



**THE
INDIA CEMENTS
LIMITED**

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ANNUAL REPORT
1999



Commissioning on 16th September, 1999 of readymix concrete plant at Thirumudivakkam, Chennai by Trishul Concrete Products P. Ltd., our associate company.

53rd Annual General Meeting

Date : 15th December, 1999
 Time : 10.30 a.m.
 Venue : Sathguru Gnanananda Hall,
 (Narada Gana Sabha)
 254, T.T.K. Road, Chennai 600 018.

A REQUEST

The practice of distributing copies of Annual Report at the Annual General Meeting has been discontinued in view of the high cost of paper and printing. Shareholders are, therefore, requested to bring their copy of the Annual Report to the Meeting.

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THE INDIA CEMENTS LIMITED

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BOARD OF DIRECTORS

Sri N. Sankar	Chairman
Sri N. Srinivasan	Vice Chairman & Managing Director
Sri N. Ramachandran	Executive Director
Sri N. Kumar	
Sri B.S. Adityan	
Dr. M.V. Kamath	
Sri N. Biswas	(Representing ICICI Ltd.)
Sri Gul M. Iqbal	(Representing UTI)
Sri N.R. Ranganathan	(Representing LIC)
Sri K. Sivaprakasam	(Representing IDBI)

Auditors

Messrs. Brahmayya & Co.,
Messrs. P.S. Subramania Iyer & Co.,
Chartered Accountants,
Chennai

Registered Office

"Dhun Building",
827, Anna Salai,
Chennai-600 002.

Cement Factories

TAMILNADU
Sankarnagar,
Tirunelveli District.

Sankari,
Salem District.

Dalavoi,
Perambalur District.

ANDHRA PRADESH
Chilamakur and Yerraguntla,
Cuddappah District.

Vishnupuram,
Nalgonda District.

Real Estate & Property Development Division
123, Marshalls Road, 2nd Floor,
Egmore, Chennai-600 008.



THE INDIA CEMENTS LIMITED

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

NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the fiftythird Annual General Meeting of The India Cements Limited will be held at 10.30 A.M. on Wednesday, the 15th December 1999 at SATHGURU GNANANANDA HALL (Narada Gana Sabha), 254, T.T.K. Road (Mowbrays Road), Chennai 600 018, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Directors' report, the accounts of the company for the year ended 31st March 1999 and the auditors' report thereon.
2. To declare dividend.
3. To appoint a Director in the place of Dr.M.V.Kamath who retires by rotation and is eligible for reappointment.
4. To appoint a Director in the place of Mr.N.Kumar who retires by rotation and is eligible for reappointment.
5. To appoint Auditors and fix their remuneration:

To consider and if thought fit, to pass with or without modification, the following SPECIAL RESOLUTION, pursuant to Section 224-A of the Companies Act, 1956;

"RESOLVED THAT M/s Brahmayya & Co., and M/s. P.S. Subramania Iyer & Co., Chartered Accountants, Chennai, be and are hereby appointed Auditors of the Company including its branch offices to hold Office from the conclusion of the fifty-third Annual General Meeting until the conclusion of fifty-fourth Annual General Meeting and that their remuneration be and is hereby fixed at Rs.4,00,000/- each, exclusive of all travelling and out of pocket expenses which shall be reimbursed to them."

SPECIAL BUSINESS:

6. To appoint Mr.Gul M. Iqbal as a Director of the Company and for that purpose to consider and if deemed fit, to pass the following ORDINARY RESOLUTION of which notice has been received from a member of the Company as required under Section 257 of the Companies Act, 1956:

'RESOLVED THAT Mr.Gul M. Iqbal be and is hereby appointed as a Director of the Company.'

7. To appoint Mr.N.Biswas as a Director of the Company and for that purpose to consider and if deemed fit, to pass the following ORDINARY RESOLUTION of which notice has been received from a member of the Company as required under Section 257 of the Companies Act, 1956:

'RESOLVED THAT Mr.N.Biswas be and is hereby appointed as a Director of the Company.'

