



SAGAR CEMENTS LIMITED

(CIN: L26942TG1981PLC002887)

Regd. Office: Plot No.111, Road No.10, Jubilee Hills, Hyderabad - 500033

Tel.No.: +91-40-23351571 Fax No.: +91-40-23356573 E-mail: info@sagarcements.in Website: www.sagarcements.in

NOTICE OF POSTAL BALLOT

(Pursuant to Rule 20 and 22 of the Companies (Management & Administration) Rules 2014 read with Section 110 of the Companies Act, 2013)

Dear Member(s),

NOTICE is hereby given that pursuant to Section 110 of Companies Act, 2013, read with Rule 20 and Rule 22 of the Companies (Management & Administration) Rule 2014, the resolutions appended below are proposed to be passed as special resolutions through postal ballot.

A Statement pursuant to Section 102 of the Companies Act, 2013 read with the Rule 22 mentioned above, setting out the material facts concerning the proposed Resolutions is also appended herewith for your consideration along with a Postal Ballot Form and a self addressed postage pre-paid envelope.

The Company has appointed Sri S.Srikanth, a practicing Company Secretary, (C.P.No.7999), as the 'Scrutinizer' for conducting the postal ballot and e-voting process in a fair and transparent manner.

The Company is pleased to offer the option of e-voting facility to all the members of the Company and the Company has entered into an agreement with Karvy Computershare Private Limited for facilitating such e-voting. Notice of Postal Ballot is being sent by e-mail to those Members who have registered their e-mail id for the receipt of documents in electronic mode. Members who have received Postal Ballot Notice by e-mail and wish to vote through Physical Postal Ballot Form can download Postal Ballot Form from the link <https://evoting.karvy.com>.

In case of physical voting, members desirous of exercising their vote by Postal Ballot are requested to complete the enclosed postal ballot form and return the same duly completed in the attached self-addressed, postage pre-paid envelope so as to reach the Scrutinizer at the following address, not later than 5.30 p.m. on 18th August, 2014.

Sri S.Srikanth

Scrutinizer

C/o: Karvy Computershare Private Limited

Unit: Sagar Cements Ltd,

Plot No.17-24, Vittal Rao Nagar

Madhapur, Hyderabad – 81

The members can also cast their votes by electronic mode. However, kindly note that members can opt only one mode of voting i.e. either by physical ballot or by e-voting. If you are opting for e-voting, then do not vote by physical Ballot also and vice versa. However, in case a member has voted both in physical as well as e-voting, then voting done through valid physical ballot shall prevail and voting done by e-voting shall be treated as invalid.

The Scrutinizer will submit his report to the Company after completion of the scrutiny and the result of the postal ballot will be announced at 5.30 p.m. on 20th August 2014 at the Registered office of the Company, The result of the Postal Ballot will also be posted on the website of the Company besides communication to Stock Exchanges where the shares of the Company are listed.

The Company is seeking your consent for the proposals as contained in the draft resolutions.

Item No.1

To consider and, if thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED THAT subject to approvals as may be required from any regulatory authorities, consent under Sections 180 (1)(a) and 188(1) of the Companies Act, 2013 and its other applicable provisions, if any, (including any amendment thereto for the time being in force) read with Rule 22(16)(i) of the Companies (Management & Administration) Rules, 2014, Rule 15 of the Companies (Meetings of Board & its Powers) Rules 2014 and other relevant Rules under the Companies Act, 2013 as amended from time to time, be and is hereby accorded to the Board of Directors to sell the entire 6,52,36,399 equity shares of Rs.10/- each held by the Company in Vicat Sagar Cement Private Limited for a total consideration of Rs. 435 crores to M/s. Parficim S.A.S., France, or its designated nominee(s), in one or more tranches."

"RESOLVED FURTHER THAT the Share Purchase Agreement, Termination Agreement and other related documents, if any, executed by the Board of Directors in connection with the proposed sale of shares, with Vicat Sagar Cement Private Limited as a party thereto be and are hereby ratified under Sec.188(3) and other applicable sections, if any, of the Companies Act, 2013."

"RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board of Directors of the Company or a Committee thereof, be and is hereby authorised to take such actions and to give all such directions as may be necessary or desirable and also to settle any question or difficulty that may arise in regard to the proposed sale and further to do all such acts, deeds, matters and things and to finalize and execute all such further deeds, agreement(s), documents, undertakings and writings as may be necessary, desirable or expedient in connection therewith".

