

**KHODAY INDIA LIMITED**  
**NOTICE**

Notice is hereby given under Section 101(2) of the Companies Act, 2013, that the Forty Ninth Annual General Meeting of the members of Khoday India Limited, will be held on Monday the 08<sup>th</sup> June 2015 at 11.00 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 2015 and the Reports of the Board of Directors and Auditors thereon.
- 2) To appoint a Director in place of Mr.K.L.Ramachandra who retires by rotation and being eligible, offers himself for re-appointment.
- 3) To appoint a Director in place of Mr.K.S.Giridhar who retires by rotation and being eligible, offers himself for re-appointment.
- 4) To ratify the appointment of M/s Rangaraju & Associates, Chartered Accountants, Bangalore as auditors and to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED that pursuant to first proviso to Section 139 (1) of the Companies Act, 2013, the appointment of M/s Rangaraju & Associates, Chartered Accountants, Bangalore as Auditors of the Company, for a period of 3 years from the conclusion of the Annual General Meeting held on 29-12-2014 until the conclusion of the Annual General Meeting of the Company to be held in respect of the financial year 2016-17, be and is hereby ratified."

**Special Business:**

**Item no: 5**

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

- /2015"RESOLVED that pursuant to Sections 194, 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.Srihari Vice-Chairman and Managing Director, of the Company for a period of 5 years from 1<sup>st</sup> January 2016 to 31<sup>st</sup> December 2020 on the remuneration and other terms and conditions as set out herein below.

1.	Tenure	1 <sup>st</sup> January 2016 to 31 <sup>st</sup> December 2020
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."

**Item no: 6**

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

/2015 **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.A.Padmanabhasa, Joint Managing Director, of the Company for a period of 5 years from 1<sup>st</sup> January 2016 to 31<sup>st</sup> December 2020 on the remuneration and other terms and conditions as set out herein below:

1.	Tenure	1 <sup>st</sup> January 2016 to 31 <sup>st</sup> December 2020
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.

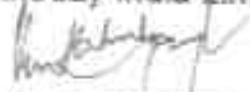
Note: Profit for the purpose of the above managerial remuneration shall be as per computation under Sections 197 and 198 of the Companies Act, 2013.

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."

Place: Bangalore  
Date : 29<sup>th</sup> May 2015

By order of the Board  
For Khoday India Limited

  
(R. Venkat subramanyan)  
Company Secretary

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.

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.L.Ramachandra and Mr.K.S.Giridhar 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.

Further, two ordinary resolutions for the re-appointment of Mr.K.L.Srihari, Vice-Chairman and Managing Director and Mr.K.L.A. Padmanabhasa, Joint Managing Director for further period of 5 years from 1<sup>st</sup> January 2016 to 31<sup>st</sup> December 2020 are proposed to be considered at the ensuing AGM. The particulars of both Whole-time Directors are provided in the Corporate Governance Report forming part of the Annual Report.

Place: Bangalore  
Date : 29<sup>th</sup> May 2015

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 No: 5**

**RE-APPOINTMENT OF MR.K.L.SRIHARI AS VICE-CHAIRMAN AND MANAGING DIRECTOR:**

Mr.K.L.Srihari was re-appointed as Whole-time Director designated as Vice-Chairman and Managing Director of the Company for a period of 5 years 1<sup>st</sup> January 2016 to 31<sup>st</sup> December 2020, pursuant to the approval accorded by the Members for a resolution passed in that behalf at the Annual General Meeting held on 28<sup>th</sup> October 2011. The Board of Directors at its meeting held on 29<sup>th</sup> May 2015, re-appointed Mr.K.L.Srihari as Director of the Company for a further period of 5 years from 1<sup>st</sup> January 2016 to 31<sup>st</sup> December 2020, on the terms and conditions as set out in the resolution and as approved by Nomination and Remuneration Committee of the Board of Directors at its meeting held on 29<sup>th</sup> May 2015. 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.Srihari.

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

**Item no. 6:**

**RE-APPOINTMENT OF MR.K.L.A.PADMANABHASA AS JOINT MANAGING DIRECTOR:**

Mr.K.L.A.Padmanabhasa was re-appointed as Whole-time Director designated as Joint Managing Director of the Company for a period of 5 years 1<sup>st</sup> January 2016 to 31<sup>st</sup> December 2020, pursuant to the approval accorded by the Members for a resolution passed in that behalf at the Annual General Meeting held on 28<sup>th</sup> October 2011. The Board of Directors at its meeting held on 29<sup>th</sup> May 2015, re-appointed Mr.K.L.A.Padmanabhasa as Director of the Company for a further period of 5 years from 1<sup>st</sup> January 2016 to 31<sup>st</sup> December 2020, on the terms and conditions as set out in the resolution and as approved by Nomination and Remuneration Committee of the Board of Directors at its meeting held on 29<sup>th</sup> May 2015. 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.A.Padmanabhasa.

