

## NOTICE

Notice is hereby given that the Forty Eighth Annual General Meeting of the members of Khoday India Limited, will be held on Monday the 29<sup>th</sup> December 2014 at 11.30 a.m at the Registered Office of the Company at "Brewery House", Kanakapura Main Road, Bangalore-560 062, to transact the following business:

### Ordinary Business:

- 1) To receive, consider and adopt the standalone and consolidated Financial Statements of the Company as at 31<sup>st</sup> March 2014 and the Reports of the Board of Directors and Auditors thereon.
- 2) To appoint a Director in place of Mr.K.R.Nithyanand who retires by rotation and being eligible, offers himself for re-appointment.
- 3) To appoint a Director in place of Mr.K.H.Gurunath who retires by rotation and being eligible, offers himself for re-appointment.
- 4) To appoint auditors and fix their remuneration and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED that pursuant to Section 139 (2) of the Companies Act, 2013, M/s Rangaraju & Associates, Chartered Accountants, Bangalore be and are hereby appointed as Auditors of the Company, to hold office for the residuary term of 3 years from the conclusion of this Annual General Meeting until the conclusion of the Annual General Meeting of the Company to be held in respect of the financial year 2016-17 on such remuneration as will be fixed by the Board of Directors."

### Special Business:

- 5) To consider, if thought fit to pass with or without modification(s) the following resolution as a Special Resolution:

"RESOLVED that pursuant to proviso to Section 196 (3) of the Companies Act, 2013, consent of the members be and is hereby given for the continuance of Mr.K.L.Srihari as Vice-Chairman & Managing Director, of the Company for the remainder of the term of his appointment for a period of 5 years from 1<sup>st</sup> January 2011 to 31<sup>st</sup> December 2015, on the same terms and conditions of the appointment effected vide the Special Resolution passed by the Members of the

Company at the 45<sup>th</sup> Annual General Meeting held on 28<sup>th</sup> October 2011".

6) To consider, if thought fit to pass with or without modification(s) the following resolution as a Special Resolution;

"RESOLVED that pursuant to proviso to Section 196 (3) of the Companies Act, 2013, consent of the members be and is hereby given for the continuance of Mr.K.L.A.Padmanabhasa, as Joint Managing Director, of the Company for the remainder of the term of his appointment for a period of 5 years from 1<sup>st</sup> January 2011 to 31<sup>st</sup> December 2015, on the same terms and conditions of the appointment effected vide the Special Resolution passed by the Members of the Company at the 45<sup>th</sup> Annual General Meeting held on 28<sup>th</sup> October 2011".

7) To consider, if thought fit to pass with or without modification(s) the following resolution as a Special Resolution;

"RESOLVED that pursuant to Sections 196, 197 and 198 read with Schedule V and other applicable provisions, if any of the Companies Act, 2013, consent of the members be and is hereby given for the re-appointment of Mr.K.L.Swamy Executive Director, of the Company for a period of 5 years from 26<sup>th</sup> April 2014 to 25<sup>th</sup> April 2019, on the remuneration and other terms and conditions as set out herein below:

1.	Tenure	26 <sup>th</sup> April 2014 to 25 <sup>th</sup> April 2019
2.	Salary	Rs.1,00,000/- (Rupees One Lakh Per month)
3.	Commission	1 % of the Net Profit of the Company but restricted to annual salary.
4.	Perquisites	Chauffeur driven car for official use. Free use of a mobile telephone and a fixed line telephone at residence. Subscription to Membership of two clubs excluding admission and life membership fees.

5.	Minimum remuneration	In the event of loss or inadequacy of profits in any financial year, salary as above shall be paid as minimum remuneration.
6.	Overall ceiling	In any event the total salary, commission & perquisites shall be within the overall ceilings as specified in Section II of Part II of Schedule V to the Companies Act, 2013.

Note: Profit for the purpose of the above managerial remuneration shall be as per computation under Sections 197 and 198 of the Companies Act, 2013.

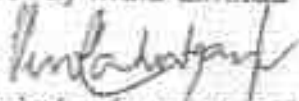
RESOLVED further that the Board of Directors be and is hereby authorized to modify, alter or amend the remuneration and other terms of appointment from time to time provided that such remuneration shall also be in conformity with the ceiling limits specified in Part II of Schedule V of Companies Act, 2013, or any statutory modifications or re-enactment thereof.

RESOLVED further that the Board of Directors or the Committee thereof be and is hereby authorized to take all such steps as may be necessary, proper, or expedient to give effect to this resolution."

7) To consider, if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:

"RESOLVED that Mrs. Pamela Sunawala, who was appointed as an Additional Director under Section 161 of the Companies Act, 2013 read with Article 30 of the Articles of Association of the Company and who holds office until this Annual General Meeting be and is hereby appointed as Director of the Company liable to retire by rotation."