Item No.2

To consider and, if thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED THAT in supersession of the earlier resolution passed by the Members at the 25th Annual General Meeting held on 28th September, 2006, consent of the Members be and is hereby accorded pursuant to Section 180(1)(c) and any other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications thereof and any rules thereunder for the time being in force), to the Board of Directors of the Company to borrow for the purpose of business, such sum or sums of monies as they may deem necessary, notwithstanding the fact that the money to be borrowed together with the money already borrowed 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 purpose, provided that at any time the total outstanding amount of such borrowings, apart from temporary loans obtained from the Company's Bankers in the ordinary course of business, shall not exceed Rs. 2000 crores."

“RESOLVED FURTHER that the Board of Directors be and is hereby authorized and empowered to arrange or settle the terms and conditions on which all such monies are to be borrowed from time to time as to interest, repayment, security or otherwise howsoever as it may think fit and to do all such acts, deeds and things, to execute all such documents, instruments and writings as may be required.”

Item No.3

To consider and, if thought fit, to pass the following resolution as a Special Resolution:

“RESOLVED THAT consent be and is hereby accorded under Section 180(1)(a), and other applicable provisions, if any, of the Companies Act, 2013 to the Board of Directors of the Company to mortgage and or charge all or any of the moveable and immovable properties of the Company, wherever situate, present and future, and to confer power to enter upon and to take possession of assets of the Company in certain events, in favour of Financial Institutions, Banks and other entities to secure the term loan and other credit facilities extended or as may be extended by them to the company from time to time, together with interest, compound / additional interest at the respective agreed rates, premia on prepayment or on redemption, cost, charges, expenses and all other monies payable by the Company to the above said lenders in terms of the sanction governing such term loan(s) and credit facilities up to the limit as may be approved by the members from time to time under section 180(1)(c) of the Companies Act, 2013.”

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

Item No.4

To consider and, if thought fit, to pass the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 186 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification thereof for the time being in force and as may be enacted from time to time) and subject to such other approvals, consents, sanctions and permissions, as may be necessary, and the Articles of Association of the Company and all other provisions of applicable laws, consent of the members 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 include any Committee constituted by the Board or any person(s) authorized by the Board to exercise the powers conferred on the Board by this Resolution), to give loans to any other body(ies) corporate and / or give any guarantee or provide security in connection with a loan to any other body(ies) corporate and / or acquire by way of subscription, purchase or otherwise, the securities of any body(ies) corporate upto an aggregate amount not exceeding Rs.1000 crores notwithstanding that the aggregate of the loans or guarantees or securities so far given or to be given and/ or securities so far acquired or to be acquired by the Company may collectively exceed the limits prescribed under Section 186 of the Companies Act, 2013.”

“RESOLVED FURTHER THAT the Board be and is hereby authorised to take from time to time all decisions including finalization of the terms and conditions for giving the loans, guarantees or providing securities or for making such investments and to execute such documents, deeds, writings, papers and/or agreements as may be required and do all such further acts, deeds, matters and things, as it may in its absolute discretion, deem fit, necessary or appropriate.”

BY ORDER OF THE BOARD
For SAGAR CEMENTS LIMITED

Hyderabad
15th July, 2014

R.Soundararajan
Company Secretary

NOTES :

1. Explanatory Statement and reasons for the proposed special businesses pursuant to Section 102(1) read with Section 110 of the Companies Act, 2013 are given hereunder.
2. The Notice is being sent through the prescribed methods to all the Members whose names appeared in the Register of Members/ Record of Depositories as on Friday, the 11th July 2014.
3. In compliance with the provisions of Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014, the Company is also extending e-voting facility as an alternate, for its Members to enable them to cast their votes electronically instead of dispatching Postal Ballot Form/s.
4. The Board of Directors of the Company has appointed Sri S.Srikanth, Practicing Company Secretary, as scrutinizer for conducting the Postal Ballot and e-voting process in a fair and transparent manner and to receive and scrutinize the completed ballot papers from the Members. After completion of his scrutiny, the Scrutinizer will submit his report to the Chairman and in his absence to the Company Secretary of the Company.
5. The Resolutions will be taken as passed effectively on the date of announcement of the result by the Chairman and in his absence by the Company Secretary of the Company, if the result of the Postal Ballots indicates that the requisite majority of the Shareholders had assented to the Resolutions. The result of the Postal Ballot will be announced at 5.30 P.M. on 20th August 2014 at the Registered Office of the Company. After the announcement, the result of the Postal Ballot shall also be posted on the Company's website www.sagarcements.in besides communicating the same to the Bombay Stock Exchange Limited and National Stock Exchange Limited where the shares of the Company have been listed.
6. A copy of each of the documents referred to in the accompanying Explanatory Statement is open for inspection at the Registered Office of the Company between 10.00 a.m. to 12.00 noon on any working day excluding Saturday and Sunday till the last date for receiving Postal Ballot Forms by scrutinizer i.e. August 18, 2014.
7. The Postal Ballot form and the self-addressed business reply envelope are enclosed for use of members. Shareholders are requested to carefully read the instructions printed on the backside of the Postal Ballot Form before exercising their vote.

