



# THE INDIA CEMENTS LIMITED

CIN : L26942TN1946PLC000931

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.

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## **NOTICE OF POSTAL BALLOT**

*(Pursuant to Section 110 of the Companies Act, 2013)*

To

The Members

NOTICE is hereby given pursuant to Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 (including any amendment thereof for the time being in force) and Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 (including any amendment thereof for the time being in force) that the Company is seeking the consent of its Members for transacting the following Special Business proposed to be approved by passing special resolutions by way of Postal Ballot / electronic voting i.e. remote e-voting.

### **Approval for issue of equity shares to Employees under The India Cements Employees Stock Option Scheme 2016 (ESOS 2016)**

To consider and if thought fit, to pass the following resolutions as SPECIAL RESOLUTIONS:

"RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modifications or re-enactments thereof for the time being in force) and in accordance with the Memorandum and Articles of Association of the Company, the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("SEBI SBEB Regulations") as amended and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations"), as amended and any other applicable rules, regulations, circulars and guidelines of any statutory / regulatory authorities and subject to any approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, consent of the members of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as the "Board" which term shall include any Committee thereof, including a Compensation Committee which the Board may have constituted or hereafter may constitute for exercising the powers conferred on the Board by this resolution) to create, offer and grant to such employees who are in the permanent employment of the Company in the 'selection grade' (other than Directors including Independent Directors and Executive Directors, Promoters / Persons belonging to the Promoter Group of the Company) upto 20,00,000 (Twenty Lakhs only) options in aggregate under 'Employees Stock Option Scheme 2016' (hereinafter referred to as "ESOS 2016" or the "Scheme"), each option entitling the grantees to subscribe for one equity share of face value of Rs.10/- each fully paid-up on payment of Rs.50/- per share, including a premium of Rs.40/- per share and to issue and allot such number of equity shares of the Company at such time and in such manner during such period in one or more tranches and on such other terms and conditions as the Board may decide, as set out in the Explanatory Statement annexed hereto."

“RESOLVED FURTHER THAT the Board be and is hereby authorised to issue and allot such number of equity shares as may be required in pursuance of the above issue being equal to or less than 20,00,000 (Twenty Lakhs only) equity shares of Rs.10/- each fully paid-up and that the equity shares so issued and allotted shall rank pari passu with the existing equity shares of the Company for all purposes.”

“RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issues, bonus issues, change in capital structure, split, consolidation of shares, merger, restructuring, sale of division(s) / undertaking(s) and any other similar event(s), the Board be and is hereby authorised to do all such act(s), deed(s), matter(s) and thing(s), as it may deem fit in its absolute discretion and as permitted under applicable laws, so as to ensure that fair and equitable benefits under the Scheme are passed on to the grantees, including issue of any additional equity shares and the ceiling on number of shares mentioned in the resolutions above shall be deemed to be increased to the extent necessary.”

“RESOLVED FURTHER THAT the Board be and is hereby authorised to take requisite steps for listing of the equity shares allotted under ESOS 2016, from time to time, on all the Stock Exchanges where the equity shares of the Company are listed.”

“RESOLVED FURTHER THAT the Board be and is hereby authorised to make any modification(s), change(s), variation(s), alteration(s) or revision(s) in the terms and conditions of ESOS 2016 or the Scheme from time to time including but not limited to suspension, withdrawal, recall, acceptance, surrender of or cancellation of options already issued / to be issued pursuant to these resolutions and to reissue any options so withdrawn, recalled, surrendered or cancelled and/or to issue fresh options in lieu thereof at such price, in such manner, during such period in one or more tranches and on such other terms and conditions as the Board may deem fit in the best interests of the Company and its employees, subject to the provisions of the Companies Act, 2013, the Memorandum and Articles of Association of the Company, SEBI SBEB Regulations and any other applicable laws in force.”

“RESOLVED FURTHER THAT the grant of Options shall be in accordance with the terms and conditions as regards payment, application, allotment etc. as decided by the Board from time to time in accordance with the SEBI (Shares Based Employee Benefits) Regulations, 2014.”

“RESOLVED FURTHER THAT the Board, be and is hereby authorised to do all such acts, deeds and things, as it may in its absolute discretion deem fit, necessary or desirable, including appointment of Advisors, Consultants and such other persons and agencies for the effective introduction, implementation and administration of ESOS 2016 as also to make application(s) to the appropriate Authority(ies) for obtaining the requisite approvals as also to initiate all necessary action(s) for and to settle all such question(s), difficulty(ies) or doubt(s) whatsoever that may arise and take all such steps and decisions in this regard.”

