



## NOTICE OF MEETING

NOTICE is hereby given that the Eighty Fifth Annual General Meeting of VST INDUSTRIES LIMITED will be held at Hotel Taj Krishna, Road No. 1, Banjara Hills, Hyderabad - 500 034 on **Thursday, 11th August, 2016 at 10.30 a.m.** for transacting the following business:

### ORDINARY BUSINESS

1. To consider and adopt the Audited Financial Statements of the Company for the year ended 31st March, 2016, and the Reports of the Board of Directors and Auditors.
2. To declare a Dividend on the Equity Shares for the year ended 31st March, 2016.
3. To appoint a Director in place of Mr. Devraj Lahiri (DIN: 03588071) who retires by rotation and being eligible, offers himself for re-appointment.
4. 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 139 and other applicable provisions of Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force) and pursuant to the recommendation made by the Audit Committee of the Board, Messrs. BSR & Associates LLP, Chartered Accountants, having ICAI Firm Registration Number 116231W/W-100024 be and are hereby appointed as the Statutory Auditors of the Company, in place of the retiring Auditors Messrs. Lovelock & Lewes, Chartered Accountants having ICAI Firm Registration Number 301056E to hold office from the conclusion of this 85th Annual General Meeting till conclusion of the 90th Annual General Meeting (subject to ratification of such appointment by the Members at every Annual General Meeting held after this Annual General Meeting up to and including the 89th Annual General Meeting) and that the Board be and is hereby authorised to fix such remuneration as may be recommended by the Audit

Committee in consultation with the Auditors, in addition to reimbursement of all out-of-pocket expenses as may be incurred in connection with the audit of the accounts of the Company."

### SPECIAL BUSINESS

5. 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 recommendations of the Nomination & Remuneration Committee and approval of the Board and subject to the provisions of Sections 196, 197, 198, 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the Rules framed there under (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the Members be and is hereby accorded to the appointment of Mr. Devraj Lahiri (DIN:03588071) as Deputy Managing Director of the Company, being a director liable to retire by rotation, with effect from 1st July, 2016 to 27th November, 2017 (both days inclusive) on such terms and conditions including remuneration as detailed in the Statement attached hereto with the liberty to the Board of Directors (hereinafter referred to as 'the Board' which term shall be deemed to include Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the remuneration including the components of remuneration as it may deem fit and as may be acceptable to Mr. Lahiri subject to the same not exceeding the limits specified under the Companies Act, 2013 read with Schedule V thereto or any statutory modification(s) or re-enactment thereof."

By Order of the Board

NITESH BAKSHI  
Company Secretary

Dated this 20th day of April, 2016.  
Azamabad, Hyderabad - 500 020



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### NOTES

1. In accordance with Section 102 of the Companies Act, 2013, Statement setting out the material facts in respect of item 5 being item of Special Business is annexed to the Notice of the Meeting.
2. **A Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the Company. The instrument of proxy in order to be effective, must be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting.**

**A person can act as a proxy on behalf of Members not exceeding fifty and holding in the aggregate not more than ten per cent of the total share capital of the Company carrying voting rights. A Member holding more than ten per cent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or member.**
3. The Register of Members of the Company shall remain closed from Thursday, 4th August, 2016 to Thursday, 11th August, 2016 (both days inclusive) for payment of dividend, if declared.

Valid transfer of shares received at the office of Registrar and Transfer Agents of the Company, M/s. Karvy Computershare Private Limited, before the close of business hours on 3rd August, 2016 will be registered in time for the transferees to become eligible for dividend, if declared.

