



THE INDIA CEMENTS LIMITED

Registered Office: "Dhun Building", 827, Anna Salai, Chennai 600 002. CIN : L26942TN1946PLC000931

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

Website: www.indiacements.co.in E-mail Id: investor@indiacements.co.in Tel: 044-2852 1526 / 28572 100 / 400 Fax: 044-2851 7198

NOTICE TO SHAREHOLDERS

NOTICE is hereby given that an Extraordinary General Meeting of The India Cements Limited will be held at 10.05 A.M. on Friday, the 26th September 2014, at Sathguru Gnanananda Hall (Narada Gana Sabha), No.314, T.T.K. Road, Chennai 600 018, to transact the following business:

SPECIAL BUSINESS:

1. To consider and, if thought fit, to pass with or without modification, the following resolutions as Special Resolutions:

"RESOLVED THAT subject to the approval of Government of India and other approvals as may be required, the Company hereby does accord its approval for payment of the following remuneration per annum as minimum remuneration to Mr.N.Srinivasan as Managing Director, for the financial year from 1st April 2013 to 31st March 2014 as the Company has no profit, notwithstanding that the same is in excess of the relevant ceiling laid down under Sections 198, 269, 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and the rules made thereunder (including any statutory modifications or re-enactments thereof for the time being in force):

(Rs. in lakhs)

Salary	HRA	Perquisites, allowances and benefits	Total p.a.
360.00	108.00	162.00	630.00

"RESOLVED FURTHER THAT in the event of loss or inadequacy of profits for the financial year from 1st April 2014 to 31st March 2015 and for the financial year from 1st April 2015 to 31st March 2016, the Company do pay remuneration by way of Salary, HRA, Allowances, Perquisites and Benefits as specified above as minimum remuneration per annum to Mr.N.Srinivasan, Managing Director, subject to requisite approvals notwithstanding that the same might be in excess of the relevant ceiling laid down under Sections 196, 197, 198 read with Schedule V 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)."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to accept such modifications to the aforesaid minimum remuneration, as may be approved by the Government of India and any other authorities as necessary and agreed to by Mr.N.Srinivasan."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take all necessary steps as may be required to give effect to the aforesaid resolutions."

2. To consider and, if thought fit, to pass with or without modification, the following resolutions as Special Resolutions:

"RESOLVED THAT subject to the approval of Government of India and other approvals as may be required, the Company hereby does accord its approval for payment of the following remuneration per annum as minimum remuneration to Ms.Rupa Gurunath as Wholetime Director, for the financial year from 1st April 2013 to 31st March 2014 as the Company has no profit, notwithstanding that the same is in excess of the relevant ceiling laid down under Sections 198, 269, 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and the rules made thereunder (including any statutory modifications or re-enactments thereof for the time being in force):

(Rs. in lakhs)

Salary	HRA	Perquisites, allowances and benefits	Total p.a.
120.00	36.00	54.00	210.00

"RESOLVED FURTHER THAT in the event of loss or inadequacy of profits for the financial year from 1st April 2014 to 31st March 2015, the Company do pay remuneration by way of Salary, HRA, Allowances, Perquisites and Benefits as specified above as minimum remuneration per annum to Ms.Rupa Gurunath, Wholetime Director, subject to requisite approvals notwithstanding that the same might be in excess of the relevant ceiling laid down under Sections 196, 197, 198 read with Schedule V 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)."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to accept such modifications to the aforesaid minimum remuneration, as may be approved by the Government of India and any other authorities as necessary and agreed to by Ms.Rupa Gurunath."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take all necessary steps as may be required to give effect to the aforesaid resolutions."

3. To consider and, if thought fit, to pass with or without modification, the following resolutions as Special Resolutions:

"RESOLVED THAT consent of the Company be and is hereby accorded to the Board of Directors under Section 180(1)(c) 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), to borrow any sum or sums of monies from time to time notwithstanding that the money or monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the Paid-up Share Capital of the Company and its free reserves, provided that the total amount which may be so borrowed by the Board of Directors of the Company and outstanding at any time (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) shall not exceed Rs.2,900 crores (Rupees Two Thousand Nine Hundred Crores only) over and above the Paid-up Share Capital and free reserves of the Company for the time being."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds and things, as may be required to give effect to the above resolution."

