



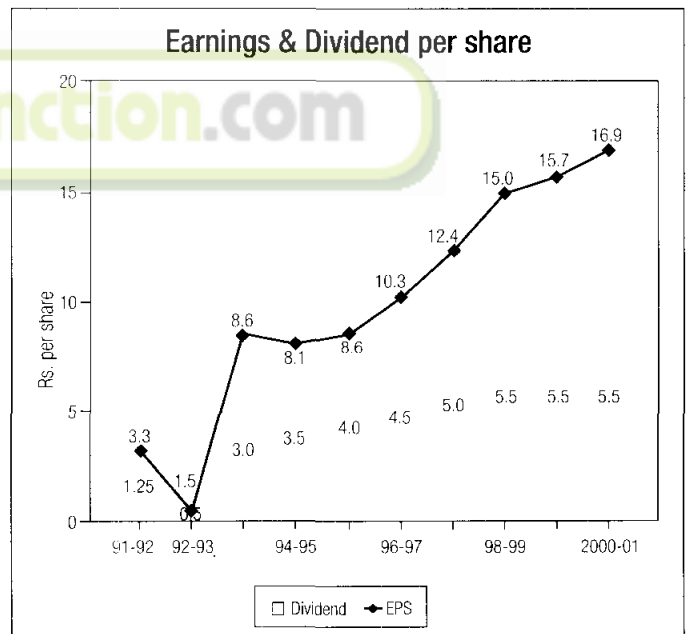
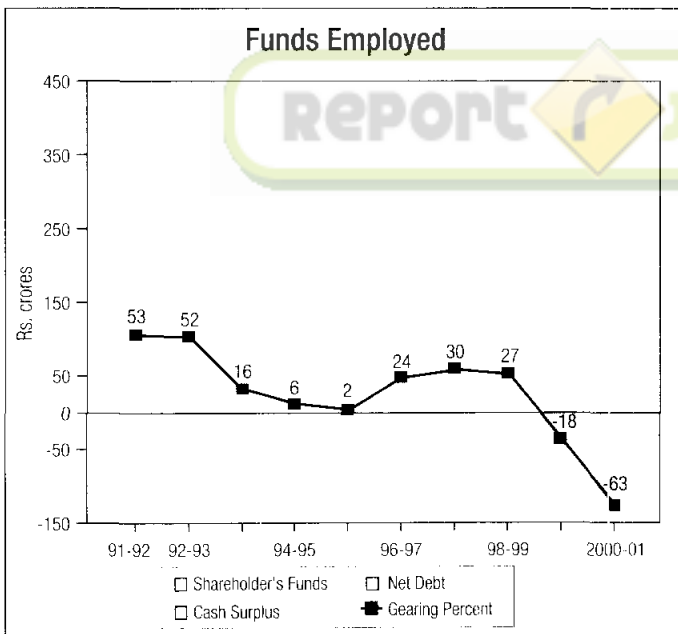
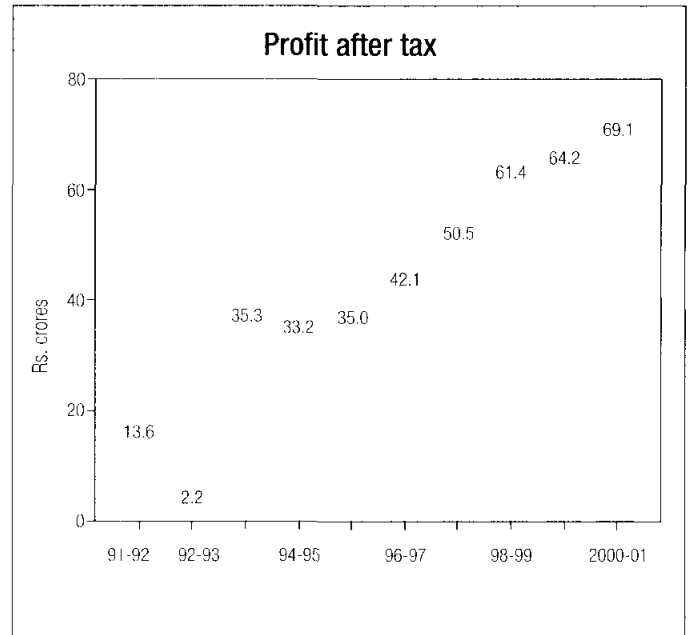
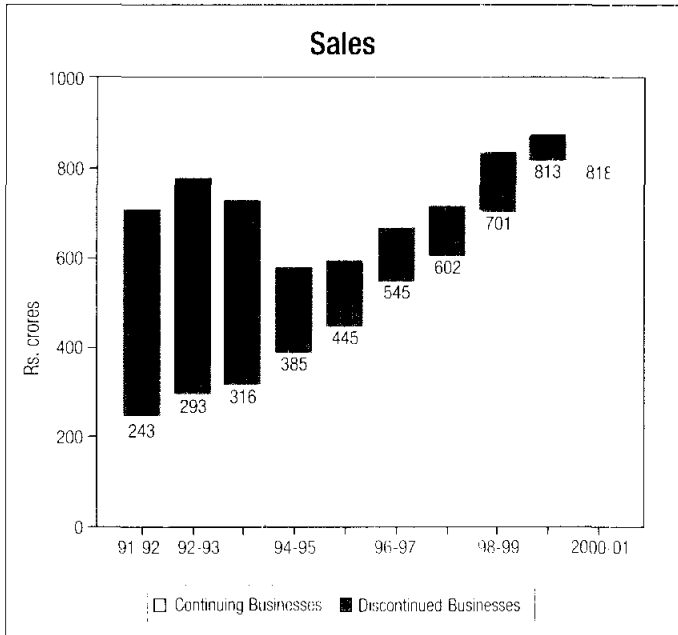
ICI India Limited



