THE INDIA CEMENTS LIMITED
CHENNAI

Proceedings of the Sixtyseventh Annual General Meeting held At 9.40 A.M. on Wednesday, the 18th September, 2013 at Sathguru Gnanananda Hall (Naradha Gana Sabha), 314, T.T.K. Road, Alwarpet, Chennai 600 018.

I	Present in person including representatives	:	2408
II	Proxy Holders	:	100
III	Directors:		

1. Sri.N.Srinivasan, Vice Chairman & Managing Director, Chairman of the Meeting
2. Mrs.Chitra Srinivasan
3. Ms.Rupa Gurunath, Wholetime Director
4. Sri.R.K.Das
5. Sri.N.R.Krishnan
6. Sri.N.Srinivasan (Retd. Sr. Partner M/s.Fraser & Ross)

Sri.G.Balakrishnan, Senior President & Company Secretary

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

The Chairman informed that quorum was present, called the meeting to order and welcomed all the shareholders and proxies to the Sixtyseventh Annual General Meeting of the Company. He condoled the unfortunate demise of Dr.B.S.Adityan and Mr.A.Sankarakrishnan, Directors of the Company and as a mark of respect to the departed, the Directors and the shareholders observed a minute's silence.

The Notice was taken as read with the permission of members. Thereafter, the Chairman requested the Secretary to read the Auditors' Report on the Accounts of the Company for the year ended 31st March, 2013. The Secretary read the Auditors' Report. The Chairman delivered the following address to the Shareholders.

Ladies and Gentlemen,

I extend warm welcome to all of you to the Sixty-Seventh Annual General Meeting of your Company. I convey my greetings and best wishes to you and your family in the festival season.

The audited Accounts and the Directors' Report for the year ended 31st March, 2013 have been with you for some time now and with your consent, I shall take them as read.

ECONOMY

We are living in the most turbulent times and left to face a difficult economic situation. The Country's macro economic conditions are quite alarming with limited scope for regaining the "India growth story" in the near future. The economy is no longer insulated from external shocks. There is also policy gridlock and passivity at the Centre.

Since 2011-12, macro economic parameters, like trade balance, Budget deficit, price situation, consumption, investment and capital formation had started deteriorating. As a result, the growth rate was only 6.2% in 2011-12 against the expected 8.2% and further slipped to decade's low of 5% in 2012-13.

The acute slowdown during 2012-13 was triggered by the downturn in the US and Japan and the sovereign debt crisis in the Euro zone. The setback to growth was also due to adverse developments on the domestic front.

The current account deficit spurted to an unprecedented level of 6.7% of GDP during October-December 2012 driven by muted exports and surge in imports of crude oil, gold, coal and capital goods. With corrective steps taken by the Central Government, it was restricted to 4.8% during the fiscal year.

UNION BUDGET

The Union Budget for 2013-14 had its thrust on restoring macro economic stability, a stable tax regime, waging a battle against inflation, regaining India growth story, reviving investment climate and business confidence.

ECONOMIC OUTLOOK 2013-14

Early this year, some positive macro economic factors indicated the prospects for reversing the slowdown. The Prime Minister's Economic Advisory Council had expected the growth to be a realistic 6.4%.

However, the May announcement of the US Federal Reserve for withdrawing the monetary stimulus (following recovery in the US economy) dampened the revival prospects for Indian economy. Since then, the Rupee value against US Dollar had depreciated by nearly 20% and the foreign funds began exiting emerging markets including India. The falling Rupee value and the spike in crude oil prices made imports costlier.

The only silver lining is the bountiful monsoon this year after a gap of 12 years. But, this has not eased the price level with Wholesale Price Index breaching the Reserve Bank of India's comfort level of 5% and food inflation above 10%. During April-June 2013 quarter, the GDP growth again slipped to a four year low of 4.4%. Based on this, most analysts and Economists expect the growth to be around 5% in the current fiscal.

