

**Minutes of the 34th Annual General Meeting of Sagar Cements Limited held at 4.00 p.m. on Wednesday, the 23rd September, 2015 at Hotel Golkonda, Masab Tank, Hyderabad – 500 028**

**Present**

Shri O.Swaminatha Reddy, Chairman-Independent  
Shri S.Veera Reddy, Managing Director / Member  
Shri S.Sreekanth Reddy, Executive Director / Member  
Shri K.Thanu Pillai, Non-Executive and Independent Director  
Shri V.H.Ramakrishnan, Non-Executive and Independent Director  
Sri K.Rajendra Prasad, APIDC Nominee, Non-Executive  
Shri John-Eric Fernand Pascal Cesar Bertrand, Non-Executive Director  
Mrs.S.Rachana, Non-Executive Director / Member

and other 68 Members in person and 7 Members by proxy

**Invitees**

Shri K.Ranganathan, Partner  
M/s.P.Srinivasan & Co., Chartered Accountants  
(Statutory Auditors of the Company)

Shri C.Ramachandram, Partner  
M/s.C.Ramachandram & Co., Chartered Accountants  
(Internal Auditors of the Company)

**In attendance**

Shri R.Soundararajan, Company Secretary  
Shri K.Prasad, Chief Financial Officer  
Shri M.S.A.Narayana Rao, Group President

**1. Chairman**

Shri O.Swaminatha Reddy, being the Chairman of the Board of Directors, presided over the meeting in accordance with Article 80 of the Articles of Association of the Company.

**2. Quorum**

Welcoming the members and confirming that the requisite quorum was duly present at the meeting, and calling the meeting to order, the Chairman introduced the directors present on the dias to the Members and further informed that as Dr.S.Anand Reddy, Joint Managing Director was out of station due to un-avoidable reason, he was unable to attend the meeting.

**3. Reading of the Notice of the Meeting**

At the request of the Chairman and with the consent of the members present, the Notice convening the meeting and Report of the Directors along with its annexures and Annual Accounts for the year ended 31<sup>st</sup> March 2015, copies of all of which were placed before the Meeting were taken as read.

**4. Chairman's Address**

Expressing his happiness for being with the shareholders, the Chairman thanked all the members present personally amidst their other pre-occupations and briefly shared his views on the current economic scenario at micro as well as macro levels. He said that the monsoon which was on the predicted line of below normal, was on its last leg across the country and the current subdued trend in the infrastructure and real estate activities was likely continue for a while and hence he did not foresee any dramatic improvement in the fortunes of the cement industry.

As far as the company scenario was concerned, he hoped that the current lull in the demand for cement would change once the efforts made by the Government of Andhra Pradesh and Telangana to revive the infrastructure and construction industries in these States started bearing fruits.

Regarding divestment in the JV, he informed the members that the proceeds realized from the said divestment would help the company to identify and grab new opportunities of growth in the cement industry.

He also mentioned about the recent acquisition of BMM Cements Limited (BMM), which was now a wholly-owned subsidiary of the company. He observed that the acquisition of BMM, which had a one million ton per annum capacity with a captive thermal power plant of 25 MW capacity would further strengthen the company's presence in the cement industry, particularly in the Southern States.

As far as the future outlook for the cement industry was concerned, the Chairman hoped that with the current monsoon season coming to an end and the consequent improvement in the off-take, the cement prices would eventually stabilize at reasonable levels in the months to come, which would enable the company to show a better performance during the current year. He, further hoped that the initiative taken by the Government, like development of smart cities would further lend a push to the infrastructure and housing sector, which would go a long way in increasing per capita consumption of cement, to drive the overall growth of cement industry in the long run.

Finally, he thanked all the entities associated with the company and the employees of the company at all levels for their continued support and contribution to the company.

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**5. Reading of the Auditors' Report**

At the request of the Chairman, the Company Secretary read the Report of the Auditors to the Members.

