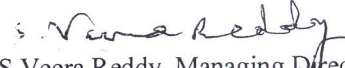
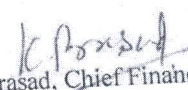

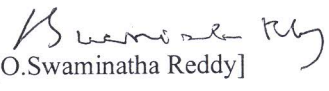


**SAGAR CEMENTS LIMITED**

**Format A**

**Format of covering letter of the annual audit report to be filed with the stock exchanges**

1	Name of the Company	Sagar Cements Limited
2	Annual Financial Statements for the year ended	31 <sup>st</sup> March, 2015
3	Type of Audit observation	Unqualified
4	Frequency of observation	Being unqualified, Not Applicable
5	To be signed by:	
	Managing Director	 [S.Veera Reddy, Managing Director]
	CFO	 [K.Prasad, Chief Financial Officer]
	Auditor of the company	 [K.Ranganathan, P.Srinivasan & Co., Statutory Auditors]
	Audit Committee Chairman	 [O.Swaminatha Reddy]

Date: 01.09.2015

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## BOARD OF DIRECTORS

### BOARD OF DIRECTORS

Shri O.Swaminatha Reddy	Chairman – Independent & Non-Executive
Shri S.Veera Reddy	Managing Director
Dr.S.Anand Reddy	Joint Managing Director
Shri S.Sreekanth Reddy	Executive Director
Mrs.S.Rachana	Non-Executive Director (w.e.f.18.3.2015)
Shri K.Thanu Pillai	Independent & Non-Executive
Shri V.H.Ramakrishnan	Independent & Non-Executive (w.e.f.30.3.2015)
Shri John-Eric Fernand Pascal Cesar Bertrand	Non-Executive
Shri K.Rajendra Prasad	APIDC Nominee

### CHIEF FINANCIAL OFFICER

Shri K.Prasad

### COMPANY SECRETARY

Shri R.Soundararajan

### SENIOR MANAGEMENT TEAM

#### Corporate Office:

Shri M.S.A.Narayana Rao	Group President
Shri K.Ganesh	President (Projects)
Shri M.V.Subba Rao	Senior Vice President
Shri P.S.Prasad	Vice President (Marketing)
Shri O.Anji Reddy	Vice President (Electrical & Installations)
Shri K.V.Ramana	Vice President (Mines)

#### Site:

Shri P.Vasudeva Reddy	Vice President (Works)
Shri M.V.Ramana Murthy	Asst.Vice President (Production & QC)

### AUDITORS

M/s. P.Srinivasan & Co.,  
Chartered Accountants  
H.No.12-13-422, Street No.1,  
Lane Opp. Bank of Baroda  
Tarnaka, Secunderabad-500 017

### COST AUDITORS

M/s.Narasimha Murthy & Co.,  
Cost Accountants  
104, Pavani Estates,  
Y.V.Rao Mansion, Himayathnagar  
Hyderabad – 500 029

### BANKERS

State Bank of Hyderabad  
State Bank of India  
IDBI Bank Limited

### REGISTERED OFFICE

Plot No.111, Road No.10, Jubilee Hills  
Hyderabad-500 033. Tel: 040 – 23351571  
Fax: 040 - 23356573

### FACTORY

Mattampally, Via Huzurnagar  
Nalgonda District, Telangana 508 204  
Tel: 08683 – 247039

Pedaveedu, Via Huzurnagar  
Nalgonda District, Telangana 508 204  
Tel.08683 – 216533 / 247333



## SAGAR CEMENTS LIMITED

## NOTICE

Notice is hereby given that the 34th Annual General Meeting of the Members of Sagar Cements Limited will be held on **Wednesday, the 23rd September 2015 at 4.00 p.m.** at Hotel Golkonda, Masab Tank, Hyderabad – 500 028, to transact the following business:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the audited Financial Statements for the financial year ended 31<sup>st</sup> March, 2015 together with the Reports of the Directors and Auditors thereon and in this regard to pass the following resolution as an ordinary resolution.

**“Resolved** that the audited accounts of the Company containing the Balance Sheet as at and the Statement of Profit & Loss for the year ended 31<sup>st</sup> March 2015 together with their annexures and the reports of the auditors and directors thereon be and are hereby received, considered, approved and adopted.”

2. To confirm the payment of interim dividend and to declare a final dividend on the equity shares of the company for the financial year ended 31<sup>st</sup> March, 2015 and in this regard to pass the following resolution as an ordinary resolution.