In recent weeks, there are reports of strong recovery in the US and Euro Zone emerging out of recession. China is also catching up with improved factory output.

The signs of stability returning to major economies and the improved sentiments in Indian markets have raised hopes that the worst is over for Indian economy. The erosion in Rupee value seems to have been arrested following certain measures announced by RBI.

Industrial production recovered in July 2013 with a 2.6% growth after two consecutive months of contraction. The manufacturing sector grew 3%. However, the cumulative IIP growth during April-July 2013 still remained negative with a contraction of 0.2%.

CEMENT INDUSTRY SCENARIO

Indian industry's performance in 2012-13 was its worst showing in the past 20 years. Industrial output grew by a mere 1%, down from 2.9% in the previous year.

The cement industry saw a growth of around 5.6% in 2012-13 as per the data of Department of Industrial Policy and Promotion against 6.6% in the previous year.

Though capacity addition had slowed down, the industry had to bear the brunt of ever escalating cost of inputs and services. With cost pressure from imported coal, rationalized Railway freights and dual pricing of diesel and mining, operating costs of the industry were severely impacted. This along with low realization affected the profit margin of the manufacturers. The slowdown in construction and infrastructure affected the demand and the industry was forced to operate at a lower capacity of around 65 to 70% only.

As per financial analysts' reports, whatever growth that was achieved was mainly through rural housing and road construction while the contribution from infrastructure sector continued to be meagre. The supply side pressure, particularly in the southern States and the consequent severe competition in the market led to lower price realization in Andhra Pradesh, which had its own impact on other markets.

PERFORMANCE OF THE COMPANY

Against the backdrop of difficult economic situation, sluggish demand for cement, all around cost pressure and marginal growth in the industry, the company's performance during 2012-13 can be considered satisfactory. Cement production grew by 5% to 99.40 lakh tonnes and clinker production 6.6% to 76.73 lakh tonnes, improving capacity utilization to 71% from 67% in 2011-12.

The performance of the company would have been better but for the worsening of the power situation in Andhra Pradesh which had declared a whopping 12 days a month of power holiday in addition to practically switching off power during the peak hours on daily basis.

Total revenue including other income improved to Rs.4615.67 crore, up by 9% over Rs.4222.69 crore in the previous fiscal. Expenditure went up by 14% due to various reasons. As a result, the operating profit was lower at Rs.841.95 crore compared to Rs.922.64 crore in 2011-12. Finance costs and depreciation charges were also higher. The net profit consequently was lower at Rs.163.55 crore against Rs.292.97 crore in the previous year.

During the year, the 48 MW power plant at Sankarnagar came into operation fully along with railway siding for the grinding unit at Parli in Maharashtra. The company's plans to move its own coal from its own mines in Indonesia took final shape and the first shipment arrived during May 2013. The company is also on the lookout for other alternative fuels available at cheaper prices within the vicinity of the plant.

During the first quarter of the current fiscal, the clinker production increased by 15% to 20.78 lakh tonnes. The volume of cement and clinker increased by 11% to 26.49 lakh tonnes.

The company is taking all necessary measures at the operational level to improve the working results in the remaining part of the current fiscal. Widespread rainfall and improved farm output are expected to revive rural demand and construction besides the expected spending on infrastructure by the Government ahead of General Elections in 2014.

ACKNOWLEDGEMENT

On behalf of the Company, 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 and Andhra Pradesh 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.

Thank you.

After completing his address, the Chairman (DP Id: IN301313 & Client Id: 20785347) moved the following resolution as an Ordinary Resolution.

1. ADOPTION OF DIRECTORS' REPORT, ACCOUNTS AND THE AUDITORS' REPORT

   "RESOLVED THAT the Directors' Report, the Balance Sheet as at 31st March, 2013, the Accounts of the Company for the year ended 31st March, 2013 and the Auditors' Report thereon be and are hereby adopted."

   The resolution was seconded by Sri.L.Sabaretnam (DP Id:IN301313 & Client Id:20329890).

