

MINUTES BOOK

MINUTES OF TWENTY FIFTH ANNUAL GENERAL MEETING OF THE MEMBERS OF THE COMPANY HELD ON DECEMBER 24TH 2012 AT 10.00 A.M AT K.L.N.PRASAD AUDITORIUM, THE FEDERATION OF ANDHRA PRADESH CHAMBERS OF COMMERCE AND INDUSTRY, FEDERATION HOUSE, 11-6-841, RED HILLS, HYDERABAD - 500004

Present: Board of Directors

Sri E. Sudhir Reddy, Chairman & Managing Director
Sri R. Balarami Reddy, Executive Director-Finance & Group CFO
Sri K. Ashok Reddy, Executive Director
Sri E. Sunil Reddy, Vice Chairman

In attendance of Sri B. Subrahmanyam, Company Secretary

Mr. E. Sudhir Reddy, Chairman, took the Chair.

142 members were present in person at the meeting as verified and confirmed by the Company Secretary and 61 members were present through proxies / authorised representatives of the members.

The Company Secretary welcomed all the members and announced that as the Quorum for the meeting was present, the Chairman could proceed with the conduct of the meeting. He also introduced all the Directors on the dais to the Members.

The Chairman conducted the proceedings and called the meeting to order as the required quorum was present. He welcomed the Members and stated that all the members would have received the notice of the meeting and with their permission took the same as read.

1. Register of Directors' Shareholding

The Chairman declared that the Register of Directors' Shareholding maintained under Section 307 of the Companies Act, 1956 was placed on the table and that it was available for inspection by the members at any time during the meeting. Similarly it was also stated that the Register of representation was also placed on the table for inspection by the members during the meeting.

2. Auditors' Report

As requested by the Chairman, Mr. B.Subrahmanyam, Company Secretary read the Auditors' Report to the shareholders, on behalf of M/s. Deloitte Haskins & Sells and M/s. Chaturvedi & Partners, the Joint Statutory Auditors of the Company.

3. Chairman's Address to the Members

The Chairman explained the state of affairs of the Company. He reviewed the performance of the Company for the financial year 2011-12.

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E. Sudhir Reddy

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He invited the members to seek any clarifications on the accounts before the resolution for Adoption of accounts was put for voting.

A few members raised some questions and the same were answered to their satisfaction.

After some discussions, agenda for the meeting was taken up for consideration.

BUSINESS OF THE MEETING

ORDINARY BUSINESS:

1. Adoption of Audited Accounts as on 30th June, 2012 and Directors' Report and Auditors' Report thereon

Proposed by Mr. K. Vasudeva Rao and seconded by Mr. P. Sunder Raja, the following resolution was passed as an Ordinary Resolution by show of hands unanimously.

"RESOLVED THAT the Balance Sheet as at 30th June, 2012 and the Profit & Loss Account for the 15 months period ended on that date together with the reports of the Auditors thereon and the Board of Directors as circulated, be and are hereby received, considered, and adopted."

2. Re-appointment of Mr. E. Sunil Reddy as Director of the Company

Proposed by Mr. S. Karuna Sagar and seconded by Mr. Srikanth Jhavar, the following resolution was passed as an Ordinary Resolution by show of hands unanimously.

"RESOLVED THAT Mr. E. Sunil Reddy who retires by rotation in terms of Article 121 of the Articles of Association of the Company and Sections 255 and 256 of the Companies Act, 1956, and being eligible offers himself for re-appointment, be and is hereby reappointed as a Director of the Company liable to retire by rotation."

3. Re-appointment of Mr. T.R.C. Bose as Director of the Company

Proposed by Mr. Shyam Sunder Pal and seconded by Mr. Shaik Ahmed, the following resolution was passed as an Ordinary Resolution by show of hands unanimously.

"RESOLVED THAT Mr. T.R.C Bose who retires by rotation in terms of Article 121 of the Articles of Association of the Company and Sections 255 and 256 of the Companies Act, 1956, and being eligible offers himself for re-appointment, be and is hereby reappointed as a Director of the Company liable to retire by rotation."

