



THE INDIA CEMENTS LIMITED

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R.A. Puram, Chennai - 600 028. Phone : 044-28521526 Telefax : 044-28517198 Grams : "INDCEMENT"

SH/NSE/

25th August 2012

National Stock Exchange of India Ltd
Exchange Plaza, 5th Floor
Plot No.C/1, G Block
Bandra-Kurla Complex
Bandra (E)
MUMBAI 400 051.

Dear Sirs,

**Sub.: Proceedings of the 66th Annual General Meeting held on 13th
August 2012**

We enclose a copy of the proceedings of the 66th Annual General Meeting of our Company held on 13th August 2012.

Kindly acknowledge receipt.

Thanking you,

Yours faithfully,
for THE INDIA CEMENTS LIMITED


**SR GENERAL MANAGER
(SHARES & DEPOSITS)**

Encl.: As above



**THE INDIA CEMENTS LIMITED
CHENNAI**

Proceedings of the Sixtysixth Annual General Meeting held At 10.00 A.M. on Monday, the 13th August, 2012, at Sathguru Gnanananda Hall (Naradha Gana Sabha), 314, T.T.K. Road, Alwarpet, Chennai 600 018.

- I Present in person including representatives : 2373
II Proxy Holders : 139
III Directors:
1. Sri.N.Srinivasan, Vice Chairman & Managing Director, Chairman of the Meeting
2. Mrs.Chitra Srinivasan
3. Dr.B.S.Adityan
4. Sri.Arun Datta
5. Sri.R.K.Das
6. Sri.N.R.Krishnan
7. Sri.V.Manickam
8. Sri.K.P.Nair
9. Sri.A.Sankarakrishnan
10. Sri.N.Srinivasan (Retd. Sr. Partner M/s.Fraser & Ross)

Sri.G.Balakrishnan, President & Company Secretary

As chosen by the members present, Sri.N.Srinivasan occupied the chair.

After greeting the shareholders, Sri.N.Srinivasan, Chairman of the meeting, informed that quorum was present, called the meeting to order and welcomed all the shareholders and proxies to the Sixtysixth Annual General Meeting of the Company.

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, 2012. The Secretary read the Auditors' Report. The Chairman delivered the following address to the Shareholders.

Ladies and Gentlemen,

I welcome all of you to the Sixty-Sixth Annual General Meeting of your Company. The audited Accounts and the Directors' Report for the year ended 31st March, 2012 have been with you for some time now and with your consent, I shall take them as read.

INTRODUCTION

Over the last twelve months the country has been witness to a plethora of scams giving the Opposition more than enough ammunition to corner the Government on all sides. Coalition constraints also bogged down the Government, resulting in policy paralysis in respect of big ticket reforms. The heavy electoral setbacks in Uttarpradesh, Punjab and Goa, further aggravated the political equations with the Government left with no room to manoeuvre and forced to resort to a "holding operation" to buy time to bring its recalcitrant allies on board in a bid to forge a consensus to push through the much needed economic reforms.

UNION BUDGET

The Union Budget for 2012 announced by the Finance Minister hugely disappointed the people of the country. There has been a tinkering with direct and indirect taxes without any positive direction. While the cumulative effect of the hike in Railway Freight coupled with the raising of Customs, Excise and Service tax will result in a cascading effect on prices adversely affecting the common man, the Finance Minister seems to have been hamstrung by 'coalition constraints' in introducing big ticket reforms intended to give a stimulus to economic growth.

Be that as it may, the maintenance of 'status quo' in respect of Corporate tax, reduction in Securities Transaction Tax, the slew of measures to boost agricultural and infrastructural development, the innovative tax saving Rajiv Gandhi Equity Scheme for retail investors, interest subvention for farmers who pay their dues in time, the External Commercial Borrowing (ECB) route to give an impetus to affordable housing and additional financial allocations for various welfare schemes are welcome features.

ECONOMY 2011-12

Against the back drop of the Eurozone crisis, turmoil in West Asia and spike in crude prices, the fiscal year 2011-12 was a year of recovery 'interrupted' for the Indian economy. India's GDP growth was 6.5% in 2011-12 a sharp fall from the GDP growth of 8.4% recorded in the previous year.