   After the resolution was duly proposed and seconded, the Chairman invited the shareholders to express their views and comments, if any, on the accounts and seek any clarifications, if required.

   Sri.S.Padmanabhan (DP Id: IN301774 & Client Id: 10308922) suggested furnishing details of return on networth, debt equity ratio, return on capital employed etc., on the first page of the Annual Report. He felt that despite increased turnover, the profit after tax had been declining since 2007.

   Referring to the dip in price of shares in the market, Sri.S.Padmanabhan wanted to know why the Company's shares were quoting at 50% below the book value of Rs.118/-. He wanted to know why the Company had not made any provision to debenture redemption reserve, which according to him, was essential for making payment to debenture holders. Referring to the Company's associates viz., Coromandel Sugars Limited and India Cements Capital Limited, Sri.S.Padmanabhan suggested booking profits by selling investments in these two Companies, as both the associates were not in core business.

   Commenting on the reduction of manpower, Sri.S.Padmanabhan cautioned the Management to ensure that the envisaged expansion programme of the plants would not get hampered in the process. On the Competition Commission of India (CCI) imposing a penalty of Rs.187.48 crores on the Company, he suggested making payment of 10% of the penalty under protest rather than contesting the case. He further added that he was in agreement with the observations made by the auditors on CCI matter. On Corporate Social Responsibility (CSR), he wanted the Company to ensure that the activities under CSR were driven purely by a sense of social commitment.

Sri.S.Padmanabhan recalled the observations made by him at the earlier annual general meetings and suggested delisting of Company's shares from MSE, as according to him, trading of the Company's shares in Bombay Stock Exchange and National Stock Exchange was adequate. Referring to the Company not having a training programme for the Board of Directors, he highlighted the need for such a programme in the face of changing SEBI regulations. On the mounting contingent liabilities of Rs.51,553.12 lakhs, as per annexure to the Independent Auditors' Report, he wanted the Chairman to make efforts to liquidate the same. He concluded his speech by requesting the Chairman to devote special attention to reduce the mounting book debts of Rs.339.56 crores.

Sri.N.Prakash Chand Galada (DP Id:IN300394 & Client Id:13743242) stated that he was delighted to see Sri.T.S.Narayanaswami's Stamp in the Annual Report, but was disappointed that it was not given to the shareholders. He wanted to know whether Mr.M.S.Dhoni was on the roles of the Company. On the unclaimed dividends, he suggested reminding the shareholders to avoid crediting such amounts to Investor Education Protection Fund.

Sri.R.Vidyasankar (Client Id:1204470005731511) stated that he had not received the annual report in time from the Registrar and requested the Chairman to avoid such inconvenience to shareholders in the coming years. In the interest of the shareholders, he wanted the Company to cut down the gap between the Board meeting, which approved the accounts and the Annual General meeting and suggested holding the AGM in the month of June-July. While complimenting the Chairman for increasing the sales and production, he requested the Chairman to reward the shareholders with bonus shares, taking into account the huge reserves and surplus. Before concluding his speech, Sri.R.Vidyasankar recalled the observations made by him at the last AGM on factory visit and wanted an opportunity to be given to the shareholders to visit the Company's factory.

Commenting on the expenditure on power, Sri.V.Rangan (Folio No.R05574) wanted to know the steps taken by the Company to reduce the consumption of power and also the cost per tonne of cement. He sought explanation on the sum of Rs.337.90 crores set aside for addition to fixed assets. He also wanted the Chairman to throw some light on the growth of cement industry in terms of Gross Domestic Product (GDP). On IPL Franchise, he requested the Chairman to clarify whether the Company had offloaded any of its holdings in Chennai Super Kings.