4. To consider and, if thought fit, to pass with or without modification, the following resolutions as Special Resolutions:

“RESOLVED THAT consent of the Company be and is hereby accorded in terms of Section 180(1)(a) 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), to mortgaging and/or charging by the Board of Directors of the Company and / or conferring power to enter upon and to take possession of the assets of the Company in certain events to or in favour of the following Banks and Financial Institution to secure the following loans:

- (i) by way of first exclusive mortgage / charge on certain specified plant / assets of the Company and/or on any other immovable properties or fixed assets of the Company as may be decided by the Board of Directors in favour of IDBI Bank Limited for its Rupee Term Loan of Rs.500 Crores;
- (ii) by way of first pari passu mortgage / charge on the fixed assets of the Company's specified cement and captive power plant(s) and/or on any other immovable properties or fixed assets of the Company as may be decided by the Board of Directors in favour of ICICI Bank Limited for its Rupee Term Loan of Rs.335 Crores; and
- (iii) by way of first exclusive mortgage / charge on certain existing fixed assets of the Company and/or on any other immovable properties of the Company as may be decided by the Board of Directors in favour of IFCI Limited for its Corporate Loan of Rs.250 crores,

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

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to finalise with the said Banks and Financial Institution the plant(s), immovable properties and fixed assets of the Company to be mortgaged and/or charged and the documents for creating such mortgage and / or charge and to do all such acts and things as may be necessary for giving effect to the above resolution.”

NOTES:

1. Explanatory Statement is annexed to the notice of the Extraordinary General Meeting of the Company as required by Section 102 of the Companies Act, 2013 in respect of items no.1 to 4.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights; provided that a member holding more than 10%, of the total share capital of the Company carrying voting rights may appoint a single person as Proxy and such person shall not act as Proxy for any other person or shareholder.

The Proxy Form, duly completed and signed, should be deposited at the Registered Office of the Company not later than 48 hours before the commencement of the meeting.

Members / Proxies should bring the Attendance Slip, duly-filled in and signed, to attend the meeting.

In accordance with the provisions of Section 101 of the Companies Act, 2013 read with Rule 18 of the Companies (Management and Administration) Rules, 2014, this Notice of the Extraordinary General Meeting along with Attendance Slip and Proxy Form is being sent by e-mail to those Members who have registered their e-mail address with the Company / Registrar & Share Transfer Agent (in respect of shares held in physical form) or with their DP (in respect of shares held in electronic form) and made available to the Company by the Depositories.

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

Members, who have not registered their e-mail addresses, are requested to register their e-mail addresses with (i) the Depository Participant(s), if the shares are held in electronic form and (ii) with the Company / Registrar & Share Transfer Agent (RTA) of the Company, if the shares are held in physical form.

3. Electronic Voting (e-voting)

- I. In compliance with the provisions of Clause 35B of the Listing Agreements, Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide the members facility to exercise their right to vote at the Extraordinary General Meeting (EGM) by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL):

The instructions for 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 / RTA/Depository Participant(s)]:
 - (i) Open email and open PDF file viz; “ICL EGM 2014 e-voting.pdf” with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for e-voting. Please note that the password is an initial password.
 - (ii) Launch internet browser by typing the URL: <https://www.evoting.nsdl.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 e-voting opens. Click on e-Voting: Active Voting Cycles.
- (vii) Select "EVEN" of The India Cements Limited.
- (viii) Now you are ready for "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 authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to sudha.pr2@gmail.com or sudha_pr@yahoo.com with a copy marked to evoting@nsdl.co.in

B. In case a Member receives physical copy of the Notice of EGM [for members whose email IDs are not registered with the Company / RTA / Depository Participant(s) or who requested physical copy] :

- (i) Initial password is provided, as below, at the bottom of the Attendance Slip for the EGM :

EVEN (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.
- II. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of www.evoting.nsdl.com
- III. If you are already registered with NSDL for e-voting then you can use your existing user ID and password/PIN for casting your vote.
- IV. 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).
- V. The e-voting period commences on 20.09.2014 (9.00 a.m.) and ends on 22.09.2014 (6.00 p.m.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) 22.08.2014, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- VI. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) 22.08.2014.
- VII. Mrs.P.R.Sudha, Practising Company Secretary (Membership No.F6046) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- VIII. The Scrutinizer shall within a period not exceeding three(3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two(2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Vice Chairman & Managing Director of the Company.
- IX. The Results shall be declared on or after the EGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.indiacements.co.in and on the website of NSDL within two(2) days of passing of the resolutions at the EGM of the Company and communicated to the Madras Stock Exchange Limited, BSE Limited and National Stock Exchange of India Limited, where equity shares are listed.

(By order of the Board)

for **THE INDIA CEMENTS LIMITED**

G BALAKRISHNAN

Sr. PRESIDENT & COMPANY SECRETARY

Place: Chennai
Date : 07.08.2014

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 ANNEXED TO THE NOTICE OF THE EXTRAORDINARY GENERAL MEETING OF THE COMPANY IN RESPECT OF ITEMS NO. 1 TO 4 OF THE NOTICE DATED 7TH AUGUST 2014.

