NOTICE

Notice is hereby given that the 37th Annual General Meeting of the Company is scheduled to be held on 26th September, 2016 at 11.00 AM at Thyagaraya Gana Sabha, Chikkadapally, Hyderabad - 500020 to transact the following business.

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31st March 2016 including the Audited Balance Sheet as at 31st March, 2016, the statement of Profit and Loss and Cash Flow Statement for the financial year ended on that date and the Reports of Directors and Auditors thereon.

2. To declare dividend on equity shares for the Financial Year ended 31st March 2016.

3. To appoint a Director in place of Shri J S Rao (Din 00029090) who retires by rotation and being eligible offers himself for re-appointment and in this regard, pass the following Resolution as an ordinary Resolution.

   "RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013, Shri J S Rao (DIN 00029090) who retires by rotation and being eligible has offered himself for re-appointment be and is hereby reappointed as a Director of the company, liable to retire by rotation".

4. Appointment of Statutory Auditors.

   To consider and, if thought fit, to pass with or without modifications, the following Resolution as an ordinary Resolution.

   "RESOLVED THAT pursuant to Section 139 and other applicable provisions of the Companies Act, 2013 read with the companies (Audit and Auditors) Rules, 2014 and other applicable rules, if any (including any statutory modifications or re-enactment thereof for the time being in force) and pursuant to the recommendation of the Audit Committee, M/s Anandam and Company, Chartered Accountants (Regn. No.000125S) be and are hereby appointed as Statutory Auditors of the company for the period commencing from the conclusion of this Annual General Meeting till conclusion of the next Annual General Meeting at a remuneration of ₹ 6.05 lacs and payment of applicable taxes in addition to out of pocket expenses incurred by them during the course of the Audit".

SPECIAL BUSINESS:

5. **To appoint Smt. M Vara Lakshmi (DIN 07585164) as a Director and in this regard to consider and if thought fit, to pass with or without modifications, the following Resolution as an Ordinary Resolution:**

   "RESOLVED that pursuant to the provisions of Section 152 and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 as amended from time to time, Smt. M Vara Lakshmi (DIN 07585164) who was appointed as an Additional Director of the company effective from 12th August, 2016 by the Board of Directors and who holds office up to date of this Annual General Meeting under Section 161 of Companies Act, 2013 and Article 36(e) of Articles of Association of the company, being eligible for appointment and in respect whom the company has received a notice in writing under Section 160 of Companies Act, 2013 from a member proposing her candidature for the office of Director be and is hereby appointed as Director of the company liable to retire by rotation".

6. **To consider and, if thought fit, to pass with or without modifications, the following Resolution as a Special Resolution:**

   "Resolved that pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of

the Companies Act, 2013 and the Rules made there under, the Remuneration payable to M/s. Narasimha Murthy & Co., Cost Accountants (Firm Registration No.000042) appointed by the Board of Directors as Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2017 amounting to ₹ 1.45 lacs and the payment of service tax as applicable and re-imbursement of out of pocket expenses incurred in connection with the aforesaid audit be and is hereby ratified and confirmed".

7. Alteration of Articles of Association

To consider and, if thought fit, to pass with or without modifications, the following Resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 14 of the Companies Act, 2013 and other applicable provisions, if any, the consent of the members of the company be and is hereby accorded for alteration of the Articles of the Associations of the company as follows:-

Add the following lines after clause f of Article 52 of the Articles of Association:

'An individual can be appointed or re-appointed as chairperson of the company as well as managing director of the company at the same time in pursuance of the Articles of the company'.

"RESOLVED FURTHER THAT the Board of Directors of the company be and are hereby authorised to do all acts, deeds and things as may be necessary, proper or expedient to give effect to this Resolution".

8. **To consider and, if though fit, to pass with or without modifications, the following Resolution as an ordinary Resolution:**

Resolved that pursuant to provisions of section 2 (54) 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 read with schedule V thereto, the consent of the members of the Company be and is hereby accorded for appointment of Shri P Veeraiah as Chairman and Managing Director of the Company with effect from 3rd February, 2016 till end of his current tenure on 30th November 2018 on the following terms and conditions.

A. Remuneration comprising of salary, commission and leave travel allowance

I. Salary: Salary ₹ 6,60,000 per month with annual increments as determined by the Board subject to the overall ceiling laid down in Section 197 of the Companies Act, 2013.