Congratulating the Chairman for his courage and determination in facing the challenges, Sri.T.R.Sivaramakrishnan (Client Id: 1203940000229380) requested the shareholders to applaud the Chairman for his steadfastness. Expressing, however, his concern over the impact on the Company and its share value, he requested the Chairman to sort out matters sooner than later in the larger interests of the Company. According to Sri.T.R.Sivaramakrishnan, the Company, under the dynamic leadership of the Chairman, had grown to the present level of 10 plants with a capacity of 15.5 million tonnes and further added that the turnover had increased manifold to about Rs.5000 crores from about Rs.225 crores. He opined that the profit before tax had declined from the peak level of Rs.844.64 crores in 2007-08 to Rs.252.36 crores in 2012-13 and earnings per share (EPS) from Rs.23.97/- to Rs.5.32/-. Commenting on the huge investments, loans and advances made in subsidiary / associate Companies, he wanted to know the plan to restructure the same. He also made a mention on unlocking the value of investments made on non-core business and suggested transferring the resultant proceeds to the balance sheet of the parent Company. Sri.T.R.Sivaramakrishnan wanted to know the financial structure of CSK, its operations and how it helped in pushing the sale of cement to grow the Company's business.

Complimenting the Chairman for overcoming various challenges, Sri.Subramaniam Pabbisetty (Client Id:1203840000140012) requested him to make earnest efforts to bring the reputation of the Company back on its wheels. Recalling the observations made by him at the last AGM, he suggested rewarding the shareholders by unlocking a portion of the holdings of Chennai Super Kings, in the face of increasing franchise value. Referring to the timing of the Annual General Meeting, he requested the Chairman to hold the meeting at 11.00 a.m. He also complimented the Chairman for circulating hard copy of the Chairman speech and requested to continue the practice. He further suggested publishing the Chairman's Speech in the print media. He stated that the performance of the Company, in face of trying circumstances, had been satisfactory and wanted the Chairman to utilize the prevailing opportunities to reward the shareholders suitably. He concluded his speech by requesting the Chairman to arrange for a factory visit.

On the expenses incurred by the Company on administration and other expenses, Sri.R.Sivakumar (DP Id: IN301151 & Client Id: 12327262) wanted to know the efforts taken by Management to control the same. In particular, he sought clarifications on the mounting legal fees. He felt that the increase in bad and doubtful advances, debtors closing balance etc., was alarming and requested the Chairman to ensure that the outstandings were brought down. He stated that the increase in finance cost was the reason for lower profitability.

Sri.K.Selvakumar (DP Id: IN302679 & Client Id: 32355836) observed that though sales and other income had improved by 10.33% compared to last year, profit before tax, EPS and net profit dropped by 33.76%, 44.23% and 44.18% respectively. He wanted to know the reason for the coal consumption per tonne of clinker remaining static at around 16.21 and requested furnishing the units consumed in kilo calories. He made a mention about the jump in long-term borrowings, selling and distribution expenses and interest charges and sought explanation. He also wanted the Chairman to state the reason for the dip in cash generated from operations by Rs.151.87 crores.

Sri.Leslie Prabhu (DP Id: IN301637 & Client Id: 60026924) referred to the timing of the Annual General Meeting and requested the Chairman to convene the meeting around 11 AM. He wondered whether IPL was in any way helping the Company.

The Chairman, in his reply, thanked the shareholders for their active participation and proceeded to give his reply to the various points raised.

At the outset, the Chairman thanked the shareholders for the various points raised and briefed them on the situation prevailing in the industry during the last 4-5 years. He said that cement capacity had increased substantially from 170 million tonnes to almost 330 million tonnes. He explained that in the backdrop of slackening demand for cement, coupled with excess capacity, there was demand-supply mismatch leading to pressure on price, resulting in a declining trend in profit since 2007. The Chairman explained that the growth in demand of cement in recent past slumped to 3-4% from double digit growth of 14-15% and that there was a negative trend in South, particularly in Andhra Pradesh, where 25% of the country's limestone reserves were located.

