



Registered Office: P.O. Tilaknagar, Tal. Shirampur, Dist. Ahmednagar, Maharashtra-413 720
Email: investor@tilind.com, **Website:** www.tilind.com, **Phone:** +91 22 22831716/18, **Fax:** +91 22 22046904

NOTICE

NOTICE is hereby given that the **80th Annual General Meeting (AGM)** of the Members of Tilaknagar Industries Ltd. will be held on **Saturday, September 26, 2015 at 10:30 a.m.** at the Registered Office of the Company i.e. P.O. Tilaknagar, Tal. Shirampur, Dist. Ahmednagar, Maharashtra-413 720 to transact the following business:

ORDINARY BUSINESS

Item No. 1 – Adoption of the audited financial statements and the reports of the Board of Directors and Auditors thereon

To receive, consider and adopt the audited financial statements of the Company for the financial year ended March 31, 2015, the Reports of the Board of Directors and Auditors thereon and the audited consolidated financial statements of the Company for the financial year ended March 31, 2015.

Item No. 2 – To appoint a Director in place of the Director retiring by rotation

To appoint a Director in place of Mr. Amit Dahanukar (DIN: 00305636), who retires by rotation and being eligible, offers himself for re-appointment.

Item No. 3 – Re-appointment of Statutory Auditors

To ratify the appointment of M/s Batliboi & Purohit, Chartered Accountants (ICAI Firm Registration No. 101048W) as the Statutory Auditors of the Company to hold office from the conclusion of the 80th Annual General Meeting till the conclusion of the 82nd Annual General Meeting, subject to ratification of their appointment by the Members at every Annual General Meeting held after this Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

Item No. 4 - Approval of the remuneration payable to the Cost Auditors for the financial year 2015-16

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **ORDINARY RESOLUTION:**

“**RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s P. D. Phadke &

Associates, Cost Auditors, appointed by the Board of Directors for conducting the audit of cost accounting records maintained by the Company relating to manufacturing of the products covered under the abovementioned rules, be paid a remuneration of ₹ 1,50,000/- (Rupees One Lac Fifty Thousand Only) plus service tax as applicable and re-imburement of out of pocket expenses as may be incurred by them for conducting the Cost Audit for the financial year 2015-16;

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

Item No. 5 - Waiver of the recovery of excess remuneration paid during the financial year 2014-15 to Mr. Amit Dahanukar, Chairman & Managing Director

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **SPECIAL RESOLUTION:**

“**RESOLVED THAT** pursuant to the provisions of Section 197, Schedule V and all other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, or any statutory modification(s) or re-enactment thereof and subject to approval of the Central Government and such other consent(s), approval(s) and permission(s) as may be necessary in this regard and subject to such condition(s) as may be imposed by the Central Government or other authorities while granting such consent(s), approval(s) and permission(s), approval be and is hereby accorded to waive the recovery of excess remuneration of ₹ 2,60,39,261 (Rupees Two Crore Sixty Lacs Thirty Nine Thousand Two Hundred and Sixty One Only) paid during the financial year 2014-15, over and above the limits prescribed under the provisions of Section 197 read with Section II of Part II of Schedule V of the Companies Act, 2013 to Mr. Amit Dahanukar (DIN: 00305636), Chairman & Managing Director of the Company, as recommended by the Nomination and Remuneration Committee;

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution and to settle any question, difficulty or doubt that may arise in this regard.”

Item No. 6 - Waiver of the recovery of excess remuneration paid during the financial year 2014-15 to Mrs. Shivani Amit Dahanukar, Executive Director

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **SPECIAL RESOLUTION**:

“RESOLVED THAT pursuant to the provisions of Section 197, Schedule V and all other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, or any statutory modification(s) or re-enactment thereof and subject to approval of the Central Government and such other consent(s), approval(s) and permission(s) as may be necessary in this regard and subject to such condition(s) as may be imposed by the Central Government or other authorities while granting such consent(s), approval(s) and permission(s), approval be and is hereby accorded to waive the recovery of excess remuneration of ₹ 1,44,74,081 (Rupees One Crore Forty Four Lacs Seventy Four Thousand and Eighty One Only) paid during the financial year 2014-15, over and above the limits prescribed under the provisions of Section 197 read with Section II of Part II of Schedule V of the Companies Act, 2013 to Mrs. Shivani Amit Dahanukar (DIN: 00305503), Executive Director of the Company, as recommended by the Nomination and Remuneration Committee;

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution and to settle any question, difficulty or doubt that may arise in this regard.”

