

MINUTES OF THE 32ND ANNUAL GENERAL MEETING OF THE MEMBERS OF DECCAN CEMENTS LIMITED HELD ON TUESDAY, THE 7TH AUGUST 2012 AT 10.00 A.M. AT 'BHASKARA AUDITORIUM', BIRLA MUSEUM, ADARSHNAGAR, HYDERABAD - 500 063

PRESENT:

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|--------------------------|---|
| 1. Mr. M B Raju | : Executive Chairman |
| 2. Dr. S A Dave | : Director |
| 3. Mr. Umesh Shrivastava | : Director |
| 4. Mr. J Narayanamurthy | : Director |
| 5. Mr. K P Singh | : Director |
| 6. Ms. P Parvathi | : Managing Director |
| 7. Mr. M Rama Krishna | : Sr. General Manager (Legal) &
Company Secretary |
| 8. Mr. V K Muralidhar | : Partner, M/s. M Bhaskara Rao & Co.,
Statutory Auditors |

MEMBERS PRESENT AS PER ATTENDANCE REGISTER:

Personally present : 248

Pursuant to Article 80 of the Articles of Association of the Company, Mr. M B Raju, Executive Chairman took the Chair and welcomed the members to the 32nd Annual General Meeting. The Chairman introduced the Directors of the Company to the members.

After ascertaining that the requisite quorum was present, the Chairman declared the meeting as open.

The Chairman informed the Members that the Register of Directors' Shareholdings is available for inspection at any time during the meeting, in terms of sub section (7) of Section 307 of the Companies Act, 1956.

The Chairman delivered his address to the members, explaining the performance of the Company during the year 2011-12 and the scenario in Cement Industry during the current financial year, i.e. 2012-13. Thereafter, the Chairman clarified the queries raised by the members on the annual accounts for the year 2011-12 and on other matters.

With the permission of the Members, the Notice of the Meeting was taken as read.

Mr. V K Muralidhar read the Auditors' Report on the financial statements of the Company for the year ended 31st March 2012.

The following businesses were transacted thereafter:

1. Adoption of Annual Accounts:

Proposed by Mr. Tumuluru Krishna Murty, a member and seconded by Mr. K V Subba Raju, a member, the following ordinary resolution was passed by a majority by show of hands.

"RESOLVED that the Audited Profit and Loss Account & Cash Flow Statement for the year ended 31st March 2012 and the Balance Sheet as at that date, as audited and certified by the Company's Auditors together with the Directors' and Auditors' Reports thereon be and are hereby approved and adopted."

2. Declaration of Dividend:

Proposed by Mr. Chandra Reddy, a member, and seconded by Mr. M Rajeswara Rao, a member, the following ordinary resolution was passed by a majority by show of hands.

"RESOLVED that pursuant to the recommendation of the Board of Directors, dividend at the rate of 30% i.e. Rs.3/- (Rupees Three only) per equity share for the financial year ended 31st March 2012, be and is hereby declared and approved and paid to those members, whose names appear on the Register of Members of the Company on 7th August 2012".

3. Reappointment of Mr. Umesh Shrivastava as Director:

Proposed by Mr. Shantilal, a member, and seconded by Mr. B Venkatratnam, a member, the following Ordinary Resolution was passed unanimously by show of hands.

"RESOLVED that Mr. Umesh Shrivastava who retires by rotation and being eligible for reappointment, be and is hereby reappointed as a Director of the Company liable to retire by rotation."

4. Reappointment of Mr. K P Singh as Director:

Proposed by Mr. B Venkatratnam, a member, and seconded by Mr. Tumuluru Krishna Murty, a member, the following Ordinary Resolution was passed unanimously by show of hands.

"RESOLVED that Mr. K P Singh who retires by rotation and being eligible for reappointment, be and is hereby reappointed as a Director of the Company liable to retire by rotation."