While the growth of 6.5% in 2011-12 can be considered reasonably satisfactory in view of the adverse global situation mentioned above, it would be unwise to ignore the fact that domestic factors like high inflation, depressed investment climate, policy paralysis and unaddressed manufacturing bottlenecks also slowed down industrial activity.

EXPORTS / IMPORTS

Owing to buoyant demand from diversified overseas markets, exports exceeded the targeted US\$ 300 billion for the fiscal year 2011-12. Imports during 2011-12 clocked a high of US\$ 485 billion mainly on account of rising global oil prices with oil imports touching US\$ 150 billion and the trade deficit widened to US\$ 185 billion. Another area of concern for the Government is the Current Account Deficit (CAD) which surged to 4.2% of GDP.

ECONOMIC OUTLOOK 2012-13

The two main reasons for faltering growth are the high fiscal deficit and poor investment. Another problem that the Government needs to address pertains to unsustainable and unjustifiable subsidies.

With the economic indicators in the first quarter of the current fiscal none too encouraging, the prospects of an economic revival in 2012-13 do not look very upbeat. However, against the background of the slowdown in the economy, the Prime Minister has initiated decisive measures to accelerate infrastructural development, boost Foreign Direct Investment (FDI) and stimulate economic growth. However, much more needs to be done to revitalize and reenergize the economy.

The prime need for the Government is to ensure speedy implementation of the unfinished economic agenda if the country is to clock the estimated GDP growth of 7-7.5% in 2012-13 and ensure that the India growth story remains vibrant and intact.

CEMENT INDUSTRY SCENARIO

During the year under review, the growth in Cement Industry demand improved to 6.60% as against a low of 4.70% in the previous year.

Demand growth was better in regions which saw brisk activity in Infrastructure & Housing, riding on the back of progressive policies of State Governments. The Western region recorded an impressive demand growth of 13.80% followed by the Northern region with 11% and the Central region with 9.30%. The East recorded a poor 2.90% demand growth, while in the South demand growth was flat primarily due to the lack of infrastructure and housing development projects in Andhra Pradesh and Karnataka.

In view of the country wide additional capacity creation much ahead of demand, the All India capacity utilization was slightly lower at 74.37% as against 74.93% in the previous fiscal, capacity utilization in the South, however, fell to 63% as compared to 65% recorded last year.

Based on information given by the Cement Manufacturers' Association (CMA), the overall production of Cement was 179.87 million tonnes as against 169.21 million tonnes in the previous year representing an increase of 6.3% while domestic consumption of cement in the country was 177.37 million tonnes up by around 6.5% as compared to 166.54 million tonnes in Financial Year 2010-11.

PERFORMANCE OF THE COMPANY

In the back drop of the All India Cement demand being less than satisfactory at 6.5% in 2011-12, the negative growth in the South for the first nine months of Financial year 2011-12, adverse market conditions such as erratic supply of Power in Andhra Pradesh and Tamil Nadu, reduced availability of Coal from Singareni Collieries Ltd., cost and inflationary pressures and increase in wages, your Company's performance can be considered to be extremely satisfactory.

Cement Production during 2011-12 was 94.63 lakh tonnes as against 99.80 lakh tonnes in the previous year, while the Gross Turnover was of the order of Rs.4222.69 crores up by 19% as compared to Rs.3540.33 crores in the last fiscal. The Operating Profit at Rs.922.64 crores was around 94.94% higher than Rs.473.30 crores recorded in the previous year. Net Profit after providing for depreciation, interest and tax stood at an impressive Rs.292.97 crores as against Rs.68.10 crores registered in the previous year.

I am happy to inform you that your Company's 48 MW Power Plant at Sankarnagar has been commissioned and is expected to go full steam ahead during the current fiscal 2012-13. Your Company has also commissioned railway sidings at its grinding units at Vallur, Chennai and Parli, Maharashtra and the consequent reduction in transportation cost of clinker by rail will have its full impact during the current financial year. Further, the expanded capacity of the Chilamkur Plant and the second line at Malkapur have stabilized and all these operational efficiencies are expected to play an important and significant role in enhancing the productivity performance and profits of the Company in 2012-13.

PERFORMANCE OF THE COMPANY DURING THE CURRENT FISCAL 2012-13

During the first quarter of the current fiscal, Cement production was 23.54 lakh tonnes, while Cement sales was 23.32 lakh tonnes.

