

**MURUDESHWAR CERAMICS LIMITED**

Regd. Office : Murudeshwar Bhavan, Gokul Road, Hubli 580030

**29th Annual General Meeting / September 22, 2012**

**MINUTES OF PROCEEDINGS OF THE 29<sup>th</sup> ANNUAL GENERAL MEETING OF THE MEMBERS OF THE COMPANY HELD AT SHRI R N SHETTY KALYAN MANTAP, OPP.INDIRA GLASS HOUSE, HUBLI ON SATURDAY THE SEPTEMBER 22, 2012 AT 4.00 P.M.**

PRESENT :

**Directors :**

Shri Satish R Shetty-Member & Managing Director  
Dr. S S Hiremath-Member & Director  
Shri K Sundar Naik-Director  
Shri Annappayya K-Director  
Shri Sankappa K Shetty-Director

**Auditors:**

Shri M A Parthananarayan, Partner, M A Narasimhan & Co., Chartered Accountants

**Vice President Finance and CFO**

Shri N M Hegde

**Company Secretary & Compliance Officer**

Shri Lakshmisha Babu. S

**179 members and 4 proxy holders attended the meeting.**

Necessary quorum being present the meeting commenced.

At the request of other directors present, Shri Satish R Shetty presided as Chairman for the meeting ("Chairman") and conducted proceedings.

Chairman welcomed members for the 29<sup>th</sup> Annual General Meeting of the Company.

With the consent of members present the Notice of the Annual General Meeting was taken as read. Company Secretary read the Auditors Report.

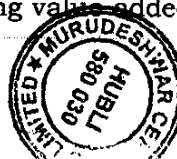
Shri Satish R Shetty, delivered the welcome address to the members and explained about the Company's performance in brief as follows:

**Financial Performance**

Your Company has earned an income of ₹18003.60 lakhs where as in the previous year it was ₹17331 lakhs. The expenses of the Company was ₹13,691.72 lakhs and of previous years was ₹11,997.16 lakhs. Expenses were in tune with the revenue. Finance Cost and Depreciation/amortization expenses were ₹2,355.71 lakhs and ₹1961.28 lakhs respectively. Profit before tax was ₹264.89 lakhs and after tax was ₹377.05 lakhs. Your Company has adopted various cost cutting measures and good marketing strategies to reduce the expenses.

**Business Promotion**

New technology such as Nano and Double / Multi charge tiles are catching up as the customer always look for innovative tiles. These being value added item



do fetch higher realization. New exterior tiles in 400 X 400 mm and 600 X 600 mm released to the market are being well accepted by the consumers.

The Management constantly Endeavour to provide customers with the finest Ceramics/Vitrified tiles. The R & D team is work hard to invent new product range, designs and sophisticated colors.

Apart from big builders for bulk orders, we are now concentrating on small builders and dealers also. The sales team has developed personal contact with Architects and Builders. The rapport built shows the attitude and reaction of the Architect towards our product

Your Directors are hopeful of achieving better results in the year 2012-13.

### **Current year performance**

Your Company during the first quarter of 2012-13 has earned an income of ₹ 3,473.09 lakhs and incurred an expenditure of ₹ 3458.40 lakhs. Your Company has earned an after tax profit of ₹ 11.70 lakhs. Your Directors is expecting more profits in the forth coming quarters.

### **Prospects**

The Karaikal unit is functioned with improved gas allocation. Liquefied Natural Gas (LNG) allocation for Hubli Unit is expected to arrive by March 2013. Since the Construction Industries have picked up their activities during the year. The Management is constantly exploring various ways to reach rural areas, since demand in rural areas is increasing constantly. Advertisement and Publicity is under the control of professional team. Your Company has save on transportation and other operating costs by outsourcing Vitrified Tiles and Ceramic Wall tiles, this in turn has provided some cushion to price the product little more competitively. The Company is expecting a better growth in the mere future

Thereafter Chairman invited comments/suggestions if any from members.

Members did not comment nor sougheed any clarification

Thereafter following resolutions as per business listed in the Notice of the Meeting was passed. Resolution No1, 6 and 7 was chaired by Dr. S S Hiremath since, Shri. Satish R Shetty was interested in the said resolutions.

### **1) Adoption of Accounts**

“RESOLVED that the Audited Balance Sheet of the Company as at 31st day of March, 2012 and the Profit and Loss Account for the year ended on the said date together with schedules and notes on accounts and also the Directors' Report, Corporate governance report and Auditors' Report as per the Printed Annual Report circulated to the members be and are hereby considered, approved and adopted.”