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ICI India Limited

Ten Year Trends





ICI India Limited

Annual Report 2000-01

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ICI INDIA LIMITED
ANNUAL REPORT 2000-01

BOARD OF DIRECTORS

CHAIRMAN

Dr A S Ganguly

MANAGING DIRECTOR

A Narayan

DIRECTORS

R L Jain (Chief Operating Officer &
Wholetime Director)
M R Rajaram (Wholetime Director)
R Gopalakrishnan
S Hamlett
D S Parekh
M V Subbiah
S Chandra

EXECUTIVE TEAM

A Narayan (Chairman)
R L Jain
M R Rajaram
B Rajagopal
D Singh

SECRETARY

R Guha

REGISTERED OFFICE

ICI House,
34, Chowringhee Road,
Kolkata - 700 071
Ph: 033-2267462
Fax: 033-2880804

CORPORATE OFFICE

ICI India Limited,
10th Floor, DLF Plaza Tower,
DLF Qutab Enclave, Phase-I
Gurgaon - 122002
Ph: 0124-6358400
Fax: 0124-6359840

WEBSITE

www.iciindia.com

BOARD COMMITTEES

AUDIT COMMITTEE

D S Parekh (Chairman)
R Gopalakrishnan
S Hamlett
M V Subbiah

**REMUNERATION AND
NOMINATIONS COMMITTEE**

M V Subbiah (Chairman)
R Gopalakrishnan
S Hamlett
D S Parekh

**SHAREHOLDERS/INVESTORS
GRIEVANCE COMMITTEE**

S Hamlett (Chairman)
R L Jain
M R Rajaram

AUDITORS

BSR & Co.

BANKERS

State Bank of India
Central Bank of India
Citibank N.A.
Deutsche Bank AG
Standard Chartered Grindlays Bank

**REGISTRAR AND SHARE
TRANSFER AGENT**

C B Management Services Limited
P-22, Bondel Road,
Kolkata-700019
Ph. : 033-2806692/93-94
Fax : 033-2470263
E-mail : cbms@gncal.globalnet.ems.vsnl.net.in



DIRECTORS' REPORT 2000-01

The Directors have pleasure in presenting their report for the year ended 31 March 2001.

BUSINESS ENVIRONMENT

The GDP growth estimated for 2000-01 at 6% fell compared to 1999-2000 and has been on a declining trend from 6.6% achieved in 1998-99, the main reason being a low growth in the agricultural sector. The growth of industrial production for 2000-01 remained at about 6%.