By order of the Board  
For Khoday India Limited

  
(R. Venkat Subramanyan)  
Company Secretary

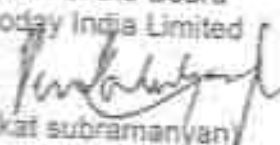
Place: Bangalore  
Date : 15<sup>th</sup> November 2014

Notes:

- A. A member entitled to attend and vote at the Annual General Meeting (the "Meeting") is entitled to appoint a proxy to attend and vote on a poll instead of himself and such proxy need not be a member of the Company.
  - B. A blank Proxy Form and Attendance Slip are enclosed. The instrument appointing the proxy should however, be deposited at the Registered office of the Company not less than 48 hours before the commencement of the Meeting. Members /Proxies are requested to bring their attendance slip along with their copy annual report to the Meeting.
  - C. An explanatory statement pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed herein.
  - D. Members/Proxies are advised to bring their Attendance slip along with their copy of the Annual Report to the Meeting. Members who hold shares in dematerialized form are requested to write their Client ID / DP ID Nos. and those who hold shares in Physical Form are requested to write their Folio No. in the Attendance slip.
  - E. In compliance with Section 152 (6) of the Companies Act, 2013 read with Article 37 (A) of the Articles of Association of the Company, the two non-executive Directors viz., Mr.K.R.Nithyanand and Mr.K.H.Gurunath retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. The particulars of these Directors as stipulated under Clause 49 of Listing Agreement with the Stock Exchanges are provided in the Corporate Governance Report forming part of the Annual Report. The Board of Directors of the Company commends their respective re-appointments.
  - F. In compliance with Section 196 of the Companies Act, 2013, two separate special resolutions are proposed to be considered for adoption at the ensuing AGM for the continuation of appointment of Mr.K.L.Srihari, Vice-Chairman and Managing Director and Mr.K.L.A. Padmanabhasa, Joint Managing Director.
- Further, another special resolution for the re-appointment of Mr.K.L.Swamy, Executive Director further period of 5 years from 26-04-2014 to 25-04-2019 is proposed to be considered at the ensuing AGM. The particulars of all the three Whole-time Directors are provided in the Corporate Governance Report forming part of the Annual Report.

Place: Bangalore  
Date : 15<sup>th</sup> November 2014

By order of the Board  
For Khoday India Limited

  
(R. Venkat Subramanyan)  
Company Secretary

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

**Item Nos: 5**

**Continuation of appointment of Mr.K.L.Srihari as Vice-Chairman and Managing Director:**

Mr.K.L.Srihari was re-appointed as Vice- Chairman & Managing Director of the Company for a period of 5 years from 1<sup>st</sup> January 2011 to 31<sup>st</sup> December 2015, pursuant to the Special Resolution passed by the Members of the Company at the Annual General Meeting held on 28<sup>th</sup> October 2011. Even though, Mr.Srihari is 75 years of age, his vast and rich experience in helming the Company combined with his undiminished business acumen and skills are essential for the Company's business. Mr.Srihari's continuation as Vice-Chairman and Managing Director for the remainder of the current term of appointment, after 01-04-2014 is subject to the approval by the Members by a Special Resolution, in terms of Section 196 (2) of the Companies Act, 2013. The terms and conditions of his appointment already approved by the Members, remains unchanged.

Your Board recommends the adoption of the resolution.

None of the Independent Directors is directly or indirectly concerned or interested in the resolution.

**Item no. 6:**

**Continuation of appointment of Mr.K.L.A.Padmanabhasa as Joint Managing Director:**

Mr.K.L.A.Padmanabhasa, was re-appointed as Joint Managing Director of the Company for a period of 5 years from 1<sup>st</sup> January 2011 to 31<sup>st</sup> December 2015, pursuant to the Special Resolution passed by the Members of the Company at the Annual General Meeting held on 28<sup>th</sup> October 2011. Even though Mr.Padmanabhasa is 73 years of age, his vast and rich experience gained in functioning as Joint Managing Director combined with his undiminished business acumen and wise counsel are essential for the Company's business. Mr.Padmanabhasa's continuation as Joint Managing Director for the remainder of the current term of appointment, after 01-04-2014 is subject to the approval by the Members by a Special Resolution, in terms of Section 196 (2) of the Companies Act, 2013. The terms and conditions of his appointment already approved by the Members, remains unchanged.

Your Board recommends the adoption of the resolution.

None of the Independent Directors is directly or indirectly concerned or interested in the resolution.