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4. To appoint Auditors and fix their remuneration

Proposed by Mr. P.V.B.Sarma and seconded by Mr. B. Radha Krishna, the following resolution was passed as an Ordinary Resolution by show of hands unanimously.

"RESOLVED THAT M/s pursuant to the provisions of Section 224 and other applicable provisions, if any, of the Companies Act, 1956, M/s. Deloitte Haskins & Sells, Chartered Accountants bearing Registration No. 008072S, and M/s. Chaturvedi & Partners, Chartered Accountants bearing Registration No.307068E, the retiring Joint Statutory Auditors be and are hereby re-appointed as Joint Statutory Auditors of the Company to hold office from the conclusion of this Meeting until the conclusion of the next annual general meeting at such remuneration as may be determined by the Board of Directors of the Company"

SPECIAL BUSINESS

Mr. Sudhir Reddy stepped down as Chairman of the Meeting for conducting the following item. In his place Mr. R. Balarami Reddy was elected to conduct this item:

5. Remuneration to Mr. Sudhir Reddy, Chairman & Managing Director

Proposed by Mr. M.Y.Diwakar and seconded by Mr. Rajkumar Khandelwal, the following resolution as an Special Resolution was passed by show of hands unanimously.

RESOLVED THAT subject to approval of Central Government and pursuant to the provisions of Section 198, 269, 309 and 314 and all other applicable provisions, if any, of the Companies Act, 1956 (Act) read with Schedule XIII thereto, the Company do hereby approve the remuneration of Rs. 10,00,000/- p.m. and perquisites and other amenities paid to Mr. E. Sudhir Reddy, Chairman & Managing Director during the 15 months period ended June 30, 2012, notwithstanding that the same exceeded the ceiling limits laid down in Sections 198, 309 and Schedule XIII of the Act.

RESOLVED FUTHER THAT pursuant to the provisions of Section 198, 269, 309 & 314 and any other applicable provisions of the Companies Act, 1956, read with Schedule XIII, including the rules made there under and any amendments thereto or any statutory modification or re-enactment thereof for the time being in force ('the Act') and subject to the approval of the Central Government and all other sanctions, approvals and permissions as may be required and subject to such conditions and modifications as may be imposed or prescribed by any of the authorities while granting such sanctions, approvals and permissions, the Company do hereby accord its approval for the payment of the following remuneration to Mr. E. Sudhir Reddy, Chairman & Managing Director for the rest of his tenure, and all other terms of the appointment as approved by the members earlier shall remain unaltered;

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- 1) Salary – Rs.10,00,000/- (Rupees Ten lakhs only) per month
- 2) Perquisites
 - a) Housing: Free furnished residential accommodation
 - b) Maintenance & up keep of House: The expenditure incurred by the company on gas, electricity, water and furnishings will be valued as per Income Tax Rules, 1962 subject, however to a ceiling of 10% (ten percent) of salary.
 - c) Reimbursement of Medical Expenses: For self and family subject to a ceiling of one month's salary in an year of three months salary over a period of three years or such other higher reimbursement as approved by Board under special circumstances.
 - d) Leave Travel: For self and family once a year, anywhere in world, subject to a ceiling of one month's basic salary.
 - e) Club Fees: Fees of clubs subject to a maximum of 2 clubs. This will not include admission and life membership fees.
 - f) Personnel Accident Insurance Premium not to exceed Rs.10,000/- per annum.
 - g) Company's contribution to Provident Fund: As per the Company's rules.
 - h) Company's contribution to Superannuation Scheme: As per the Company's rules. The Company's contribution to the pension fund shall not together with the Company's contribution to the Provident fund exceed 25% (twenty five percent) of salary as laid down in the Income Tax Rules, 1962.
 - i) Leave: Four weeks for every eleven months service or one month leave with salary which may be accumulated to a maximum of 120 days with a right to encash the leave.
 - j) Gratuity: The gratuity shall not exceed half month's salary for each completed year of service.
 - k) Use of Company car and driver on Company's business: Personal use of Company car will be billed to Mr. E. Sudhir Reddy.
 - l) Use of residential telephone on Company's business: Charges for personal long distance calls will be billed to Mr. E. Sudhir Reddy.