Your Company is taking all necessary measures at the operational level to significantly improve the working results in the remaining part of the current fiscal. ✓

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, the Financial Institutions and our bankers. 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, 2012, the Accounts of the Company for the year ended 31st March, 2012 and the Auditors' Report thereon be and are hereby adopted." ✓

The resolution was seconded by Sri.K.S.Vijayaraghavan (DP Id: IN303340 & Client Id: 10004557)

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 capital employed, return on network etc., on the first page of the Annual Report. While congratulating the Management for donating a sum of Rs.30 lakhs to Jeevan Blood Bank and Research Centre in commemoration of Founder's birth centenary, he requested the Management to make substantial contribution to old age home, orphanages and the like. On the import of coal, Sri.S.Padmanabhan stated that the cost of imported coal was almost equal to indigenous coal and wanted to know how the Company proposed to import coal at a discounted rate in the event of nationalization of the coal industry by the Indonesian Government. He felt that the expenses incurred by the Company on Research and Development (R&D) were very meagre and requested the Chairman to strengthen the R&D process for the progress of the Company. Recalling the observations made by him at the last AGM on the listing fee paid to Madras Stock Exchange (MSE), Sri.S.Padmanabhan 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. Expressing his concern over the price of shares in the market, he wanted to know why the Company's shares were quoting below the book value of Rs.115.13. He referred to the Company indicating the whistle blower policy as part of non-mandatory requirements and suggested that the same be brought under mandatory fold. He opined that the outstanding contingent liabilities were more than the Company's equity and requested the Board to devote special attention to reduce the quantum of such liabilities. Referring to the additions to land and buildings, Sri.S.Padmanabhan suggested that a foot note detailing the additions be added under the head 'Fixed Assets' on land and buildings. He concluded his talk by requesting the Board to consider issuing bonus shares.

Sri.R.Vidyasankar (Client Id:1204470005731511) referred to the gap of more than three months between the Board meeting, which approved the accounts and the Annual General meeting and wanted that this period should be cut down in the interests of shareholders. He requested the Chairman to include more details under the head 'Ten Years in Brief – Financial Information' in the Annual Report. He felt that the Company had not performed well and opined that the increase in cost of production could not be cited as a reason for the lower profitability, as it could be only partly true. He also enquired about the current status of the matter relating to the Order of the Competition Commission of India (CCI) and expressed his views that imposition of penalty on the Company was a clear indication that the Company had not suffered any loss and had been performing well and making profits. On the expenses incurred by the Company on research and development, he sought clarifications on any new techniques / procedures having been found. He also enquired whether the National Council for Cement and Building Materials (NCBM) was a body of Government. He wanted an opportunity to be given for visiting Company's factory. Referring to the outstanding liabilities, Sri.R.Vidyasankar wanted to know how the Company proposed to liquidate the same. He referred to the dip in sales of clinker / cement in terms of percentage and cited that the increase in expenditure could be the reason for lower profit margin. He wanted information on the interest income, profit on sale of investments etc., classified under the head 'other income'. He suggested issue of bonus shares considering the huge reserves and surplus of the Company. He wondered whether the Company had taken the approval of the Reserve Bank of India for accepting fixed deposits from the public and sought information on deposits remaining unpaid on maturity and the rate of interest on fixed deposits accepted by the Company for different periods of maturity. On deductions to fixed assets, he enquired whether the sale was effected at book value or at market value and wanted to throw some light on the procedures adopted for effecting sales. He ended his talk by requesting the Chairman to clarify as to why the investment was made in Jagati Publications and in Karur KCP Packagings.

Sri.K.Thyagarajan (DP Id:IN300214 & Client Id:12564755) sought a clarification on whether IPL was a separate entity or forming part of the Company and wondered how the benefits the Company received on account of its owning a franchise in IPL would be passed on to the shareholders. He concluded by suggesting issue of IPL match tickets to the shareholders.

Sri.K.A.Doraiswamy (Client Id:1203840000326994) referred to the power generated from wind farms and wanted to know the cost per unit of power generated. On the sale of clinker, he wondered whether it was sold to other cement Companies. He also wanted to know the reasons for conducting both the Board Meeting and the Annual General Meeting on the same day.