**Re-appointment of Mr.K.L.Swamy, Executive Director:**

Mr.K.L.Swamy was re-appointed as Whole-time Director designated as Executive Director of the Company for a period of 5 years from 26<sup>th</sup> April 2009 to 25<sup>th</sup> April 2014, pursuant to the approval accorded by the Members for a resolution passed in that behalf at the Annual General Meeting held on 30<sup>th</sup> September 2009. The Board of Directors at its meeting held on 13<sup>th</sup> February 2014, re-appointed Mr.K.L.Swamy as Director of the Company for a further period of 5 years from 1<sup>st</sup> January 2011 to 31<sup>st</sup> December 2015, on the terms and conditions as set out in the resolution and as approved by Remuneration Committee of the Board of Directors at its meeting held on 13<sup>th</sup> February 2014. The approval of the Members at the ensuing Annual General Meeting is sought for his re-appointment,

Your Board recommends the adoption of resolution for the re-appointment of Mr.K.L.Swamy.

None of the Independent Directors is directly or indirectly concerned or interested in the resolution.

**Appointment of Mrs. Pamela Sunawala as Director**

Mrs. Pamela Sunawala, was appointed as Additional Director at the meeting of the Board of Directors of the Company held on 08<sup>th</sup> September 2014, pursuant to Article 30 of the Articles of Association of the Company, holds office only up to the ensuing Annual General Meeting under Section 161 of the Companies Act, 2013. Mrs. Pamela Sunawala has expressed her willingness to continue in office and the Company has also received a notice under Section 160 of the Companies Act, 2013, from a member of the Company along with a the requisite deposit proposing the candidature of Mrs. Pamela Sunawala for the office of Director. The detailed profile Mrs. Pamela Sunawala is given in the Corporate Governance Report.

Your Board recommends the adoption of resolution for the appointment of Mrs. Pamela Sunawala.

None of the Directors excepting the appointee director is directly or indirectly concerned or interested in the resolution.

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# Khoday India Limited

**DISTILLERS, BREWERS & MALTSTERS**

Regd. Office : "BREWERY HOUSE" 7<sup>th</sup> Mile, Kanakapura Road  
 BANGALORE-560 093

## **DIRECTORS' REPORT**

Your Directors present the 48<sup>th</sup> Annual Report on the working of your Company and the Audited Statement of Accounts for the year ended 31<sup>st</sup> March 2014.

### **FINANCIAL HIGHLIGHTS (STAND ALONE):**

		(Rs.in Lakhs)	
Sl.No.	Particulars	2013-14	2012-13
1.	Revenue from operations	17001.99	12400.88
	Other Income	269.72	58.03
2.	Total Revenue	17271.71	12458.99
3.	Profit/(Loss) before Tax	478.47	(2285.54)
4.	Provision for Taxation Current Tax	92.60	-
5.	Profit/(Loss) after Tax	386.47	(2285.54)
	LESS: Income Tax for the earlier years	0.49	19.75
	LESS: Prior year adjustments	42.57	7.18
6.	Net Profit/(Loss) for the year	343.40	(2312.47)
7.	Appropriation Dividend	-	-
	Dividend Tax	-	-
8.	Balance carried forward	343.40	(2312.47)
9.	EPS - Basic & Diluted	0.91	(6.15)

### **REVIEW OF PERFORMANCE:**

The Company's net income has registered a significant increase of about Rs.48.13 Crores over the previous year thereby aiding the turn around to post a net profit of Rs.3.43 Crores.

### **DIVIDEND:**

With view to improve the cash position and thus improve business operations, the management has decided to plough back the entire profit earned. Hence your Directors do not propose any dividend for the year.

### **DIRECTORS:**

- 1) Re-appointment of directors retiring by rotation.

In accordance with Article 37(A) of the Articles of Association of the Company Mr.K.R.Nithyanand and Mr.K.H.Gurunath the

Non-Executive Directors retire by rotation and being eligible have offered to be re-appointed.

2) Continuation of appointment of Mr.K.L.Srihari, Vice – Chairman & Managing Director

Mr.K.L.Srihari and was re-appointed as Vice- Chairman & Managing Director of the Company for a period of 5 years from 1<sup>st</sup> January 2011 to 31<sup>st</sup> December 2015, pursuant to the Special Resolution passed by the Members of the Company at the Annual General Meeting held on 28<sup>th</sup> October 2011. In accordance with Section 196 (3) of the Companies Act, 2013, the continuation of a Whole-time Director of a Company beyond 70 years of age requires the approval of the Members of the Company. Even though, Mr.Srihari is 75 years of age, his vast and rich experience in helming the Company combined with his undiminished business acumen and skills are essential for the Company's business. Mr.Srihari's continuation as Vice-Chairman and Managing Director for the remainder of the current term of appointment, after 01-04-2014 is subject to the approval by the Members by a Special Resolution, in terms of Section 196 (2) of the Companies Act, 2013. The terms and conditions of his appointment already approved by the Members, remains unchanged.