**“Resolved that** the interim dividend of Rs.5/- per share on the 1,73,88,014 equity shares of Rs.10/- each of the company paid to the shareholders for the year 2014-15 be and is hereby confirmed.

**Further Resolved that** a final dividend of Rs.2.50 per share on the 1,73,88,014 equity shares of Rs.10/- each of the company for the year 2014-15 be and is hereby declared.”

3. To appoint a director in the place of Shri S.Sreekanth Reddy (DIN: 00123889), who retires by rotation and being eligible, offers himself for re-appointment and in this regard to pass the following resolution as an ordinary resolution.

**“Resolved that** Shri S.Sreekanth Reddy (DIN: 00123889) be and is hereby re-appointed as a director liable to retire by rotation.”

4. To appoint Auditors and in this regard to consider and, if thought fit, to pass, the following resolution as an Ordinary Resolution.

**“Resolved that** pursuant to Section 139, 140 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under, in the place of M/s.P.Srinivasan & Co., Chartered Accountants, who have conveyed their non-availability to act as auditors of the company after this Annual General Meeting, M/s.Deloitte Haskins & Sells, Chartered Accountants (Firm Registration No.0080725), in respect of whom a special notice under Sec.140 (4) of the Companies Act, 2013 has been received by the Company, be and are hereby appointed as auditors of the Company to hold office from the conclusion of its 34<sup>th</sup> Annual General Meeting upto the conclusion of the 39<sup>th</sup> Annual General Meeting subject to ratification by the shareholders annually, at such remuneration as may be fixed by the Board of Directors in consultation with the said firm.”

**SPECIAL BUSINESS**

5. To approve the appointment of Shri Valliyur Hariharan Ramakrishnan as an Independent Director and in this regard to consider and, if thought fit, to pass, the following resolution as an Ordinary Resolution.

**“Resolved that** approval be and is hereby accorded to the appointment of Shri Valliyur Hariharan Ramakrishnan (DIN: 00143948), as an Independent Director under Section 149 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under for a period of five years with effect from 30.03.2015.”

6. To appoint Mrs.Rachana Sammidi as a Director liable to retire by rotation and in this regard to consider and, if thought fit, to pass, the following resolution as an Ordinary Resolution.

**“Resolved that** Mrs.Rachana Sammidi (DIN: 01590516) be and is hereby appointed as a director liable to retire by rotation.”

7. To modify the terms of payment of remuneration to Shri S.Veera Reddy, Managing Director of the company and in this regard to consider and, if thought fit, to pass, the following resolution as a Special Resolution.



**“Resolved that** pursuant to Section 197 and other applicable provisions, if any, of the Companies Act, 2013 read with its Schedule V and subject to the approval, if any, required from the Central Government, the following remuneration be approved for payment to Shri S.Veera Reddy, Managing Director for the period from 1.4.2014 to 12.7.2016, which would also be the minimum remuneration payable to him in the event of loss or inadequacy of profit during the said period of his tenure as Managing Director subject to the same being restricted to the ceiling mentioned in Schedule V of the Companies Act, 2013 as amended from time to time.”

Salary	: Rs.6,00,000/- per month
Perquisites	: As mutually agreed between the Managing Director and the Company, but restricted to 75% of the salary.
Commission	: Such amount of commission calculated with reference to the Net Profit of the Company for each financial year as may be fixed by the Board of Directors or a Committee thereof, which together with the salary and perquisites shall not exceed the ceiling laid down in the Companies Act, 2013, as amended from time to time or any re-enactment thereof.
Other benefits	: The Managing Director will be eligible for contribution to P.F., Superannuation Fund or Annuity to the extent these are not taxable, gratuity at a rate not exceeding half a month's salary for each completed year of service and encashment of leave at the end of his tenure.

**“Resolved Further** that the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

8. To ratify the remuneration payable to the Cost Auditors and in this regard to consider and, if thought fit, to pass, the following resolution as an Ordinary Resolution:

**“Resolved that** pursuant to Section 148 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors Rules), 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Company hereby ratifies the remuneration of Rs.2,00,000/- excluding reimbursement of actual travel and out of pocket expenses and applicable taxes payable to M/s.Narasimha Murthy & Co., Cost Accountants, Hyderabad, the Cost Auditors (Firm Registration No. AACFN0570E), to conduct the audit of its cost records of the company for the financial year ending March 31, 2016.”