Items No. 1 and 2:

The Members at the Annual General Meeting (AGM) of the Company held on 13th August, 2012 had by way of Ordinary Resolutions approved the reappointment of Mr.N.Srinivasan as Managing Director of the Company for a period of 5 years with effect from 15th September, 2012 and payment of remuneration to him including minimum remuneration, as detailed in the said resolutions.

The Members at the Annual General Meeting of the Company held on 2nd August, 2010 had by way of Ordinary Resolutions approved the appointment of Ms.Rupa Gurunath as Wholetime Director of the Company for a period of 5 years with effect from 5th March, 2010 and payment of remuneration to her including minimum remuneration, as detailed in the said resolutions.

The Members, inter alia, approved that in the event of loss or inadequacy of profits in any financial year, the Company would pay remuneration by way of salary, allowances, perquisites and benefits as specified therein as minimum remuneration, subject to requisite approvals.

The Nomination and Remuneration Committee of the Board (NRC) at its meeting held on 07.08.2014 noted that the Company had incurred a loss of Rs.35.85 crores during the financial year 2013-14 on account of steep fall in the sales realization of cement together with cost push and other reasons.

NRC noted that the payment of remuneration of Rs.630 lakhs per annum to Mr.N.Srinivasan as Managing Director and of Rs.210 lakhs per annum to Ms.Rupa Gurunath as Wholetime Director, as detailed in the resolutions set out at Items No.1 and 2 of the captioned Notice, as minimum remuneration would exceed the overall limit laid down under Section 198 read with Schedule XIII of the Companies Act, 1956 / Section 197 read with Schedule V of the Companies Act, 2013, and hence, required approval of the Members by way of a special resolution and approval of Government of India and other appropriate authorities. NRC, after confirming that the remuneration paid/payable to the two executive directors was/would be in line with the Remuneration Policy of the Company, recommended the same to the Board for its approval.

The Board of Directors at the meeting held on 07.08.2014, noted the recommendation of the NRC and accorded its approval for payment of minimum remuneration to the two Executive Directors, as stated above, subject to the approval of shareholders by special resolution, Government of India (GOI) and other appropriate authorities. Hence, the resolutions.

THE STATEMENT CONTAINING ADDITIONAL INFORMATION AS REQUIRED IN SCHEDULE V OF THE COMPANIES ACT, 2013.

I. GENERAL INFORMATION:

- (1) Nature of Industry : Manufacture and sale of Cement.
- (2) Date or expected date of commencement of commercial production : 01/08/1949
- (3) In case of new Companies, expected date of Commencement of activities as per project approved by Financial Institutions appearing in the Prospectus : Not Applicable
- (4) **Financial Performance** :

The following are the details of financial performance of the Company during last five years:

(Rs. in lakhs)

Financial Parameters	Year ended 31st March				
	2014	2013	2012	2011	2010
Net Turnover	452983.76	461566.69	422269.05	354033.03	380825.61
Net Profit (as Computed under Section 309(5) of the Companies Act, 1956)	--	27169.94	40108.11	7381.67	56169.61
Net Profit / (Loss) (as per Statement of Profit & Loss)	(3584.60)	16354.96	29296.94	6810.36	35434.09
Amount of Dividend Paid (Equity)	--	6143.57	6143.57	4607.66	6143.49
Rate of dividend declared in % (Equity)	--	20%	20%	15%	20%

- (5) Foreign Investments or Collaborations, if any : The total holdings of foreign institutional investors, overseas corporate bodies, foreign corporate bodies, Global Depository Receipt holders and Global Depository Shareholders are 11,84,59,578 Equity Shares of Rs.10/- each constituting 38.56% of the Paid up Equity Share Capital. There is no foreign collaboration.

II INFORMATION ABOUT THE APPOINTEES:

(1) Background details:

Mr.N.Srinivasan, Managing Director:

Mr.N.Srinivasan, Managing Director is a B.Sc. (Tech.) from Madras University and Post Graduate in Chemical Engineering from Illinois Institute of Technology, U.S.A. Mr.N.Srinivasan was associated with the Company from 1968 to 1978 and from 1989 till date.

Ms.Rupa Gurunath, Wholetime Director:

Ms.Rupa Gurunath, Wholetime Director is a B.Sc. and Post Graduate diploma in computer science. Ms.Rupa Gurunath has been associated with the Company from 2007 till date.