Item No. 7 – Fixation of remuneration payable to Mr. Amit Dahanukar, Chairman & Managing Director for the period April 01, 2015 to November 06, 2017

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **SPECIAL RESOLUTION**:

“RESOLVED THAT pursuant to the provisions of Section 197, Schedule V and all other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, or any statutory modification(s) or re-enactment thereof and subject to approval of the Central Government and such other consent(s), approval(s) and permission(s) as may be necessary in this regard and subject to such condition(s) as may be imposed by the Central Government or other authorities while granting such consent(s), approval(s) and permission(s), approval be and is hereby accorded for making payment of following remuneration recommended by the Nomination and Remuneration Committee as minimum remuneration to Mr. Amit Dahanukar (DIN: 00305636), Chairman & Managing Director of the Company for the period April 01, 2015 to November 06, 2017 in case of inadequacy of profits or no profits in any financial year during the above mentioned period:

Sr. No.	Particulars	Entitlements
A	Salary	₹ 15,78,000/- per month
B	Perquisites and Allowances:	
(a)	Accommodation	Furnished or otherwise, shall be provided by the Company or HRA in lieu thereof subject to a limit of sixty percent of the annual salary
(b)	Medical Reimbursement	For self and family in accordance with the rules of the Company and Scheme as applicable to other Senior Executives
(c)	Leave Travel Assistance	For self and family in accordance with the rules of the Company and Scheme as applicable to other Senior Executives
(d)	Personal Accident Insurance	Premium not to exceed ₹ 4,000/- per annum
(e)	Leave	Leave on full pay as per the rules of the Company subject to maximum of one month's leave for every eleven months service
(f)	Encashment of Leave	Encashment of leave at the end of tenure will not be included in the computation of the ceiling on perquisites
(g)	Provident Fund	Benefits under the Provident Fund Scheme of the Company in accordance with the Company's rules and regulations in force from time to time
(h)	Pension and Superannuation Fund	Benefits under the Company's Pension & Superannuation Fund Scheme in accordance with the Company's rules and regulations and Schemes in force from time to time, to the extent these two are not taxable under the Income-Tax Act, 1961
(i)	Gratuity	Gratuity payable in accordance with the rules and approved scheme of the Company which does not exceed half month's salary (15 days) for each completed year of service, subject to a ceiling laid down thereunder from time to time
(j)	Car and Telephone	Free use of Company's Car including maintenance and operation together with driver, the monetary value of which may be evaluated as per Income-Tax Rules, 1962 Free telephone facility at residence. Provision for use of car for official duties and telephone facility at residence shall not be included in computation of perquisites for the purpose of calculation of the said ceiling
(k)	Club Fees	Fees of Clubs, subject to a maximum of two Clubs, excluding admission and life membership fees

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution and to settle any question, difficulty or doubt that may arise in this regard."

Item No. 8 – Fixation of remuneration payable to Mrs. Shivani Amit Dahanukar, Executive Director for the period April 01, 2015 to September 30, 2017

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **SPECIAL RESOLUTION**:

"**RESOLVED THAT** pursuant to the provisions of Section 197, Schedule V and all other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, or any statutory modification(s) or re-enactment thereof and subject to approval of the Central Government and such other consent(s), approval(s) and permission(s) as may be necessary in this regard and subject to such condition(s) as may be imposed by the Central Government or other authorities while granting such consent(s), approval(s) and permission(s), approval be and is hereby accorded for making payment of following remuneration recommended by the Nomination and Remuneration Committee as minimum remuneration to Mrs. Shivani Amit Dahanukar (DIN: 00305503), Executive Director of the Company for the period April 01, 2015 to September 30, 2017 in case of inadequacy of profits or no profits in any financial year during the abovementioned period:

