

THE SIRPUR PAPER MILLS LIMITED

MINUTES OF THE SEVENTY FOURTH ANNUAL GENERAL MEETING OF THE COMPANY HELD ON MONDAY THE 30TH SEPTEMBER, 2013 AT 10.45 A.M. AT "BHASKARA AUDITORIUM", B.M. BIRLA SCIENCE CENTRE, ADARSHNAGAR, HYDERABAD-500 063.

PRESENT

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| 1. Shri Devashish Poddar | - Vice-Chairman & Managing Director. |
| 2. Shri R. L. Lakhota | - Executive Director. |
| 3. Shri P. Vaman Rao | - Chairman - Audit Committee. |
| 4. Ms. Poonam Bodra | - Director |

ALSO PRESENT

- | | |
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| 1. Shri Rajasekhar | - Partner, Messrs. Deloitte Haskins & Sells, Statutory Auditors. |
| 2. Shri Dinesh Lata | - Company Secretary. |
| 3. Shri B.S.Narasimha | - Representative of LIC of India. |
| 4. Smt. K. B. Rekha Rani | - Representative of APIDC |

Shareholders in person : 169

Shareholders by Proxy : 177

Shri Devashish Poddar, Vice-Chairman & Managing Director of the Company proposed by Ms. Poonam Bodra and seconded by Shri R. L. Lakhota Chaired the Meeting.

Company Secretary reported that the requisite quorum was present and thereafter the Vice-Chairman commenced the proceedings.

The Vice-Chairman addressed the shareholders and listed out the highlights of the Company's performance and that of the Industry during the period under review and during the first quarter of the current financial year and overall industry scenario in the country and worldwide. He expressed his view on the future prospectus of the industry as well as of the Company. He also spoke about the various awards and recognitions received by the Company.

Thereafter, Chairman begun with the formal business of the 74th Annual General Meeting.

The Directors' Report for the year 2012-13, already circulated to all the Members along with annexures and the Notice of the Meeting was taken as read with the permission of the Members.

Company Secretary then read out Independent Auditor's Report on Financial Statements of the Company for the year ended 31st March, 2013.

After addressing the shareholders of the Company, the Chairman offered to elucidate any points arising out of the Annual Accounts. Shri. Badri Vishal Bajaj, a shareholder spoke with regard to the performance of the Company and expressed his concern over the performance of the Company and on the report to BIFR. He enquired about various steps being initiated to improve the future performance of the Company. Shri Bajaj has also drawn the attention of the Chairman to Section 165 of the Companies Act, 1956 and made certain observations on the working of the management. The Chairman explained him that the said provisions are not applicable to the present annual general meeting and the said provisions are applicable to the first meeting to be held after the 'commencement of business' of a new Company. All the queries raised by the said shareholder relating to re-appointment of directors, report on erosion of peak net worth, performance of the Company, amendments to the articles, and the details of proxies received from the promoters and institutions, were

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explained and answered by the Chairman of the meeting. Further, he expressed his dissent for passing of all the resolutions. The proxy register was also placed before the meeting.

Shri Devashish Poddar, Chairman of the meeting clarified and replied to the queries raised by the Shareholders.

With the permission of members, Chairman then took up the following items of business, as set out in the notice of the meeting, for consideration and adoption by the members:

Item No.1: As an Ordinary Resolution:

ADOPTION OF ANNUAL ACCOUNTS, 2012-13.

PROPOSED BY: Shri G. Jagannadha Rao
SECONDED BY: Shri S. Ananthanarayanan

"RESOLVED THAT the Report of the Directors and Audited Accounts of the Company for the year ended 31st March 2013, together with Auditors' Report, as circulated to the Shareholders and now laid before the meeting, be and are hereby approved and adopted".

The Resolution was put to vote by show of hands and passed with requisite majority.