The procedure and instructions for e-voting are as follows:

- i. Members can cast their vote online from July 20, 2014 at 10.00 a.m. till August 18, 2014 at 5.30 p.m.
- ii. Open your web browser during the voting period and navigate to 'https://evoting.karvy.com
- iii. Enter the login credentials (i.e., user-id & password) mentioned on the Postal Ballot Form. Your folio DP Client ID will be your User-ID

User ID	For Members holding shares in Demat Form:- a. For NSDL : 8 Character DP ID followed by 8 Digits Client ID b. For CDSL :- 16 digits beneficiary ID c. For Members holding shares in Physical Form: Event no. followed by Folio Number registered with the company
Password	Your Unique password is printed on the Postal Ballot Form / forwarded via email through the electronic notice
Captcha	Enter the Verification code i.e., please enter the alphabets and numbers in the exact way as they are displayed for security reasons.

- iv. Please contact our toll free No. **1-800-34-54-001** for any further clarifications.
- v. After entering these details appropriately, click on "LOGIN".
- vi. Members holding shares in Demat-Physical form will now reach Password Change menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. Kindly note that this password can be used by the Demat holders for voting for resolution of any other Company on which they are eligible to vote, provided that Company opts for e-voting through **Karvy Computershare Private Limited e-Voting platform**. System will prompt you to change your password and update any contact details like mobile number, email ID etc on 1st login. You may also enter the **Secret Question** and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- vii. You need to login again with the new credentials.
- viii. On successful login, system will prompt you to select the 'Event' i.e., **'Company Name'**.
- ix. If you are holding shares in Demat form and had logged on to "https://evoting.karvy.com" and casted your vote earlier for any company, then your exiting login id and password are to be used.
- x. On the voting page, you will see Resolution Description and against the same the option 'FOR/AGAINST/ABSTAIN' for voting. Enter the number of shares (which represents number of votes) under 'FOR/AGAINST /ABSTAIN' or alternatively you may partially enter any number in 'FOR' and partially in 'AGAINST', but the total number in 'FOR/AGAINST' taken together should not exceed your total shareholding. If the shareholder does not want to cast his vote, he may select 'ABSTAIN'.
- xi. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xii. Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.
- xiii. Members can cast their vote online till they have voted on all the Resolutions or till the end of the voting period i.e. the last date of receipt of Postal Ballot Form i.e., 5.30 p.m. on 18th August, 2014, whichever is earlier.
- xiv. Corporate/Institutional Members (Corporate /FIs/FIIs/Trust/Mutual Funds/Banks, etc) are required to send scan (PDF format) of the relevant Board resolution to the Scrutinizer through e-mail to srikanthpcs99@gmail.com with copy to evoting@karvy.com. The file containing the scanned image of the Board Resolution should be in the naming format **"Corporate Name Event no."**

Statement pursuant to Section 102 and 110 of the Companies Act, 2013 read with Rule 22(1) of the Companies (Management & Administration) Rule 2014

On Item No.1

As the members are aware, your company had entered into a joint venture agreement in the year 2008 with Vicat S.A. of France to set up a cement plant of 5.5 million capacity in Gulbarga District in Karnataka State, along with a captive power plant of 60 MW capacity. A separate company under the name "Vicat Sagar Cement Private Limited" (VSCPL) was subsequently formed to implement the above project. The first phase of the project with 2.75 Million tones capacity has since been commissioned. Sagar Cements Limited (SCL) has so far invested a sum of Rs.86 crores in VSCPL in the form of 6,52,36,399 equity shares of Rs.10/- each, representing 47% of the paid up capital of the said VSCPL, in which the balance 53% is held by the affiliates of Vicat S.A..

Evincing keen interest in acquiring the entire stake of 6,52,36,399 equity shares held by SCL in VSCPL, Parficim S.A.S., one of the above said affiliates of Vicat S.A. has offered to buy the said 6,52,36,399 equity shares for a total consideration of Rs. 435 crores i.e., at a price of around Rs. 66.68 per share. This price is attractive in the sense that it is higher than the fair value of Rs. 37.09 per share as computed by a firm of Chartered Accountants, whose valuation report was considered and taken on record by your Board at its meeting held on 15th July 2014.