Sr.No.	Particulars	Entitlements
A	Salary	₹ 14,94,000/- per month
B	Perquisites and Allowances:	
(a)	Medical Reimbursement	For self in accordance with the rules of the Company and Scheme as applicable to other Senior Executives
(b)	Personal Accident Insurance	Premium not to exceed ₹ 4,000/- per annum
(c)	Leave	Leave on full pay as per the rules of the Company subject to maximum of one month's leave for every eleven months service
(d)	Encashment of Leave	Encashment of leave at the end of tenure will not be included in the computation of the ceiling on perquisites
(e)	Provident Fund	Benefits under the Provident Fund Scheme of the Company in accordance with the Company's rules and regulations in force from time to time

Sr.No.	Particulars	Entitlements
(f)	Pension and Superannuation Fund	Benefits under the Company's Pension & Superannuation Fund Scheme in accordance with the Company's rules and regulations and Schemes in force from time to time, to the extent these two are not taxable under the Income-Tax Act, 1961
(g)	Gratuity	Gratuity payable in accordance with the rules and approved scheme of the Company which does not exceed half month's salary (15 days) for each completed year of service, subject to a ceiling laid down thereunder from time to time
(h)	Car	Free use of Company's Car including maintenance and operation together with driver, the monetary value of which may be evaluated as per Income-Tax Rules, 1962 Provision for use of car for official duties shall not be included in computation of perquisites for the purpose of calculation of the said ceiling
(i)	Club Fees	Fees of Clubs, subject to a maximum of two Clubs, excluding admission and life membership fees

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution and to settle any question, difficulty or doubt that may arise in this regard."

By Order of the Board

Place: Mumbai
Date: August 14, 2015

Gaurav Thakur
Company Secretary

Registered Office:
P.O. Tilaknagar, Tal. Shrirampur,
Dist. Ahmednagar, Maharashtra-413 720

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/ HERSELF. SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY.

A person can act as a Proxy on behalf of Members not exceeding fifty (50) and holding in aggregate not more than ten percent (10%) of the total share capital of the Company. A Member holding more than ten percent (10%) of the total share capital of the Company may appoint a single person as Proxy and such Proxy shall not act as a Proxy for any other Member.

The Proxy form is annexed with this Notice. The instrument appointing the Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed, stamped and signed, not less than 48 hours before the commencement of the Meeting.

Corporate Members intending to send their authorized representatives to attend the Annual General Meeting ("the Meeting") are requested to send to the Company a certified true copy of the Board Resolution authorizing their representatives to attend and vote on their behalf at the Meeting.

During the period beginning 24 hours before the time fixed for the commencement of the Meeting and ending with the conclusion of the Meeting, a Member is entitled to inspect the Proxies lodged, at any time during the business hours of the Company, provided that not less than 3 days of notice in writing is given to the Company by such Member.

2. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
3. The Members/Proxies are requested to bring the attendance slip duly filled in for attending the Meeting.
4. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
5. As required under Clause 49 of the Listing Agreement, a statement containing the details of the Director seeking re-appointment at the ensuing Annual General Meeting is annexed to this Notice.
6. The Register of Members and Share Transfer Books of the Company shall remain closed from Saturday, September 19, 2015 to Saturday, September 26, 2015 (both days inclusive) for the purpose of the Meeting.