The oil import bill increased with hardening crude prices and a depreciating Rupee. During 2000-01, the annual rate of inflation in terms of WPI has shown a rising trend primarily due to energy prices. Providing rehabilitation to those affected by the massive earthquake in Gujarat put considerable pressure on the Government's finances.

Exports recorded a healthy growth in 2000-01 helped by a weaker Rupee, further trade liberalisation, tariff reduction, and a more open policy towards foreign investment in export-oriented sectors like information technology.

FINANCE AND ACCOUNTS

ICI India sales for the year were Rs. 818 crore. On a comparable basis, sales from continuing businesses grew by just 1% over the previous year in a difficult market environment, although certain businesses such as Syntex, parts of Uniqema and Rubber Chemicals, Pharmaceuticals and Nitrocellulose did rather well. The operating profit of the ongoing businesses declined steeply from Rs. 86 crore to Rs. 67 crore mainly on account of difficult market conditions, higher input costs (mainly energy costs), development and marketing initiatives in Paints business and exclusion of Explosives business profits in the year under review. There was also a significant reduction in the interest charge from Rs. 16.1 crore to Rs. 3.5 crore.

Exceptional income of Rs. 46.4 crore consists mainly of profit of Rs. 41.9 crore from divestment of PU business and Rs. 21.3 crore from disposal of surplus properties offset by provision for voluntary retirement payouts of Rs. 8.4 crore and asset write-down and restructuring expenses for the Rubber Chemicals business at Rishra of Rs. 7.6 crore.

The performance highlights for the year are summarized below:

	2000-01	Rs. lacs 1999-2000
Income	81842	87312
Operating Profit from businesses	6707	8650
Depreciation	2311	2329
Interest	345	1609
Exceptional Income	4641	1703
Profit before Tax	8692	6415
Tax	1780	Nil
Profit after Tax	6912	6415

The appropriations of profit in 2000-01 are as follows:

Profit after tax	6912
Transfer from Investment allowance reserve	1440
Transfer to debenture redemption reserve	440
Proposed dividend	2248
Tax on proposed dividend	229
Transfer to general reserve	2050

Balance of Rs. 3385 lacs together with the opening balance of Rs. 12004 lacs is carried forward in the profit and loss account.

During the year, no fresh fixed deposit was accepted or renewed and deposits aggregating to Rs. 615 lacs were repaid.

BUSINESS PERFORMANCE

Paints

In an environment of subdued market demand, especially in the latter half of the year, the Decorative Paints business focused its efforts on its Dulux brand of products, well known for high quality enamels, emulsions and exteriors. As a consequence, ICI's premium quality product, Velvet Touch, registered rapid growth during the year. Media advertisement was re-launched to reinforce consumer recall. Other initiatives included further commissioning of in-store retail tinting machines to efficiently enhance consumer preferences while achieving qualitative improvement in channel partnership.

In the Refinish Paints segment, the 2K range of polyurethane automotive refinishes has now been approved by all major motor manufacturers in the country and is among the fastest growing in its category. The product and painting system match up to the best anywhere in the world and ICI has launched an extensive programme of installing end user mixing machines across India to aggressively pursue growth of its 2K range.

In line with ICI India's strategic objective, the Motors and Industrial Paints business alongwith its manufacturing facilities at Rishra has been transferred to a Joint Venture with Berger Paints India Limited in May 2001.

Uniqema

While the business has sustained its sales at previous year's level, margins were improved with the help of enhanced product mix and cost reduction efforts. Performance was particularly strong in Health & Personal Care, Polymer and Spin Finish segments. However, slow-down in the economy, coupled with increasing prices of raw material, resulted in increased costs and lower sales in the Textile Auxiliaries area.

National Starch & Chemicals

Significant growth in market share has been achieved during the year. New business segments such as Woodworking and Flexible Lamination have been initiated. Trading in Speciality Synthetic Polymers and Food Starch has also been established. The Hotmelt Adhesives plant, commissioned in January 2000, is now in full operation.



Synetix

The Synetix business continued to perform strongly, helped by a 43% growth in exports. The business launched some novel purification catalyst applications into the market, targeted primarily at the fast growing Refining sector. Business partnerships with engineering contractors were strengthened. A new product, for the international market, was launched and very well received. This achievement was recognized by the 'Synetix Excellence Award' for Innovation and Growth.