The share capital of the Company, according to Sri.A.R.Venkitaraman (Folio No.V03857), remained static for many years and enquired from the Chairman, whether he had any proposal to reward the shareholders. He wondered whether it was proper to hold the Board Meeting and the Annual General Meeting simultaneously on the same day and sought a clarification from the Chairman.

Sri.T.Raman (DP Id:IN301313 & Client Id:21048367) expressed that the Company had performed better, which was reflected in higher sales and net profit. On the IPL franchise, he wanted to know why the activity of Chennai Super Kings had been omitted and sought to know how the revenue generated

from it had been reflected in the accounts. He complimented the Chairman for donating a sum of Rs.30 lakhs to Jeevan Blood Bank and Research Centre in commemoration of the Founder's birth centenary. While referring to the lower demand for cement in South, he wanted the Management to concentrate on other parts of the country. He also wanted to know why there had been delay in remitting sales tax and provident fund dues as per annexure to the Auditors' Report. According to him, deferred tax liability at Rs.324.51 crores and trade receivables at Rs.209.82 crores appeared to be on the higher side and requested the Board to take steps to reduce the same.

Sri.B.Srinivasan (DP Id:IN300441 & Client Id:10620581) requested the Chairman to reward the shareholders by issuing bonus shares.

Sri.Subramaniam Pabbisetty (Client Id:1203840000140012) referred to the timing of the Annual General Meeting and suggested holding the meeting at 11.00 a.m. Complimenting the Chairman for the efforts taken by him on the sports front, he suggested introducing an IPL dividend similar to those of a silver jubilee dividend, special dividend and the like declared by other Companies, as a goodwill measure. Referring to the profit after tax of Rs.292.97 crores, he wanted the Chairman to clarify, if IPL had contributed to the net profit. He also sought information on how the income generated from IPL franchise, after all expenses, had been reflected in the accounts. He requested the Chairman to look for the right opportunity, in the face of increasing franchise value, for effecting a change in the holdings of Chennai Super Kings.

Sri.N.Prakash Chand Galada (DP Id:IN300394 & Client Id:13743242) felt that though IPL had a good brand image internationally, there was no mention made in the Annual Report of the Company on the IPL franchise, Chennai Super Kings (CSK) and suggested giving brief information on CSK by publishing the Team's picture or the winning Trophy in the Annual Report.

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 briefed the shareholders on the demand-supply scenario prevailing in the industry and explained that with excess capacity coupled with a slump in demand for the building material most of the players in the industry were compelled to operate far below the capacity resulting in a dip in net profits. He added that even though the Company could utilize only 66% of its operating capacity, it had performed reasonably better compared to last year and the EBIDA went up substantially to Rs.922.64 crores from Rs.473.30 crores in 2010-11. He further pointed out that with good cost control and better realization, the EBIDTA for the first quarter of the current financial year was much higher than that of the corresponding quarter of the previous year. He assured the shareholders that with better capacity utilization, the net profits of the Company would improve substantially.

On the suggestion of a shareholder to make its presence felt in other parts of the country, the Chairman explained that in order to become a Pan India Player, the Company had set up a grinding unit at Parli, Maharashtra and with the supply of clinker from the Company's cement plant in Malkapur, the cement produced was distributed in and around Maharashtra. He added that the Company had also set up a cement plant in Rajasthan and made the Company owning it a subsidiary to reach the markets of Rajasthan and Gujarat. He further added that the Company's product was widespread and was now

available in Maharashtra, Madhya Pradesh and Gujarat other than the Southern States viz., Tamil Nadu, Kerala, Karnataka and Andhra Pradesh. He opined that the Company's cement plant in Nalgonda District, Andhra Pradesh was despatching cement to even as far as UP, Bihar and Oddissa, where there was demand.

Referring to the request of the shareholders for substantially increasing the contribution to old age homes, orphanages and the like, the Chairman stated that the Company had been donating sizably for various noble causes and would continue to do so in the years to come.

To a query of the shareholder on import of coal, the Chairman informed that the Company had got into an arrangement with a coalmine in Indonesia and was carrying out infrastructural development for making the coalmine minable and effective. He further stated that the Company had been taking all necessary permissions and felt that the coal might be exposed in 2-3 months' time. With regard to the change in policy of the Indonesian Government, he opined that the Company was closely monitoring the developments there and assured the shareholders that there was no need for them to be worried, as mining of coal would be done through the Company's subsidiary and the profits, if any, would be captured and consolidated in the accounts and the Company would not be a loser.