(2) Past Remuneration:

Mr.N.Srinivasan, Managing Director:

(Rs. in lakhs)

Period		Salary	Perquisites and allowances	Commission	Others *	Total p.a.
From	To					
01/04/2008	31/03/2009	360.00	108.00	844.00	115.61	1427.61
01/04/2009	31/03/2010	360.00	108.00	1011.00	114.84	1593.84
01/04/2010	31/03/2011	360.00	108.00	0.00**	116.17	584.17
01/04/2011	31/03/2012	360.00	108.00	902.00	116.34	1486.34
01/04/2012	31/03/2013	360.00	108.00	750.00	118.83	1336.83

* includes provident fund and Retirement Benefits.

** the commission of Rs.315 lakhs for the financial year 2010-11 was waived by the Managing Director.

Ms.Rupa Gurunath, Wholetime Director:

(Rs. in lakhs)

Period		Salary	Perquisites and allowances	Commission	Others *	Total p.a.
From	To					
05/03/2010	31/03/2010	8.71	2.61	0.00	2.77	14.09
01/04/2010	31/03/2011	120.00	36.00	0.00**	37.40	193.40
01/04/2011	31/03/2012	120.00	36.00	201.00	37.40	394.40
01/04/2012	31/03/2013	120.00	36.00	150.00	37.40	343.40

* includes provident fund and Retirement Benefits.

** the commission of Rs.129 lakhs for the financial year 2010-11 was waived by the Wholetime Director.

(3) **Recognition/Awards:**

Mr.N.Srinivasan is, inter alia, associated with the following bodies:

Sl. No.	Name of the Body/Club/Other Associations	Position
1	Federation of Indian Chambers of Commerce and Industry	Member - Executive Committee
2	The Madras Chamber of Commerce and Industry	Special Invitee - General Committee
3	The Board of Control for Cricket in India	President*
4	Tamil Nadu Golf Federation	President
5	Tamil Nadu Cricket Association	President
6	International Cricket Council	Chairman

Sl. No.	Awards / recognitions	Year
1	Lifetime Achievement Award was conferred on Mr.N.Srinivasan, Vice Chairman & Managing Director, by TIECON.	2009
2	Degree of Doctor of Literature (Honoris Causa) was conferred on Mr.N.Srinivasan, Vice Chairman & Managing Director, by the Tamil Nadu Physical Education & Sports University, Chennai.	2011

The India Cements Limited under the stewardship of Mr.N.Srinivasan obtained the following recognition/ Awards:

Sl. No.	Awards / recognitions	Year
1.	Institute of Chartered Accountants Award for Best Presented Accounts.	1991
2.	CAPEXIL Special Awards for Exports.	1993
3.	ISO 9002 Certification for ICL Sankarnagar Plant.	1994
4.	CAPEXIL Special Awards for Exports.	1994
5.	State Safety Awards for ICL Sankarnagar Plant.	2003, 2004
6.	State Safety Awards for ICL Sankarnagar Plant.	2006, 2007
7.	Best Environmental Excellence in Limestone mine for ICL Dalavoi Plant by National Council for Cement and Building Materials (NCCBM), New Delhi.	2004
8.	CAPEXIL Export Award.	2005
9.	Merit Certificate in All India Magazine Contest for in-house Journal COMPASS.	2005 to 2007
10.	The Waste Heat Recovery Project at Vishnupuram plant was registered as a CDM (Clean Development Mechanism) Project by UNFCCC.	2007
11.	Research and Development Unit at ICL Dalavoi Plant recognized as an In-house R&D Centre by the Department of Scientific and Industrial Research, Ministry of Science and Technology, Government of India.	2007 to 2013
12.	First Prize awarded to Company's in-house Journal COMPASS in All India House Magazine Contest 2009-10.	2010
13.	ISO 9001 Certification for ICL Chilamakur Plant.	2010
14.	"Chennai Super Kings" has won IPL III trophy.	2010
15.	"Chennai Super Kings" has won the Champions League T20 Title.	2010
16.	"Chennai Super Kings" has won IPL IV trophy.	2011
17.	Merit Certificate at ICE Awards for in-house communication Excellence for in-house Journal - COMPASS.	2011, 2013 & 2014
18.	Certificate of Excellence in All India Magazine Contest for in-house Journal COMPASS 2011-12.	2012

Details of Chairmanships and Directorships in other Companies:

Mr.N.Srinivasan holds chairmanships in the following Public Limited Companies viz. Coromandel Electric Company Limited, Coromandel Sugars Limited, ICL Financial Services Limited, ICL Securities Limited, India Cements Capital Limited, M M Forgings Limited, Trinetra Cement Limited and Trishul Concrete Products Limited.

Ms.Rupa Gurunath holds chairmanships/directorships in the following Public Limited Companies viz. Coromandel Travels Limited, Coromandel Electric Company Limited, ICL Shipping Limited, India Cements Infrastructures Limited, Raasi Cement Limited and Trishul Concrete Products Limited. She is also a member of the General Committee of the Madras Chamber of Commerce and Industry.