Item No.2: As Ordinary Resolution:

(a) RE-APPOINTMENT OF SHRI LAXMINIWAS SHARMA AS DIRECTOR

PROPOSED BY: Shri Kiran B. Gandhi
SECONDED BY: Shri S. Ramakrishna Murthy

"RESOLVED THAT Shri Laxminiwas Sharma be and is hereby re-elected as Director of the Company, liable to retire by rotation".

The Resolution was put to vote by show of hands and passed with requisite majority.

Item No.2: As an Ordinary Resolution:

(b) RE-APPOINTMENT OF SHRI P. VAMAN RAO AS DIRECTOR

PROPOSED BY: Shri K. N. S. Ramachandram
SECONDED BY: Shri G. Jagannadha Rao

"RESOLVED THAT Shri P. Vaman Rao be and is hereby re-elected as Director of the company, liable to retire by rotation".

The Resolution was put to vote by show of hands and passed with requisite majority.

Item No.2: As an Ordinary Resolution:

(c) RE-APPOINTMENT OF SHRI RAKESH BHARTIA AS DIRECTOR

PROPOSED BY: Smt. T.Vijaya Laxmi
SECONDED BY: Shri S. Ramakrishna Murthy.

"RESOLVED THAT Rakesh Bhartia be and is hereby re-elected as Director of the Company, liable to retire by rotation".

The Resolution was put to vote by show of hands and passed with requisite majority.

Item No.3: As an Ordinary Resolution:

APPOINTMENT OF MESSRS. DELOITTE HASKINS & SELLS, CHARTERED ACCOUNTANTS, AS AUDITORS OF THE COMPANY AND FIXING OF THEIR REMUNERATION.

PROPOSED BY: Shri S. Ananthanarayanan

SECONDED BY: Shri Kiran B. Gandhi

"RESOLVED as ordinary resolution that Messrs. Deloitte Haskins & Sells, Chartered Accountants (Registration No.008072S) 1-8-384 & 385, 3rd Floor, Gowra Grand, S. P. Road, Begumpet, Secunderabad-500 003, be and are hereby re-appointed as statutory auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and that their remuneration be and is hereby fixed at Rs.7,00,000 (Rupees Seven Lakhs only) plus reimbursement of service tax, travelling and out-of-pocket expenses."

The Resolution was put to vote by show of hands and passed with requisite majority.

Shri Devashish Poddar, Chairman of the meeting being interested in the next item of business withdrew from the Chair and did not participate in the discussion or voting. The directors present at the meeting entrusted the conduct of the proceedings in respect of the said item to Ms. Poonam Bodra, disinterested director. Shri Devashish Poddar resumed the Chair after the said item of business has been transacted.

Item No.4: As a Special Resolution:

RE-APPOINTMENT OF SHRI DEVASHISH PODDAR, AS VICE-CHAIRMAN & MANAGING DIRECTOR WITH EFFECT FROM 1ST AUGUST, 2013 FOR A PERIOD OF TWO YEARS ON THE REMUNERATION AS SET OUT IN THE SPECIAL RESOLUTION:

PROPOSED BY: Shri Kiran B. Gandhi

SECONDED BY: Shri S. Ananthanarayanan

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310, 311, Schedule XIII and all other applicable provisions of the Companies Act, 1956 or any statutory modification(s), enactment(s), re-enactment(s) thereof for the time being in force and Articles of Association of the Company and subject to such consent(s), approval(s) and permission(s) as may be necessary in this regard, consent of the Members be and is hereby accorded to the re-appointment of Shri Devashish Poddar as Vice-Chairman & Managing Director on the terms and conditions as set out below:

I. Period: Two years with effect from August 1, 2013.

II. Remuneration

- a. Salary: Rs.4,40,000 (Rupees Four lakh forty thousand) per month.
- b. Performance bonus: 1% of profit before tax.
- c. Perquisites: The perquisites shall be as follows:

i. Housing:

- a. Free furnished accommodation.
- b. If no accommodation is provided by the Company, he shall be entitled to a house rent allowance equal to 60% of the salary.
- c. Furniture and fixtures at residence and other amenities such as gas, electricity, water.