Your directors believe that exiting from the said joint venture would be beneficial to your company in the long term, as the proceeds of the stake sale could be utilized by your company for, inter-alia, acquiring new facilities and to increase the current capacity at its existing plant. The proposed sale of investments held by the Company in VSCPL may amount to disposal of substantially whole of the undertaking which requires the consent of the company by a Special Resolution under Sec.180(1) (a) of the Companies Act, 2013. Pending such approval, it is proposed to enter into a Share Purchase Agreement with Parficim S.A.S. (Buyer) in connection with the said sale of investments and a Termination Agreement with Vicat S.A., to facilitate the exit by your company from the above said Joint Venture. VSCPL will be one of the parties to both these Agreements. By virtue of VSCPL and Sagar Cements Ltd having common directors and VSCPL being an 'associate company' of Sagar Cements Ltd within the meaning of Sec.2(6) of the Companies Act 2013, VSCPL is considered as a related party under Sec.2(76)(iv) and Sec.2(76)(viii) of the said Act. Thus the proposed execution of the Share Purchase Agreement and Termination Agreement with VSCPL, as one of the parties thereto, would require the ratification by the shareholders u/s 188(3) of the Act, read with Rule 15(3) of the Cos.(Meetings of Board & its Powers) Rules, 2014. The following information is furnished in accordance with the Explanation to the said Rule.

(a)	Name of the related party	Vicat Sagar Cement Private Limited
(b)	Name of the director or key managerial personnel who is related, if any.	Dr.S.Anand Reddy and Shri S.Sreekanth Reddy, directors of SCL are its nominee directors on the Board of VSCPL. However these directors are not holding any shares in VSCPL

(c)	Nature of relationship	VSCPL is an associate company of SCL and is a joint venture between Vicat S.A. Parifeim S.A.S. and SCL.
(d)	Nature, material terms, monetary value and particulars of the contract or arrangement	The contract arrangement pertains to the sale of shares held by SCL in VSCPL to Parifeim S.A.S. as mentioned in the resolution in item no.1 of the notice and exit of SCL from the Joint Venture following the said stake sale, vide Share Purchase Agreement and Termination Agreement under execution for the purpose.
(e)	Any other information relevant or important for the members to take a decision on the proposed resolution.	None

This Valuation Report as well as the draft of the Share Purchase Agreement and Termination Agreement under execution are available for inspection by members at the Registered Office of the Company during the office hours on any working day from 19th July 2014 up to 18th August 2014.

Your Board of Directors recommends the passing of the Resolution in Item no. 1 of the Notice as a special resolution u/s 180(1)(a) and 188 of the companies Act, 2013.

Dr.S.Anand Reddy and Shri S.Sreekanth Reddy are on the Board of VSCPL as nominee directors of SCL. Shri S.Veera Reddy is a relative of these two directors. Excepting to this extent None of the other Directors and Key Managerial Personnel of the Company and their respective relatives is concerned or interested, financial or otherwise, in the passing of the resolution. None of the persons mentioned above is holding any shares in VSCPL.

On item no. 2 & 3

At the 25th Annual General Meeting held on 28th September 2006, the Members had by way of an Ordinary Resolution and in pursuance of the provisions of the Sec.293(1)(d) of said Companies Act, 1956 approved the borrowing on behalf of the Company up to a sum of Rs.400 crores, notwithstanding the same being in excess of the aggregate of the paid-up capital of the Company and its free reserves.

Similarly, at the Extra-ordinary General Meeting of the Company held on 9th March 2007, the Members had, by way of an Ordinary Resolution and in pursuance of the provisions of Section 293(1)(a) of the previous Companies Act, 1956, approved the creation of mortgage or charge as security for the borrowings by the Company.

Under Section 180 of the newly enacted Companies Act, 2013, the above powers of the Board can now be exercised only with the consent of the company obtained by Special Resolutions.

The Ministry of Corporate Affairs ("MCA") has vide its General Circular No 4/2014 dated March 25, 2014 clarified that the Ordinary Resolutions already passed under Sections 293(1)(a) and 293(1)(d) of the Companies Act, 1956 would be sufficient compliance of Section 180 of the Act until September 11, 2014.

Fresh approvals of the Members for the borrowings at an enhanced limit to meet the future requirements and creation of a mortgage or charge for the purpose are therefore now being sought, by way of a Special Resolutions, pursuant to Section 180(1)(c) and 180(1)(a) respectively under the present Companies Act, 2013.

Your Directors commend the Resolutions for approval of the Members.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives is concerned or interested, financial or otherwise, in the passing of the Resolutions at Item Nos. 2 and 3 of the notice.