* currently stepped aside

(4) **Job Profile and Suitability:**

Mr.N.Srinivasan is the Vice Chairman & Managing Director of our Company, having more than 4 decades of experience in industry. He functions under the control, superintendence and direction of the Board of Directors. He is the Chief Executive Officer (CEO) of the Company. Apart from the day to day management of the Company, the Board of Directors has entrusted to him the responsibility of successful and timely execution of the Company's expansion projects like power plants, infrastructure, etc. In fact, the Company has budgeted to spend a total capital expenditure of Rs.433 crores over the next three years.

Ms.Rupa Gurunath has been a Wholetime Director of our Company since 2010. She assists the Managing Director in day to day management and administration of the Company and is instrumental in successful and timely completion of the Company's expansion projects.

(5) **Remuneration proposed:**

(Rs. in lakhs)

Name & Position	Salary	HRA	Perquisites, allowances and benefits	Total p.a.
Mr.N.Srinivasan, Managing Director	360.00	108.00	162.00	630.00
Ms.Rupa Gurunath, Wholetime Director	120.00	36.00	54.00	210.00

Company's contribution to Provident Fund and Superannuation Fund to the extent these either singly or together are not taxable under the Income Tax Act, Gratuity payable as per the rules of the Company applicable to senior management personnel and encashment of leave at the end of their tenure shall not be included in the computation of limits for the perquisites and allowances as aforesaid.

(6) **Comparative Remuneration Profile with respect to Industry, Size of the Company, Profile of the position and person:**

Mr.N.Srinivasan is a B.Sc.(Tech) from Madras University and a Post Graduate in Chemical Engineering from Illinois Institute of Technology, U.S.A., having nearly 46 years of experience in industry. He was the Sheriff of Madras for two terms during the period 1989 to 1991. Over the last decade and a half, he was the President of the Cement Manufacturers' Association for five terms during the periods 1991 to 1994 and 2004 to 2006 and Chairman of the Board of Governors of the National Council for Cement and Building Materials (NCCBM) for four terms during the periods 1991 to 1993 and 2004 to 2006. He was also the Chairman of Development Council for Cement Industry (DCCI) constituted by the Government of India for two terms during the period 1992 to 1996. Mr.N.Srinivasan was the President of The Madras Chamber of Commerce and Industry (MCCI) for two terms during the period 1996 to 1998. During the year 2000-01, Mr.N.Srinivasan was the President of All India Organization of Employers. He was also an active Member of the Prime Minister's High Profile Council of Trade and Industry (1996-2001). Mr.N.Srinivasan was also the President of All India Chess Federation. Mr.N.Srinivasan was also the Honorary Secretary of the Board of Control for Cricket in India.

Mr.N.Srinivasan is presently a Member of the Executive Committee of Federation of Indian Chambers of Commerce and Industry (FICCI) and also a Special Invitee to the General Committee of The Madras Chamber of Commerce and Industry. An avid golfer, Mr.N.Srinivasan was Captain of the Kodaikanal Golf Club during the period 1995-97 and is presently the President of the Tamil Nadu Golf Federation. Mr.N.Srinivasan is also the Chairman of International Cricket Council and the President of The Board of Control for Cricket in India* and The Tamil Nadu Cricket Association.

Our Company today is the largest cement Company in the South and one of the largest in India. We have 7 operating units in Tamil Nadu, Telangana and Andhra Pradesh and our group as such (including Trinetra Cement Limited, Company's subsidiary) has 8 operating units with capacity of 15.55 million tonnes per annum. Mr.N.Srinivasan has placed our Company in a prominent position in the cement industry and his role since 1989-90 in turning our Company into one of the largest cement manufacturing companies in the country and the largest in the South cannot be overemphasized. From a two plant Company having a capacity of just 1.3 million tonnes in 1989 our Company today has 7 plants (besides a 1.5 million tonnes plant owned by Trinetra Cement Limited) having a total group capacity of 15.55 million tonnes. This is apart from the 2 cement grinding plants – one at Chennai, Tamil Nadu and other at Parli, Maharashtra. The Managing Director brought about this transformation by not only acquisition of cement plants but also by setting up new capacity. Ms.Rupa Gurunath, Wholetime Director, has been assisting the Managing Director in achieving the above, since 2010.

The net turnover of our Company, as per the audited accounts, for the year ended 31.03.2014 was Rs.4,530 crores. There are 3064 employees on the rolls as on date. Considering the size of the Company, turnover and the profile of the Managing Director and Wholetime Director, the proposed remuneration is comparable, if not lower than the levels prevailing in the industry.