7. The Register of Directors and Key Managerial Personnel and their Shareholding, the Register of Contracts or Arrangements in which Directors are interested and the Certificate given by the Statutory Auditors with respect to implementation of the ESOP Schemes of the Company will be available for inspection at the Meeting.
8. All the documents referred to in the Notice and Explanatory Statement annexed thereto including the Annual Report for the financial year 2014-15 and Notice of the 80th Annual General Meeting are open for inspection by the Members, without any fees, at the Registered Office and Corporate Office of the Company between 11.00 a.m. and 01.00 p.m. on all working days except Saturday up to the date of the Meeting and the same shall also be made available for inspection by Members at the Meeting.
9. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the 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 are requested to furnish their PAN to Bigshare Services Pvt. Ltd., the Registrar and Share Transfer Agents of the Company.
10. Members holding shares in physical form are requested to approach Bigshare Services Pvt. Ltd., the Registrar and Share Transfer Agents of the Company at E-2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (East), Mumbai – 400 072 for:
 - (a) intimating any change in their address and/or bank mandate;
 - (b) submitting requests for transfer, transmission, name change, split, consolidation, etc.;
 - (c) nominating any person to whom the shares shall vest in the event of death;
 - (d) updating/registering their e-mail address for correspondence; and
 - (e) any other queries with respect to shares held by them.
11. Members holding shares in electronic form are hereby informed that the Company or its Registrar cannot act on any request received directly from them for any change of address and/or bank mandate or change in e-mail address. Such changes are to be intimated only to the Depository Participants of the Members.
12. Members are requested to quote their Client ID and DP ID in respect of shares held in electronic form and ledger

folio number in respect of shares held in physical form in all their correspondence.

13. Members who have not registered their e-mail address for receiving all communications including Annual Report, Notices and Circulars, etc. from the Company electronically, are requested to register the same with their Depository Participants (for shares held in electronic form) and with Bigshare Services Pvt. Ltd., the Registrar and Share Transfer Agents of the Company (for shares held in physical form). Members, who have registered their e-mail address, are also entitled to receive such communication in physical form, upon request.
14. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unclaimed dividend amounts lying with it as on September 27, 2014 (date of last Annual General Meeting) on its website i.e. www.tilind.com and also on the website of the Ministry of Corporate Affairs.

The concerned Members may claim the same by sending a request letter along with the letter of undertaking available on the website of the Company and self-attested PAN Card copy to Bigshare Services Pvt. Ltd., the Registrar and Share Transfer Agents of the Company before the due date for its transfer available on the website of the Company i.e. www.tilind.com to the Investor Education and Protection Fund (IEPF), constituted by the Central Government.

15. The Company has uploaded the details of bonus shares lying unclaimed in 'TI-Unclaimed Suspense Account' on its website i.e. www.tilind.com.

The concerned Members may claim the same by sending a request letter along with self-attested copies of address proof, PAN Card and demat account details to Bigshare Services Pvt. Ltd., the Registrar and Share Transfer Agents of the Company.

16. The Annual Report for the financial year 2014-15 and Notice of the 80th Annual General Meeting, inter-alia, indicating the process and manner of voting including remote e-voting along with Attendance Slip and Proxy Form are being sent in electronic mode to all the Members holding shares in dematerialized form and having their e-mail address registered with their Depository Participants and such other Members who have positively consented in writing to receive the same by electronic mode. Physical copies of the abovementioned documents are being sent to all other Members by the permitted mode.

Members, who have received the above documents in electronic mode, are entitled to receive the same, free of cost, in physical form, upon making a request in this regard to Bigshare Services Pvt. Ltd., the Registrar and Share Transfer Agents of the Company or to the Company at investor@tilind.com.

The abovementioned documents are also available for download on the Company's website i.e. www.tilind.com.

17. In compliance with the provisions of Clause 35B of the Listing Agreement and Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company has provided a facility of remote e-voting (e-voting from a place other than venue of the Meeting) to its Members to enable them to exercise their right to vote on the business proposed to be transacted at the 80th Annual General Meeting ("the Meeting"). Necessary arrangements have been made by the Company with Central Depository Services (India) Limited (CDSL) to facilitate remote e-voting.

The facility for voting through ballot paper shall also be made available at the venue of the Meeting. The Members attending the Meeting, who have not already cast their vote through remote e-voting shall be able to exercise their voting rights at the Meeting.