Explanation:

The expenditure incurred by the Company on gas, electricity, water and furnishings shall be valued as per Income Tax Rules, 1962.

- ii. Medical reimbursement, leave, leave travel concession, bonus/exgratia, personal accident insurance and long service award as per rules of the Company.

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- iii. Club fees: Fee of clubs subject to maximum of two clubs. This will not include admission and life membership fees.
- iv. Conveyance: Free use of Company's car with driver for official work as well as for personal purpose.
- v. Telephone and computer: Free telephone and computer facility at residence.
- vi. Company's contribution to provident fund, superannuation fund or any annuity fund as per rules of the Company.
- vii. Gratuity as per rules of the Company.

Note:

Provision of car for use in the Company's business and telephone and computer at residence will not be considered in computing the value of perquisites. The perquisites shall be valued as per Income Tax Rules, 1962. Personal long distance telephone calls shall be billed by the Company.

III. Minimum remuneration

The remuneration as specified in Sl. No. II subject to approval of Members shall continue to be paid to Shri Devashish Poddar as minimum remuneration notwithstanding loss or inadequacy of profits during the tenure of his office.

IV. Duties and responsibilities

- a. The Vice-Chairman & Managing Director shall act under the superintendence, control and directions of the Board of Directors and have the powers of the management of the whole or substantially the whole of the affairs of the Company and shall perform such duties and exercise such powers as have been or may from time to time be entrusted or conferred upon him by the Board.
- b. The Vice-Chairman & Managing Director shall have control of overall Company's affairs.

V. Other major terms & conditions

- a. The appointment may be terminated by either party by giving the other party three months' notice in writing.
- b. If at any time, the said appointee ceases to be a director of the Company for any cause whatsoever, he shall cease to be Vice-Chairman & Managing Director.
- c. The Vice-Chairman & Managing Director shall not supplement his earnings by any buying or selling commission. He shall not also become interested or otherwise concerned directly or indirectly or through his wife and/or minor children in any selling or buying agency of the Company.
- d. Sitting fee: No sitting fee shall be paid to Vice-Chairman & Managing Director for attending the meetings of Board of Directors or a Committee thereof of the Company.

"RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary to give effect to the above Resolution."

The Resolution was put to vote by show of hands and passed with requisite majority.

Item No.5: As a Special Resolution:

AMENDMENT TO ARTICLES OF ASSOCIATION OF THE COMPANY, PROVIDING VIDEO CONFERENCE FACILITY FOR HOLDING BOARD MEETINGS.

PROPOSED BY: Smt T. Vijaya Laxmi

SECONDED BY: Shri G. Jagannadha Rao

"RESOLVED THAT pursuant to the provisions of Section 31 and all other applicable provisions, if any, or the Companies Act, 1956 or any statutory modification(s), enactment(s), re-enactment(s) thereof for the time being in force and rules framed

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thereunder and the provisions of other statutes as applicable the existing Articles of Association of the Company be amended as under:

i. The following Article be inserted after existing Article 127 as Article 127A.

Participation through Electronic Mode:

127A: The participation of Directors in a meeting of the Board or a Committee thereof may be either in person or through video conference facility and/or other permissible electronic or virtual facilities for communication. Such participation by the Director(s) at meetings of the Board and Committees thereof, through video conference facility and/or use of other permissible electronic or virtual facilities for communication shall be governed by such legal or regulatory provisions as applicable to the Company for the time being in force.

ii. The following proviso be inserted after the existing Article 127(3) (a):

Provided further that a Director participating in a Meeting through use of video conference or any other permissible electronic mode of communication shall be counted for the purpose of quorum, as permitted by the applicable laws from time to time.

iii. The following Article be inserted after the existing Article 174(6) as Article 174(7):

174(7): Notwithstanding anything contrary contained in the Articles of Association, a document may be served by the Company on any Member by any electronic mode of communication and in such manner as is/ may be permitted by any law.