#### **NOTES:**

1. Explanatory Statement pursuant to Sections 102 and 110 of the Companies Act, 2013 and Rules made thereunder setting out material facts is annexed hereto.
2. The Notice is being sent by prescribed mode to all the Members, whose names appear in the Register of Members and Register of Beneficial Owners as received from National Securities Depository Limited (NSDL) / Central Depository Services (India) Limited (CDSL) as on cut off date i.e. 23.12.2016 at their respective registered addresses.
3. The Postal Ballot Notice and Postal Ballot Form (“Form”) have been uploaded on the Company’s website viz. [www.indiacements.co.in](http://www.indiacements.co.in) and on the website of NSDL viz. [www.nsdl.com](http://www.nsdl.com).

4. Voting rights shall be reckoned in proportion to the paid-up equity shares registered in the name of the Member as on 23.12.2016. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date i.e. 23.12.2016 only shall be entitled to avail the facility of Postal Ballot / remote e-voting.
5. In accordance with the provisions of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, Notice of the Postal Ballot is sent by email to those members who have registered their e-mail address with the Company / Registrar and Share Transfer Agent (RTA) (in respect of shares held in physical form) or with their Depository Participants (DPs) (in respect of shares held in electronic form) and made available to the Company by the Depositories. Members who have not registered their e-mail address will receive Notice of Postal Ballot along with Postal Ballot Form sent through permitted mode of dispatch. Members who have received Postal Ballot Notice by e-mail and wish to vote through physical Ballot Form may download the Postal Ballot Form from the 'Investors' section on the Company's website: [www.indiacements.co.in](http://www.indiacements.co.in).

In case, a Member is desirous of obtaining Postal Ballot in printed form or a duplicate one, such Member may write to the Company at its Registered / Corporate Office or send an e-mail to 'investor@indiacements.co.in' quoting DP Id and Client Id, in case the shares are held in electronic form and Folio No., in case the shares are held in physical form. The Company shall forward the same along with self-addressed pre-paid postage Business Reply Envelope to the Member.

6. Members having shares in demat form and / or in physical form may vote either by way of Postal Ballot or by way of remote e-voting ("e-voting"). The Members can opt for only one mode of voting i.e. either by physical ballot or e-voting. In case members cast their votes through both the modes, voting done by e-voting shall prevail and votes cast through physical postal ballot forms will be treated as invalid.
7. There will be only one Postal Ballot Form for every folio irrespective of the number of Joint Shareholder(s).
8. A Member cannot exercise his vote by proxy on Postal Ballot.
9. The Board of Directors has appointed Mrs.P.R.Sudha, Practicing Company Secretary, as the Scrutinizer to scrutinize the postal ballot forms and remote evoting process in a fair and transparent manner.
10. Members are requested to carefully read the instructions printed in the Form before casting their vote and return the Form, duly completed in all respects and signed, in the enclosed self-addressed stamped Business Reply envelope so as to reach the Scrutinizer not later than 5.00 P.M. on Monday, 30.01.2017. However, envelopes containing Form, if deposited in person or sent by courier or by Registered Post at the expense of the registered Member will also be accepted. Please note that the Form(s) received after the said date will be treated as not having been received.
11. Resolutions passed by the members by requisite majority shall be deemed to have been passed on the last date of receipt of postal ballot forms /e-voting (i.e. 30.01.2017).
12. Incomplete, unsigned or incorrect, defaced or mutilated Postal Ballot Forms will be rejected. The Scrutinizer's decision on the validity of a Postal Ballot will be final and binding.
13. **Voting through electronic means**
  - I. In compliance with provisions of Sections 108 and 110 of the Companies Act, 2013 read with Rules 18 and 22 of the Companies (Management and Administration) Rules, 2014, as amended, and Regulation 44 of the SEBI LODR Regulations, the Company is pleased to provide facility to its Members, holding

shares in physical or dematerialized form, as on the cut-off date, being 23.12.2016 to exercise their right to vote by electronic means on the business specified in the accompanying Notice through the electronic voting service facility provided by National Securities Depository Limited (NSDL). Members have option to vote either through remote e-voting or through Postal Ballot Form.