18. Information and other instructions relating to remote e-voting are as under:

- i. The voting period begins on Wednesday, September 23, 2015 at 10:00 a.m. and ends on Friday, September 25, 2015 at 5.00 p.m. During this period Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Saturday, September 19, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii. The Members who have cast their vote by remote e-voting prior to the Meeting may attend the Meeting but shall not be entitled to cast their vote again.
- iii. The Members should log on to the e-voting website www.evotingindia.com.
- iv. Click on Shareholders.
- v. 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.
- vi. Next enter the Image Verification as displayed and Click on Login.
- vii. 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.
- viii. If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letter of their name and 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)	<p>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.</p> <ul style="list-style-type: none"> If both 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 (v).

- ix. After entering these details appropriately, click on "SUBMIT" tab.
- x. 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.
- xi. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xii. Click on the EVSN for "Tilaknagar Industries Ltd." on which you choose to vote.
- xiii. 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.
- xiv. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xv. 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.
- xvi. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvii. You can also take out print of the vote cast by clicking on "Click here to print" option on the Voting page.
- xviii. 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.
- xix. **Note for Non – Individual Shareholders:**
- 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.co.in under help section or write an e-mail to helpdesk.evoting@cdslindia.com. The Members may also approach the Company Secretary at investor@tilind.com for any grievances pertaining to remote e-voting process.
19. Any person who is not a Member as on the cut-off date should treat this Notice for information purpose only. Also, any person who acquires shares and becomes the Member of the Company after the dispatch of Annual Report and Notice of the Meeting and holding shares on the cut-off date i.e. Saturday, September 19, 2015, may obtain login ID and password by sending a request at helpdesk.evoting@cdslindia.com.
20. The Board of Directors has appointed Mr. R. T. RajGuroo, Advocate as Scrutinizer to scrutinize the voting process (including remote e-voting) in a fair and transparent manner in its Meeting held on August 14, 2015. He has communicated his willingness to be so appointed and will be available for the purpose of ascertaining the requisite majority.
21. The Scrutinizer shall, after the conclusion of voting at the Meeting, first count the votes cast at the Meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the Meeting, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman & Managing Director of the Company or any person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
22. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company i.e. www.tilind.com and on the website of the CDSL immediately after the declaration of the results by the Chairman & Managing Director of the Company or a person authorized by him in writing and also be displayed at the Registered and Corporate Office of the Company. The results shall also be immediately forwarded to the Stock Exchange(s) i.e. BSE Limited and National Stock Exchange of India Ltd.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 SETTING OUT ALL THE MATERIAL FACTS RELATING TO SPECIAL BUSINESS:

Item No. 4

Pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and based on the recommendation of the Audit Committee, the Board of Directors had appointed M/s P. D. Phadke & Associates, Cost Accountants as Cost Auditors for the financial year 2015-16 for conducting the audit of cost accounting records maintained by the Company relating to manufacturing of the products covered under the abovementioned rules at a remuneration of ₹ 1,50,000/- (Rupees One Lac Fifty Thousand Only) plus service tax as applicable and re-imbusement of out of pocket expenses as may be incurred by them for conducting the Cost Audit.

The following certificates obtained from them are available for inspection by the Members without any fees at the Registered Office of the Company between 11.00 a.m. and 01.00 p.m. on all working days except Saturday up to the date of the Annual General Meeting:

- (i) certifying their independence and arms length relationship with the Company; and
- (ii) certifying that their appointment, if made, will be in conformity with the limits specified in Section 141 of the Companies Act, 2013 and that they hold a valid certificate of practice and are eligible under Section 148 of the Companies Act, 2013 for being appointed as Cost Auditors.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules 2014, the remuneration payable to the Cost Auditors is subject to ratification by the Members.

Accordingly, the Board recommends the Ordinary Resolution set out at Item No. 4 for the approval of the Members.

None of the Directors and Key Managerial Personnel and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 4.