Dividend, if declared, will be paid on 31st August, 2016 to those Members whose names appear in the Register of Members of the Company on 11th August, 2016 or to their mandatees, subject however to the provisions of Section 126 of the Companies Act, 2013 or any amendment thereto or re-enactment thereof. In respect of dematerialised shares, the dividend will be payable on the basis of beneficial ownership as on 3rd August, 2016 as per details to be furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for this purpose.
4. Corporate members are requested to send, a duly certified copy of the board resolution pursuant to Section 113 of the Companies Act, 2013 authorising their representative to attend and vote on their behalf at the Annual General Meeting.
5. The brief profile of the Directors proposed to be appointed/re-appointed is given in the Directors' Report. None of the Directors is related to one another.
6. Members holding shares in physical form should inform the Company's Registrar and Transfer Agents, M/s. Karvy Computershare Private Limited of any change in their registered address, mandate/bank details/e-mail address. Similarly, Members holding shares in electronic form should inform their Depository Participants (DP) of any change in their registered address, mandate/bank details/e-mail address.
7. The shares of the Company are under compulsory demat trading. Members holding shares in physical form are requested to convert their shares into dematerialised form in their own interest and for their convenience.
8. SEBI has directed listed companies to use electronic payment modes such as NEFT, RTGS, ECS etc., for payment to the investors. Members are requested to update their bank details such as MICR, IFSC code etc., with the Registrar and Transfer Agents, M/s. Karvy Computershare Private Limited by submitting a cancelled cheque, while Members holding shares in electronic form are requested to update such bank details with their respective Depository Participants.
9. Members who have multiple folios in identical names or joint names in the same order are requested to intimate the Registrar and Transfer Agents, M/s. Karvy Computershare Private Limited about these folios to enable consolidation of all such shareholdings into one folio.
10. The Securities and Exchange Board of India (SEBI) vide circular ref no. MRD/DoP/CIR-05/2007 dated 27th April, 2007, made PAN the sole identification number for all participants transacting in the securities market, irrespective of the amount of transaction. In continuation of the aforesaid circular, it is hereby clarified that for securities market transactions and off market/private transactions involving transfer of shares of listed



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companies in physical form, it shall be mandatory for the transferee(s) to furnish copy of PAN card to the Company/Registrar and Share Transfer Agent for registration of such transfer of shares.

11. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. The Nomination Form SH 13 prescribed under the Companies Act, 2013 can be obtained from the Registrar and Transfer Agents or can be downloaded from the Company's website [www.vsthyd.com](http://www.vsthyd.com).
12. Members are requested to refer to the 'Shareholder Referencer' of the Report on Corporate Governance which inter-alia contains details regarding unclaimed dividend.
13. Members are requested to bring their copy of the Annual Report to the Meeting.
14. For the convenience of Members and for proper conduct of the meeting, entry to the venue of the meeting will be regulated by Attendance Slip, which is enclosed with this notice. Members are requested to sign at the place provided on the Attendance Slip and hand it over at the entrance to the venue.
15. The documents referred to in this notice are open for inspection at the Registered Office of the Company on all working days, except Saturdays, between 11.00 a.m. and 1.00 p.m. up to the date of Annual General Meeting.
16. Pursuant to Section 108 of Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014 as substituted by the Companies (Management and Administration) Amendment Rules, 2015 and Clause 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to offer voting by electronic means to the Members to cast their votes electronically on all items of business set forth in this notice. The detailed instructions for e-voting are given as a separate attachment to this notice.
17. The facility for voting, either through electronic voting system or ballot or polling paper shall also be made available at the meeting and Members attending the

meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting.

18. The Members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.

The Company has appointed Mr. Tumuluru Krishnamurthy or failing him Mr. B.V. Saravana Kumar, Company Secretaries in Practice, who in the opinion of the Board are duly qualified persons, as a Scrutiniser who will scrutinise the electronic voting process in a fair and transparent manner. The Scrutiniser shall within a period of three days from the date of conclusion of the meeting, submit his report of the votes cast in favour or against, if any, to the Chairman of the Company and the result of the same will be disclosed forthwith. The Company has appointed Karvy Computershare Private Limited as the Agency for the purpose of facilitating the electronic voting.

19. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with the Companies (Management and Administration Rules), 2014, companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their e-mail address either with the Company or with the Depository. Members who have not registered their e-mail address with the Company are requested to submit their request with their valid e-mail address to M/s Karvy Computershare Private Limited. Members holding shares in demat form are requested to register/update their e-mail address with their Depository Participant(s) directly. The Members will be entitled to a physical copy of the Annual Report for the financial year 2015-16, free of cost, upon sending a written request either to the Company or to the Registrar & Transfer Agents.

By Order of the Board

NITESH BAKSHI  
Company Secretary

Dated this 20th day of April, 2016.  
Azamabad, Hyderabad - 500 020



## Statement pursuant to Section 102(1) of Companies Act, 2013

### Item No. 5

The Members at their meeting held on 12th July, 2012 approved the appointment of Mr. Devraj Lahiri as Whole-time Director of the Company to hold office as such from 1st August, 2011 to 31st July, 2016 (both days inclusive).

