a sequential quarter basis aided by the softening of the fuel prices during the current year and it was only marginally up when compared to the same quarter of the previous year.

The overall cement sales including clinker was 30.42 lakh tonnes for the quarter as compared to 30.75 lakh tonnes in the same quarter of the previous year.

But for the slight slippage in prices due to monsoon in the second quarter, Company's performance during the current fiscal would reflect improvement in demand largely coming from housing and infrastructure sectors and greater cost control measures.

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 and Investors.

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

Thanking You.

The Chairman, then, briefed the members present the industry scenario, cement demand-supply position, capacity utilisation, pricing, fuel cost, fluctuation in foreign exchange, operating performance and the prognosis of the industry in general and the South in particular.

Thereafter, the following items of business, as set-out in the Notice convening the 73rd AGM of the Company were transacted at the meeting:

Sl. No.	Items of Business	Type of Resolutions
1.	Adoption of Standalone Audited Financial Statements for the year ended 31.03.2019.	Ordinary
2.	Adoption of Consolidated Audited Financial Statements for the year ended 31.03.2019.	Ordinary
3.	Declaration of dividend on equity shares for the year ended 31.03.2019.	Ordinary
4.	Appointment of a director in the place of Smt.Chitra Srinivasan (DIN:01094213), who retires by rotation and being eligible, offers herself for reappointment.	Ordinary
5.	Appointment of Sri.V.Venkatakrishnan (DIN:08067933) as a Director of the Company, liable to retire by rotation.	Ordinary
6.	Re-appointment of Sri.V.Ranganathan (DIN:00550121) as an Independent Director of the Company.	Special
7.	Alteration of Articles of Association of the Company	Special
8.	Ratification of remuneration to Cost Auditor of the Company.	Ordinary

The Chairman, thereafter, invited the members present to seek any clarification, if required and clarified the queries raised by the members.

The Chairman then informed that a number of shareholders took advantage of the remote e-voting facility that commenced at 9.00 A.M. on 08.09.2019 and ended at 5.00 P.M. on 11.09.2019 and had already cast their votes electronically on the aforesaid resolutions, as set-out in the Notice convening the 73rd AGM of the Company and requested other members, excluding those who exercised their votes electronically, to cast their votes by Ballot.

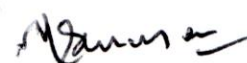
Before ordering for Poll, the Chairman informed the members that Smt.P.R.Sudha, Practising Company Secretary, had been appointed by the Board as Scrutinizer and appointed Sri.S.Sivaguru (DP Id:IN301080 & Client Id:22001625), a Member Scrutinizer, to oversee the Poll process along with Smt.P.R.Sudha. He then requested the Company Secretary to explain the Poll process, who explained it to the members and proxies present.

The Chairman then ordered the Poll to be conducted and requested the members to cast their vote on the aforesaid Ordinary and Special Resolutions.

Smt.P.R.Sudha, Practising Company Secretary and Sri.S.Sivaguru, Scrutinizers, distributed the Ballot Papers to those members present in person / proxy, who had not already voted electronically for casting their votes on the aforesaid Ordinary and Special Resolutions; thereafter, such members, present in person / proxy, exercised their franchise.

The Chairman thanked the members for their cooperation and informed that the voting results would be declared and intimated to the Stock Exchanges and also uploaded on the Company's website within 48 hours from the conclusion of the meeting.

The Annual General Meeting concluded after polling at 5.30 P.M.



Place : Chennai
Date : 13.09.2019

CHAIRMAN