8. To consider and if thought fit, to pass with or without modification the following resolution as an ORDINARY RESOLUTION:

'RESOLVED THAT subject to the consent of the Financial Institutions and other approvals as may be required and pursuant to the provisions of Sec.198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII of the said Act, as amended, Sri.N.Srinivasan be and is hereby appointed as Managing Director of the Company for a further period of 5 years with effect from 15th September 1999 on the following terms and conditions:

i) Remuneration:

Salary of Rs.1.5 lakhs per month. This includes dearness allowance and all other allowances not otherwise specified herein.

ii) In addition, the Managing Director will be entitled to the following:

- a) Commission: Such percentage of commission (in addition to Salary and Perquisites hereinafter stated) calculated with reference to the net profit of the Company for each financial year as may be fixed by the Board of Directors which together with salary and monetary value of perquisites shall not exceed the ceiling laid down under Sec.309 of the Companies Act, 1956.

b) Perquisites as under:

- 1) Housing: Rent free accommodation will be provided to the appointee for which ten per cent of the appointee's salary shall be recovered. In case no accommodation is provided by the Company, house rent allowance at sixty per cent of the appointee's salary, shall be paid. In addition, the appointee shall be allowed free use of the Company owned furniture and other consumer durables, if required.
- 2) The expenditure incurred by the appointee on gas, electricity, water and furnishings shall be reimbursed by the Company.
- 3) All medical expenses incurred by the appointee for self and his family shall be reimbursed.
- 4) Leave Travel Concession for the appointee and his family will be allowed once in a year as may be sanctioned by the Board.
- 5) Fees of Clubs subject to a maximum of two clubs; this will not include admission and life membership fees.
- 6) Personal Accident Insurance, the premium of which shall not exceed Rs.10,000/- per annum.
- 7) Contribution to Provident Fund, Superannuation Fund, Annuity Fund to the extent the same are not taxable under the Income Tax Act.
- 8) Gratuity as per the provisions of the Payment of Gratuity Act or as per the Gratuity Scheme of the Company, whichever is higher.
- 9) Provision of car with driver for use on Company's business and telephone at the residence.
- 10) Leave unavailed will be allowed to be encashed as per rules of the Company.

Minimum Remuneration:

The above appointee shall be paid the same remuneration as stated above as minimum remuneration, in the event of lack or inadequacy of profit subject to the ceiling on minimum remuneration as stated in Section II, Part II of Schedule XIII of the Companies Act, 1956, with such modifications as may be made therein from time to time.'

9. To consider and if thought fit, to pass with or without modification the following resolution as an ORDINARY RESOLUTION: 'RESOLVED THAT subject to the consent of the Financial Institutions and other approvals as may be required and pursuant to the provisions of Sec.198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII of the said Act, as amended, Sri.N.Ramachandran be and is hereby appointed as a wholetime Director of the Company for a further period of 5 years with effect from 15th September 1999 on the following terms and conditions:

- i) Remuneration: Salary of Rs.1.2 lakhs per month. This includes dearness allowance and all other allowances not otherwise specified herein.
- ii) In addition, the wholetime Director will be entitled to the following:
 - a) Commission: Such percentage of commission (in addition to Salary and Perquisites hereinafter stated) calculated with reference to the net profit of the Company for each financial year as may be fixed by the Board of Directors which together with salary and monetary value of perquisites shall not exceed the ceiling laid down under Sec.309 of the Companies Act, 1956.
 - b) Perquisites as under:
 - 1) Housing: Rent free accommodation will be provided to the appointee for which ten per cent of the appointee's salary shall be recovered. In case no accommodation is provided by the Company, house rent allowance at sixty per cent of the appointee's salary, shall be paid. In addition, the appointee shall be allowed free use of the Company owned furniture and other consumer durables, if required.
 - 2) The expenditure incurred by the appointee on gas, electricity, water and furnishings shall be reimbursed by the Company.
 - 3) All medical expenses incurred by the appointee for self and his family shall be reimbursed.



- 4) Leave Travel Concession for the appointee and his family will be allowed once in a year as may be sanctioned by the Board.
- 5) Fees of Clubs subject to a maximum of two clubs; this will not include admission and life membership fees.
- 6) Personal Accident Insurance, the premium of which shall not exceed Rs.10,000 per annum.
- 7) Contribution to Provident Fund, Superannuation Fund, Annuity Fund to the extent the same are not taxable under the Income Tax Act.
- 8) Gratuity as per the provisions of the Payment of Gratuity Act or as per the Gratuity Scheme of the Company, whichever is higher.
- 9) Provision of car with driver for use on Company's business and telephone at the residence.
- 10) Leave unavailed will be allowed to be encashed as per rules of the Company.