"Family" shall mean the spouse, dependent children and dependent parents of Mr. E. Sudhir Reddy.

Commission: Commission @5% of Net profits, in addition to above, if so applicable, subject to overall ceiling stipulated in Sections 198 & 309 of the Companies Act, 1956.

RESOLVED FURTHER THAT in the event of inadequacy or absence of profits in any financial year, during the currency of the tenure of Mr. E. Sudhir Reddy, the aforesaid remuneration be paid as minimum remuneration, notwithstanding that the same exceeds/ may exceed the ceiling limits laid down in Sections 198, 309 and Schedule XIII of the Act, subject to the approval of the Central Government.

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RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to vary, alter, enhance, or widen the scope of remuneration and perquisites payable to Mr. E. Sudhir Reddy for the rest of his tenure, to the extent specified in Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, without being required to seek any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board of Directors of the company be and are hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion deem necessary, proper or desirable including making an application to Central Government or such other regulatory authorities to give effect to this resolution.

Now, Mr. Sudhir Reddy resumed as Chairman of the Meeting and conducted the rest of the proceedings.

6. Remuneration to Mr. R. Balarami Reddy, Executive Director – Finance & Group CFO

Proposed by Mr. Shaik Ahmed and seconded by Mrs. Savitari Devi, the following resolution as an Special Resolution was passed by show of hands unanimously.

RESOLVED THAT subject to approval of Central Government and pursuant to the provisions of Section 198, 269 and 309 and all other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII thereto, the Company do hereby approve the remuneration of Re.3,49,250/- p.m. and perquisites and other amenities paid to Mr. R. Balarami Reddy, Executive Director – Finance & Group CFO during the 15 months period ended June 30, 2012, notwithstanding that the same exceeded the ceiling limits laid down in Sections 198, 309 and Schedule XIII of the Act.

RESOLVED FUTHER THAT pursuant to the provisions of Section 198, 269, 309 and any other applicable provisions of the Companies Act, 1956, read with Schedule XIII, including the rules made there under and any amendments thereto or any statutory modification or re-enactment thereof for the time being in force ("the Act") and subject to the approval of the Central Government, if required and all other sanctions, approvals and permissions as may be required and subject to such conditions and modifications as may be imposed or prescribed by any of the authorities while granting such sanctions, approvals and permissions, the Company hereby accord its approval for the payment of the following remuneration to Mr. R. Balarami Reddy, Executive Director – Finance & Group CFO for the rest of his tenure, and all other terms of the appointment as approved by the members earlier shall remain unaltered;

- i) Salary – Rs.3,49,250/- p.m. (Basic Salary – Rs.2,18,281/- p.m. and allowances – Rs.1,30,969/- p.m.)
- ii) Leave Travel Assistance at the rate of one month's basic salary per annum.

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- iii) Reimbursement of medical expenses at the rate of one month's basic salary per annum
- iv) Provident Fund at the rate of 12% of basic salary.
- v) Super-annuation benefits equivalent to one month's basic salary per annum at the discretion of the Compensation Committee of the Board of Directors.
- vi) Gratuity as per rules of the Company
- vii) Free telephone facility at residence and mobile phone but personal long distance calls will be billed to Mr. R. Balarami Reddy.
- viii) Provision for Car in accordance with the Employee Car Scheme formulated by the Compensation Committee and as amended from time to time
- ix) Leave as per Rules of the Company

RESOLVED FURTHER THAT in the event of inadequacy or absence of profits in any financial year, during the currency of the tenure of Mr. R. Balarami Reddy, the aforesaid remuneration be paid as minimum remuneration, notwithstanding that the same exceeds/ may exceed the ceiling limits laid down in Sections 198, 309 and Schedule XIII of the Act, subject to the approval of the Central Government, if required.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to vary, alter, enhance, or widen the scope of remuneration and perquisites payable to Mr. R. Balarami Reddy for the rest of his tenure, to the extent specified in Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, without being required to seek any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board of Directors of the company be and are hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion deem necessary, proper or desirable including making of an application to Central Government or such other regulatory authorities to give effect to this resolution.