The outlook for the business remains strong primarily in exports. With no new domestic plants coming up in the Fertilizer industry, in the next couple of years, demand is likely to be restricted to replacement needs of the existing units.

Polyurethane

In line with ICI India's strategic objective, the Polyurethanes business was sold during the year to a wholly owned subsidiary of M/s Huntsman Corporation of USA, who had earlier purchased the global business from ICI PLC.

Rubber Chemicals

With a sharper focus on key products, volumes grew ahead of market in the domestic sector. Exports grew rapidly with the business securing supply contracts from world tyre majors. Good sales growth was recorded in antiozonants, antioxidants and retarders. The business aggressively reduced fixed costs both at the factory and sales offices by product rationalization, exercising operating economy and rationalizing the manpower through better productivity and voluntary retirement schemes in selected areas.

Pharmaceuticals

While the domestic sales grew in line with the market, exports grew by 70% leading to an overall growth of 17% over the previous year. Innovative solutions to deliver satisfaction to its core customer group of cardiologists and physicians enabled the business to deliver good growth rates for its research products such as Tenormin, Inderal and Zestril. Continuous medical promotion helped deliver good growth in the Anaesthetics segment for its injectibles and consolidate its market share for inhalational research products such as Fluothane, which continues to be a market leader in its segment.

Nitrocellulose

The Nitrocellulose Business grew by 23% in sales value, consisting of 5% growth in the domestic market while doubling export volumes for the second successive year. A number of projects are in hand to upgrade and further debottleneck manufacturing facilities in order to sustain growth in the future.

Trading

The Trading business grew 9% in commission value, helped by increased market penetration of existing product portfolio as well as addition of new agencies.

The business continued to service the Titanium dioxide market and integrated the Acrylics portfolio during the year resulting in considerable saving in operating costs.

Joint Venture

ICI India, Quest International and Hindustan Lever Limited (HLL) have agreed to form a joint venture (JV) to make and sell

fragrances, flavours and food ingredients. The Board of ICI India has approved an investment of upto Rs. 155 crore for the JV, as this is in tune with ICI India's corporate strategy. This investment will also deploy ICI India's cash surplus generated from disposals of its surplus property and non-core businesses. This joint venture awaits formal approval of HLL shareholders, which is expected in mid 2001.

ICI India will hold majority in the JV, Quest International B.V. will hold about 1% and balance 49% will be held by HLL. This JV will own HLL's current operations covering ongoing business activities, along with eighty employees and associated facilities. This JV is part of ICI India's portfolio restructuring exercise while strengthening Quest's global position in specialty chemicals.

RESPONSIBLE CARE - SAFETY, HEALTH AND ENVIRONMENT

ICI India had another year of exemplary safety performance, with lowest ever reportable as well as classified injury rates. However, we regret to report one fatality. One of our Pharmaceuticals sales executives died in the Alliance Airline crash in Patna in July 2000.

ICI India's safety performance was recognized through a number of prestigious national and international awards - RoSPA Gold award for the third time in succession, British Safety Council award for the fourth time, for Pharmaceuticals operations at Ennore, the National Safety Council award for Paints operations at Hyderabad and ICI PLC's Leadership awards for sustained SHE excellence for most of the sites of ICI India.

Over the past 5 years, through an improvement programme known as 'Challenge 2000', the environmental impact of our operations have been reduced by well over 50%. The strategy for further reduction is part of 'Challenge 2005' and is made up of specific improvement targets for the next 5 years. Having secured ISO 14001 certifications for two of our sites, Paints, Thane & Pharmaceuticals, Ennore, the Board is happy to report that Paints, Hyderabad site has now been chosen by CII for implementation of ISO 14001, as a part of a US sponsored Project.

During the year, no cases of work related occupational illness were reported. Dr. Naresh Chakraborti, Occupational Health Manager of Rishra site, received the prestigious 'Bharat Gaurav' award for his contributions to the field of Occupational Health, by saving about 70 lives during a fire at the Custom bonded warehouse at Howrah in April 1998.

As a part of its Product Stewardship initiative, the Company continued to introduce improved products, which are safer and minimize environmental impact in all its businesses.