Minimum Remuneration:

The above appointee shall be paid the same remuneration as stated above as minimum remuneration, in the event of lack or inadequacy of profit subject to the ceiling on minimum remuneration as stated in Section II, Part II of Schedule XIII of the Companies Act, 1956, with such modifications as may be made therein from time to time.'

10. To consider and if thought fit, to pass with or without modification the following Resolutions as ORDINARY RESOLUTIONS:
"RESOLVED THAT pursuant to Section 94 and 16 and other applicable provisions, if any, of the Companies Act, 1956 and Articles of Association of the Company
a) The Authorised Capital of the Company be and is hereby increased from Rs.200,00,00,000 (Rupees Two Hundred Crores) divided into 50,00,000 Redeemable Cumulative Preference Shares of Rs.100/- each and 15,00,00,000 Equity Shares of Rs.10/- each to Rs.225,00,00,000 (Rupees Two Hundred and Twenty-Five Crores) divided into 75,00,000 Redeemable Cumulative Preference Shares of Rs.100/- each and 15,00,00,000 Equity Shares of Rs.10/- each.
b) The existing Clause V of the Memorandum of Association of the Company be and is hereby amended to read as follows:
The Share Capital of the Company is Rs.225,00,00,000 (Rupees Two Hundred and Twenty-Five Crores only) capable of being increased or decreased in accordance with the Company's Articles and legislative provisions for the time being in force divided into 75,00,000 Redeemable Cumulative Preference Shares of Rs.100/- each and 15,00,00,000 Equity Shares of Rs.10/- each."
11. To consider and if thought fit, to pass with or without modification the following Resolution as SPECIAL RESOLUTION:
"RESOLVED THAT the existing Article 4 of the Articles of Association of the Company be and is hereby amended in the manner following:
The Share Capital of the Company is Rs.225,00,00,000 (Rupees Two Hundred and Twenty-Five Crores only) divided into 75,00,000 Redeemable Cumulative Preference Shares of Rs.100/- each and 15,00,00,000 Equity Shares of Rs.10/- each."
12. To consider and if thought fit, to pass with or without modification the following Resolutions as SPECIAL RESOLUTIONS:
a) "RESOLVED THAT pursuant to Section 81 and other applicable provisions, if any, of the Companies Act, 1956 and subject to the provisions in the Memorandum and Articles of Association of the Company and the Listing Agreements entered into by the Company with the Stock Exchanges where the securities of the Company are listed and subject to the approvals, consents, permissions and/or sanctions as may be necessary of the Government of India (GOI), Reserve Bank of India (RBI), Securities and Exchange Board of India (SEBI), Financial Institutions, Debenture Trustees and any other appropriate Authority, Institution or Body and subject to such conditions and/or modifications as may be prescribed by any one or more or all of them in granting such approval, consent, permission and/or sanction, consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee constituted by the Board of

Directors or any Committee which the Board of Directors may hereafter constitute, to exercise one or more of its powers including the powers conferred by this resolution) to issue, offer and allot to the members and/or to banks, insurance companies, financial institutions, investment institutions, mutual funds, companies and other bodies corporate, non-resident Indians, Overseas Corporate Bodies (OCBs), Foreign Institutional Investors (FIIs), individuals and such other persons or class of persons or institutions whether Indian or foreign or bodies whether incorporated or not or others whether or not such investors are members of the Company on private placement basis and/or otherwise, as may be decided by the Board, in India or in one or more foreign markets equity shares with or without voting rights or both as permissible and/or securities convertible into such equity shares at the option of the Company and/or holders of the securities and/or securities linked to equity shares, any instruments or securities or depository receipts representing either equity shares or convertible securities and/or securities with or without detachable/non-detachable warrants with a right exercisable by the warrant holder to subscribe for the equity shares, at such price and in such manner and during such period as the Board may decide (hereinafter collectively referred to as "Securities") at such price and in such manner and during such period as the Board may decide for an aggregate amount not exceeding Rs.100 Crores (Rupees One Hundred Crores) in Rupee or in any other foreign currency(ies), inclusive of such premium, as may be fixed on such securities subscribed through prospectus and/or offer letter or circular and at such time(s), in such tranches) at the price(s) or at a discount or at a premium and in such manner as the Board may, in its absolute discretion think fit, in consultation with the Lead Managers and/or Underwriters and/or other Advisors, and otherwise on such terms and conditions as may be decided and deemed appropriate by the Board subject to any prevailing guidelines."