The Chairman emphasized that the prevailing demand-supply mismatch compelled most of the producers in the industry to operate far below their capacity and added that even though the Company could utilize only 60-70% of its operating capacity, it had performed reasonably well. He further pointed out that in the first quarter of current financial year, there was a further drop in prices in Andhra Pradesh, coupled with upward revision in diesel prices, resulting in the cost of production going up. He informed the shareholders that with recovery in price, good cost control and better capacity utilization, the net profits of the Company could improve substantially in the future years.

To a query, the Chairman pointed out that net plant realization of the Company was not comparable with other players in the industry and stated that the Company had 4 factories in Andhra Pradesh and that it could sell only 50% of its produce in the lucrative markets of Tamil Nadu and Kerala, whereas its competitors could maximize their realization, due mainly to the location of their plants nearer more remunerative markets.

In response to a query on cement consumption, the Chairman stated that the rate of growth of cement in the country was low compared to what it was earlier. In particular, he pointed out that the annual growth of cement in Andhra Pradesh had come down affecting profitability.

On the question relating to power consumption, the Chairman explained in detail about the Company having factories of varying vintage and added that it had also setup and improved brownfield factories. On the capital cost versus consumption of power, he explained that though the outlay involved in installing vertical roller mills was higher, consumption of power would be lower. He informed that the Company had installed ball mills at a relatively cheaper cost consuming relatively higher power.

In reply to the comment on the consumption of electricity, the Chairman stated that it was about 92 units on average, due mainly to higher production of Ordinary Portland Cement (OPC) in Andhra Pradesh and that the average fuel consumption was about 800 Kilo Cals across the Company.

To a question as to why there was increase in cost of production, the Chairman explained that each plant was unique and stated that mining was done at depths of 70 meters at the Company’s oldest factory at Sankarnagar, resulting in higher cost. The increase in the cost of raw material, power and fuel over which the Company had no control, rise in railway freight and handling costs were the reasons for the high cost of production. In particular, he pointed out that the benefit the Company got in the form of reduction in the price of imported coal by about Rs.400/- was more than offset by an increase of about Rs.600/- per tonne in the price of indigenous coal. He emphasized that tight cost control measures helped the company in controlling variable cost of cement production during last year and also during the first quarter of the current financial year.

On the cost of power, the Chairman informed that with the Andhra Pradesh Government introducing 12 days of total power holiday in a month and for 4 hours on other days, the Company had to buy high cost power to run its plants in AP, which resulted in incremental outgo of Rs.50 crores. Though the Company could save about Rs.4 crores from its own generation, the Chairman stated that the total cost of power had gone up by Rs.100 crores, due mainly to the purchase of high cost power and slightly higher usage.

Referring to a shareholder's query on the total sum invested on power generation, he informed that the Company had invested to the extent of 80% of the Company's total requirement of 200 MW of power.

Replying to a query on increasing interest charges, the Chairman clarified that the sum of Rs.307.75 crores included the provision made for foreign exchange translation to the extent of Rs.26.41 crores and that the actual finance cost was Rs.281.34 crores. Commenting on the question on total borrowing, he informed that the total included interest free sales tax loan of Rs.500 crores and categorically stated that the debt equity ratio was not high and was only 0.7:1 for interest paying debt and 0.8:1 on total debt.

Commenting on coal mines in Indonesia, the Chairman informed the shareholders that the Company had imported 50,000 tonnes of coal from Indonesia and added that the benefit in terms of lower coal price would be very significant for the Company, as it had to import 50-60% of its total requirement of coal.

To a question as to why the Company was importing coal, the Chairman gave a detailed account of the Company having its plants deep down in the South without proper linkages. He further explained that one of the most important fuels to produce cement was coal and it was not possible to get the required quantity of coal in the domestic market and in order to meet the requirements, the Company had to import coal. He further added that imported coal was much cheaper than the domestic coal and that the quality of imported coal was also better.

Replying to a shareholder's query on IPL, the Chairman clarified that the income from Chennai Super Kings (CSK) was good in the form of sponsorships and gate collection from the matches. In particular, he stated that CSK had generated an income of Rs.136.63 crores in the last season (2013).