CONSERVATION OF ENERGY

As detailed in an annexure to this report, there has been significant reduction in the specific consumption of electricity per unit output in Paints, Uniqema, Rubber Chemicals and Pharmaceuticals businesses.

CORPORATE GOVERNANCE

An annexure to this report summarizes the state of compliance by the Company of the mandatory as well as non mandatory norms of Corporate Governance as provided in Clause 49 of the Listing Agreement with the Stock Exchange, Mumbai.



LISTING OF EQUITY SHARES

The equity shares of the Company are listed with Kolkata Stock Exchange, Mumbai Stock Exchange and the National Stock Exchange, Mumbai.

RESEARCH & DEVELOPMENT

R&D's priority was business-focused innovation management, which made good progress during the year. Innovation in several of our key businesses helped to improve performance during the year with Uniqema leading the way, where 50 new products were introduced during the year, strengthening the links with customers.

Focus on process development and cost reduction resulted in major savings in Paints business and significant variable cost reduction in Rubber Chemicals.

Networking partnership with Universities and Research Institutions were progressed and new areas of work were identified, such as Specialty Starch applications in Indian foods.

PROPERTY

In line with the Company's policy, surplus residential properties at Mumbai, Kolkata and Chennai have been disposed off during the year. The resultant profit of Rs. 21 crore will be utilized to support the future growth plans of the Company.

HUMAN RESOURCES

HR initiatives continued to drive the Company's agenda of corporate strategy and better value to its stakeholders. Significant investment was made in developing and enhancing people capability at all levels through an objective performance management system supported by continuous training and development. Employee relations continued to be cordial across all locations and were further strengthened through progressive productivity settlements at Panki and Thane factories, in line with the philosophy of 'linking pay to performance'.

INFORMATION TECHNOLOGY

The company continued its programme to realize business benefits from the recently implemented integrated ERP systems in different businesses including Uniqema & NC and through the investments already made in the company-wide Lotus Notes backbone. A connectivity project, aimed at integrating the Paints depots across the country with a central communication network, was successfully commissioned during the year. Exploratory work for replacing the legacy business systems with a state-of-the-art integrated IT system for the Paints business is in progress. Appropriate IT interfaces were provided to the new Colour solution systems installed at various Paints outlets, during the year.

DIRECTORS

As a result of the ongoing restructuring and projects to strengthen the Paints business, the profit for 2000-01, as computed for the purpose of managerial remuneration was inadequate to absorb the contracted remuneration to the Wholtime Directors. Necessary Government approval is awaited. Further, in line with ICI India's corporate strategy, the Board has been reorganized with effect from 1 May 2001, following which Mr Daljit Singh and Mr B Rajagopal resigned as Wholtime Directors from that date. However, they continue to be in the employment of the Company and will hold their individual responsibilities, as before.

M/s D S Parekh, S Hamlett and R L Jain retire by rotation and being eligible offer themselves for reappointment.

AUDITORS

M/s B S R & Co (an associate firm of the KPMG Group) retire at the conclusion of the forthcoming Annual General Meeting and being eligible offer themselves for reappointment.

SUBSIDIARY COMPANY

The statement and particulars relating to the Company's subsidiary Indian Explosives Limited, pursuant to Sec 212 of the Companies Act, 1956, are attached.

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors confirm that :

- in the preparation of the Annual Accounts, the applicable accounting standards have been followed.
- the directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of
 - the state of affairs of the Company as on 31 March 2001, and
 - the profit for the year ended on that date.
- the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- the directors have prepared the annual accounts on a going concern basis.

PARTICULARS OF EMPLOYEES

The particulars of employees are required to be furnished under Section 217(2A) of the Companies Act, 1956 read with rules made thereunder. However, as per the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the reports and accounts are being sent to all the shareholders of the Company excluding the above information. Any shareholder interested in obtaining a copy may write to the Company Secretary at the Corporate Office of the Company.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars relating to conservation of energy, technology absorption and foreign exchange earnings and outgo are annexed to this Report as required under Section 217 (1)(e).

ACKNOWLEDGEMENT

The Directors wish to convey their gratitude and appreciation to all the employees of the Company for their valuable contributions during the year. They also wish to place on record their appreciation to the Company's customers, shareholders, investors, financial institutions, bankers, agents, suppliers, distributors and other business associates for their co-operation and support.