5. Reappointment of M/s M Bhaskara Rao & Co., as Auditors:

Proposed by Mr. P V B Sarma, a member, and seconded by Mr. Venkat Subba Rao, a member, the following Ordinary Resolution was passed by the members unanimously by show of hands.

"RESOLVED that M/s. M Bhaskara Rao & Co., Chartered Accountants, (Firm Registration No.00459 S) be and are hereby reappointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting on such remuneration as may be determined by the Board of Directors of the Company."

6. Appointment of Dr. S A Dave as Director

Proposed by Mr. Shiva Ram Krishna, a member, and seconded by Mr. Vishnu Chavada, a member, the following Ordinary Resolution was passed unanimously by show of hands.

"RESOLVED that pursuant to provisions of the Companies Act, 1956 and Article 106 of the Articles of Association of the Company Dr. S A Dave be and is hereby appointed as a Director of the Company liable to retire by rotation."

7. Reappointment of Executive Chairman:

Thereafter item no. 7 pertaining to reappointment of Executive Chairman was taken up and as being interested in the resolution, the Chairman vacated the chair and requested Mr. Umesh Shrivastava, Director to chair the meeting for rest of the items.

With the consent of the members present Mr. Umesh Shrivastava occupied the chair and proceeded with the item.

Proposed by Mr. M Rajeswara Rao, a member, and seconded by Mr. Tumuluru Krishna Murty, a member, the following Special Resolution was passed unanimously by show of hands.

"RESOLVED that pursuant to the provisions of Sections 198, 269, 309, 310 and all other provisions, if any, of the Companies Act, 1956, (including any statutory modifications or reenactment thereof for the time being in force) and subject to the limits specified in Schedule XIII of the said Act, and subject to such approvals and permission of any authority as may be necessary Mr. M B Raju be and is hereby reappointed as the Executive Chairman of the Company for a period of 5 years with effect from 1st April, 2012 on the following terms and conditions and ratify payment of remuneration.

i) Salary : Rs.4,00,000/- per month with annual increment of Rs.25,000/-

ii) Other terms and conditions shall be as follows:

Commission:

Commission @ 2 % of the net profits of the Company computed in the manner laid down in Section 309 (5) of the Companies Act, 1956.

Perquisites and Allowance:

I Housing:

- a) The expenditure incurred by the Company on hiring accommodation for the Executive Chairman shall be subject to a ceiling of 70% of salary over and above 10% payable by the Executive Chairman himself.
- b) Where accommodation in Company owned house is provided, the Executive Chairman shall pay to the Company by way of rent 10% of salary.
- c) Where the Company does not provide accommodation to the Executive Chairman, House Rent allowance may be paid by the Company in accordance with (a) above.
- d) The expenditure incurred by the Company on gas, electricity, water and furnishing will be valued as per the Income Tax Rules, 1962. This will, however, be subject to a ceiling of 10% of salary of the Executive Chairman.

II Medical Reimbursement:

Expenses incurred for self and family subject to a ceiling of one month's salary per year or three months' salary in a period of three years.

III Leave Travel concession:

For self and family once in a year in accordance with any rules specified by the Company.

IV Club Fees:

Fees of Clubs subject to a maximum of two clubs, admission and life membership fees not being allowed.

V Personal Accident Insurance:

For an amount as per the rules of the Company.

Other Perquisites:

- i. Company's contribution towards Provident Fund subject to a ceiling of 12% of salary, as per rules of the Company.
- ii. Company's contribution towards Pension / Superannuation Fund, as per rules of the Company – such contribution to the Provident Fund shall not exceed 27% of salary.
- iii. Gratuity payable in accordance with an approved scheme and shall not exceed one half month's salary for each completed year of service

Contribution to Provident fund and Superannuation fund to the extent they are exempted under the Income Tax Act, 1961 and encashment of leave at the end of tenure will not be included in the computation of the ceiling on perquisites. Provision of car for use on Company's business and telephone at residence will not be considered as perquisites. All long distance personal calls shall be duly logged and paid for by the Executive Chairman. Earned / Privilege Leave will be on full pay and allowances as per rules of the Company. Leave accumulated but not availed at during his tenure may be allowed to be encashed as per the rules of the Company.