- b) "RESOLVED FURTHER THAT without prejudice to the generality of the above, the aforesaid securities may have all or any terms or combination of terms in accordance with prevailing practice including but not limited to terms and conditions in relation to payment of interest, additional interest, premia on redemption, prepayment or any other debt service payments whatsoever, besides terms as to security, if any, to be created for any of the securities with such ranking as the Board may determine and including terms for issue of additional equity shares or variation of the conversion price(s) of the securities during the duration of the securities."
- c) "RESOLVED FURTHER THAT the Board be and is hereby authorised to accept any modifications in the proposal as may be required by the agencies involved in such issues but subject to such conditions as the Government of India (GOI)/Reserve Bank of India (RBI)/Securities and Exchange Board of India (SEBI)/Financial Institutions/Investment Institutions/Insurance Companies/Debtenture Trustees and/or such other appropriate authority may impose at the time of their approval and as agreed to by the Board."
- d) "RESOLVED FURTHER THAT the Board be and is hereby authorised to enter into and execute all such contracts/arrangements with any Lead Managers, Managers, Co-Managers, Underwriters, Registrars, Guarantors, Depositories, Custodians and all such agencies as may be involved or concerned in such offerings of Securities and to remunerate all such Lead Managers, Managers, Co-managers, Guarantors, Underwriters, Registrars, Depositories, Custodians and all other agencies by way of commission, brokerage, fees or the like, and also to seek listing of such Securities in one or more Stock Exchanges in India or abroad."
- e) "RESOLVED FURTHER THAT the Company and/or an agency or body authorised by the Board may if necessary, issue Depository Receipt(s) or certificate(s) representing the underlying equity shares in the capital of the Company or such other Securities in registered or bearer form with such features and attributes as are prevalent in the international capital markets for instruments of this nature and providing for the tradeability or free transferability thereof as per international practices and regulations and under the forms and practices prevalent in the international markets."
- f) "RESOLVED FURTHER THAT the Board be and is hereby authorised to issue and allot subject to the Memorandum and Articles of Association of the Company such number of securities/equity shares as may be required to be issued and allotted as may be necessary in accordance with the terms of offer and all such shares will rank pari passu with the existing equity shares of the Company in all respects for and from the financial year in which they are allotted save and except that the said new equity shares shall be entitled to such dividend as may be declared at any time after allotment thereof on the amount paid up thereon on pro-rata basis."
- g) "RESOLVED FURTHER THAT pursuant to Sec.293(1)(a) and other applicable provisions of the Companies Act, 1956, the Board be and is hereby authorised to secure, if deemed fit, the entire or any part of the Securities



together with interest, costs, charges and other amounts payable in respect thereof by creation of mortgage/charge on the whole or part of the Company's immovable and/or movable properties, present and/or future with such ranking and other terms as may be decided by the Board."

- h) "RESOLVED FURTHER THAT, for the purpose of giving effect to the aforesaid resolutions, the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things as it may, at its discretion deem necessary or desirable for such purpose, including without limitation the entering into of underwriting, marketing Depository and Custodian arrangements, with power to settle any questions, difficulties or doubts that may arise in regard to any such issue and the allotment as it may in its absolute discretion deem fit."

13. To consider and if thought fit, to pass with or without modification, the following Resolutions as SPECIAL RESOLUTIONS:

- a) 'RESOLVED THAT pursuant to Section 81 and all other applicable provisions, if any, of the Companies Act, 1956 and subject to the provisions in the Memorandum and Articles of Association of the Company and the Listing Agreements to be entered into by the Company with the Stock Exchange(s) and subject to such approvals, consents, permissions and/or sanctions, as may be necessary of the Government of India (GOI), Reserve Bank of India (RBI), Securities and Exchange Board of India (SEBI), Financial Institutions, Debenture Trustees and any other appropriate authority, Institution or Body and subject to such conditions and or modifications, as may be prescribed by any authorities in granting such approval, consent, permission and/or sanction, which may be agreed to by the Board of Directors (hereinafter referred to as 'the Board' which term shall be deemed to include any Committee constituted by the Board of Directors or any Committee which the Board of Directors may hereafter constitute, to exercise one or more of its powers including the powers conferred by this resolution) consent of the Company be and is hereby accorded to the Board to issue, offer and allot Cumulative Redeemable Preference Shares (hereinafter referred to as preference shares) of the face value of Rs.100/- each of an aggregate amount not exceeding Rs.40 crores (Rupees Forty Crores), as the Board at its sole discretion may at any time or times hereafter decide, to the members and/or to banks, insurance companies, financial institutions, investment institutions, mutual funds, companies and other bodies corporate, non-resident Indians, overseas corporate bodies (OCBs), foreign institutional investors (FIIs), individuals and such other persons or class of persons or institutions whether Indian or foreign or bodies whether incorporated or not or others whether or not such investors are members of the Company whether through rights issue and/or private placement and/or otherwise and in one or more tranches, at such price or prices and on such terms and conditions including the number of shares to be issued, rate of dividend, premium/discount, if any, on issue/redemption, redemption period, manner of redemption and related or incidental matters, as the Board may in its absolute discretion think fit.'
- b) 'RESOLVED FURTHER THAT the Board be and is hereby authorised to accept any modifications in the proposal as may be required by the agencies involved in such issues but subject to such conditions as the Government of India (GOI)/Reserve Bank of India (RBI)/Securities and Exchange Board of India (SEBI)/Financial Institutions/Debenture Trustees and/or such other appropriate authority may impose at the time of their approval and as agreed to by the Board.'
- c) 'RESOLVED FURTHER THAT the Board be and is hereby authorised to enter into and execute all such contracts/arrangements with any Lead Managers, Managers, Co-Managers, Underwriters, Registrars, Guarantors and all such agencies as may be involved or concerned in such offerings of preference shares and to remunerate all such Lead Managers, Managers, Co-Managers, Underwriters, Registrars, Guarantors and all other agencies by way of commission, brokerage, fees or the like and also to seek listing of such preference shares in one or more Stock Exchanges, as may be necessary.'
- d) 'RESOLVED FURTHER THAT the Board be and is hereby authorised to issue and allot subject to the Memorandum and Articles of Association of the Company such number of preference shares, as may be required to be issued and allotted as may be necessary in accordance with the terms of offer and the said new preference shares shall be entitled to predetermined dividend if and when declared at any time after allotment thereof on the amount paid up thereon on pro-rata basis.'
- e) 'RESOLVED FURTHER THAT for the purpose of giving effect to the aforesaid resolutions, the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things as it may, at its discretion deem necessary or desirable for such purpose, including without limitation the entering into of underwriting, marketing arrangements, with power to settle any questions, difficulties or doubts that may arise in regard to any such issue and the allotment as it may in its absolute discretion deem fit.'

14. To consider and if thought fit, to pass with or without modification the following Resolution as an ORDINARY RESOLUTION:

"RESOLVED THAT the consent of the Company be and is hereby accorded to the Board of Directors under Section 293(1)(d) of the Companies Act, 1956 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 Capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purposes, provided that the total amount which may be so borrowed by the Board of Directors 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.1500 crores over and above the Paid-up Capital and free reserves of the Company for the time being."

15. To consider and if thought fit, to pass with or without modification, the following resolutions as ORDINARY RESOLUTIONS:

'RESOLVED THAT sanction and approval of the Company be and is hereby accorded to the Board of Directors of the Company under the provisions of Sec.293(1)(e) of the Companies Act, 1956, to contribute to charitable and other funds not directly relating to the business of the Company or the welfare of its employees amounting to Rs.68.98 lakhs made during the year 1998-99.'

'RESOLVED FURTHER THAT in supersession of all the earlier resolutions passed, consent of the Company be and is hereby accorded in terms of Sec.293(1)(e) of the Companies Act, 1956 to the Board of Directors to contribute, from time to time, in any financial year to charitable and other funds not directly relating to the business of the Company or the welfare of its employees, including contribution to India Cements Educational Trust and India Cements Educational Society not withstanding that the aggregate of such amounts will exceed in any financial year the sum of Rs.200 lakhs or 5% of the average net profits of the Company as determined in accordance with the provisions of Sections 349 and 350 of the Companies Act during the three financial years immediately preceding, whichever is greater and that the said power of the Board of Directors shall be in addition to the donations and contributions that have been or may be sanctioned by the Company in General Meetings.'

NOTES: 1. Explanatory statement is annexed to the Notice of the Fifty-third Annual General Meeting of the company as required by section 173(2) of the Companies Act, 1956 in respect of item Nos.5 to 15.

2. ANY MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. THE PROXIES SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

3. The Register of Members of the company will remain closed from 8th December 1999 to 15th December 1999 (both days inclusive).

