

MINUTES BOOK

MINUTES OF THE 27th ANNUAL GENERAL MEETING OF THE COMPANY HELD ON THURSDAY THE 29th SEPTEMBER 2011 AT 11.00 A.M AT THE REGISTERED OFFICE OF THE COMPANY AT N N HOUSE, CHIRAG ALILANE, ABIDS, HYDERABAD - 500 001

- A. MEMBERS PRESENT IN PERSON: 463 (Four Hundred and Sixty Three only)
B. MEMBERS PRESENT IN PROXY: 181 (One Hundred and Eighty One only)
C. DIRECTORS PRESENT : 1. Dr G N Naidu, Chairman and Managing Director
2. Sri T V Chowdary, Director
3. Dr M V G Rao, Director
4. Sri P J V Sarma, Director
5. Sri G Sreenivasulu Naidu, Director
6. Sri N Satyendra Prasad, Executive Director

D. AUDITOR'S PRESENT: Sri K S Rao, Partner, M/s. Brahmayya & Co., Statutory Auditors

Ms. M Amala, Company Secretary, welcomed the Members of the Company and invited the Chairman and Managing Director, the Executive Director, Directors and other officials of the Company to the meeting.

Dr G N Naidu, Chairman and Managing Director of the company chaired and conducted the proceedings of the meeting.

NOTICE AND DIRECTORS REPORT:

The Chairman informed that as the Notice of the 27th Annual General Meeting and Director's report have been circulated to all the Members of the Company, with the permission of the members, the same were taken as read.

CHAIRMAN'S SPEECH:

The Chairman welcomed the Members to the 27th Annual General Meeting of the Company. He briefed about the economic scenario prevailing in the country, the opportunities and challenges in the ceramic industry and the performance of the Company during the year under review. He expressed the company's inability to declare dividend. He further expressed his concern on the challenges the company continues to face ahead and informed about the management's focus to arrest cash losses to reach for viable operations. At the end, he conveyed his token of gratitude to Members, lenders, creditors, customers, dealers, suppliers, CDR Cell, GAIL (India) Ltd, ONGC, Govt. of Puducherry, State and Central Government, employees and fellow Directors.

After conclusion of the Chairman's speech, the Agenda as per the Notice circulated has been taken up for consideration as under:

Auditors' Report:

At the request of M/s Brahmayya & Co., Chartered Accountants, Ms. M Amala, Company Secretary read the Auditors Report.

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ORDINARY BUSINESS:

1. ADOPTION OF ACCOUNTS FOR THE YEAR 2010-11:

The Chairman informed the members that as the Audited Balance Sheet as at 31st March, 2011 and the Profit and Loss Account for the year ended as on that date together with schedules attached to the Balance Sheet have already been circulated to the members, with the permission of the Members, the same were taken as read.

The Chairman invited questions from the audience and clarified all the queries raised by the shareholders on the audited accounts of the company.

On the motion proposed by Ms. Sofia Khan (Folio No: S07718) a member of the company and seconded by Ms. N S Gita (Folio No: 000005) a member of the company, the following resolution was passed unanimously.

"RESOLVED THAT the Audited Balance Sheet as at 31st March, 2011 and the Profit and Loss Account for the year ended as on that date together with schedules attached thereto, the Directors Report and Auditors Report thereon be and are hereby adopted."

2. RE-APPOINTMENT OF SRI P J V SARMA AS A DIRECTOR OF THE COMPANY:

The Chairman informed that Sri P J V Sarma, Director of the Company retires by rotation and being eligible, offers himself for re-appointment as Director.

On the motion proposed by Ms. P Sumana (Folio No: P02147) a member of the company and seconded by Mr. V G Sudhakar Reddy (Folio No: V02841) a member of the company, the following resolution was passed unanimously.

"RESOLVED THAT pursuant to Section 256 of the Companies Act, 1956, Sri P J V Sarma, Director be and is hereby re-appointed as Director of the company."

3. RE-APPOINTMENT OF SMT BINDU G NAIDU AS A DIRECTOR OF THE COMPANY:

The Chairman requested Sri T V Chowdary, Director of the Company to take up item no 3 of the notice of AGM regarding re-appointment of Smt Bindu G Naidu as Director liable to retire by rotation, as Dr G N Naidu, Smt. Bindu G Naidu, Sri G Sreenivasulu Naidu and Sri N Satyendra Prasad are deemed to be concerned or interested in the said resolution. Sri T V Chowdary thereon proceeded with the meeting as a Chairman.

The Chairman informed that Smt Bindu G Naidu, Director of the Company retires by rotation and being eligible, offers herself for re-appointment as Director.