(7) **Pecuniary Relationship, directly or indirectly, with the Company or relationship with the Managerial Personnel, if any:**

Mr.N.Srinivasan, Managing Director, Ms.Rupa Gurunath, Wholetime Director and Mrs.Chitra Srinivasan, Director, are related to each other.

Mr.N.Srinivasan and Ms.Rupa Gurunath do not have any pecuniary relationship, directly or indirectly with the Company or managerial personnel except to the extent of their shareholdings in the equity share capital of the Company and the salary drawn by him/her as Managing Director and Wholetime Director respectively. Mr.N.Srinivasan and Ms.Rupa Gurunath hold 4,27,400 and 36,440 Equity shares of Rs.10/- each, respectively.

III OTHER INFORMATION:

(1) **Reasons for loss or inadequate profits :**

- During the year 2013-14, the GDP growth was affected with a sub-optimal growth of less than 5% resulting in slowdown of economic activity. This affected the infrastructure industry and in turn the cement consumption in India.
- As per the information published by Department of Industrial Policy and Promotion (DIPP), the industry stagnated during the year with practically nil growth. This low growth coupled with capacity pressure particularly in the South resulted in cement prices plummeting down during most part of the year which was the prime reason for the poor performance of the industry in general and our company in particular. The agitation for a separate Telangana State also affected the demand for cement in the erstwhile Andhra Pradesh.

* currently stepped aside

- iii. The increase in lending rates, slowdown in the realty sector, almost nil government spending on infrastructure projects resulted in lower demand for cement and the capacity utilization of the industry was lower at 70% only during the year 2013-14.
- iv. The problems due to non-availability of sand, restriction on sand mining in various States compounded this issue.
- v. The industry and the company also had to face severe increase in the prices of in-put materials caused by:
 - a. Steep depreciation in the value of Rupee.
 - b. Monthly increase in prices of fuel and petroleum products prices.
 All these affected the input cost of materials.
- vi. The price of critical material like fly-ash was increased by the State owned Tamil Nadu and Andhra Pradesh thermal power plants.
- vii. The power situation also continued to be grim during the early part of the year resulting in power holidays in erstwhile Andhra Pradesh forcing high cost power purchase to maintain production.
- viii. The industry also had to bear the brunt of escalation in payments to workmen due to increase in Cost of Living Index and inflationary pressures.

All the above factors resulted in increase in costs and with substantial reduction in selling prices in the market, the Company incurred a loss during the year under review. The fall in Net Plant Realisation from Rs.3415 to Rs.3185 / ton during the year meant erosion of Rs.225 crores in the top line which directly contributed to the losses.

(2) Steps taken or proposed to be taken for improvement:

In order to address the issues outlined above, the company has taken the following steps:

- a. On the power front, the company has installed a 48 MW power plant at Sankarnagar to take care of Tamil Nadu plants' power requirements which operated at higher levels during the year under review. The company also put up additional power plant of similar capacity at Vishnupuram which was commissioned during the year under review and which has started stabilizing towards end of the year. The company also has been availing power at lower cost from Andhra Pradesh Gas Power Corporation Limited as done earlier.
- b. On the fuel front, the company evaluated the option of using indigenous and imported coal based on quality and price and accordingly effected some changes in the sources to ensure high quality fuel at lower price per cal. Accordingly, the usage of indigenous coal has been brought down while cost effective pet coke is being used by two of its plants.
- c. In order to reduce labour cost, the company has also introduced Voluntary Retirement Scheme towards end of the year for its management staff to bring down the overall cost.

(3) Expected increase in productivity and profits in measurable terms:

- a. After two years of practically nil growth, the industry expects a revival in its fortunes based on the projections made by various expert agencies indicating a GDP growth of 5.5% to 6% for this year and higher thereafter.
- b. The formation of strong government at the Centre and its Budget proposals for reviving the growth and stepping up investments in infrastructure and housing along with bifurcation of Andhra Pradesh triggering the renewed economic activity in the region augur well for a growth in consumption of cement.
- c. With no cement expansion plans on the anvil and with capacity creations tapering down in the last two years, it is expected that capacity utilization of the industry will improve further at remunerative prices with the above factors leading to increase in cement consumption. Early indications are noticed from the month of June'14 with a marginal pick-up in demand and with recovery in prices.

IV DISCLOSURES:

Details of remuneration paid to the Directors for the year ended 31st March, 2014:

(i) Executive Directors:

(Rs. in lakhs)

Name & Position	Salary	Perquisites & allowances	Provident Fund	Retirement Benefits	Others	Total Paid p.a
	(a)	(b)	(c)	(d)	(e)	(f)=(a) to (e)
Mr.N.Srinivasan, Managing Director	360.00	108.00	43.20	69.00	6.21	586.41
Ms.Rupa Gurunath, Wholtime Director	120.00	36.00	14.40	23.00	0.00	193.40
Total	480.00	144.00	57.60	92.00	6.21	779.81*

*subject to necessary approvals.