In his reply to a request from a shareholder to know, whether Mr.M.S.Dhoni was on the rolls of the Company, the Chairman informed that the Company had been encouraging cricketers since 1950 offering them fulltime jobs and stated that Mr.M.S.Dhoni and Mr.Rahul Dravid among others were on the rolls of the Company.

On performance of Coromandel Sugars Limited (CSL), the Chairman stated that CSL had a crushing capacity of 3500 tonnes per day and was making a decent profit. He further added that CSL also had a power plant with a capacity of 30 MW and was operating profitably.

On foreign exchange earnings, the Chairman stated that the opportunity to export cement had come down drastically and the Company could not also compete with other countries offering cement at lower prices. He emphasized on the need for looking at the Company's overall profitability than its earnings of foreign exchange. He opined that with a fall in the value of rupee, there was a possibility of the Company reviving its exports earning foreign exchange.

Commenting on training for the Board of Directors, the Chairman observed that the Company had experienced directors from various fields and that the Company might look into such issues, when the provisions for such training in the New Companies Bill, 2013 became clear.

On the issue of Competition Commission of India (CCI) Order, the Chairman gave a detailed account of the penalty imposed on a total of 11 cement Companies and emphasized that the Company did not engage in any prohibited activity alleged in the said Order. He reiterated that it was only an Order and not a final judgment on the issue and assured the shareholders of the bright chances the Company had in winning the case. On the suggestion made by a shareholder to pay atleast 10% of the penalty, the Chairman stated that the Company had deposited a sum of Rs.18.70 crores in a bank account, pending disposal of the appeal. The Chairman informed that the Company also had a good chance of winning the case in respect of fuel surcharge adjustment (FSA).

On the doubtful debts, the Chairman stated that provision was being made in accordance with prescriptive requirements and it did not mean that the Company had given up its efforts in collecting such monies. He further stated that credit was also a tool to improve sales in competing with other players in the industry and that credit would be limited to sundry debtors' security deposits with the Company. He assured the shareholders that with the improvement in the industry condition in the coming years, the level of outstandings would also come down.

About contingent liability, the Chairman clarified that the tax claims related to pending cases at various forums and stated that the Company did not believe in filing cases, as it was not in legal business. He observed that the Company had only limited control over the settlement of these cases and whatever was possible was being done to reduce the overall amount.

To a query on demand for cement vis-a-vis Gross Domestic Product (GDP), the Chairman stated that cement growth was at 1.2 times of GDP. On the consumption of cement in the country, the Chairman explained the difficulty involved in furnishing the exact data, as the industry needed to depend on various sources lately. He explained that until recently cement Companies used to furnish their data with the Cement Manufacturers Association (CMA) and as CCI had opposed such practice, cement players had stopped furnishing their data to CMA, resulting in a major bottleneck for the cement manufacturers to know each other's production, consumption and despatch figures.

In his reply to the request relating to factory visit by shareholders, the Chairman briefed the shareholders about the Company's factories not being in close proximity to cities; however, he had no objection to the shareholders visiting the factory.

On the demand for allocation of larger sum for Corporate Social Responsibility, the Chairman stated that the Company had an ongoing CSR progamme and was already into lot of activities reflecting its social commitment.

On the addition to gross block, the Chairman informed that the Company had added two power plants with a capacity of 50 MW each at Sankarnagar and Vishnupuram aggregating to about Rs.500 crores. He added that Company had bought limestone bearing lands near Dalavoi and had also upgraded the Company's cement plants and grinding units as part of environmental control measures.

To the shareholders' request on changing the time of the Annual General Meeting, the Chairman informed that their views would be taken note of by the Board of Directors.

The Chairman thereafter put the resolution to vote by show of hands. Since all the members present voted in favour, the Chairman declared that the resolution was carried unanimously.

2. <u>DECLARATION OF DIVIDEND ON EQUITY SHARES</u>

The following resolution was proposed by Sri.R.Sankaran (DP Id: IN301080 & Client Id: 13414940) as an Ordinary Resolution.