Item Nos. 5 and 6

The Members had, upon the recommendation of the Nomination and Remuneration Committee (then known as Remuneration Committee), in their 77th Annual General Meeting held on September 21, 2012 granted approval by way of Special Resolutions for the re-appointment of Mr. Amit Dahanukar, Chairman & Managing Director and Mrs. Shivani Amit Dahanukar, Executive Director of the Company

for a period of 5 years expiring on November 06, 2017 and September 30, 2017 respectively on the remuneration approved thereat.

The Members had, upon the recommendation of the Nomination and Remuneration Committee (then known as Remuneration Committee), in their 78th Annual General Meeting held on September 11, 2013 granted approval by way of Ordinary Resolutions for revision in the abovementioned remuneration payable to Mr. Amit Dahanukar, Chairman & Managing Director and Mrs. Shivani Amit Dahanukar, Executive Director of the Company w.e.f. April 01, 2013 for the remainder of their tenure.

As the Company was making consistent profits till the financial year 2013-14, the remuneration paid to Mr. Amit Dahanukar, Chairman & Managing Director and Mrs. Shivani Amit Dahanukar, Executive Director of the Company till the financial year 2013-14 was well within the overall ceiling prescribed under Section 309 read with Schedule XIII of the Companies Act, 1956 (corresponding to Section 197 read with Section II of Part II of Schedule V of the Companies Act, 2013 effective from April 01, 2014).

However, during the financial year 2014-15, the Company's revenue has declined due to prolonged slowdown in the economy, weak consumer sentiments, supply side limitations in the State of Tamil Nadu driven by bottling constraints, operational disturbances caused due to bifurcation of the State of Andhra Pradesh and restrictions imposed on sales in the Kerala Market.

During the financial year 2014-15, the Company has incurred loss due to moderation in revenues, elevated finance costs and increased raw material costs. This has resulted in the managerial remuneration paid to Mr. Amit Dahanukar, Chairman & Managing Director and Mrs. Shivani Amit Dahanukar, Executive Director of the Company for the financial year 2014-15 to exceed the limits prescribed under Section 197 read with Section II of Part II of Schedule V of the Companies Act, 2013 (effective from April 01, 2014) as per details given herein below:

Particulars	Mr. Amit Dahanukar (Chairman & Managing Director) (₹)	Mrs. Shivani Amit Dahanukar (Executive Director) (₹)
Remuneration paid during the financial year 2014-15	3,20,39,261	2,04,74,081
Entitlement under Schedule V of the Companies Act, 2013	60,00,000	60,00,000
Remuneration paid in financial year 2014-15 in excess of entitlement	2,60,39,261	1,44,74,081

The abovementioned excess remuneration is held by Mr. Amit Dahanukar, Chairman & Managing Director and Mrs. Shivani Amit Dahanukar, Executive Director of the Company in trust and is liable to be refunded by them to the Company unless permission from the Central Government for waiver of recovery of excess remuneration under Section 197(10) of the Companies Act, 2013 is obtained by the Company.

Mr. Amit Dahanukar is a graduate in Electrical Engineering with a Masters degree in Engineering Management from Stanford University, U.S.A. and Mrs. Shivani Amit Dahanukar has a Masters in Business Administration from the University of San Francisco. She is also a graduate in Law from the Government Law College, University of Mumbai. They have been associated with the Company since 2000 and 2006 respectively. They are instrumental in expansion of the Company's operations on Pan India basis and under their leadership, the Company has emerged as a well established player in the IMFL industry with dominant position in Southern India.

After taking into consideration that the managerial remuneration paid to them during the financial year 2014-15 was justified and commensurate with the remuneration paid to similar senior-level appointees in other companies and thus comparable to the industry standards, the Nomination and Remuneration Committee and the Board of Directors at their respective meetings held on May 30, 2015 and August 14, 2015 have recommended the waiver of the abovementioned excess remuneration paid to them, subject to approval of the Members by way of Special Resolutions and approval of the Central Government.