Company's contribution to Provident Fund and Superannuation Fund to the extent these either singly or together are not taxable under the Income Tax Act, Gratuity payable as per the rules of the Company applicable to senior management personnel and encashment of leave at the end of their tenure shall not be included in the computation of limits for the perquisites and allowances as aforesaid.

There are no stock options available / issued to any Executive Directors of the Company.

(ii) Non-Executive Directors:

Remuneration by way of sitting fees is paid to all non-executive directors at the rate of Rs.20,000/- for attending each meeting of the Board and Rs.10,000/- for attending each committee meeting.

No remuneration other than sitting fee totaling Rs.12,10,000/- has been paid to Non-Executive Directors for the year 2013-14.

There has been no pecuniary relationship or transactions between the Company and Non-Executive Directors during the year 2013-14.

There are no stock options available / issued to any Non-executive Directors of the Company.

The Board of Directors recommends the resolutions set out in Items No. 1 & 2 of the accompanying Notice for your approval.

The Explanatory Statement together with the accompanying notice may be treated as an abstract of the terms and conditions of appointment of Mr.N.Srinivasan and Ms.Rupa Gurunath pursuant to Section 302 of the Companies Act, 1956.

Interest of Directors:

Mr.N.Srinivasan, Managing Director and Ms.Rupa Gurunath, Wholetime Director, are interested in these resolutions as they relate to them. Mrs.Chitra Srinivasan, Director, is interested in these resolutions as Mr.N.Srinivasan and Ms.Rupa Gurunath, are related to her. No other Director or Key Managerial Personnel of the Company or their respective relatives, is directly or indirectly concerned or interested, financially or otherwise, in these resolutions.

Item No. 3:

The shareholders, at the Extraordinary General Meeting of the Company held on 17th January 2005, passed an ordinary resolution under Section 293(1)(d) of the Companies Act, 1956, authorising the Board of Directors to borrow monies upto Rs.2,500 crores over and above the paid-up capital and free reserves of the Company.

Consequent to the Scheme of Amalgamation between Visaka Cement Industry Limited (VCIL) with The India Cements Limited (India Cements) and their respective shareholders sanctioned by the Hon'ble High Court of Judicature at Madras, vide its Order dated 25.07.2007, the aforesaid borrowing limit of Rs.2,500 crores stands increased to Rs.2,900 crores, by including the borrowing limit of Rs.400 crores of erstwhile VCIL, pursuant to Clause-3.6 of the sanctioned Scheme.

As per the provisions of Section 180(1)(c) of the Companies Act, 2013 which came into force with effect from 12.09.2013, approval of the members by way of a special resolution is required for fixing the borrowing limit as aforesaid.

The Ministry of Corporate Affairs, vide General Circular No.4/2014 dated 25.03.2014, clarified that the resolutions passed by the companies under Section 293 of the Companies Act, 1956 shall be valid for a period of one year from the said Section 180 came into force i.e. upto 11.09.2014. Hence there is need for renewal of the validity of resolution.

The Board recommends the special resolutions as set out in Item No.3 of the Notice for approval of the members.

Interest of Directors:

None of the directors or key managerial personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the resolution except to the extent of their shareholding, if any, in the Company.

Item No. 4:

The Company has availed financial assistance in the form of Rupee Term Loan of Rs.500 Crores from IDBI Bank Limited for meeting capital expenditure and other purposes. One of the terms and conditions set out in its sanction letter No.HO/PAD/ICL/790 dated 18.02.2014 is that the financial assistance is required to be secured by an exclusive mortgage / charge on certain specified unencumbered plant/assets of the Company. The Board of Directors at its meeting held on 26.05.2014 decided to provide security by way of first exclusive charge on immovable and movable properties of Cement Factory at Malkapur, Tandur Mandal, Ranga Reddy District, now in the State of Telangana, both present and future and/or on any other immovable properties or fixed assets of the Company as may be decided by the Board of Directors.

The Company has availed financial assistance in the form of Rupee Term Loan of Rs.335 Crores from ICICI Bank Limited for meeting its long term working capital requirements and other purposes. One of the terms and conditions set out in its sanction letter No.CBG/2014/CMOG No.45/CBGCHN/71175 dated 28.06.2014 is that the financial assistance is required to be secured by way of first exclusive charge on the entire fixed assets of Cement Plant and Captive Power Plant situate at Vishnupuram and entire fixed assets of Captive Power Plant situate at Sankarnagar on pari passu basis with outstanding Rupee Term Loan and ECB Loan of ICICI Bank Limited. It is proposed to provide security as sought above and/or on any other immovable properties or fixed assets of the Company as may be decided by the Board of Directors.