II. 2% of Commission (in addition to salary and perquisites) calculated with reference to the net profits of the Company for each financial year which together with the monetary value of perquisites shall not exceed the ceiling laid down in section 197 of the Companies Act, 2013.

III. Leave Travel Allowance for self and family equivalent to one month's salary in a year.

B. Perquisites / Benefits:

I. House Rent allowance at 40% of the salary shall be paid. In addition, free use of the Company's owned furniture and other consumer durables if required.

II. Contribution to the Provident Fund and Gratuity:

a) Company's contribution to Provident fund and superannuation fund shall be as per the provisions of Employees Provident Funds and Miscellaneous Provisions Act, 1952.

b) Gratuity shall be paid as per the Payment of Gratuity Act or Company's Gratuity scheme whichever is higher

III. Other Perquisites:

A) Gas, Electricity, Water, House Maintenance and furnishings, the monetary value of which shall be valued as per the Income Tax Rules, 1962 and subject to ceiling of 10% of the salary of the Managing Director.

B) Personnel Accident Insurance shall not exceed ₹ 10,000/- per annum.

C) Re-imbursement of all Medical expenses incurred for self and family

D) Provision of car with driver for use on Company's business and telephone/fax facility at residence.

E) club Fee:- Fee of clubs subject to maximum of two clubs. However admission and life membership fee shall not be included for this purpose.

The perquisites shall be evaluated at cost to the Company and when such evaluation is difficult, it shall be evaluated as per the Income Tax Rules.

C) Minimum Remuneration :

Where in any financial year during the currency of tenure of Shri P.Veeraiah, the Company has no profits or its profits are inadequate, the Company shall pay to Shri P.Veeraiah remuneration by way of salary and perquisites not exceeding the limits specified in schedule V of the Companies Act, 2013 including any statutory modifications thereto for the time being in force.

The Managing Director shall not be paid any sitting fee for attending the meetings of the Board of Directors or committees thereof.

Further Resolved that the Board of Directors of the Company be and are hereby authorized to take such steps and to do other acts, deeds, matters and things as they deem fit and appropriate and give such directions / instructions as may be necessary, proper or expedient for the purpose of giving effect to this Resolution and for all the matters connected therewith or incidental thereto.

By Order of the Board
for **KAKATIYA CEMENT SUGAR & INDUSTRIES LIMITED**

B K Prasad
General Manager and
Company Secretary

Place : Hyderabad
Date : 12.08.2016

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on poll only instead of himself/herself. Such proxy need not be a member of the company. The instrument of proxy, in order to be effective should be deposited at the Registered office of the company, duly completed and signed, not less than 48 HOURS before the commencement of the Meeting. Proxies submitted on behalf of limited companies, societies etc must be supported by appropriate Resolutions/ authority as applicable.
2. Members are requested to bring their attendance slip along with their copy of Annual Report to the meeting.
3. In case of Joint holders attending the Meeting, only such Joint holder who is higher in the order of the names will be entitled to vote.
4. An explanatory statement pursuant to Section 102 (1) of the Companies Act, 2013 which sets out details relating to the special Business to be transacted at the meeting is annexed hereto.
5. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities Market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company.
6. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to the company/ Registrar and transfer agents for consolidation into a single folio.
7. The Register of Members and Share Transfer Books will remain closed from 15th September, 2016 to 26th September, 2016 (both days inclusive) in connection with Annual general Meeting and Dividend.
8. The relevant details, as required under the listing Regulations in respect of persons seeking appointment / re-appointment are furnished elsewhere in this notice.
9. All the shareholders are requested to intimate their e-mail address to the Company at shares@kakatiyacements.com for sending Notice and Annual Report through e-mail. Shareholders are also requested to notify immediately any change in their addresses to the Company's Registered Office with their Folio Number(s) and with their e-mail addresses.
10. The Dividend, after declaration, will be paid to those shareholders whose names stand on the Register of Members as on 14th September, 2016. The Dividend in respect of shares held in the electronic form will be paid to the beneficial owners of shares whose names appear in the list furnished by the Depositories for this purpose as on 14th September, 2016. The Dividend will be paid on or before 25th October 2016.
11. Members may note that they can avail of nomination facility in respect of shares held by them in physical form pursuant to provisions of Section 72 of the Companies Act, 2013. Members desiring to avail of this facility may send their nomination in the prescribed Form No SH-13 duly filled in to XL Softech Systems Limited at the address mentioned in this Report. Members holding shares in electronic mode may contact their respective Depository Participants for availing this facility.
12. As per provisions of Section 124 of the Companies Act, 2013, the Company has transferred to the Investors Education and Protection Fund, the amount of all unclaimed dividend declared up to and including the financial year ended 31st March 2008. The amount of unclaimed dividend for the financial year ended 31st March 2009 will be transferred to the Investors Education and Protection Fund with in the prescribed time.
13. As per the provisions of Section 124 of the Companies Act, 2013, the Company is required to transfer dividend, which remains unpaid or unclaimed for a period of 7 years, to the Investors Education and Protection Fund set up by the Central Government. Shareholders, who have not claimed their dividend for any year from the financial year ended March 31, 2009 onwards are requested to lodge their claim with the Company.
14. The Company's shares are listed with the The National Stock Exchange of India Limited (NSE) and BSE Limited(BSE). The Annual Listing Fee for the year 2016-2017 has been paid to these two Stock Exchanges.
15. As per SEBI circular No.CIR/MRD/DP/10/2013 dated March 21, 2013, dividend payments to investors are made electronically through ECS. Shareholders are requested to update their bank details with the