On behalf of the Board

Mumbai
6 June 2001

Dr A S Ganguly
Chairman



ANNEXURE TO THE DIRECTORS' REPORT

DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO PURSUANT TO SECTION 217(1)(e) OF THE COMPANIES ACT, 1956

A. DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

		2000-01	1999-2000
1. Power & Fuel Consumption			
a. Electricity			
(i) Purchased			
Unit	Lac Kwh	304.43	378.86
Total amount	Rs. lacs	1460	1690
Rate	Rs./Kwh	4.80	4.46
(ii) Own generation			
(a) Through diesel generator			
Units	Lac Kwh	5.29	6.38
Units/KL of diesel oil	Kwh	2894	2416
Cost/unit	Rs./Kwh	5.61	3.00
(b) Through steam turbine generator		N.A.	N.A.
b. Coal			
Quantity	Tes	15051	19471
Total cost	Rs. lacs	275	337
Average rate	Rs./Te	1830	1732
c. Fuel Oil			
Quantity	Kl	7138	5566
Total amount	Rs. lacs	482	355
Average rate	Rs./Kl	6753	6377

N.A. = Not Applicable

2 Consumption per unit of production

	Electricity (Kwh/Te)		Fuel oil (Kl/Te)		Coal (Te/Te)	
	2000-01	1999-2000	2000-01	1999-2000	2000-01	1999-2000
Explosives (Apr - Sep'99)	N.A.	129	N.A.	N.A.	N.A.	0.08
Paints	153	170	0.01	0.01	N.A.	N.A.
Uniqema	204	235	0.07	0.07	N.A.	N.A.
National Starch	236	151	0.04	0.06	N.A.	N.A.
Synetix	3976	3771	1.68	2.05	N.A.	N.A.
Rubber Chemicals	2500	2667	0.40	0.35	3.53	3.68
Pharmaceuticals	7344	8240	N.A.	N.A.	N.A.	N.A.
Nitrocellulose	1884	1966	1.06	1.00	N.A.	0.00
Polyurethanes	55	77	N.A.	N.A.	N.A.	N.A.

N.A. = Not Applicable

B. DISCLOSURE OF PARTICULARS WITH RESPECT TO ABSORPTION OF TECHNOLOGY

1. Research & Development (R&D)

(a) Specific areas in which R&D is carried out by the Company

- New products and applications and variable cost reduction continued to be key thrust areas
- Process changes leading to increased throughput and hence cost reduction without additional investment
- Development of Decorative paints with improved features:

(b) Benefits derived as a result of the above R&D

The benefits have been discussed in the main report.

(c) Future plan of action

- Innovation in new products and new applications for existing products
- Cost reduction projects
- Establishing partnership with key customers for developing customised speciality products

(d) Expenditure on R&D

	2000-01	Rs. lacs 1999-2000
(i) Capital	3	2
(ii) Recurring	292	853
(iii) Total	295	855
(iv) Total R&D expenditure as a percentage of turnover	0.4%	0.9%

2. Technology Absorption, Adaptation and Innovation

(a) Efforts

Apart from in house Research and Technology efforts, continuous interaction is maintained with the parent Company for leveraging its technology edge.

(b) Benefits

The impact of the close interaction with ICI worldwide is manifest in the benefits detailed in the main report.

(c) Particulars of technology imported in the last five years from the beginning of the last financial year

Technology imported	Year of import	Has the technology been fully absorbed?	If not fully absorbed, reasons and future plans of action
Herberts Cathodic electrocoat technology	1997	Partly	Motor and Industrial Paints has since been transferred to a Joint Venture company from 1 st May, 2001
Hot Melt Adhesives Technology from National Starch and Chemicals	1999	Yes	

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company continued to improve its foreign exchange earnings through higher exports of catalysts, rubber chemicals, nitrocellulose and pharmaceuticals.

Future Plans

Sustain and grow exports in the above businesses.