Proposed as an Ordinary Resolution by : Chairman  
Seconded by : Mr. R B Patil

**THE RESOLUTION WAS PUT TO VOTE AND WAS PASSED UNANIMOUSLY.**

**CERTIFIED TRUE COPY**



**2) Reappointment of Shri Sunil R Shetty as a Director.**

RESOLVED that Shri Sunil R Shetty, Director, who retires by rotation at this Annual General Meeting, be and is hereby reappointed as a director.

Proposed as an Ordinary Resolution by : Mr. N M Hegde  
Seconded by : Mr. R B Patil

*THE RESOLUTION WAS PUT TO VOTE AND WAS PASSED UNANIMOUSLY.*

**3) Reappointment of Shri K Sundar Naik as a Director.**

RESOLVED that Shri K Sundar Naik, Director, who retires by rotation at this Annual General Meeting, be and is hereby reappointed as a director.

Proposed as an Ordinary Resolution by : Mr. Solanki  
Seconded by : Mr. B. Guruprasad

*THE RESOLUTION WAS PUT TO VOTE AND WAS PASSED UNANIMOUSLY.*

**4) Reappointment of Auditors.**

RESOLVED that, pursuant to provisions of Secn.224 (1) of the Companies Act, 1956, M/s. M A Narasimhan & Co., Chartered Accountants, Bangalore be and are hereby reappointed as Auditors of the Company to hold office from the conclusion of this annual general meeting until conclusion of the next Annual General Meeting of the Company and the Board of Directors be and is hereby authorised to fix the remuneration and out of pocket expenses to the said Auditors.

Proposed as an Ordinary Resolution by : Mr. Sharana Basappa G Hallad  
Seconded by : Dr. S S Hiremath

*THE RESOLUTION WAS PUT TO VOTE AND WAS PASSED UNANIMOUSLY.*

(SPECIAL BUSINESS)

**5) Appointment of Shri Sankappa K Shetty as Director of the Company**

RESOLVED that Shri Sankappa K Shetty whose term of office as an Additional Director is valid upto the date of the Annual General Meeting and in respect of whom Company has received a Notice under Secn.257 of The Companies Act, 1956 proposing the candidature of Shri Annappayya Kundapur to the office of Director, be and is hereby appointed as a Director on the Board of Directors of the Company with immediate effect.

Proposed as an Ordinary Resolution by : Mrs. Rohini R Patil  
Seconded by : Mr. B Rathnakar Shetty

**6) Re-appointment of Shri Satish R Shetty as Managing Director of the Company**

RESOLVED THAT :

(1). pursuant to provisions of Section 198, 269, 309, 310, 311 and other applicable provisions of The Companies Act, 1956 read with Schedule XIII thereunder, Shri. Satish R Shetty, whose term of office as Managing Director of the Company is valid upto 27.06.2012, be and is hereby reappointed as



Managing Director of the Company for a further period of 5 years effective from June 27, 2012 on the following salary and perquisites

- (i). Salary : Rs.200,000/- (Rupees Two lakhs only) per month
- (ii). Provident Fund : Employers contribution not exceeding 12% of the salary
- (iii). Superannuation Fund : As per Company's rules not exceeding the non-taxable maximum limits
- (iv). Gratuity: As applicable to senior executives of the Company subject to limits not exceeding non-taxable maximum limits.
- (v). leave encashment: As per leave rules of the Company
- (vi). Company's car with driver for official purposes of the Company
- (vii). Telephone : Free telephone facility at residence for official purposes of the Company.

(2). the salary and perquisites payable to Shri Satish R Shetty pursuant to this resolution shall be the minimum remuneration payable irrespective of whether there is adequate profit in any year or not.

(3). Shri.Satish R Shetty as Managing Director shall not be liable to retire by rotation.

(4) the Board of Directors is hereby authorized to modify, alter or vary the abovesaid terms and conditions and/or prescribe such further terms and conditions as may be deemed fit by the Board of Directors, from time to time.

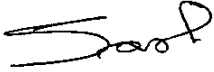
*Proposed as an Ordinary Resolution by : Mr. Maharudrayya R Mathad*  
*Seconded by : Mr. B V Mutalik Desai*

**7) Reappointment of Shri Naveen R Shetty as Joint Managing Director of the Company**

The Chairman informed the shareholders that Shri Naveen R Shetty on September 10, 2012 had informed that due to his pre occupations he will be unable to perform his duties as Joint Managing Director. He also requested to change his designation from Joint Managing Director to Director who shall retire by rotation. Considering the same this resolution was not passed.

There were no other subjects. Shri Satish R Shetty, Managing Director proposed vote of thanks and declared that the meeting was closed.

Place : Hubli  
Date : 22.09.2012

  
SATISH R SHETTY  
Chairman for the Meeting

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**For Murudeshwar Ceramics Ltd.**

  
**LAKSHMISHA BABU. S.**  
Company Secretary