depositories to ensure that dividend is credited promptly. Those shareholders who hold shares in physical form are requested to communicate their bank account number, Name of the Bank and address to: shares@kakatiyacements.com

16. **Members seeking any information with regard to accounts and any other information relating to the Annual Report are requested to write to the company at least 10 days in advance of the meeting to enable the management to keep the information ready.**

17. Relevant documents referred to in this notice are open for inspection by the members at the Registered office of the company on all working days between 2.00 PM to 4.00 PM up to the date of the meeting provided a notice in this regard is received by the company at least three days in advance.

18. Electronic copy of the Notice of the 37th Annual General Meeting of the Company and the Annual Report inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form are being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 37th Annual General Meeting and the Annual Report for 2015-2016 of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form are being sent in the permitted mode. They can also visit the company's website www.kakatiyacements.com where the notice is uploaded. For any communication, the shareholders may also utilize company's investor e-mail ID: shares@kakatiyacements.com.

19. In Compliance with the provisions of Section 108 of the Act and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time and the provisions of Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the company is providing e-voting facility to the members to exercise their right to vote on Resolutions proposed to be passed in the meeting by electronic means. The members may cast their vote using an electronic voting system from a place other than the venue of the meeting. The company has engaged the services of Central depository Services of (India) Limited (CDSL) as the authorised agency to provide e-voting facilities and instructions for availing e-voting facility are given in Note No.27.

20. The Board of Directors has appointed Smt. Manjula Aleti, Company Secretary Practice (Membership No.ACS31661, Cop 13279) as scrutinizer to scrutinize the remote e-voting process and poll at Annual General Meeting in a fair and transparent manner.

21. The scrutinizer shall, immediately after the conclusion of voting at the meeting, would first count the votes cast at the meeting, 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 (3) days from the conclusion of the meeting, a consolidated scrutinizer's Report of the total votes cast in favour or against forthwith to the Chairman or a person authorised by the Chairman for countersignature.

22. The Results shall be declared by the Chairman or by an authorised person of the Chairman and the Resolutions will be deemed to have been passed on the date of Annual General Meeting, subject to receipt of requisite number of votes in favour of Resolutions.

23. After declaration of results, the same shall be placed along with the scrutinizer's Report(s) on the website of the company www.kakatiyacements.com and communicated to BSE Limited and National stock Exchange India Limited, where the shares of the company are listed for placing the same on their website.

24. A person whose name is recorded in the Register of members or in the Register of beneficial owners maintained by the Depositories as on the cut-off date i.e. 19th September, 2016 shall only be entitled to avail the facility of remote e-voting and voting at the meeting through ballot.

25. The e-voting period commences on 23rd September, 2016 (9:00 AM) and ends on 25th September, 2016 (5:00 PM). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 19th September, 2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a Resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

26. The voting rights of shareholders shall be in proportion to their shares in the paidup equity share capital of the Company.

27. **INSTRUCTIONS FOR E-VOTING**

The instructions for shareholders voting electronically are as under:

(i) The voting period begins on 23rd September, 2016 (9.00 A.M.) and ends on 25th September, 2016 (5.00 P.M.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 19th September, 2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) The shareholders should log on to the e-voting website www.evotingindia.com.