Total foreign exchange earned and used:

	2000-01	Rs. lacs 1999-2000
Earnings	7229	4116
Used	15928	14077

On behalf of the Board

Mumbai
6 June 2001

Dr A S Ganguly
Chairman



REPORT ON CORPORATE GOVERNANCE

As required under clause 49 of the Listing agreement with the Stock Exchange, Mumbai, a report on Corporate Governance practised in the company is given below:

A) MANDATORY REQUIREMENTS

1. Company's philosophy on code of Governance

The company's philosophy on Corporate Governance is aimed at enabling the top management of the company in the efficient conduct of its business and in meeting its obligations to shareholders.

The Company remains committed to good corporate governance in line with the global best practices and had adopted many such practices much before they have been prescribed for mandatory compliance in the country.

2. Board of Directors

Composition

The present strength of the Board is nine Directors comprising 3 Wholtime Directors (WTD) and 6 Non-Executive Directors (NED). The majority of the Board including the Chairman consists of NEDs with sufficient number of independent directors.

The current composition of the Board is as follows:

Name of Director	Category of Directorship
Dr A S Ganguly	Chairman (NED)
Mr A Narayan	Managing Director (WTD)
Mr R L Jain	Chief Operating Officer/ WTD
Mr M R Rajaram	WTD
Mr Stephen Hamlett	NED
Mr D S Parekh	NED
Mr M V Subbiah	NED
Mr R Gopalakrishnan	NED
Mr Suresh Chandra	NED (Government Nominee)

Number of other Companies or Committees the Director (being a director as on the date of the Director's Report) is a Director/Chairman

Name of Director	Directorship in Companies (incl. ICI India Ltd.)		Membership in specified Committees* (incl. ICI India Ltd.)
	Public	Private/Ltd by Guarantee	
Dr A S Ganguly	8	2	2
Mr A Narayan	2	1	-
Mr R L Jain	3	1	2
Mr M R Rajaram	5	2	3
Mr Stephen Hamlett	5	1	3
Mr D S Parekh	15#	1	10
Mr M V Subbiah	12	1	8
Mr R Gopalakrishnan	13	-	7
Mr Suresh Chandra (Govt. Nominee)	8	-	2

*Specified Committees - Audit, Remuneration and Shareholders/Investors Grievance Committee

Excludes 1 Nominee Directorship and 5 Alternate Directorships

Number and dates of Board Meetings held

7 Board Meetings were held during the year 2000-01 (On 27 April 2000, 25 July 2000, 22 September 2000, 24 October 2000, 20 November 2000, 24 January 2001 and 28 March 2001)

Attendance details of each Director at the Board Meetings and the last AGM

Name of Director	No of Board Meetings attended	Attendance at the last AGM
Dr A S Ganguly	6	Yes
Mr A Narayan	7	Yes
Mr R L Jain	7	Yes
Mr M R Rajaram	6	Yes
Mr V K Bahree*	-	NA
Mr B Rajagopal**	6	Yes
Mr Daljit Singh**	6	Yes
Mr Stephen Hamlett	4	Yes
Mr D S Parekh	4	No
Mr M V Subbiah	4	Yes
Mr R Gopalakrishnan	4	Yes
Mr Suresh Chandra # (Govt. Nominee)	3	Yes

*Resigned as Wholtime Director w.e.f. 1 June 2000

**Resigned as Wholtime Director w.e.f. 1 May 2001

Appointed to the Board w.e.f. 27 April 2000

In the forthcoming AGM on 26 July 2001, Mr D S Parekh, Mr Stephen Hamlett and Mr R L Jain are due to retire by rotation and are seeking reappointment. A brief resume of each of the above directors is given below:

Mr D S Parekh

Mr D S Parekh is a Chartered Accountant by qualification, an eminent banker and a renowned financial expert in the country. He was appointed on the Board of ICI India Limited w.e.f. 22 May 1997 in the casual vacancy caused by the resignation of Mr Akbar Hydari. In addition to being a Director on the Board of ICI India Limited, he is a director of the following companies:

Public

Chairman	Director
1. Housing Development Finance Corpn Ltd	1. Hindustan Lever Limited
2. Infrastructure Development & Finance Company Ltd	2. Mahindra & Mahindra Limited
3. Glaxo India Limited	3. Hindustan Oil Exploration Corporation Ltd
4. Burroughs Wellcome (India) Limited	4. National Housing Bank
5. HDFC Asset Management Co Ltd	5. Castrol India Limited
6. HDFC Standard Life Insurance Co Ltd	6. The Indian Hotels Co Ltd