In reply to the comment on Research and Development (R&D), the Chairman emphasized the importance of research in the cement industry and referred to the R&D efforts of the National Council for Cement and Building Material (NCBM), which funded research on a central basis. On the question relating to NCBM, the Chairman clarified that NCBM itself was a body comprising Companies in the cement industry as members obviating the need for individual units to carryout research in a big way. The Company, as a member of NCBM, was contributing 75 paise per tonne of cement sold, as part of the Government collection as a cess, to NCBM.

About the suggestion made to delist the Company's Shares from Madras Stock Exchange (MSE), the Chairman stated that the listing fee paid to MSE was not sufficiently significant to save and it was nominal.

In response to a query of the shareholder on the whistle blower policy, the Chairman reiterated that the Company was complying with the provisions, which were considered mandatory and non-mandatory as classified by Securities and Exchange Board of India (SEBI) and would continue to do so in the years to come.

The Chairman indicated that the total disputed liability was about Rs.370 crores and informed that the same related to pending cases at various forums. He maintained that there was no need for the Company to make any provision for such disputes. While stating that the Company had only limited control over the settlement of such cases, the Chairman assured the shareholders that the Company had every option to succeed and whatever was possible was being done to reduce the quantum of such disputed cases.

On the additions to land and buildings etc., the Chairman emphasized that it would be too lengthy to furnish every addition with regard to land buildings and equipments and assured that the Company had sufficient processes and systems and that procurement of such assets was to improve the production process and not otherwise.

Replying to a query on the sale of assets, the Chairman gave a detailed account on the procedures followed when effecting sale of assets of the Company. He further added that whatever might be the scheme, a tender would be called for by the Company and the same would be offered to the best bidder.

To the shareholders' request on the timing of the Annual General Meeting, the Chairman informed that their views would be taken note of by the Board of Directors. The purpose of holding the Board Meeting and AGM simultaneously, the Chairman stated was to inform the shareholders of the Company's first quarter results and not for any other reason.

To a question as to why there was increase in cost of production, the Chairman explained that the increase in cost of production of the Company was lower compared to that of other players of cement industry.

On the issue of Competition Commission of India (CCI) Order, the Chairman did not agree with the comment of a shareholder that the imposition of penalty by CCI would bring disrepute to the Company. He 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 outlined in the said Order. He reiterated that it was only an Order and not final judgment on the issue and assured the shareholders of the bright chances the Company had on appeal and stated that the Company would appeal against the said Order.

As regards fixed deposits, the Chairman explained that the policy of the Company was not to accept deposits and stated that out of a total of Rs.13 crores that matured for repayment, some were paid and some remain unpaid due to the failure of the deposit holders to claim back their money. He further pointed out that he did not believe in fixed deposits as a source of financing for a manufacturing Company but was simply accepting deposits as he did not want to disappoint the deposit holders, who had reposed confidence in the Company.

In his reply to the request relating to factory visit by shareholders, the Chairman briefed the shareholders that the factories were not in close proximity to cities and that he had no objection, if there was request from sufficient number of shareholders.

To a query on the sale of clinker, the Chairman explained that the Company was not running at full capacity due to a slump in demand for cement, which resulted in glut of clinker stocks. He further stated that in order to avoid losing price on clinker stocks, it was decided to sell clinker to other cement Companies, who were short of clinker. Responding to a query of a shareholder, the Chairman stated that the investment in Jagati Publications was made along with that of Bharathi Cement Corporation Limited (BCCL) and informed that the Company had sold its investment in the latter at a profit. He further stated that the shares of Jagati Publications too, would be sold in course of time. He said that initially there was a potential opportunity to buy the plant owned by BCCL and on that premise, the investment in BCCL group was made by the Company. About the investment in Karur KCP Packagings, he clarified that the Company had picked up shares, when a public offer was made by Karur KCP and it was an investment made long back. The Chairman stated that Karur KCP was supplying cement bags to the Company.