"RESOLVED THAT a dividend of Rs.2 per Equity share of Rs.10/- each, fully paid up on the equity share capital of Rs.307.18 crores (i.e. on 30,71,77,216 equity shares of Rs.10/- each, besides proportionate dividend on 1,441 partly paid up shares), be and is hereby declared by the Company for the year ended 31^{st} March, 2013."

The resolution was seconded by Sri.T.K.Durgaprasad (Folio No.D04063).

Sri.S.Padmanaban (DP Id: IN301774 & Client Id: 10308922) expressed that he was not satisfied with the dividend declared and requested the Chairman to improve the dividend payout.

Endorsing the views expressed by Sri.S.Padmanabhan, Sri.R.Vidyasankar (Client Id:1204470005731511) wanted to know how long it would take the Company to raise dividend rate.

Sri.Subramaniam Pabbisetty (Client Id: 1203840000140012) also stated that dividend proposed was not adequate and requested the Chairman to increase it.

Sri.R.Sivakumar (DP Id: IN301151 & Client Id: 12327262) requested the Chairman to concentrate on reducing the total expenditure and reward the shareholders with better dividend.

The Chairman in his reply explained the rationale for recommending the dividend, keeping in view various aspects.

The Chairman thereupon put the resolution to vote by show of hands. Since all the members present voted in favour, the Chairman declared that the resolution was carried unanimously.

3. <u>REAPPOINTMENT OF SRI.N.R.KRISHNAN RETIRING BY ROTATION AS A DIRECTOR</u>

The Chairman (DP Id: IN301313 & Client Id: 20785347) moved the following resolution as an Ordinary Resolution.

"RESOLVED THAT Sri.N.R.Krishnan, who retires by rotation and is eligible for reappointment, be and is hereby reappointed as a Director of the Company subject to retirement by rotation."

The resolution was seconded by Sri.D.Naveen Kumar (DP Id: IN303036 & Client Id: 10003146).

The Chairman thereafter put the resolution to vote by show of hands. Since all the members present voted in favour, the Chairman declared that the resolution was carried unanimously.

4. REAPPOINTMENT OF SRI.ARUN DATTA RETIRING BY ROTATION AS A DIRECTOR

Sri.T.K.Durgaprasad (Folio No.D04063) moved the following resolution as an Ordinary Resolution.

"RESOLVED THAT Sri.Arun Datta, who retires by rotation and is eligible for reappointment, be and is hereby reappointed as a Director of the Company subject to retirement by rotation."

The resolution was seconded by Sri.R.Sankaran (DP Id: IN301080 & Client Id: 13414940).

The Chairman thereafter put the resolution to vote by show of hands. Since all the members present voted in favour, the Chairman declared that the resolution was carried unanimously.

5. REAPPOINTMENT OF AUDITORS AND FIXATION OF THEIR REMUNERATION

Sri.R.Narasimhan (Folio No.N01568) proposed the following resolution as an Ordinary Resolution.

"RESOLVED THAT M/s.Brahmayya & Co., (Registration No.000511S) and M/s.P.S.Subramania Iyer & Co., (Registration No.004104S) Chartered Accountants, Chennai, be and are hereby appointed Auditors of the Company including its branch offices to hold office from the conclusion of the sixtyseventh Annual General Meeting until conclusion of the sixtyeighth Annual General Meeting and that their remuneration be and is hereby fixed at Rs.40,00,000/- (Rupees Forty Lakhs only) each, exclusive of service tax and all travelling and out of pocket expenses, which shall be reimbursed to them."

The resolution was seconded by Sri.N.Kadirvelu (DP Id:IN303340 & Client Id:10033262).

Sri.S.Padmanaban (DP Id: IN301774 & Client Id: 10308922) wanted to know, whether there was an increase in the remuneration paid to auditors.

The Chairman, in his reply, stated that there was no increase in the remuneration paid to auditors.