	7. Mahindra Telecommunications Ltd
	8. Steel Authority of India Limited
Nominee	
Director	1. National Stock Exchange of India Ltd
Alternate	
Director	1. Borax Morarji Ltd
	2. Zodiac Clothing Co Ltd
	3. Bharat Bijlee Ltd
	4. Exide Industries Ltd
	5. The Dharamsi Morarji Chemicals Co Ltd

Private

Director	1. Pathfinder Investment Co Pvt Ltd
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Mr Stephen Hamlett

Mr Stephen Hamlett is a professional manager and is presently working as Vice President of Asia Region of Imperial Chemical Industries PLC. He has earlier served in different positions in the UK, Malaysia and Belgium and as Chief Finance Officer of ICI Acrylics from 1994 to 1996 followed by a tenure as Vice President, Procurement and Logistics. He was appointed to the Board of ICI India Limited w.e.f. 1 January 2000 in the casual vacancy caused by the resignation of Mr DBC O'Shea. Apart from ICI India, he is a director of the following companies:

Public

Director	1. ICI Pakistan Limited
	2. Chemical Industries Colombo, Colombo
	3. ICI Explosives (USA) Inc
	4. ICI Explosives Environmental Company, USA
	5. ICI International Ltd, UK

Private

Director	1. Kaohsiung Monomer Co Ltd., Taiwan
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Mr R L Jain

Mr R L Jain is a Chemical Engineer with B. Tech Hons from IIT, Kharagpur and MBA – Finance from University of New Hampshire, USA. He joined the Company in 1974 and has over 26 years of experience in the ICI Group of Companies where he has held several senior positions. He has been a member of the Board since 1 June 1997. His other directorships are as below:

Public

Chairman	1. Indian Explosives Ltd
	2. Initiating Explosives Systems India Limited

Guarantee Company

Director	1. ICI India Research & Technology Centre
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Summary of membership of Committees of the Board in different companies held by the above directors is provided elsewhere in this report.

Disclosure of transactions where Non Executive Directors have pecuniary interest

None of the six NEDs have any pecuniary relationship or transactions vis-à-vis the Company, except to the extent that the Government of India holds 9.2% of the equity shares of the

Company pursuant to which the Government of India has nominated Mr Suresh Chandra to the Board of the Company.

The directors periodically disclose their interest in different companies and transactions/contracts of the company with such companies are taken on record in the Board meetings.

3. Audit Committee

The Audit Committee comprises 4 directors, all of whom are Non Executive Directors. The Managing Director, Director in charge of Finance, the Internal Auditors and Statutory Auditors are permanent invitees to the meetings. Any other Executive, where necessary, is also required to attend the meetings. The terms of reference of this committee are wide enough to cover the matters specified for the Audit Committees under the Listing Agreements and Sec. 292A of the Companies Act, 1956.

Meetings and attendance during the year

There were 3 Meetings of Audit Committee during the year 2000-01 (25 July 2000, 24 October 2000 and 24 January 2001). The attendance of each member of the Committee is given below:

Name of Director	Attendance
Mr D S Parekh	2
Mr M V Subbiah	2
Mr R Gopalakrishnan	2
Mr Stephen Hamlett	2

4. Remuneration of Directors

The remuneration and changes therein of WTDs is recommended by the Remuneration and Nomination (R&N) Committee of the Board based on agreed performance parameters. The remuneration to the non-Executive Directors is approved by the Board without participation of the concerned directors.

R & N Committee

The R & N Committee has four members all of whom are NEDs. The Chairman is a permanent invitee to the R&N meetings. While salary, allowances and perquisites payable to WTDs are recommended by the R&N Committee, any remuneration payable to NEDs is decided by the Board on the basis of recommendation by the Managing Director.

The Committee had four meetings (27 April 2000, 25 July 2000, 23 January 2001 and 15 March 2001). The attendance of each member is given below:

Name of Director	Attendance
Mr M V Subbiah	4
Mr D S Parekh	3
Mr R Gopalakrishnan	4
Mr Stephen Hamlett	2