7. Remuneration to Mr. K. Ashok Reddy, Executive

Proposed by Mr. G. Ramakrishna Rao and seconded by Mr. P. Sunder Raja, the following resolution as an Special Resolution was passed by show of hands unanimously.

RESOLVED THAT subject to approval of Central Government and pursuant to the provisions of Section 198, 269 and 309 and all other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII thereto, the Company do hereby approve the remuneration of Re.3,45,700/- p.m. and perquisites and other amenities paid to Mr. K. Ashok Reddy, Executive Director during the 15 months period ended June 30, 2012, notwithstanding that the same exceeded the ceiling limits laid down in Sections 198, 309 and Schedule XIII of the Act.

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RESOLVED FUTHER THAT pursuant to the provisions of Section 198, 269, 309 and any other applicable provisions of the Companies Act, 1956, read with Schedule XIII, including the rules made there under and any amendments thereto or any statutory modification or re-enactment thereof for the time being in force ('the Act') and subject to the approval of the Central Government if required and all other sanctions, approvals and permissions as may be required and subject to such conditions and modifications as may be imposed or prescribed by any of the authorities while granting such sanctions, approvals and permissions, the Company hereby accord its approval for the payment of the following remuneration to Mr. K. Ashok Reddy, Executive Director, for the rest of his tenure, and all other terms of the appointment as approved by the members earlier shall remain unaltered;

- i) Salary – Rs.3,45,700/- p.m. (Basic Salary – Rs.2,16,063/- p.m. and allowances – Rs.1,29,637/- p.m.)
- ii) Leave Travel Assistance at the rate of one month's basic salary per annum.
- iii) Reimbursement of medical expenses at the rate of one month's basic salary per annum
- iv) Provident Fund at the rate of 12% of basic salary.
- v) Super-annuation benefits equivalent to one month's basic salary per annum at the discretion of the Compensation Committee of the Board of Directors.
- vi) Gratuity as per rules of the Company
- vii) Free telephone facility at residence and mobile phone but personal long distance calls will be billed to Mr. K. Ashok Reddy.
- viii) Provision for Car in accordance with the Employee Car Scheme formulated by the Compensation Committee and as amended from time to time
- ix) Leave as per Rules of the Company

RESOLVED FURTHER THAT in the event of inadequacy or absence of profits in any financial year, during the currency of the tenure of Mr. K. Ashok Reddy, the aforesaid remuneration be paid as minimum remuneration, notwithstanding that the same exceeds/ may exceed the ceiling limits laid down in Sections 198, 309 and Schedule XIII of the Act, subject to the approval of the Central Government, if required.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to vary, alter, enhance, or widen the scope of remuneration and perquisites payable to Mr. K. Ashok Reddy for the rest of his tenure, to the extent specified in Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, without being required to seek any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

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RESOLVED FURTHER THAT the Board of Directors of the company be and are hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion deem necessary, proper or desirable including making of an application to Central Government or such other regulatory authorities to give effect to this resolution.

8. To appoint Auditors to the Branch Offices of the Company

Proposed by Mr. M.Y.Diwakar and seconded by Mr. K. Vasudeva Rao, the following resolution as an Ordinary Resolution was passed by show of hands unanimously.

RESOLVED THAT pursuant to provisions of Section 228 and other applicable provisions if any of the Companies Act, 1956, the Board of Directors be and is hereby authorized to appoint any person(s) qualified to act as Auditor/Auditors for the Branch Office(s) of the Company, including those which may be opened/ acquired hereafter, in India or abroad, in consultation with the Company's Auditor(s) and to fix their remuneration

Mr. B.Subrahmanyam, Company Secretary proposed vote of thanks. The Chairman thanked all the members present at the meeting and declared the meeting as concluded.

Place: Hyderabad
Date: 24-12-2012


(E.SUDHIR REDDY)
Chairman

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