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

.....

## DIRECTORS' REPORT

Your Directors present the 49<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 2015:

### Financial Highlights (Stand Alone):

(Rs. in Lakhs)

Sl.No.	Particulars	2014-15	2013-14
1.	Revenue from operations Other Income	15945.70 55.65	17001.99 269.72
2.	Total Revenue	16001.35	17271.71
3.	Profit / (Loss) before Tax	(3125.41)	478.47
4.	Provision for Taxation Current Tax	0	92.00
5.	Profit/ (Loss) after Tax LESS: Income Tax for the earlier years LESS: Prior year adjustments	(3382.29) 0.72 3.46	386.47 0.49 42.57
6.	Net Profit/ (Loss) for the year	(3386.47)	343.40
7.	Appropriation Dividend Dividend Tax	- -	- -
8.	Balance carried forward	(3386.47)	343.40
9.	EPS - Basic & Diluted	(9.56)	0.91

### Review of performance:

Even though the sale of alcoholic beverages during the year witnessed an increase of about Rs.55 Crores over the previous year, the higher provisioning for depreciation under the new Companies Act, 2013, and the overall increase in the cost production have lead to the Company registering a net loss of Rs.33.86 Crores.

### Dividend:

Your Directors regret the inability to recommend any dividend in view of the loss incurred by the Company during the financial year.

### Annual Evaluation of Board's Performance:-

In compliance with the requirement under Clause 49 of the Listing Agreement, a meeting of the Independent Directors was held on 14<sup>th</sup> February 2015, wherein the performance of Non-Independent Directors, including the Chairman, was evaluated.



To determine the criteria of evaluation of performance of Independent Directors as required under Clause 49 of the Listing Agreement, the Nomination and Remuneration Committee as its meeting held on 08-09-2014 established the criteria based on which the Board at its meeting held on the same day critically adjudged the performance of Independent Directors, with out the presence of the Independent Director being evaluated. The text of the Nomination and Remuneration Policy framed by the Board of Directors at its meeting held on 11-08-2014 is attached to this Report.

Change in nature of business, if any and material changes and commitments:

There has been no change in the nature of business during the financial year. So also there has been no material change and commitments between 31<sup>st</sup> March 2015 and 29<sup>th</sup> May 2015, impacting the financial position of the Company.

Details of significant and material Orders passed by Regulators / Courts :

a) 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 4 weeks thereafter, Securities and Exchange Board of India (SEBI), filed Applications before the same Court for impleading itself in the Company's petition ii) recall and stay of the Order dated 07-08-2014. Although an Order was passed by the single judge on 08-01-2015, keeping in abeyance the earlier Order dated 07-08-2014. On an appeal filed by the Company the Division Bench of the same court, quashed the Order dated 08-01-2015, with a direction to the Company Judge who passed the earlier order dated 07-08-2014 to adjudicate SEBI's application for impleadment. The Company has since filed its objection to the same. The matter is pending disposal. Thus effectively the Order dated 07-08-2014, is in force as an order-in-rem.

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 and 07-04-2015 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, at the instance of SEBI.

The Orders of the Court and SEBI as detailed above, do not impact the going concern status of the Company.

#### b) Listing Agreement with stock exchanges

The Company has complied with the requirements of regulatory authorities on capital markets and no penalties have been imposed during the last three years. However, in the matter of compliance under Clause 40(A) of the Listing Agreement, the Securities and Exchange Board of India (SEBI) vide its final order dated 24<sup>th</sup> July 2014 confirmed its interim order dated 04<sup>th</sup> June 2013, vide which i) the voting right in respect of shares held by the persons in the promoters/ promoter group of the Company was frozen and restricted to 1/3 of the entitlement, i.e. to the extent of 31.38 % ii) the buying and selling or otherwise dealing in securities of the Company held by the promoters was prohibited and iii) the promoters and directors of the Company were restrained from holding any new position as a director in any listed company.

The Company has already challenged the Order of SEBI in an Appeal filed before Securities Appellate Tribunal, on the strength of the Order dated 07<sup>th</sup> August 2014 passed by the Hon'ble High Court of Karnataka. The appeal is pending disposal.