Replying to the shareholders' query on IPL franchise, the Chairman clarified that Chennai Super Kings (CSK) was not a subsidiary and was part and parcel of the Company and was a good addition to the Company. He added that CSK contributed positively to cash flow and the fee paid was back into the Company in the form of share of media rights, sponsorship income and other sponsorships. In particular, the Chairman stated that IPL franchise had a total sponsorship income of Rs.137 crores during the last season (2012) and after all expenses, the revenue generated from this franchise was Rs.16 crores, which was included in the net profit of Rs.292.97 crores reported by the Company.

On the franchise ownership, the Chairman explained that the value of the franchise had gone up multifold and reiterated that there was no intention to sell CSK, which had provided a platform to improve corporate and brand image for the Company in a short span of time. He also made a mention that the franchise should be compared to that of a Jewel having huge value and whatever might be the increase in value, it would reside within the Company. He added that, thanks to CSK, the Company was able to penetrate the cement market in Rajasthan on the commissioning of a new plant in Rajasthan.

In reply to the request of a shareholder for IPL match tickets, the Chairman assured that arrangement would be made for shareholders to buy tickets.

On demand for issue of bonus shares, the Chairman stated that considering the large share capital at Rs.307.18 crores and also keeping in view the results of the Company, the situation did not warrant issue of bonus shares.

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. DECLARATION OF DIVIDEND ON EQUITY SHARES

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

"RESOLVED THAT a dividend 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 30,71,76,747 equity shares of Rs.10/- each, besides proportionate dividend on 1,910 partly paid up shares), be and is hereby declared by the Company for the year ended 31st March, 2012."

The resolution was seconded by Sri.N.Kadirvelu (DP Id: IN301549 & Client Id: 15826795).

Sri.S.Padmanaban (DP Id: IN301774 & Client Id: 10308922) was not satisfied with the dividend declared compared to the remuneration paid to the key managerial personnel and requested the Chairman to recommend higher dividend.

Sri.R.Vidyasankar (Client Id:1204470005731511) endorsed the views of Sri.S.Padmanabhan and felt that the dividend payout was very low and requested the Management to reward the shareholders by increasing the dividend.

Sri.A.R.Venkitaraman (Folio No.V03857) also requested the Chairman for higher dividend.

Sri.B.Srinivasan (DP Id:IN300441 & Client Id:10620581) endorsed the views of fellow shareholders and stressed the need for increasing the dividend.

Sri.Subramaniam Pabbisetty (Client Id: 1203840000140012) requested the Chairman to declare a special dividend, viz., IPL dividend.

Sri.T.Raman (DP Id: IN301313 & Client Id: 21048367) was appreciative of the Management for having declared a dividend higher than last year.

The Chairman in his reply stated that the dividend paid by the Company was better compared to last year and 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. REAPPOINTMENT OF SRI.N.SRINIVASAN RETIRING BY ROTATION AS A DIRECTOR

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

"RESOLVED THAT Sri.N.Srinivasan, 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.V.MANICKAM RETIRING BY ROTATION AS A DIRECTOR

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

"RESOLVED THAT Sri.V.Manickam, 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.N.Kadirvelu (DP Id: IN301549 & Client Id: 15826795).

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 SRI.A.SANKARAKRISHNAN RETIRING BY ROTATION AS A DIRECTOR

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

"RESOLVED THAT Sri.A.Sankar 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.K.S.Vijayaraghavan (DP Id: IN303340 & Client Id: 10004557).

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 AUDITORS AND FIXATION OF THEIR REMUNERATION

Sri.N.Kadirvelu (DP Id: IN301549 & Client Id:15826795) 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 sixtysixth Annual General Meeting until conclusion of the sixtyseventh Annual General Meeting and that their remuneration be and is hereby fixed at Rs.40,00,000/- 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.L.Sabaretnam (DP Id:IN301313 & Client Id:20329890).

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. REAPPOINTMENT AND PAYMENT OF REMUNERATION TO SRI.N.SRINIVASAN, MANAGING DIRECTOR FOR 5 YEARS (15.09.2012 TO 14.09.2017)

The Chairman expressed his interest and vacated the chair. The members present chose Sri.N.Srinivasan (F&R), Director, as Chairman. Sri.N.Srinivasan (F&R) occupied the chair as Pro tem Chairman.