Accordingly, the Board recommends the Special Resolutions set out at Item Nos. 5 and 6 for the approval of the Members.

Save and except Mr. Amit Dahanukar and Mrs. Shivani Amit Dahanukar, none of the other Directors/Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolutions set out at Item Nos. 5 and 6.

Item Nos. 7 and 8

The Members had, upon the recommendation of the Nomination and Remuneration Committee (then known as Remuneration Committee), in their 77th Annual General Meeting held on September 21, 2012 granted approval by way of Special Resolutions for the re-appointment of Mr. Amit Dahanukar, Chairman & Managing Director and Mrs. Shivani Amit Dahanukar, Executive Director of the Company for a period of 5 years expiring on November 06, 2017 and September 30, 2017 respectively on the remuneration approved thereat.

The Members had, upon the recommendation of the Nomination and Remuneration Committee (then known as Remuneration Committee), in their 78th Annual General Meeting held on September 11, 2013 granted approval by way of Ordinary Resolutions for revision in the abovementioned remuneration payable to Mr. Amit Dahanukar, Chairman & Managing Director and Mrs. Shivani Amit Dahanukar, Executive Director of the Company w.e.f. April 01, 2013 for the remainder of their tenure.

The Company was making consistent profits till the financial year 2013-14. However, due to prolonged slowdown in the economy, weak consumer sentiments, supply side limitations in the State of Tamil Nadu driven by bottling constraints, operational disturbances caused due to bifurcation of the State of Andhra Pradesh and restrictions imposed on sales in the Kerala Market, the Company's revenue has declined during the financial year 2014-15.

During the financial year 2014-15, the Company has incurred loss due to moderation in revenues, elevated finance costs and increased raw material costs.

The Company has been making necessary efforts to improve its performance and is aggressively pursuing and implementing various strategies, including selling of high margin semi-premium and premium brands and cost reductions initiatives etc. The results of these initiatives will be felt gradually in the coming years. However, during the financial years 2015-16 to 2017-18, the Company may have inadequate profits which may result in payment of the managerial remuneration to Mr. Amit Dahanukar, Chairman & Managing Director and Mrs. Shivani Amit Dahanukar, Executive Director of the Company for said years to fall within the purview of Section II of Part II of Schedule V of the Companies Act, 2013.

After taking into consideration that the managerial remuneration proposed to be paid to them as detailed in the respective resolutions set out at Item No. 7 and 8 is justified and commensurate with the remuneration paid to similar senior-level appointees in other companies and thus comparable to the industry standards, the Nomination and Remuneration Committee and the Board of Directors at their respective meetings held on May 30, 2015 and August 14, 2015 have recommended to make payment of such remuneration as minimum remuneration to them for the period April 01, 2015 to November 06, 2017 and April 01, 2015 to September 30, 2017 respectively in case of inadequacy of profits or no profits in any financial year during the abovementioned

period, subject to approval of the Members by way of Special Resolutions and approval of the Central Government.

Accordingly, the Board recommends the Special Resolutions set out at Item Nos. 7 and 8 for the approval of the Members. The Statement as required under Section II of Part II of Schedule V of the Companies Act, 2013 is given herein below:

I. GENERAL INFORMATION

(i) Nature of Industry:

The Company is engaged in the business of manufacturing and distribution of Spirits and Indian Made Foreign Liquor at its plants located at various parts of India.

(ii) Date or expected date of commencement of commercial production:

The Company is having operations since 1933.

(iii) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:

Not Applicable

(iv) Financial performance based on given indicators:

(₹. in million, except per share data)				
Particulars	Year ended 31.03.2015 (Audited)	Year ended 31.03.2014 (Audited)	Year ended 31.03.2013 (Audited)	Year ended 31.03.2012 (Audited)
Total Revenue	5,533.12	6,198.98	5,713.62	4,587.27
Profit/(Loss) before tax	(231.88)	691.77	719.72	580.64
Profit/(Loss) after tax	(345.02)	485.95	503.43	387.54
Earnings Per Share (EPS)-basic	(2.77)	3.96	4.17	3.35
Earnings Per Share (EPS)- diluted	(2.77)	3.89	4.04	3.30

(v) Foreign investments or collaborations, if any:

The Company has not entered into any foreign collaboration. As per the shareholding pattern as on August 07, 2015, Foreign Institutional Investors (FII) holds 2,48,476 shares i.e. 0.19% of the total paid up share capital of the Company.