3) Continuation of appointment of Mr.K.L.A.Padmanabhasa, Joint Managing Director

Mr.K.L.A.Padmanabhasa and was re-appointed as Joint Managing Director of the Company for a period of 5 years from 1<sup>st</sup> January 2011 to 31<sup>st</sup> December 2015, pursuant to the Special Resolution passed by the Members of the Company at the Annual General Meeting held on 28<sup>th</sup> October 2011. In accordance with Section 196 (3) of the Companies Act, 2013, the continuation of a Whole-time Director of a Company beyond 70 years of age requires the approval of the Members of the Company. His vast and rich experience in helming the Company combined with his undiminished business acumen and skills are essential for the Company's business. Mr.Padmanabha's continuation as Joint Managing Director for the remainder of the current term of appointment, after 01-04-2014 is subject to the approval by the Members by a Special Resolution, in terms of Section 196 (2) of the Companies Act, 2013. The terms and conditions of his

appointment already approved by the Members, remains unchanged.

4) Re-appointment of Mr.K.L.Swamy, Executive Director:

In accordance with Section 196 (2) of the Companies Act, 2013, the present term of office of Mr.K.L.Swamy, who was appointed as Whole-time Director designated as Executive Director for a period of five years has ceased on 25<sup>th</sup> April 2014. Hence, at the Board Meeting held on 13<sup>th</sup> February 2014, your Directors have reappointed Mr.K.L.Swamy as Executive Director for a further period of 5 years, subject to the consent of the members for their respective reappointments and the terms thereof, at the ensuing Annual General Meeting.

5) Resignation of Director:

Mr.Sudhakar Shetty, Independent Director resigned from the Board w.e.f. 08<sup>th</sup> August 2014, owing to his personal and professional pre-occupation.

6) Appointment of Mrs. Pamela Sunawala as Director:

Mrs.Pamela Sunawala was appointed as Additional Director in the category of Independent Directors, w.e.f. 08<sup>th</sup> September 2014, in the casual vacancy caused by the resignation of Mr.Sudhakar Shetty.

Mrs. Pamela Sunawala has expressed her willingness to continue in office and the Company has also received a notice under Section 160 of the Companies Act, 2013, from a member of the Company along with the required deposit proposing the candidature of Mrs. Pamela Sunawala for the office of Director.

**AUDITORS :**

M/s Rangaraju & Associates, Chartered Accountants (Firm Registration no.6912S), the retiring Auditors were first appointed as Statutory Auditors during the financial year 2007-08. In accordance with Section 139 (2) read with Rule 6(3) of the Companies (Audit and Auditors) Rules 2014, they are eligible for re-appointment for the residuary term of 3 years from the conclusion of the ensuing Annual General Meeting until the conclusion of the Annual General Meeting to be held in respect of the financial year 2016-17 and at the meeting of the Board of

Directors held on 08<sup>th</sup> September 2014, they were accordingly re-appointed, subject to the approval of the members in the ensuing Annual General Meeting.

#### **REDUCTION OF PAID-UP EQUITY SHARE CAPITAL :-**

During June 2014, the Company filed a petition numbered 132/2014 before the Hon'ble High Court of Karnataka at Bangalore praying for an Order confirming the special resolution passed by the members at the Annual General Meeting held on 30<sup>th</sup> December 2013 for reduction of paid-up equity share capital by cancelling 39,31,042 shares held by the public, under Section 100 read with Sections 101 to 105 of the Companies Act, 1956.

The Hon'ble Court vide its Order dated 07<sup>th</sup> August 2014, allowed the Company's petition by confirming the said special resolution. Upon filing a certified copy of the said Order with the Registrar of Companies in Karnataka, Bangalore, the Registrar issued the Certificate of Registration dated 12<sup>th</sup> September 2014, for alteration by reduction of the paid-up equity share capital from Rs.37,59,12,370/- to Rs.33,66,01,950/-. Consequently the entire paid-up share capital of the Company presently held by its promoters and persons belonging to the promoter group.

Subsequently, about 6 weeks thereafter, Securities and Exchange Board of India (SEBI), filed an Application numbered CA 1415/ 2014, before the same Court on 22<sup>nd</sup> September 2014, seeking to implead itself in the Company's petition to which the Company has filed its objection and sought to dismiss the Application as not maintainable. The said Application is pending disposal.

In the mean while, the Company's consistent efforts to implement the Court's Order by fixing the Record Date first on 29-09-2014 and subsequently on 10-10-2014, for the purpose of drawing up the list of public shareholders entitled to payment in respect of the shares so cancelled, has been delayed by BSE Limited, for which appropriate action is being considered.

#### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO, IF ANY:**

The information with respect to Conservation of Energy, Technology Absorption, Foreign Exchange earnings and outgo is furnished at Annexure 'A'.