The Chairman thereafter put the resolution to vote by show of hands. Since all the members present voted in favour, the Chairman declared that the resolution was carried unanimously.

6. REAPPOINTMENT OF SRI.V.MANICKAM AS A DIRECTOR

The Chairman (DP Id: IN301313 & Client Id: 20785347) moved the following resolution as an Ordinary Resolution.

"RESOLVED THAT Sri.V.Manickam, be and is hereby appointed as a Director of the Company subject to retirement by rotation."

The resolution was seconded by Sri.T.K.Durgaprasad (Folio No.D04063).

The Chairman thereafter put the resolution to vote by show of hands. Since all the members present voted in favour, the Chairman declared that the resolution was carried unanimously.

7. MORTGAGING AND / OR CHARGING OF IMMOVABLE AND MOVABLE PROPERTIES OF THE COMPANY

Sri.N.Kadirvelu (DP Id:IN303340 & Client Id:10033262) proposed the following resolutions as Ordinary Resolutions.

"RESOLVED THAT consent of the Company be and is hereby accorded in terms of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956, 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 to secure the following loans:

i) by way of first pari passu mortgage / charge on the immovable and movable fixed assets of the Company both present and future subject to prior charge(s) created / to be created in favour of the Company's bankers on its fixed assets as may be agreed to by ICICI Bank Limited for securing the borrowings for working capital requirements in the ordinary course of business, to and in favour of ICICI Bank Limited for its Rupee term loan of Rs.200 Crores.

ii) by way of exclusive mortgage / charge on certain specified plant / assets of the Company as decided by the Board of Directors in favour of Axis Bank Limited for its Rupee term loan of Rs.200 Crores.

iii) by way of first pari passu mortgage / charge on the immovable fixed assets of the Company's Boat Club Road property in Chennai in favour of HDFC Bank Limited for its Rupee term loan of Rs.100 crores.

iv) by way of first pari passu mortgage / charge on the immovable fixed assets of the Company's Boat Club Road property in Chennai in favour of Karnataka Bank Limited for its Rupee term loan of Rs.100 crores.

v) by way of second pari passu mortgage and charge ranking after the charges created / to be created in favour of the term lenders on the immovable and movable properties (other than current assets) of the Company, both present and future, pertaining to cement business to and in favour of following banks for their revised / additional working capital facility as detailed below:

(Rupees in millions)

Name of the Bank		Fund Based	Non-fund Based	Total
a)	ICICI Bank Limited	2,026.00	1,593.50	3,619.50
b)	Punjab National Bank	600.00	322.80	922.80
c)	State Bank of India	145.10	121.80	266.90
d)	HDFC Bank Limited	800.00	400.00	1,200.00
e)	Indian Bank	339.50	254.80	594.30
f)	State Bank of Mysore	62.00	90.00	152.00
g)	Vijaya Bank	74.00	0.00	74.00
h)	State Bank of Patiala	162.50	60.00	222.50
i)	The South Indian Bank Limited	95.00	0.00	95.00
j)	IDBI Bank Limited	1,500.00	1,500.00	3,000.00
k)	State Bank of Hyderabad	400.00	107.50	507.50
l)	Bank of India	48.00	0.00	48.00
m)	BNP Paribas	257.00	0.00	257.00
n)	Yes Bank Limited	500.00	500.00	1,000.00
o)	Axis Bank Limited	500.00	500.00	1,000.00
	Total	7,509.10	5,450.40	12,959.50

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 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 / facility."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to finalise with the said banks the documents for creating the aforesaid mortgage and / or charge and to do all such acts and things as may be necessary for giving effect to the above resolution."

The resolutions were seconded by Sri.R.Sankaran (DP Id: IN301080 & Client Id: 13414940).

The Chairman thereafter put the resolutions to vote by show of hands. Since all the members present voted in favour, the Chairman declared that the resolutions were carried unanimously.

There being no other business, the Chairman thanked the members for their cooperation and declared the meeting closed.

CHAIRMAN