The Company has been sanctioned financial assistance in the form of a Corporate Loan of Rs.250 crores by IFCI Limited for meeting long term working capital requirements, repayment of existing debt and capital expenditure of the Company. One of the terms and conditions set out in its sanction letter No.CHERO/Projects/ICL/2014-15-12969 dated 22.07.2014 is that the financial assistance is required to be secured by way of first exclusive charge on certain existing fixed assets of the Company and/or on any other immovable properties of the Company as may be decided by the Board of Directors.

Section 180(1)(a) of the Companies Act, 2013 provides, inter alia, that the Board of Directors of the Company shall not without the consent of such company by a special resolution in general meeting sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the company or where the company owns more than one undertaking, of the whole or substantially the whole of any of such undertakings. Since the mortgaging by the Company of its immovable and movable properties as aforesaid may be regarded as disposal of the Company's properties/undertakings, it is necessary for the members to pass a special resolution under Section 180(1)(a) of the Companies Act, 2013, for creation of the said mortgage / charge. Hence the resolution.

Inspection of Documents:

Copies of Sanction letters bearing No.HO/PAD/ICL/790 dated 18.02.2014 of IDBI Bank Limited, CBG/2014/CMOG No.45/CBGCHN/71175 dated 28.06.2014 of ICICI Bank Limited and No.CHERO/Projects/ICL/2014-15-12969 dated 22.07.2014 of IFCI Limited, are available for inspection of the shareholders at the Registered Office / Corporate Office of the Company between 11.00 A.M. and 1.00 P.M. on any working day prior to the date of the meeting and will also be available for inspection at the meeting.

Interest of Directors:

None of the Directors except Mr.G.M.Yadwadkar representing IDBI Bank Limited or key managerial personnel of the Company or their relatives is directly or indirectly concerned or interested, financially or otherwise, in this resolution, except to the extent of their shareholding, if any, in the Company.

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

G BALAKRISHNAN
Sr. PRESIDENT & COMPANY SECRETARY

Place: Chennai
Date : 07.08.2014



THE INDIA CEMENTS LIMITED

Registered Office: "Dhun Building", 827, Anna Salai, Chennai 600 002. CIN : L26942TN1946PLC000931

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

Website: www.indiacements.co.in E-mail Id: investor@indiacements.co.in Tel: 044-2852 1526 / 28572 100 / 400 Fax: 044-2851 7198

PROXY FORM

Name of the Member(s) :

Registered address :

E-mail ID :

Folio No./DP ID & Client ID :

I/We, being the Member(s) of shares of the above named company, hereby appoint

1. Name : Address :

E-mail Id : Signature:or failing him

2. Name : Address :

E-mail Id : Signature:or failing him

3. Name : Address :

E-mail Id : Signature:

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Extraordinary General Meeting of the Company to be held on Friday, the 26th September 2014 at 10.05 A.M. at Sathguru Gnanananda Hall, (Narada Gana Sabha), No.314, T.T.K Road, Alwarpet, Chennai 600 018 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Special Resolutions
1	Approval for payment of minimum remuneration to Mr.N.Srinivasan as Managing Director.
2	Approval for payment of minimum remuneration to Ms.Rupa Gurunath as Wholetime Director.
3	Renewal of borrowing limit.
4	Creation of security in favour of Banks / Financial Institution.

Signed: day of 2014

Signature of Shareholder

Signature of Proxyholder(s)

Affix
Re.1/-
Revenue
Stamp

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting i.e. before 10.05 A.M. on 24th September, 2014.

**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.

Website: www.indiacements.co.in E-mail ID: investor@indiacements.co.in

Phone : 044-28521526 Fax : 044-28517198

ATTENDANCE SLIP**EXTRAORDINARY GENERAL MEETING**

I / We hereby record my / our presence at the Extraordinary General Meeting of the Company at Sathguru Gnanananda Hall (Narada Gana Sabha), No.314, T.T.K Road, Alwarpet, Chennai 600 018, on Friday, the 26th September, 2014, at 10.05A.M.

Member's Folio /
Dp ID-Client ID No.

Member's / Proxy's Name
in Block Letters

Member's / Proxy's
Signature

Note: Please complete this Attendance Slip and hand it over at the entrance of the meeting hall.

PARTICULARS FOR VOTING THROUGH ELECTRONIC MEANS

EVEN (E Voting Event Number)	USER ID	PASSWORD/PIN

Note: Please read the instructions given under Note No.3 of the Notice of the Extraordinary General Meeting dated 07-08-2014 before voting electronically.