On Item No.4

As per the provisions of Section 186 of the Companies Act, 2013, the Board of Directors of a Company can make any loan, investment or give guarantee or provide any security beyond the prescribed ceiling of i) Sixty per cent of the aggregate of the paid-up capital and free reserves and securities premium account or, ii) Hundred per cent of its free reserves and securities premium account, whichever is more, if a special resolution approving the same is passed by the members of the Company.

Your company is currently looking for opportunities to expand its operation through, inter-alia, acquisition route. This may call for investment in the entities to be acquired apart from providing guarantees / securities for them. As a measure of achieving greater financial flexibility and to enable optimal financing structure, an enabling permission is sought from the members pursuant to the said Section 186 to enable the Board of Directors of the Company or any duly constituted committee thereof, to invest in other bodies corporate and or provide loans or give guarantee or provide security in connection with loans from time to time within an aggregate amount of Rs. 1000 crore.

The actual investment(s), loan(s), guarantee(s) and security (ies), as the case may be, will be made in accordance with the applicable provisions of the Companies Act, 2013 and relevant rules made there under. These investments are proposed to be made out of own surplus funds internal accruals and or any other sources including borrowings, if necessary, to achieve the Company's long term strategic and business objectives.

The Board accordingly recommends the passing of the Special resolution. None of the Directors, Key Managerial Personnel or their relatives is in any way concerned or interested, financially or otherwise in this resolution except to the extent of their shareholdings, if any, in the company.

BY ORDER OF THE BOARD
For SAGAR CEMENTS LIMITED

R.Soundararajan
Company Secretary

Hyderabad
15th July, 2014



SAGAR CEMENTS LIMITED

CIN – L26942TG1981PLC002887

Registered Office: Plot No.111, Road No.10, Jubilee Hills, Hyderabad-500 033

Tel.No.: +91-40-23351571 Fax No.: +91-40-23356573 E-mail: info@sagarcements.in Website: www.sagarcements.in

POSTAL BALLOT FORM

(Kindly refer to the instructions specified overlaid before filling the form)

Serial No. :

1. Name and Registered Address of the Sole/First named :
Shareholder

2. Name(s) of the joint shareholder(s) if any. :

3. Registered Folio No./ DP Id No./ Client ID No.* :
(*Applicable to investors holding shares in dematerialized form)

4. No. of shares held :

I/We hereby exercise my/our vote in respect of the Special Resolutions to be passed through postal ballot for the business stated in the notice of the Company dated 15th July, 2014, by sending my/our consent or dissent to the said resolution by placing tick(✓) mark at the appropriate box below.

Sl No.	Brief particulars of the item	Type of Resolution	No. of Shares	I/We assent to the Resolution (FOR)	I/We dissent to the Resolution (AGAINST)
1.	Resolution under Section 180 (1) (a) and 188 (1) of the Companies Act, 2013 seeking the approval of the shareholders for the sale of investment held in Vicat Sagar Cement Pvt.Ltd., and execution of documents connected therewith.	Special			
2.	Resolution under Section 180 (1) (c) of the Companies Act, 2013 seeking the approval of the shareholders for borrowing amounts beyond the limits mentioned in the said section and up to the sum mentioned in the resolution.	Special			
3.	Resolution under Section 180 (1) (a) of the Companies Act, 2013 seeking the approval of the shareholders for mortgaging / charging the properties of the company for securing the present and future borrowings within the limits as may be approved by the shareholders u/s.180 (1) (c) from time to time.	Special			
4.	Resolution under Section 186 of the Companies Act, 2013 seeking the approval of the shareholders for making investments, giving guarantees, granting loans or providing security up to the sum mentioned in the resolution.	Special			

Place :

Date :

Signature of the Equity Shareholder
(must be as per specimen signature registered with the company)