Sri.R.Sankaran (DP Id: IN301080 & Client Id: 13414940) proposed the following resolutions as Ordinary Resolutions.

"RESOLVED THAT subject to the consent of the financial institutions and other approvals as may be required and pursuant to the provisions of Sections 198, 269, 309 and 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby accords its approval and consent for the reappointment of Sri.N.Srinivasan as Managing Director of the Company for a period of five years with effect from 15th September, 2012 and for the payment of remuneration to him for his services as Managing Director as set out hereunder.

- a) Salary Rs.30,00,000/- per month.
- b) Commission
Such percentage of commission (in addition to Salary, allowances, perquisites and benefits 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 allowances, perquisites and benefits shall not exceed the ceiling laid down under Section 309 of the Companies Act, 1956.
- c) Allowances and other Perquisites
 - i) Housing:
Rent-free accommodation will be provided to Sri.N.Srinivasan for which 10% of his salary will be recovered. In case no accommodation is provided by the Company, house rent allowance at 30% of his salary, shall be paid. In addition, he shall be allowed free use of the Company owned furniture and other consumer durables, as required.
 - ii) Others:
In addition, Sri.N.Srinivasan will be entitled to other allowances and perquisites together with reimbursement of expenses or allowances for utilities such as gas, electricity, water, furnishings and repairs; medical reimbursement; leave travel allowance for himself and his family; club fees; personal accident insurance and such other perquisites and allowances in accordance with the rules of the Company or as may be agreed to by the Board of Directors with Sri.N.Srinivasan, so however, that the value of such perquisites and allowances will be subject to a maximum of 45% of his annual salary.

Perquisites and allowances shall be evaluated as per Income Tax Rules, wherever applicable. In the absence of any such rules, perquisites and allowances shall be evaluated at actual cost. Provision for the use of Company's car for official duties and telephone, tele-fax, audio/video conferencing and other communication facilities at residence will not be included in the computation of perquisites and allowances for the purpose of calculating the said ceiling.

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

"RESOLVED FURTHER THAT the Board of Directors, be and is hereby authorized to vary from time to time, the percentage and quantum of the commission payable to the Managing Director, provided that the total remuneration payable whether by way of salary, perquisites, commission, allowances and benefits, shall not exceed the ceiling laid down under Section 309 of the Companies Act, 1956."

"RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year, the Company will pay remuneration by way of salary, allowances, perquisites and benefits as specified above as minimum remuneration, subject to obtaining requisite approvals."

"RESOLVED FURTHER THAT the scope and quantum of remuneration specified hereinabove, may be enhanced, enlarged or varied by the Board of Directors, in the light of and in conformity with any amendments to the relevant provisions of the Companies Act, 1956 and / or the rules and regulations made thereunder and/or such guidelines as may be announced by the Government of India, from time to time."

The resolutions were seconded by Sri.K.S.Vijayaraghavan (DP Id: IN303340 & Client Id: 10004557).

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

The Pro tem Chairman vacated the chair. Sri.N.Srinivasan reoccupied the chair.

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

Sri.D.Naveen Kumar (DP Id: IN303036 & Client Id: 10003146) 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 Bank(s) / Security Trustee / Debenture Trustee for the debenture holders to secure the following loans / debentures, by way of a first mortgage/charge on all of the immovable and movable fixed assets of the Company, present and future:

- (i) ICICI Bank Limited for its:
 - (a) External Commercial Borrowing of USD 60 Million equivalent to Rs.2700 Million,
 - (b) 11.25% - 4000 Secured Redeemable Non-Convertible Debentures of the face value of Rs.5 lakhs each, aggregating to Rs.200 crores and
- (ii) Axis Bank Limited for its Term Loan of Rs.300 crores,

together with interest thereon at the agreed rate, compound interest, additional interest, liquidated damages, commitment charges, premia on prepayment or redemption, remuneration payable to trustees, costs, charges, expenses and other monies payable by the Company to the aforesaid Banks / Security Trustee / Debenture Trustee for the debenture holders in terms of their heads of agreements / loan agreements / hypothecation agreements / debenture issue / subscription agreements / Trustee agreements / letters of sanction /

memorandum of terms and conditions entered into / to be entered into by the Company in respect of the said loans / debentures."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to finalize with the said Banks / Security Trustee and Debentureholders / Debenture Trustee 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