(iii) Click on Shareholders.

(iv) Now Enter your User ID

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(v) Next enter the Image Verification as displayed and Click on Login.

(vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(vii) If you are a first time user follow the steps given below:

	For members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xix) Note for Non - Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

ANNEXURE TO NOTICE:

STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.

Item No.5

Smt. M Vara Lakshmi was appointed as an Additional Director of the company by the Board effective from 12th August, 2016 pursuant to Section 161 of the Companies Act, 2013 and holds office up to the date of this Annual General Meeting.

The Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member along with deposit of requisite amount proposing the candidature of Smt. M Vara Lakshmi for the office of the Director under Section 152 of the Companies Act, 2013. The company has received from Smt. M Vara Lakshmi the requisite disclosures / declarations pursuant to the provisions of the Companies Act, 2013.

The particulars of Smt. M Vara Lakshmi with regard to qualification, experience and other matters are furnished in this Annual Report.

Smt. M Vara Lakshmi is interested in this Resolution as set out in the notice with regard to her appointment as a Director. None of the Directors, key Managerial Personnel (KMPs) or relatives of directors and KMPs is interested or concerned in this Resolution.

The Board commends this Resolution for approval of members.

Item No.6

The Board of Directors of the Company on the recommendation of the Audit Committee approved the appointment and remuneration of M/s. Narasimha Murthy & Co., Cost Accountants to conduct the audit of the Cost Records of the Company for the Financial Year ended 31st March, 2017.

In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a) (ii) of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors is required to be ratified by the Members of the Company. Accordingly, consent of the Members is sought to ratify the remuneration payable to the Cost Auditors. None of the Directors or Key Managerial Personnel or relatives of directors and KMPs is interested or concerned in this Resolution.

The Board commends this Resolution for approval of Members.

Item No.7

The company proposes to alter its Articles of Association so as to align with the provisions of Companies Act, 2013 in respect of matters relating to appointment of Key Managerial Personnel and to enable the company to formalise the appointment of Shri P Veeraiah as Chairman and Managing Director.

The Board commends this Resolution for approval of members.

None of the Directors, key Managerial Personnel (KMPs) or relatives of directors and KMPs is interested or concerned in this Resolution except Shri P Veeraiah.

Item No.8

Shri P Veeraiah has been elevated from the position of Joint Managing Director to that of Chairman and Managing Director at the meeting of the Board of Directors held on 3rd February, 2016.

Shri P Veeraiah has been associated with the Company for nearly two decades. However, formally, he became the Joint Managing Director with effect from 05.12.1998. The Current term ends on 30.11.2018. He also functioned as Managing Director of Kakatiya Finance and Leasing Company Pvt. Ltd for a long time.

Shri P.Veeraiah has been discharging the whole gamut of operational responsibilities after passing away of Shri P. Venkateswarlu. This naturally involves assuming greater responsibilities including resolution of complex issues concerning the Company. The Company has been progressing well under the stewardship of Shri P.Veeraiah and is poised to attain further growth in the Current Year.

Presently he has been drawing a basic salary of ₹ 2.95 lacs per month in addition to allowances, perquisites, benefits and commission. Shri P Veeraiah drew a total Remuneration of ₹ 104.75 lacs for the year ended 31st March 2016.

The Board has taken into account the vast experience Shri P Veeraiah in handling the affairs of Cement, Sugar and Power divisions. The Industrial parameters in respect of remuneration and compensation for Heads of the organizations of similar sized companies with multi-product operations have also been considered.

The Board opines that the determination of remuneration of Shri P Veeraiah by the Nomination and Remuneration Committee, after due consideration of all relevant factors, is a fair compensation.

Shri P.Veeraiah is interested in the subject matter. Shri J S Rao, Director of the company is also deemed to be interested in the subject matter being relative of Shri P Veeraiah. None of the Directors, key Managerial Personnel (KMPs) or relatives of directors and KMPs is interested or concerned in this Resolution.

The Board commends this Resolution for approval of Members.

By Order of the Board
for **KAKATIYA CEMENT SUGAR & INDUSTRIES LIMITED**

B K Prasad
General Manager and
Company Secretary

Place : Hyderabad
Date : 12.08.2016