**“Resolved Further** that the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

9. To approve the alterations in the Memorandum of Association (MoA) of the company and in this regard to consider and, if thought fit, to pass, the following resolution as a Special Resolution:

Pursuant to the provisions of Sections 4 and 13 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under, it is hereby resolved to substitute the Clause II of the MoA with the following:

**II. The registered office of the company will be situated in the State of Telangana.**

**“Resolved Further that** pursuant to the provisions of Sections 4 and 13 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under, the consent of the company be and is hereby accorded for alteration of the Clause III of the MoA of the company by substituting the heading of Clause III (A) and III (B) in it with the following:

**III (A) The objects to be pursued by the company on its incorporation are:**

**III (B) Matters which are necessary for furtherance of the objects specified in Clause III (A) are:**

**“Resolved Further** that the Clause III (C) of the Memorandum of Association of the Company be and is hereby deleted.”

**“Resolved Further** that pursuant to the provisions of Section 4, 13 and other applicable provisions, if any, of the Companies Act, 2013, consent of the company be and is hereby accorded to alter the Clause IV of the Memorandum of Association of the company by substituting the said Clause IV with the following:

**IV. “The liability of the members of the company is limited and this liability is limited to the amount unpaid, if any, on the shares held by them.”**



**“Resolved Further** that pursuant to the provisions of Section 4, 13 and other applicable provisions, if any, of the Companies Act, 2013, consent of the company be and is hereby accorded to substitute the existing Clause V of the Memorandum of Association with the following:

- V.     *The Authorised Share Capital of the Company is Rs.22,00,00,000 (Rupees Twenty Two Crores only) divided into 2,00,00,000 (Two Crores) Equity Shares of Rs.10/- each and 20,00,000 (Twenty lakhs) Preference Shares of Rs.10/- each.***

**“Resolved Further** that for the purpose of giving effect to the aforesaid resolutions, the Board of Directors of the company be and is hereby authorized to take such steps and to do all such other acts and deeds as it may deem fit and appropriate and as may be necessary to settle any question, difficulty or doubt that may arise in regard to the said resolutions.”

10. To approve the alterations in the Articles of Association of the company and in this regard to consider and, if thought fit, to pass, the following resolution as a Special Resolution:

**Resolved that** pursuant to the provisions of Section 5, 14 and other applicable provisions, if any, of the Companies Act, 2013 read with the Rules made there under (including any statutory modification(s) or re-enactment thereof, for the time being in force) the regulations contained in the existing Articles of Association of the company be and are hereby altered by substituting its present Articles No.1 to 184 with a new set of Articles 1 to 120 as per the draft submitted to this meeting.”

**“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 may be necessary, proper or expedient to give effect to this resolution.”

**Notes:**

1. The Explanatory Statement in respect of Items No.4 to 10 in the Notice are given in the Annexure-1, which forms part of this Notice.
2. The details required to be given under Clause 49 of the Listing Agreement with the Stock Exchanges, in respect of Item No.3, 5 and 6 in respect of appointment and re-appointment of directors are given in the Annexure-2, which forms part of this Notice.
3. A Member entitled to attend and vote at the Annual General Meeting is entitled to appoint another person as a proxy to attend and vote on his behalf in the meeting and the proxy need not be a member of the company. The instrument appointing the proxy, duly completed and signed must be deposited at the Registered Office of the company not less than forty eight hours before the commencement of the meeting.
4. A person can act as a proxy on behalf of members upto and not exceeding fifty and holding in aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or member.
5. Corporate members intending to send their authorized representative(s) to attend the Meeting are requested to send to the Company a duly certified copy of the Board Resolution authorising their representative(s) to attend and vote on their behalf at the Meeting.
6. Members holding shares in physical form are requested to inform about the change in their addresses immediately to the Company or its Registrar and Share Transfer Agents (RTA), M/s.Karvy Computershare Private Limited (Karvy).
7. To promote green initiative, members are requested to register their e-mail address through their Depository Participants for sending future communications to them by e-mail. Members holding their shares in physical form may register their e-mail addresses through the RTA, giving reference of their Folio Number.
8. Electronic copy of the Annual Report is being sent to all the members whose e-mail IDs are registered with the Company's RTA/Depository Participants, unless such members have requested for a hard copy of the same. For members, who have not registered their e-mail address, physical copies of the Annual Report are being sent through the permitted mode.