On the motion proposed by Mr. Bathula Venkataratnam (Client Id: 10312507) a member of the company and seconded by Mr. K Balaji (Folio No: B01419) a member of the company, the following resolution was passed unanimously.

"RESOLVED THAT pursuant to Section 256 of the Companies Act, 1956, Smt Bindu G Naidu, Director be and is hereby re-appointed as Director of the company."

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Dr. G N Naidu thanked Sri T V Chowdary for conducting the meeting for item no.3. Thereon Dr. G N Naidu proceeded with the meeting as a Chairman.

4. RE-APPOINTMENT OF STATUTORY AUDITORS:

The Chairman explained to the members that M/s. Brahmayya & Co., Chartered Accountants, Hyderabad expressed their willingness to be re-appointed as Statutory Auditors of the company for the year 2011-12.

On the motion proposed by Mr. B Kodanda Ramaiah (Client Id: 52985476) a member of the company and seconded by Ms. Meena Kumari (Folio No: M02591) a member of the company, the following resolution was passed unanimously.

"RESOLVED THAT M/s. Brahmayya & Co., Chartered Accountants, Hyderabad be and are hereby re-appointed as Statutory Auditors of the company to hold office from the conclusion of the 27th Annual General Meeting until conclusion of next Annual General Meeting.

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to fix the remuneration of the Statutory Auditors for the financial year 2011-12 and to take all such necessary action to bring into effect the aforesaid resolution."

SPECIAL BUSINESS:

5. APPOINTMENT OF SRI TUMMULA RAMESH CHANDRA BOSE AS A DIRECTOR

The Chairman informed the members that Sri TRC Bose was appointed as an Additional Director of the Company vide resolution passed by the Board of Directors in its meeting held on 27th July 2011. He then briefed the members about the educational qualifications and the rich and vast experience of Sri TRC Bose that would contribute to the growth of the Company in the years to come. The resolution was then put to motion.

On the motion proposed by Smt. G Radhika (Folio No: 000024) a member of the company and seconded by Mr. V G Sudhakar Reddy (Folio No: V02841) a member of the Company, the following resolution was passed unanimously.

"RESOLVED THAT Sri. Tummula Ramesh Chandra Bose who was inducted as an Additional Director on the Board of the Company pursuant to the provisions of Section 260 of the Companies Act, 1956 read with Article 36(a) of the Articles of Association of the Company, by the Board of Directors in their meeting held on 27th July 2011 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received notice in writing, proposing his candidature for the office of Director, pursuant to Section 237 of the Companies Act, 1956 and who is eligible for appointment to the office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation."

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6. APPROVE THE TENURE OF DR. G N NAIDU, CHAIRMAN AND MANAGING DIRECTOR OF THE COMPANY BEYOND THE AGE LIMIT PRESCRIBED UNDER SCHEDULE XIII OF THE COMPANIES ACT, 1956:

The Chairman requested Sri T V Chowdary, Director of the Company to take up item no 6 of the notice of AGM regarding continuation of tenure of Dr. G N Naidu, Chairman and Managing Director of the Company beyond the age limit prescribed under Schedule XIII of the Companies Act, 1956 as Dr G N Naidu, Smt. Bindu G Naidu, Sri G Sreenivasulu Naidu and Sri N Satyendra Prasad are deemed to be concerned or interested in the said resolution. Sri T V Chowdary thereon proceeded with the meeting as a Chairman.

The Chairman informed the members that Dr. G N Naidu, Chairman and Managing Director of the Company be continued for his tenure as Chairman and Managing Director of the Company beyond the age limit prescribed under Schedule XIII of the Companies Act, 1956, for which approval of the members is sought for. The resolution was then put to motion.

On the motion proposed by Mr. Bathula Venkataratnam (Client Id: 10312507) a member of the company and seconded by Ms. Sunita Kulkarni (Client Id: 21383342) a member of the company, the following resolution was passed unanimously.

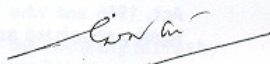
"RESOLVED THAT pursuant to the provisions of Section 269 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII, Part I (c) of the said Act as may be amended from time to time and subject to the approval of the financial institutions / banks in terms of the loan agreements and such other approvals that may be necessary, the approval of the Company be and is hereby accorded for continuation of the tenure of Dr. G N Naidu as Chairman and Managing Director of the Company, after the attainment of age of 70 years, on the existing terms and conditions."

Dr. G N Naidu thanked Sri T V Chowdary for conducting the meeting for item no. 6.

7. VOTE OF THANKS:

Sri N Satyendra Prasad, Executive Director of the company proposed vote of thanks and thanked the Members of the company for making themselves present at the Annual General Meeting and for their active participation in the proceedings of the meeting.

PLACE: HYDERABAD
DATE: 14.10.2011


Chairman