**6. Approval of the Resolutions**

The Chairman invited the attention of the members to the provisions of Section 108 of the Companies Act, 2013, read with relevant rules issued thereunder and Clause 35 B of the listing agreement, under which the company had provided e-voting facilities to the members to cast their votes electronically as an alternative to their participation and voting physically in the Annual General Meeting. He further stated that the shareholders who had not casted their votes through e-voting facility might cast their votes through ballot paper arranged at the meeting.

He added that in view of the above, consent of the members for passing the resolutions contained in the Notice of the meeting would be obtained by voting by poll, which included the votes already cast through e-voting.

However, the Chairman expressed his willingness to answer any queries pertaining to the resolutions proposed in the Notice before commencement of the poll

In response to the Chairman's request for queries, Mr.Bharat Shah, one of the shareholders present, expressed his happiness over the performance of the company and hoped that the acquisition of BMM would expand the company's market reach. He further hoped that with the proposed appointment of M/s.Deloitte Haskins & Sellts, Chartered Accountants as new auditors, the corporate governance in the company would further improve.

Mr.Shantilal, another shareholder complemented the company on the good performance and also congratulated the company for making a prudent investment in the acquisition of BMM. He hoped for issue of bonus shares and wanted to know any proposal for expanding the company's Mattampally plant. He also wanted to know whether the company was contemplating any proposal for splitting of shares.

Mr.Ranga Rao, another shareholder also wanted to know whether any issue of bonus shares was in the offing.

There being no other queries, in his reply, the Chairman thanked the members for their complements on the company's performance.



He hoped that with the acquisition of BMM, the market reach of SCL would further increase. Regarding issue of Bonus shares, the Chairman felt that time was not yet ripe for the same. Regarding splitting of shares, he said that the same would be considered at an appropriate time taking into consideration, inter-alia, the regulatory requirements. He also hoped that the acquisition of BMM would result in marketing synergy benefitting both the holding and subsidiary companies and said that further expansion of the Mattampally plant would be considered at an appropriate time.

Thereafter at the request of the Chairman, the Company Secretary read out all the resolutions to be transacted at the meeting as listed out in the notice of the meeting.

The Chairman thereafter requested the members present to exercise their votes through poll arranged at the venue and added that M/s.B.S.S. & Associates, Company Secretaries had been appointed as Scrutinizer for the purpose. He then advised the Scrutinizer to take the poll proceedings immediately and requested them to submit their report latest by 26th September, 2015. After completion of the voting process, the Chairman thanked the members for their participation and announced the formal closure of the 34<sup>th</sup> Annual General Meeting of the company at 4.55 p.m. and informed that the results of the polling would be announced taking in to consideration the votes cast in the poll arranged at the venue as well as the votes cast through just concluded e-voting and these would be made known through intimation to the Stock Exchanges and through the Company's web site.

Later, the Scrutinizer submitted his Report on 26<sup>th</sup> September 2015 to the Chairman giving the consolidated results of the poll conducted through physical ballot and e-voting for the resolutions mentioned in the Notice of 34th AGM of the company as under:

Sl. No.	Resolution	Total Valid Votes Cast	Voted in Favour of Resolution		Voted against Resolution	
			Total Votes	Percentage	Total Votes	Percentage
1	Adoption of Statement of Profit and Loss, Balance Sheet, Reports of Board of Directors and Auditors thereon for the year ended 31 <sup>st</sup> March, 2015.	14145076	14145076	100	Nil	Nil
2	Confirmation of interim dividend of Rs.5/- per share on the 1,73,88,014/- equity shares of Rs.10/- each of the company already paid and declaration of final dividend of Rs.2.50 per share on the 1,73,88,014/- equity shares of Rs.10/- each of the company for the year ended 31.3.2015.	14144977	14144977	100	Nil	Nil
3	Appointment of Shri S.Sreekanth Reddy (holding DIN: 00123889), who retires by rotation and is eligible for re-appointment as Director.	14144977	14144977	100	Nil	Nil