Electronic Voting Particulars

EVEN (E-Voting Event Number)	USER ID	PASSWORD/PIN

INSTRUCTIONS

1. A shareholder desiring to exercise vote by postal ballot may complete this postal ballot form and send it to the Scrutinizer in the attached self-addressed reply envelope. Postage will be borne by the company. However, envelopes containing postal ballots, if deposited in person or sent by courier or Registered Post / Speed Post at the expense of the Member will also be accepted.
2. Voting Rights: Shareholders holding equity shares shall have one vote per share as shown against their holding.
3. The self-addressed envelope contains the address of the Scrutinizer appointed by the Board of Directors.
4. This form should be completed and signed by the shareholder as per the specimen signature registered with the Company. In case of joint holding, this form should be completed and signed (as per the specimen signature registered with the company) by the first named shareholder and in his absence, by the next named shareholder.
5. Unsigned postal ballot or incomplete postal ballot forms will be rejected.
6. The right of voting by Postal Ballot shall not be exercised by a Proxy.
7. In case of shares held by companies, trusts, societies etc., the duly filled in postal ballot form should be accompanied by a certified true copy of the appropriate Resolution/Authority to the person voting on the Postal Ballot Form.
8. In case the postal ballot is signed by the holder of power of attorney, reference to the power of attorney registration with the Company should be mentioned in the postal ballot form. In case a postal ballot form has been signed by an authorized representative of a body corporate, a certified copy of the relevant authorization to vote on the postal ballot should accompany the postal ballot form. Where the postal ballot form has been signed by a representative of the President of India or of the Governor of a State, a certified copy of the nomination should accompany the postal ballot form.
9. Duly signed Postal Ballot Form should reach the Scrutinizer not later than 5.30 p.m. on 18th day of August 2014. All postal ballot forms received after this date will be strictly treated as if reply from such shareholder has not been received.
10. A shareholder may request for a duplicate postal ballot form, if so required. However, the duly filled in duplicate postal ballot form should reach the Scrutinizer not later than the date specified at item 9 above.
11. For shares held in demat form, voting rights shall be reckoned on the paid-up value of the shares registered in the name of the shareholder as on Friday, the 11th July, 2014 viz., the date of download of beneficial position from NSDL and CDSL. For shares held in physical form, the voting rights shall be reckoned with as on the same date as aforementioned viz., Friday, the 11th July, 2014.
12. Members have the option either to vote through the e-voting process or through the Postal Ballot Form. Members who have received the Postal Ballot Notice by e-mail and who wish to vote through Postal Ballot Form can download the Postal Ballot Form from <https://evoting.karvy.com> or seek duplicate Postal Ballot Form from the Company's Registrar & Transfer Agent viz., Karvy Computershare Private Limited, Unit: Sagar Cements Limited, Plot No.17-24, Vittal Rao Nagar, Madhapur, Hyderabad-500 081 – E-mail: evoting@karvy.com, and thereafter fill in the details and send the same to the Scrutinizer not later than the date specified at Item No.9 above.
13. Shareholders are requested not to send any other paper along with the postal ballot form in the enclosed self addressed postage business reply envelope in as much as all such envelopes will be sent to the Scrutinizer and any extraneous paper found in such envelope will be destroyed by the Scrutinizer.
14. The Scrutinizer's decision on the validity of a Postal Ballot form will be final.



CERTIFICATE

As per RBI Notifications **FEMA 205/2010-RB dated April 07, 2010** and Master circulars issued from time to time, the price of shares issued to persons resident outside India shall not be less than the fair valuation of shares done by a SEBI registered Category-I Merchant Banker or a Chartered Accountant as per discounted free cash flow method, where the shares of the company is not listed on any recognised stock exchange in India. Since Vicat Sagar Cements Private Limited, being a Private Limited Company, is not listed on any recognised stock exchanges in India, the fair valuation of the shares is done on the basis of discounted free cash flow method as on June 20, 2014.

We have examined the relevant Records and documents of Vicat Sagar Cements Private Limited, having its registered office at Reliance Majestic Building, Door No. 8-2-626, Road No.11, Banjara Hills, Hyderabad-500 034. Based on the information and explanation and financials provided to us, the discounted free cash flow value of the equity shares is arrived at **Rs. 37.09 Per share (As per Annexure I to this certificate attached)**

The preparation and presentation of the projections including the underlying assumption is the responsibility of the Company's management. Our responsibility is to examine the evidence supporting the assumptions and other information in the prospective financial information but does not include verification of the projections. Therefore, we do not vouch for the accuracy of the same. This certificate has been solely prepared for submission to the Reserve Bank of India in accordance with the Foreign Exchange Management (Transfer or issue of security by a person Resident outside India) Regulations, 2000 and should not be used for any other purpose.

For Sreedar Mohan & Associates
Firm Registration No: 012722S
Chartered Accountants