"RESOLEVED FURTHER that in pursuance of the provisions of Schedule XIII of the Companies act, 1956, the above remuneration by way of salary and perquisites be paid as minimum remuneration to Mr. M B Raju Executive Chairman, in the absence or inadequacy of profits in any year."

8. Reappointment of Managing Director:

Proposed by Mr. J Raja Gopal Jain, a member and seconded by Ms. K. Jyothi, a member, the following Special Resolution was passed by unanimously by show of hands.

"RESOLVED that pursuant to the provisions of Sections 198, 269, 309, 310 and all other provisions, if any, of the Companies Act, 1956, (including any statutory modifications or reenactment thereof for he time being in force) and subject to the limits specified in Schedule XIII of the said Act, and subject to such approvals and permission of any authority as may be necessary Ms. P Parvathi be and is hereby reappointed as the Managing Director of the Company for a period of 5 years with effect from 1st April, 2012 on the following terms and conditions and ratify payment of remuneration.

- i) Salary : Rs.3,50,000/- per month with annual increment of Rs.25,000/-
- ii) Other terms and conditions shall be as follows:

Commission:

Commission @ 2 % of the net profits of the Company computed in the manner laid down in Section 309 (5) of the Companies Act, 1956.

Perquisites and Allowance:

I. Housing:

- a) The expenditure incurred by the Company on hiring accommodation for the Managing Director shall be subject to a ceiling of 70% of salary over and above 10% payable by the Managing Director herself.
- b) Where accommodation in Company owned house is provided, the Managing Director shall pay to the Company by way of rent 10% of salary.

- c) Where the Company does not provide accommodation to the Managing Director, House Rent allowance may be paid by the Company in accordance with (a) above.
- d) The expenditure incurred by the Company on gas, electricity, water and furnishing will be valued as per the Income Tax Rules, 1962. This will, however, be subject to a ceiling of 10% of salary of the Managing Director.

II Medical Reimbursement:

Expenses incurred for self and family subject to a ceiling of one month's salary per year or three months' salary in a period of three years.

III Leave Travel concession:

For self and family once in a year in accordance with any rules specified by the Company.

IV Club Fees:

Fees of Clubs subject to a maximum of two clubs, admission and life membership fees not being allowed.

V Personal Accident Insurance:

For an amount as per the rules of the Company.

Other Perquisites:

- i) Company's contribution towards Provident Fund subject to a ceiling of 12% of salary, as per rules of the Company.
- ii) Company's contribution towards Pension / Superannuation Fund, as per rules of the Company – such contribution to the Provident Fund shall not exceed 27% of salary.
- iii) Gratuity payable in accordance with an approved scheme and shall not exceed one half month's salary for each completed year of service

Contribution to Provident fund and Superannuation fund to the extent they are exempted under the Income Tax Act, 1961 and encashment of leave at the end of tenure will not be included in the computation of the ceiling on perquisites. Provision of car for use on Company's business and telephone at residence will not be considered as perquisites. All long distance personal calls shall be duly logged and paid for by the Managing Director. Earned / Privilege Leave will be on full pay and allowances as per rules of the Company. Leave accumulated but not availed at during his tenure may be allowed to be encashed as per the rules of the Company.

"RESOLEVED FURTHER that in pursuance of the provisions of Schedule XIII of the Companies act, 1956, the above remuneration by way of salary and perquisites be paid as minimum remuneration to Ms P Parvathi, Managing Director, in the absence or inadequacy of profits in any year."

The meeting concluded with a vote of thanks to the chairman and members, by Ms. P Parvathi, Managing Director.

**SD/-
CHAIRMAN**