4	Appointment of M/s.Deloitte Haskins & Sells, Chartered Accountants (FR No.008072S) Auditors of the company to hold office from the conclusion of the 34 <sup>th</sup> Annual General Meeting up to the conclusion of the 39 <sup>th</sup> Annual General Meeting.	14144977	14144977	100	Nil	Nil
5	Appointment of Shri V.H.Ramakrishnan (holding DIN.00006391) as an Independent Director, to hold office for five consecutive years.	14144877	14144877	100	100	0.00
6	Appointment of Mrs.S.Rachana (holding DIN: 01590516) as a director liable to retire by rotation.	14144977	14144977	100	Nil	Nil
7	Modification in the terms of payment remuneration to Shri S.Veera Reddy, Managing Director of the company.	14144877	14144877	100	100	Nil
8	Ratification of the remuneration payable to M/s.Narasimha Murthy & Co., Cost Accountants, Hyderabad, to conduct the audit of the cost records of the company for the financial year ending March 31, 2016.	14144977	14144977	100	Nil	Nil
9	Alterations in the Memorandum of Association of the Company.	14144877	14144877	100	100	Nil
10	Alterations in the Articles of Association of the Company.	14144877	14144877	100	100	Nil

Based on the above analysis of the valid votes furnished by the Scrutinizer, the Chairman declared on 26.9.2015, that all the resolutions as contained in the Notice of the 34th AGM and reproduced hereunder had been passed with the requisite majority as part of the proceedings of the said AGM.

<b>ORDINARY BUSINESS</b>	
Resolution 1	<b>"Resolved that</b> the audited accounts of the Company containing the Balance Sheet as at and the Statement of Profit & Loss for the year ended 31st March 2015 together with their annexures and the reports of the auditors and directors thereon be and are hereby received, considered, approved and adopted."
Resolution 2	<b>"Resolved that</b> the interim dividend of Rs.5/- per share on the 1,73,88,014 equity shares of Rs.10/- each of the company paid to the shareholders for the year 2014-15 be and is hereby confirmed.  <b>Further Resolved that</b> a final dividend of Rs.2.50 per share on the 1,73,88,014 equity shares of Rs.10/- each of the company for the year 2014-15 be and is hereby declared."
Resolution 3	<b>"Resolved that</b> Shri S.Sreekanth Reddy (DIN: 00123889) be and is hereby re-appointed as a director liable to retire by rotation."

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Resolution 4	<p>“Resolved that pursuant to Section 139, 140 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under, in the place of M/s.P.Srinivasan &amp; Co., Chartered Accountants, who have conveyed their non availability to act as auditors of the company after this Annual General Meeting, M/s.Deloitte Haskins &amp; Sells, Chartered Accountants (Firm Registration No.008072S), in respect of whom a special notice under Sec.140 (4) of the Companies Act, 2013 has been received by the Company, be and are hereby appointed as auditors of the Company to hold office from the conclusion of its 34th Annual General Meeting upto the conclusion of the 39th Annual General Meeting subject to ratification by the shareholders annually, at such remuneration as may be fixed by the Board of Directors in consultation with the said firm.”</p>
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SPECIAL BUSINESS	
Resolution 5	<p><b>“Resolved that</b> approval be and is hereby accorded to the appointment of Shri Valliyur Hariharan Ramakrishnan (DIN: 00143948), as an Independent Director under Section 149 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under for a period of five years with effect from 30.03.2015.”</p>
Resolution 6	<p><b>“Resolved that</b> Mrs.Rachana Sammidi (DIN: 01590516) be and is hereby appointed as a director liable to retire by rotation.”</p>

Resolution 7	<p><b>“Resolved that</b> pursuant to Section 197 and other applicable provisions, if any, of the Companies Act, 2013 read with its Schedule V and subject to the approval, if any, required from the Central Government, the following remuneration be approved for payment to Shri S.Veera Reddy, Managing Director for the period from 1.4.2014 to 12.7.2016, which would also be the minimum remuneration payable to him in the event of loss or inadequacy of profit during the said period of his tenure as Managing Director subject to the same being restricted to the ceiling mentioned in Schedule V of the Companies Act, 2013 as amended from time to time.”</p> <p>Salary : Rs.6,00,000/- per month</p> <p><b>Perquisites:</b> As mutually agreed between the Managing Director and the Company, but restricted to 75% of the salary.</p> <p><b>Commission:</b> Such amount of commission calculated with reference to the Net Profit of the Company for each financial year as may be fixed by the Board of Directors or a Committee thereof, which together with the salary and perquisites shall not exceed the ceiling laid down in the Companies Act, 2013, as amended from time to time or any re-enactment thereof.</p> <p><b>Other benefits:</b> The Managing Director will be eligible for contribution to P.F., Superannuation Fund or Annuity to the extent these are not taxable, gratuity at a rate not exceeding half a month’s salary for each completed year of service and encashment of leave at the end of his tenure.</p> <p><b>“Resolved Further that</b> the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”</p>
Resolution 8	<p><b>“Resolved that</b> pursuant to Section 148 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors Rules), 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Company hereby ratifies the remuneration of Rs.2,00,000/- excluding reimbursement of actual travel and out of pocket expenses and applicable</p>