II. INFORMATION ABOUT MR. AMIT DAHANUKAR AND MRS. SHIVANI AMIT DAHANUKAR

Particulars	Mr. Amit Dahanukar (Chairman & Managing Director)	Mrs. Shivani Amit Dahanukar (Executive Director)		
Background details	Mr. Amit Dahanukar, aged 38 years is a graduate in Electrical Engineering with a Masters degree in Engineering Management from Stanford University, U.S.A. He has experience of 14 years in the IMFL industries.	Mrs. Shivani Amit Dahanukar, aged 37 years has a Masters in Business Administration from the University of San Francisco. She is also a graduate in Law from the Government Law College, University of Mumbai. She has experience of 9 years in the IMFL industries.		
Past remuneration	2012-13	₹ 34.55 million	2012-13	₹ 22.37 million
	2013-14	₹ 34.95 million	2013-14	₹ 22.34 million
	2014-15	₹ 32.04 million	2014-15	₹ 20.47 million
Recognition or awards	Mr. Amit Dahanukar was conferred with prestigious Bharat Vibhushan Samman Puraskar for his outstanding individual achievement & distinguished services to the Nation presented by the Economic and Human Resource Development Association, Delhi.	The prestigious Award for Excellence in CSR was given to the Company by 'Ambrosia', a leading alcobev magazine for the outstanding contribution made in the field of social welfare through CSR activities headed by Mrs. Shivani Amit Dahanukar.		
Job profile and his/her suitability	<p>Mr. Amit Dahanukar joined the Company's Board of Directors on June 07, 2000. He attended 3 meetings of the Board out of total 5 meetings held during the financial year ended March 31, 2015.</p> <p>He is also holding directorship in following subsidiaries of the Company:</p> <ol style="list-style-type: none"> 1. Prag Distillery (P) Ltd. 2. Vahni Distilleries Private Limited 3. Kesarval Springs Distillers Pvt. Ltd. 4. PunjabExpo Breweries Private Limited 5. Srirampur Grains Private Limited 6. Studd Projects P. Ltd. 7. Mykingdom Ventures Pvt. Ltd. 8. Shivprabha Sugars Ltd. <p>He is the Member of the Nomination and Remuneration Committee of Prag Distillery (P) Ltd. and Vahni Distilleries Private Limited.</p> <p>As the Chairman & Managing Director of the Company, he provides strategic direction for Company's future initiatives and is also instrumental in the expansion of the Company's operations on Pan India basis and under his leadership, the Company has emerged as a well established player in the IMFL Industry with dominant position in Southern India.</p>	<p>Mrs. Shivani Amit Dahanukar joined the Company's Board of Directors on June 07, 2000. She attended 3 meetings of the Board out of total 5 meetings held during the financial year ended March 31, 2015.</p> <p>She is also holding directorship in following subsidiaries of the Company:</p> <ol style="list-style-type: none"> 1. Prag Distillery (P) Ltd. 2. Vahni Distilleries Private Limited 3. Kesarval Springs Distillers Pvt. Ltd. 4. PunjabExpo Breweries Private Limited 5. Srirampur Grains Private Limited 6. Studd Projects P. Ltd. 7. Mykingdom Ventures Pvt. Ltd. 8. Shivprabha Sugars Ltd. <p>She is the Chairperson of the CSR Committee of Prag Distillery (P) Ltd.</p> <p>As the Executive Director of the Company, she oversees its daily operations and spearheads its community welfare activities in the fields of nutrition, primary education and healthcare. She is also instrumental in the expansion of the Company's operations on Pan India basis.</p>		