Sreedar Reddy G
Partner
M.No.213341



Place : Hyderabad
Date : 20 June 2014

Annexure I

Vicat Sagar Cement Private Limited

DISCOUNTED CASH FLOW STATEMENT

Particulars	DISCOUNTED CASH FLOW STATEMENT											Perpetual Year
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Projections	
Rs. CR	Projections	Projections	Projections	Projections	Projections	Projections	Projections	Projections	Projections	Projections	Projections	Projections
Free Cash Flows	-337.31	-121.21	-174.85	-169.57	76.33	-71.16	-26.52	-18.14	202.31	248.29	258.22	
Discount Rate = WACC	12.23%	12.23%	12.23%	12.23%	12.23%	12.23%	12.23%	12.23%	12.23%	12.23%	12.23%	
Discount Factor	1.00	0.89	0.79	0.71	0.63	0.56	0.50	0.45	0.40	0.35		
Present Value of Free Cash Flows	-337.31	-108.00	-138.81	-119.95	48.11	-39.96	-13.27	-8.09	80.37	87.89		
Present Value of Free Cash Flows	-549.02											
Perpetual Growth Rate	4%											
Add: Present Value of perpetuity	1110.40											
Value of the Business	561.38											
Less: O/S loans & share App money	140.34											
Add: Cash bal as on last B/S Date	93.71											
Enterprise Value	514.75											
Less: Preference shares	0.00											
Equity Value of the business	514.75											
No. of Equity Shares outstanding	13.88											
Value per Share (in Rupees)	37.09											



Annexure I

Vicat Sagar Cement Private Limited

PROJECTED PROFIT AND LOSS											
(Rs Crores)	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	
	Projections	Projections	Projections	Projections	Projections	Projections	Projections	Projections	Projections	Projections	Projections
Sales (000 T)	1,720.00	1,857.60	2,006.21	2,166.70	2,340.04	2,527.24	2,729.42	2,750.00	2,750.00	2,750.00	2,750.00
Rate per T- Rs.	2,892.89	3,796.78	4,106.81	4,453.39	4,830.17	5,239.90	5,659.10	6,111.82	6,600.77	7,128.83	
NET SALES	497.58	705.29	823.91	964.92	1,130.28	1,324.25	1,544.61	1,680.75	1,815.21	1,960.43	
Less:	81%	67%	67%	65%	66%	66%	66%	67%	67%	67%	
Cost of Sales	401.15	475.80	550.09	626.62	740.76	869.67	1,021.02	1,118.28	1,215.64	1,321.48	
Selling and Administrative Expenses	75.93	85.04	94.80	104.04	114.28	125.67	137.58	146.53	156.05	166.19	
Other Income	-	-	-	-	-	-	-	-	-	-	
EBITDA	20.50	144.44	179.02	234.26	275.24	328.91	386.00	415.95	443.52	472.76	
% Net sales	4.1%	20.5%	21.7%	24.3%	24.4%	24.8%	25.0%	24.7%	24.4%	24.1%	
Less:											
Depreciation and Amortisation	83.51	88.60	89.97	91.56	92.90	94.22	95.55	96.90	98.28	99.67	
EBIT	-63.01	55.85	89.05	142.69	182.34	234.69	290.45	319.04	345.25	373.09	
% Net sales	-12.7%	7.9%	10.8%	14.8%	16.1%	17.7%	18.8%	19.0%	19.0%	19.0%	
Interest	-164.50	-166.30	-176.31	-180.28	-176.13	-170.26	-153.20	-135.25	-113.58	-87.74	
Net Income before Taxes	-227.52	-110.45	-87.26	-37.59	6.21	64.43	137.25	183.79	231.67	285.35	
% Net sales	-45.7%	-15.7%	-10.6%	-3.9%	0.5%	4.9%	8.9%	10.9%	12.8%	14.6%	
Income Tax	-	-	-	-	-	-	-	-36.76	-46.33	-57.07	
Deferred Income Taxes	77.36	37.55	29.67	12.78	-2.11	-21.91	-46.67	-25.73	-32.43	-39.95	
Net Income	-150.16	-72.90	-57.59	-24.81	4.10	42.52	90.59	121.30	152.90	188.33	
% Net sales	-30.2%	-10.3%	-7.0%	-2.6%	0.4%	3.2%	5.9%	7.2%	8.4%	9.6%	