	<p>taxes payable to M/s.Narasimha Murthy &amp; Co., Cost Accountants, Hyderabad, the Cost Auditors (Firm Registration No. AACFN0570E), to conduct the audit of its cost records of the company for the financial year ending March 31, 2016.”</p> <p><b>“Resolved Further that</b> the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”</p>
Resolution 9	<p>To consider and, if thought fit, to pass, the following resolution as a Special Resolution:</p> <p><b>Pursuant to</b> the provisions of Sections 4 and 13 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under, it is hereby resolved to substitute the Clause II of the MoA with the following:</p> <p><b><i>II. The registered office of the company will be situated in the State of Telangana.</i></b></p> <p><b>“Resolved Further that</b> pursuant to the provisions of Sections 4 and 13 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under, the consent of the company be and is hereby accorded for alteration of the Clause III of the MoA of the company by substituting the heading of Clause III (A) and III (B) in it with the following:</p> <p><b><i>III (A) The objects to be pursued by the company on its incorporation are:</i></b></p> <p><b><i>III (B) Matters which are necessary for furtherance of the objects specified in Clause</i></b></p> <p><b><i>III (A) are:</i></b></p> <p><b>“Resolved Further that</b> the Clause III (C) of the Memorandum of Association of the Company be and is hereby deleted.”</p> <p><b>“Resolved Further that</b> pursuant to the provisions of Section 4, 13 and other applicable provisions, if any, of the Companies Act, 2013, consent of the company be and is hereby accorded to alter the Clause IV of the Memorandum of Association of the company by substituting the said Clause IV with the following:</p>

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	<p><b>IV. "The liability of the members of the company is limited and this liability is limited to the amount unpaid, if any, on the shares held by them."</b></p> <p><b>"Resolved Further that</b> pursuant to the provisions of Section 4, 13 and other applicable provisions, if any, of the Companies Act, 2013, consent of the company be and is hereby accorded to substitute the existing Clause V of the Memorandum of Association with the following:</p> <p><b>V. The Authorised Share Capital of the Company is Rs.22,00,00,000 (Rupees Twenty Two Crores only) divided into 2,00,00,000 (Two Crores) Equity Shares of Rs.10/- each and 20,00,000 (Twenty lakhs) Preference Shares of Rs.10/- each.</b></p> <p><b>"Resolved Further that</b> for the purpose of giving effect to the aforesaid resolutions, the Board of Directors of the company be and is hereby authorized to take such steps and to do all such other acts and deeds as it may deem fit and appropriate and as may be necessary to settle any question, difficulty or doubt that may arise in regard to the said resolutions."</p>
Resolution 10	<p><b>Resolved that</b> pursuant to the provisions of Section 5, 14 and other applicable provisions, if any, of the Companies Act, 2013 read with the Rules made there under (including any statutory modification(s) or re-enactment thereof, for the time being in force) the regulations contained in the existing Articles of Association of the company be and are hereby altered by substituting its present Articles No.1 to 184 with a new set of Articles 1 to 120 as per the draft submitted to this meeting."</p> <p><b>"Resolved Further that</b> the Board of Directors of the company be and are hereby authorized to do all such acts, deeds, matters and things as may be necessary, proper or expedient to give effect to this resolution."</p>

Hyderabad

  
**O.Swaminatha Reddy**  
**Chairman of the Meeting**