- II. The remote e-Voting period commences on 01.01.2017 (9.00 A.M.) and ends on 30.01.2017 (5.00 P.M.). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 23.12.2016, may cast their vote by remote e-Voting. The remote e-Voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by a member, the member shall not be allowed to change it subsequently.
- III. The process and manner for remote e-voting are as under:
  - A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company / Depository Participant(s)]:
    - (i) Open email and open PDF file viz. "ICL POSTAL BALLOT 2016 e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password / PIN for remote e-Voting. Please note that the password is an initial password.
    - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsd.com>.
    - (iii) Click on "Shareholder - Login".
    - (iv) Put user ID and password as initial password / PIN noted in step (i) above. Click Login.
    - (v) Password change menu appears. Change the password / PIN with new password of your choice with minimum 8 digits / characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
    - (vi) Home page of remote e-Voting opens. Click on remote e-Voting: Active Voting Cycles.
    - (vii) Select "EVEN" of The India Cements Limited.
    - (viii) Now you are ready for remote e-Voting as Cast Vote page opens.
    - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
    - (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
    - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
    - (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution / Authority letter etc. together with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutinizer through e-mail to [sudha.pr2@gmail.com](mailto:sudha.pr2@gmail.com) or [sudha\\_pr@yahoo.com](mailto:sudha_pr@yahoo.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
  - B. In case a Member receives physical copy of the Notice of Postal Ballot [for members whose email IDs are not registered with the Company / Depository Participant(s) or requesting physical copy]:

(i) Initial password is provided as below/at the bottom of the Postal Ballot Form:

| EVEN (Remote e-voting Event Number) | USER ID | PASSWORD / PIN |
|-------------------------------------|---------|----------------|
|                                     |         |                |

(ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

- IV. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-Voting user manual for Members available at the 'downloads' section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on Toll free No.:1800-222-990.
- V. If you are already registered with NSDL for remote e-Voting then you can use your existing user ID and password / PIN for casting your vote.
- VI. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- VII. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date i.e. 23.12.2016.
- VIII. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-Voting.
- IX. The Scrutinizer, after completion of the scrutiny of the postal ballots (including remote e-voting), will submit her report to the Vice Chairman and Managing Director or a person authorised by him in writing, who shall countersign the same and declare the results of voting on or before 01.02.2017. The results of the Postal Ballot (including remote e-voting) along with the Report of the Scrutinizer shall be placed on the Company's website viz. [www.indiacements.co.in](http://www.indiacements.co.in) and on the website of NSDL and also forwarded to BSE Limited and National Stock Exchange of India Limited where equity shares are listed.

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

Place: Chennai  
Date : 10.12.2016

S.Sridharan  
Company Secretary

## **Explanatory Statement pursuant to Sections 102 and 110 of the Companies Act, 2013**

In terms of the approved remuneration policy, the Company appropriately rewards and motivates employees especially at the senior level with the intention to attract and retain the best talent. One such measure of rewarding employees is granting of stock options. The Company proposes to grant stock options to certain employees in selection grade who meet the eligibility criteria and on such terms as determined by the Board of Directors / Compensation Committee.

The aforesaid proposal was considered by the Board of Directors of the Company, at its meeting held on 19.11.2016 and the Board has proposed, subject to the approval of the shareholders, issue of stock options whereby certain eligible employees would be given options to subscribe for a specified number of equity shares in the Company, offered to them at a specified price. The employees could exercise the options after a stipulated time and after complying with the conditions, subject to which the options would be granted, by paying prescribed consideration, consequent to which fully paid-up equity shares would be allotted to them.

The Company seeks members' approval for granting of Stock Options to certain eligible employees of the Company as decided in this behalf from time to time in due compliance of Regulation 6 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("SEBI SBEB Regulations").

The main features of the proposal (ESOS 2016) are as under:

### **(a) Brief description of the Scheme:**

"ESOS 2016" is to encourage ownership of the Company's equity shares by certain selection grade employees. The Scheme is intended to benefit the Company by attracting and retaining the best available talent to contribute to and share in the growth of the Company. 'Selection Grade' employees are senior management staff of the Company, mostly heads of departments / plants or those with independent responsibilities.

The Company proposes to introduce ESOS 2016 for the benefit of certain selection grade employees who are in the permanent employment of the Company. Options granted under the Scheme shall vest on satisfaction of vesting conditions which can thereafter be exercised resulting in allotment of fully paid-up equity shares of the Company.

The Compensation Committee of the Board of Directors ("Committee") shall administer ESOS 2016. All questions of interpretation of the ESOS 2016 shall be determined by the Committee and such determination shall be final and binding.

### **(b) Total number of Options to be granted:**

It is proposed to grant upto 20,00,000 options in one or more tranches entitling the grantees to subscribe for an aggregate of upto 20,00,000 equity shares of the face value of Rs.10/- each fully paid-up. The new equity shares resulting from full subscription by all the grantees of stock options would work out to 0.65% of the present total issued equity share capital of the Company.