Vicat Sagar Cement Private Limited

PROJECTED CASH FLOW STATEMENT										
(Rs Crores)	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
	Projections	Projections	Projections	Projections	Projections	Projections	Projections	Projections	Projections	Projections
Operating Activity										
Profit after tax	-150.16	-72.90	-57.59	-24.81	4.10	42.52	90.59	121.30	152.90	188.33
Depreciation and Amortisation	83.51	88.60	89.97	91.56	92.90	94.22	95.55	96.90	98.28	99.67
Deferred tax	-77.36	-37.55	-29.67	-12.78	2.11	21.91	46.67	25.73	32.43	39.95
Total	-144.01	-21.86	2.72	53.98	99.11	158.64	232.80	243.94	283.61	327.95
Changes in Working capital	8.15	-16.10	-13.14	-13.39	-22.61	-23.88	-22.51	-21.00	-20.84	-20.84
Working Capital Loan	-	130.00	47.00	-	-	-	-	-	-	-
Total cash movement from OP activity	-135.86	92.05	36.58	40.59	76.50	134.77	210.29	222.93	262.77	307.11
Investing Activity										
Purchase of Fixed Assets	-58.51	-23.85	-21.40	-19.48	-18.35	-16.80	-46.34	-50.42	-54.46	-58.81
Other Capital Expenditure	-	-	-	-	-	-	-	-	-	-
Total cash from Investing activity	-58.51	-23.85	-21.40	-19.48	-18.35	-16.80	-46.34	-50.42	-54.46	-58.81
Financing Activity										
Impact of unwinding currency hedges	-	-	-	-	209.46	-69.82	-69.82	-69.82	-	-
Net movement in long-term loan	-126.70	-183.28	-183.28	-183.28	-183.28	-113.15	-113.15	-113.15	-	-
Fee and other movements	3.75	3.13	2.51	1.86	1.23	0.79	0.51	0.33	-	-
Other Loans movements	-19.98	-9.26	-9.26	-9.26	-9.23	-6.94	-8.00	-8.00	-6.00	-
Dividend paid	-	-	-	-	-	-	-	-	-	-
Total cash from Financing activity	-142.93	-189.41	-190.03	-190.68	18.18	-189.13	-190.47	-190.65	-6.00	-
CHANGES IN CASH	-337.31	-121.21	-174.85	-169.57	76.33	-71.16	-26.52	-18.14	202.31	248.29



PROJECTED BALANCE SHEET										
(Rs Crores)	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
	Projections	Projections	Projections	Projections	Projections	Projections	Projections	Projections	Projections	Projections
EQUITY AND LIABILITIES										
Share holders funds										
Share Capital Inc. Premium	500.34	500.34	500.34	500.34	500.34	500.34	500.34	500.34	500.34	500.34
Reserves and Surplus- Opening	-177.62	-327.78	-400.68	-458.27	-483.08	-478.98	-436.46	-345.87	-224.57	-71.67
Net profit and loss for the year	-150.16	-72.90	-57.59	-24.81	4.10	42.52	90.59	121.30	152.90	188.33
Proposed Equity	172.56	99.66	42.07	17.26	21.36	63.89	154.47	275.77	428.67	617.01
Non Current Liabilities										
Shareholders Loans	369.27	369.27	369.27	369.27	369.27	369.27	369.27	369.27	369.27	369.27
Term loan O/S	897.01	713.73	530.45	347.17	443.48	260.50	77.52	-0.30	-0.30	-
Loan fee to be appropriated	-10.01	-6.89	-4.38	-2.52	-1.29	-0.50	0.01	0.33	0.33	0.33
Financial Liability payable after one year	1,256.27	1,076.11	895.34	713.92	811.45	629.27	446.80	369.30	369.30	369.60
TOTAL LIABILITIES	1,428.83	1,175.77	937.41	731.18	832.82	693.15	601.27	645.08	797.98	986.61
ASSETS										
Non Current Assets										
Net Fixed Assets	1,672.04	1,607.30	1,538.72	1,466.63	1,392.09	1,314.67	1,265.46	1,218.97	1,175.15	1,134.30
Deferred taxes	130.08	167.63	197.30	210.08	207.97	186.06	139.40	113.67	81.23	41.29
	1,802.13	1,774.93	1,736.02	1,676.72	1,600.06	1,500.73	1,404.85	1,332.64	1,256.39	1,175.58
Current Assets										
Inventory, Debtors and other current Assets	202.77	218.86	232.00	245.39	268.00	291.87	313.12	334.13	354.97	375.82
Cash and Bank Balances	202.77	218.86	232.00	245.39	268.00	291.87	313.12	334.13	354.97	375.82
Current Liabilities										
Working Capital Loan	-	130.00	177.00	177.00	177.00	177.00	177.00	177.00	177.00	177.00
Long Term loan due in next one year	175.58	175.58	175.58	175.58	105.45	105.45	105.45	0.30	0.30	-
Other Current Liabilities	156.89	147.64	138.38	129.12	119.89	112.95	104.95	96.95	90.95	90.95
Financial need - Shortage in cash	243.60	364.81	539.66	709.22	632.89	704.05	729.30	747.44	545.13	296.84
	576.07	818.02	1,030.61	1,190.92	1,035.24	1,099.46	1,116.71	1,021.69	813.38	564.79
Net Current Assets	-373.30	-599.16	-798.61	-945.53	-767.24	-807.58	-803.59	-687.57	-458.41	-188.97
TOTAL ASSETS	1,428.82	1,175.77	937.41	731.18	832.82	693.15	601.27	645.08	797.98	986.61
	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0