9. The Register of Members and Share Transfer Books of the Company will remain closed during the period from **17th September, 2015 to 23rd September, 2015** (both days inclusive).
10. If the final dividend, as recommended by the Board of Directors, is approved at the AGM, payment of the same will be made as under within 30 days of its declaration:
  - (a) To all beneficial owners in respect of shares held in dematerialized form as per the data as may be made available by the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) as of the close of business hours on **16th September, 2015**.
  - (b) To all members whose shares are held in physical form after giving effect to valid transfers in respect of transfer requests lodged with the company on or before the close of business hours on **16th September, 2015**.
11. The un-claimed dividends for the financial year ended 31<sup>st</sup> March, 1996 onwards and up to the financial year ended 31<sup>st</sup> March, 2008 (Interim Dividend) were duly transferred to the Investors Education and Protection Fund set up by the Government of India in accordance with the Companies Act as applicable at the time of such transfer.
12. Members who have not yet encashed their dividend warrants in respect of the dividend declared for subsequent years as detailed below are requested to make their claims to the Company.

Year	Nature of Dividend	Rate of Dividend
2007-08	Final	10%
2008-09	Final	25%
2009-10	Final	25%
2010-11	Final	20%
2011-12	Final	30%
2012-13	Final	10%
2014-15	Interim	50%

13. Members may note that the Annual Report for 2014-15 will also be available on the Company's website [www.sagarcements.in](http://www.sagarcements.in) for their download.

#### 14. Voting through Electronic Means:

Pursuant to Section 108 of the Companies Act, 2013, read with its relevant Rules, the Company is pleased to provide the facility to Members to exercise their right to vote by electronic means (Remote e-voting). The Members, whose names appear in the Register of Members / list of Beneficial Owners as on **16th September, 2015**, i.e. the date prior to the commencement of book closure date are entitled to vote on the Resolutions set forth in this Notice. The remote e-voting period will commence **at 9.00 a.m. on 20th September, 2015, and will end at 5.00 p.m. on 22nd September, 2015**. The Members desiring to vote through remote e-voting may refer to the detailed procedure given hereinafter.

Procedure for e-voting:

- I. The Company has engaged the services of Karvy Computershare Private Limited (Karvy) for facilitating e-voting process. The instructions for e-voting are as under:
  - (a) In case of Members receiving an e-mail from Karvy :
    - (i) Launch an internet browser and open <https://evoting.karvy.com>.
    - (ii) Enter the login credentials (i.e. User ID and password). The Event No. + Folio No. or DP ID- Client ID will be your User ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.
    - (iii) After entering the above details Click on - Login.
    - (iv) Password change menu will appear. Change the Password with a new Password of your choice. The new password shall comprise minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@,#,\$,etc.) The system will also prompt you to update your contact details like mobile number, email ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential. You need to login again with the new credentials.





- (v) On successful login, the system will prompt you to select the E-Voting Event.
  - (vi) Select the EVENT of Sagar Cements Limited and click on - Submit.
  - (vii) Now you are ready for e-voting as 'Cast Vote' page opens.
  - (viii) Cast your vote by selecting appropriate option and click on 'Submit'. Click on 'OK' when prompted.
  - (ix) Upon confirmation, the message 'Vote cast successfully' will be displayed.
  - (x) Once you have voted on the resolution, you will not be allowed to modify your vote.
  - (xi) Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority Letter, along with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutinizer by an e-mail at bssass99@gmail.com. They may also upload the same in the e-voting module in their login. The scanned image of the above mentioned documents should be in the naming format "Corporate Name\_EVENT NO."
- (b) In case of Shareholders receiving physical copy of the Notice of AGM and Attendance Slip
- (i) INITIAL PASSWORD IS PROVIDED, AS FOLLOWS, AT THE BOTTOM OF THE ATTENDANCE SLIP.