4. The dividend, if approved, will be paid on or before 25th January 2000 to those Members (or their mandatees) whose names will appear in the Company's Register of Members on 15th December 1999.

5. Members who are holding shares in more than one folio are requested to write to the Company immediately enclosing their share certificates for consolidation of their holdings in one folio.

6. Pursuant to the Companies Act, 1956, unclaimed dividends upto and including for the financial year 1994-95 have been transferred to the General Revenue Account of the Central Government. Shareholders who have not encashed their dividend warrants relating to financial year(s) upto 1994-95 may claim the same from the Registrar of Companies, Tamil Nadu, No.26, Haddows Road, Chennai 600 006, in the prescribed form which will be supplied by the Company on request.

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

G. BALAKRISHNAN
Company Secretary

Place: Chennai 600 002
Date : 8th November 1999.



Explanatory Statement Annexed to the Notice of the Fiftythird Annual General Meeting of the Company in respect of Item Nos. 5 to 15

Item No.5:

A special resolution is necessary under Sec.224-A of the Companies Act 1956, for the appointment of Auditors as Financial Institutions, Nationalised Banks, Insurance Companies hold not less than 25% of the Subscribed Share Capital of the Company.

Item No.6:

Mr.Gul M. Iqbal was appointed as a Director of the Company by the Board in January 1999 on his nomination by Unit Trust of India. Mr.Gul M. Iqbal will hold office upto the date of the Fifty-third Annual General Meeting. Notice in writing under Section 257 of the Companies Act, 1956 has been received along with the necessary deposit from a member signifying his intention to propose the appointment of Mr.Gul M. Iqbal as a Director at the Fifty-third Annual General Meeting. Mr.Gul M. Iqbal is a reputed Management Consultant. This ordinary resolution is submitted to the meeting for approval.

Interest of Directors:

Mr.Gul M Iqbal is interested in the resolution as it concerns his appointment. No other director is directly or indirectly concerned or interested in this resolution.

Item No.7:

Mr.N.Biswas was appointed as a Director of the Company by the Board in November 1998 on his nomination by ICICI Limited. Mr.N.Biswas will hold office upto the date of the Fifty-third Annual General Meeting. Notice in writing under Section 257 of the Companies Act, 1956, has been received along with the necessary deposit from a member signifying his intention to propose the appointment of Mr.N.Biswas as a Director at the Fifty-third Annual General Meeting. Mr.N.Biswas is a retired Chairman of Bureau of Industrial Costs and Prices. This ordinary resolution is submitted to the meeting for approval.

Interest of Directors:

Mr.N.Biswas is interested in the resolution as it concerns his appointment. No other director is directly or indirectly concerned or interested in this resolution.

Item Nos. 8 & 9:

The period of appointment of Mr.N.Srinivasan as Managing Director, approved by the shareholders at the Extra Ordinary General Meeting of the Company held on 6th April 1994 expired by the close of 14th September 1999. The Board of Directors has reappointed Mr.N.Srinivasan as Managing Director for a further period of 5 years with effect from 15th September 1999, on the terms indicated in the resolution.

The period of appointment of Mr.N.Ramachandran as wholetime Director approved by the shareholders at the Extra Ordinary General Meeting of the Company held on 14th December 1994 expires by the close of 14th December 1999. The Board of Directors has reappointed Mr.N.Ramachandran as a wholetime Director for a period of 5 years with effect from 15th September 1999, on the terms indicated in the resolution.

The period 1994-99 was momentous in the history of your Company. The Company was a regional player in 1994 with a capacity of 2.6 million tonnes with three factories - one at Sankarnagar and at Sankaridrug and the third at Chilamkur. The Company's market was largely confined to Tamil Nadu and Kerala.

India Cements today is a national player, the installed capacity of the Group today standing at 7 million tonnes with 3 factories in Tamil Nadu and 5 factories in Andhra Pradesh. The market reach extends to Tamil Nadu, Kerala, Karnataka, Andhra Pradesh and Maharashtra.

Whereas the gross income and net profit of the Company before tax were Rs.549.96 crores and Rs.18.47 crores in 1993-94 the same were Rs.1393.92 crores and Rs.87.04 crores in 1998-99. In order that this level of growth is sustained and even improved upon it is essential that Mr.N.Srinivasan and Mr.N.Ramachandran are reappointed for a further period of 5 years. The Board of Directors recommends the resolutions to shareholders for approval.