The SEBI SBEB Regulations require that in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division and others, a fair and reasonable adjustment needs to be made to the options granted. Accordingly, if any additional Equity Shares are required to be issued pursuant to any corporate action, the above ceiling of Equity Shares shall be deemed to increase in proportion of such additional Equity Shares issued subject to compliance of the SEBI SBEB Regulations.



**(c) Identification of class of employees entitled to participate in ESOS 2016:**

Certain selection grade employees, as determined by the Compensation Committee, will be entitled to participate in ESOS 2016, subject to the applicable regulatory requirements.

The Directors, including Independent Directors and Executive Directors, Promoters / Persons belonging to the Promoter Group of the Company are not eligible to participate in ESOS 2016.

**(d) Requirements of vesting and period of vesting:**

On stock option being offered to any employees, he / she should remain in the employment of the Company without any break from the date of granting till the date of vesting of stock options.

The vesting period shall commence on the expiry of one year from the date of grant of the options and will extend upto five years from the date of grant of options. The stock options could be granted in tranches and could vest in tranches. The Compensation Committee will formulate the requirements of vesting, from time to time.

**(e) Maximum period within which the options shall be vested:**

From the date of grant of options, the options shall vest in the employees within such period as may be prescribed by the Compensation Committee, which period shall, as mentioned above, not be less than one year and not more than five years from the date of grant of options.

**(f) Exercise price or pricing formula:**

The exercise price shall be Rs.50/- per option.

**(g) Exercise period and the process of Exercise:**

The vested options shall be allowed for exercise on and from the date of vesting. The vested options need to be exercised within a maximum period of four years from the date of the respective vesting of the options, in one or more tranches.

The vested Options shall be exercisable by the employees by making a written application to the Company/ Compensation Committee expressing his/ her desire to exercise such vested Options in such manner and on such format as may be prescribed. The vested Options shall lapse if not exercised by the employee within the specified exercise period.

**(h) Appraisal process for determining the eligibility of employees under ESOS 2016:**

The appraisal process for determining the eligibility will be decided by the Compensation Committee from time to time. Such process generally will be based on various parameters such as responsibility, performance, attitude, leadership qualities, team spirit, period of service, rank, etc.

**(i) Maximum number of Options to be issued per employee and in aggregate:**

The maximum number of options that may be granted per eligible employee of the Company under the ESOS 2016, will be 2,00,000 and the maximum number of options to be issued to all grantees in aggregate will be 20,00,000 (less than 0.7% of the present total issued equity share capital).

**(j) Maximum quantum of benefits to be provided per employee under the ESOS 2016:**

The maximum quantum of benefits underlying the options issued to an eligible employee shall be equal to the difference between the option Exercise price and the Market price of the shares on the exercise date.

**(k) Implementation of ESOS 2016:**

The Scheme will be implemented and administered directly by the Company.

The Company will appoint a registered Merchant banker for the implementation of the Scheme till the stage of obtaining 'in-principle' approval from the stock exchanges as per SEBI SBEB Regulations.

**(l) Whether ESOS 2016 involves new issue of shares by the Company or secondary acquisition by the trust or both:**

The Scheme contemplates fresh/new issue of equity shares by the Company.

**(m) Amount of loan to be provided for implementation of the Scheme by the Company to the trust, its tenure, utilization, repayment terms, etc.:**

This is not contemplated under the present Scheme.

**(n) Maximum percentage of secondary acquisition:**

This is not relevant under the present Scheme.

**(o) Accounting and Disclosure Policies:**

The Company will follow the Guidance Note on Accounting for Employee Share-based Payments or any relevant Accounting Standards as may be prescribed by the Institute of Chartered Accountants of India (ICAI) or such other competent authority as applicable and relevant from time to time, including the disclosure requirements prescribed therein as per Regulation 15 of SEBI SBEB Regulations.

**(p) Method of option valuation:**

The Company will adopt the intrinsic value method for valuation of its options.

**(q) Declaration:**

The difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the Options the impact of this difference on profits and on Earnings per Share (EPS) of the company will also be disclosed in the Board's report.

Consent of the members is being sought by way of Special Resolutions pursuant to Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 and as per Regulation 6 of the SEBI SBEB Regulations.

None of the Directors or their relatives is concerned or interested, financially or otherwise in the resolutions. The key managerial personnel are concerned or interested financially and otherwise to the extent of any options that may be granted to them under the Scheme.

The Board recommends the aforesaid special resolutions for the approval of the members.

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

Place: Chennai  
Date : 10.12.2016

S.Sridharan  
Company Secretary