Where a document is served by any such electronic mode, the service thereof shall be deemed to be effected in the manner as is/ may be provided by any law.

"RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as the 'Board' which term shall be deemed to include any Committee or any person which the Board may constitute/nominate to exercise its powers, including the powers by this Resolution) be authorized to carry out the above mentioned amendments in the existing Articles of Association of the Company and that the Board may take all such steps as may be necessary to give effect to this Resolution."

The Resolution was put to vote by show of hands and passed with requisite majority.

Item No.6: As an Ordinary Resolution:

CANCELLATION OF 11,174 ORDINARY SHARES OF THE COMPANY, WHICH WERE ISSUED AND OFFERED FROM TIME TO TIME BUT HAVE NOT BEEN TAKEN OR AGREED TO BE TAKEN BY ANY PERSON.

PROPOSED BY: Shri S. Ramakrishna Murthy.

SECONDED BY: Shri G. Jagannadha Rao

"RESOLVED THAT pursuant to the provisions of sub-sections 1(e), 2 and 3 of Section 94 of the Companies Act, 1956 or any statutory modification(s), enactment(s), re-enactment(s) thereof for the time being in force and Article 16 (c) of the Articles of Association of the Company, the Issued Capital of the Company be reduced from 1,69,96,174 Ordinary Shares of Rs.10 each to 1,69,85,000 Ordinary shares of Rs.10 each, by diminishing the Issued Capital of 1,69,96,174 Ordinary shares of Rs.10 each to 1,69,85,000 Ordinary Shares of Rs.10 each by cancelling the balance 11,174 Ordinary shares which were issued and offered from time to time earlier but have not been taken or agreed to be taken by any person."

The Resolution was put to vote by show of hands and passed with requisite majority.

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Item No.7: As a Special Resolution:

REPORTING TO BIFR ON EROSION OF FIFTY PERCENT OR MORE OF PEAK NET WORTH OF THE COMPANY UNDER SECTION 23 OF THE SICK INDUSTRIAL COMPANIES (SPECIAL PROVISIONS) ACT, 1985.

PROPOSED BY: Shri S. Ananthanarayanan

SECONDED BY: Shri Kiran B. Gandhi

"RESOLVED THAT pursuant to Section 23 of the Sick Industrial Companies (Special Provisions) Act, 1985, the applicable provisions of the Companies Act, 1956 or any statutory modification(s), enactment(s), re-enactment(s) thereof and such other laws, rules, regulations, guidelines or notifications as may be applicable, if any, and subject to approval of audited annual accounts for the financial year 2012-13 by the Members of the Company in this Annual General Meeting, the Report of the Board of Directors explaining the reasons of erosion of more than 50% of the peak net worth of the Company as per the audited financial results of the Company for the year ended March 31, 2013 be and is hereby considered and approved.

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to inform and report as potentially sick Industrial Company to the Board for Industrial and Financial Reconstruction (BIFR) and/or such other state and central government authorities as may be required under the laws, rules, regulations, guidelines and directives for the time being in force in India in the prescribed form and to intimate such other authorities, entities, financial institutions, stock exchanges, body corporates, associations and persons as may be necessary in terms of the agreements, security documents, undertakings, declarations and memorandum of understanding entered into by the Company.

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, things and deeds as may be necessary in this regard and to file/ submit all the required forms/returns/ documents with the respective authorities to give effect to above Resolution."

The Resolution was put to vote by show of hands and passed with requisite majority.

The Register of Directors' Shareholding etc., maintained by the Company under Section 307 of the Companies Act, 1956 was placed on the table at the commencement of the meeting and remained open and accessible during the continuance of the meeting to any person having the right to attend the meeting.

After a general discussion on the affairs of the Company, the meeting terminated with a vote of thanks to the Chair.

Devashish Poddar
28/10/13
(DEVASHISH PODDAR)
CHAIRMAN