EVENT (E-Voting Event Number)	USER ID	PASSWORD
-	-	-

- (ii) Please follow all steps from Sr. No. (i) to Sr. No. (xi) above, to cast vote.
- In case of any queries, you may refer to the 'Frequently Asked Questions' (FAQs) and 'e-voting user manual' available in the downloads section of Karvy's e-voting website <https://evoting.karvy.com>.
  - If you are already registered with Karvy for e-voting then you can use your existing User ID and Password for casting vote.
  - The voting rights shall be as per the number of equity share held by the Member(s) as on **16<sup>th</sup> September, 2015**. Members are eligible to cast vote electronically only if they are holding shares as on that date.
  - The Companies (Management and Administration) Amendment Rules, 2015 provides that the electronic voting period shall close at 5.00 p.m. on the date preceding the date of AGM. Accordingly, the voting period shall commence at **9.00 a.m. on 20<sup>th</sup> September, 2015** and will end at **5.00 p.m. on 22<sup>nd</sup> September, 2015**. The e-voting module shall be disabled by Karvy at **5.00 p.m. on 22<sup>nd</sup> September, 2015**.
  - Once the vote on a resolution is cast by a member, the member shall not be allowed to change it subsequently.
  - The facility for voting, either through electronic voting system or ballot or polling paper will also be made available at the meeting and Members attending the meeting who have not already cast their vote by remote e-voting or by ballot form shall be able to exercise their right at the meeting.
  - The members who have cast their vote by remote e-voting may also attend the meeting but shall not be entitled to cast their vote again.
  - Members who have acquired shares after the despatch of the Annual Report and before the book closure, may approach the RTA for issuance of the User ID and Password for exercising their right to vote by electronic means.
    - If the mobile number of the member is registered against Folio No. / DP ID Client ID, the member may send SMS : MYEPWD <space> Event number+ Folio No. or DP ID Client ID to 9212993399.  
 Example for NSDL : MYEPWD <SPACE> IN12345612345678  
 Example for CDSL : MYEPWD <SPACE> 1402345612345678  
 Example for Physical: MYEPWD <SPACE> XXX1234567
    - If e-mail or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.karvy.com>, the member may click "forgot password" and enter Folio No. or DP ID Client ID and PAN to generate a password.
    - Member may call Karvy's toll free number 1-800-3454-001.



- d. Member may send an e-mail request to [evoting@karvy.com](mailto:evoting@karvy.com)
  - e. The results will be declared on or after the AGM. The results along with the Scrutinizer's Report, will also be placed on the website of the Company.
- X. In compliance with the provisions of Section 108 of the Companies Act, 2013 and the Rules framed thereunder and the Clause 35 B of the listing agreement, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by Karvy Computershare Private Limited, on all the resolutions set forth in this Notice. In order to enable its Members, who do not have the access to e-voting facility to send their assent or dissent in writing in respect of the resolutions as set out in this Notice, the company is enclosing a Ballot Form with the Notice. Instructions for Ballot Form are given at the back of the said form. Resolution(s) passed by Members through Ballot Forms or e-voting is/are deemed to have been passed as if they have been passed at the AGM.
- XI. The company has appointed M/s. B S S & Associates, Practicing Company Secretaries, as the 'Scrutinizer' to scrutinize the voting and remote e-voting process (including the Ballot Form received from the members who do not have access to the e-voting process) in a fair and transparent manner.
- XII. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast through Ballot Form and thereafter unblock the votes cast through remote e-voting in the presence of at least two (2) witnesses not in the employment of the company and make, not later than three days of conclusion of the meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by the Chairman, who shall declare the result of the voting forthwith. The result of the voting along with the Scrutinizer's report will also be posted on the company's website [www.sagarcements.in](http://www.sagarcements.in) after the declaration of results by the Chairman or a person authorized by the Chairman. The results shall also be immediately forwarded to the respective Stock Exchanges.
15. Members can opt for only one mode of voting, i.e., either by Ballot Form or e-voting. In case members cast their votes through both the modes, voting done by e-voting shall prevail and votes caste through Ballot Form shall be treated as invalid.
16. In case a Member is desirous of obtaining a duplicate Ballot Form, he may send an e-mail to [einward.ris@karvy.com](mailto:einward.ris@karvy.com) by mentioning their Folio/DP ID and Client ID No. However, the duly completed Ballot Form should reach the Scrutinizer, M/s. B S S & Associates, Company Secretaries, Office: Parameswara Appartments, # 6-3-626, 5th Floor, 5 – A, Anand Nagar, Khairatabad, Hyderabad-500004 not later than 22<sup>nd</sup> September, 2015 (5.00 p.m. IST). Ballot Form received after this date will be treated as invalid.
17. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the company during normal business hours (9.30 a.m. to 6.00 p.m.) on all working days except Saturdays and Sundays, up to the date of the Annual General Meeting of the Company.
18. Section 72 of the Companies Act, 2013 provides for Nomination by the shareholders of the Company and the shareholders are requested to avail this facility.

By Order of the Board of Directors

Hyderabad  
29<sup>th</sup> July, 2015

**R.Soundararajan**  
Company Secretary

**Registered Office:**  
Plot No.111, Road No.10  
Jubilee Hills  
Hyderabad – 500 033, Telangana.