Mr. Devraj Lahiri's period of office is due to expire on 31st July, 2016. The Board of Directors of your Company ('the Board') at its meeting held on 20th April, 2016 on the recommendation of Nomination & Remuneration Committee approved the appointment of Mr. Devraj Lahiri as Deputy Managing Director of the Company, with effect from 1st July, 2016 to 27th November, 2017 (both days inclusive), on the following remuneration, subject to the approval of the Members. The Deputy Managing Director shall also be a Key Managerial personnel under Section 203 of the Companies Act, 2013.

- I. **Consolidated Salary:** At the rate of ₹4,00,715 per month subject to such increases as the Board may determine in the consolidated salary during the tenure of office as Deputy Managing Director having regard to the annual performance of Mr. Devraj Lahiri and to cover the Consumer Price Index.
- II. **Other Allowance:** ₹1,00,000 per month.
- III. **Performance Bonus:** Payable annually for each financial year ending March 31, 2017 and thereafter, not exceeding 120% of the consolidated salary per annum after approval of the accounts as may be determined by the Board of Directors of the Company.
- IV. **Perquisites:** In addition to the aforesaid consolidated salary, other allowance and performance bonus, Mr. Devraj Lahiri shall be entitled to perquisites like gas, electricity, water, furnishings, medical reimbursement and leave travel concession for self and family, club fees, personal accident insurance etc. in accordance with the Rules of the Company, the monetary value of such perquisites being limited to ₹4,00,000 per annum, for the purposes of which limit, perquisites shall be evaluated as per Income Tax Rules, wherever applicable, and in absence of any such Rule, perquisites shall be evaluated at actual cost. However, the following shall not be included in the aforesaid perquisite limit:
  - a. Rent free furnished accommodation owned/leased/rented by the Company or housing allowance in

lieu thereof, subject to a maximum of 20% of the consolidated salary.

- b. Contribution to Provident Fund and Superannuation Fund up to 27% of salary and contribution to Gratuity Fund up to 8.33% of salary as defined in the rules of the respective Funds, or up to such other limit as may be prescribed under the Income Tax Act, 1961 and the Rules there under for this purpose.
  - c. Use of Company car for official purposes and telephone at residence and cell phone (including payment for local calls and long distance official calls).
  - d. Encashment of unavailed leave as per the rules of the Company at the time of retirement/cessation of service.
  - e. Long service award as per the rules of the Company.
  - f. Costs and expenses incurred by the Company in connection with joining/transfer from one location to another as per the rules of the Company.
- V. **Minimum Remuneration:** Notwithstanding anything to the contrary contained herein, where, in any financial year during the currency of the tenure of Mr. Devraj Lahiri as Deputy Managing Director, the Company has no profits or its profits are inadequate, the Company shall pay salary and perquisites to Mr. Lahiri as laid down in Part II or Part III, as the case may be, of Schedule V to the Companies Act, 2013 as Minimum Remuneration and subject to the provisions thereof.

Mr. Devraj Lahiri satisfies all the conditions set out in Part-I of Schedule V of the Companies Act, 2013 and also conditions set out in sub-section (3) of Section 196 of Companies Act, 2013 for being eligible for his appointment. The Company has received from Mr. Devraj Lahiri intimation in terms of Companies (Appointment & Qualification of Directors) Rules, 2014 to the effect that he is not disqualified under sub-section(2) of Section 164 of Companies Act, 2013.

The above may be treated as written memorandum setting out the terms of appointment of Mr. Devraj Lahiri under Section 190 of Companies Act, 2013.

Mr. Devraj Lahiri is a Commerce Graduate from St. Xavier's College, Kolkata and Masters in Business Administration from Indian Institute of Social Welfare and Business Management,



## ANNEXURE TO NOTICE OF MEETING

Kolkata. He joined the Company in the year 2001 and has made significant contributions during his association with the Company. He was elevated to the level of Marketing Head and was appointed as Whole-time Director of the Company with effect from 1st August, 2011. He is a member of the CSR Committee, Committee of Directors and Stakeholders Relationship Committee of the Company and is also a director on the board of the Tobacco Institute of India. He has been instrumental in the growth of the Company and has successfully launched various new brands. Mr. Lahiri does not hold any shares in the Company and is not related to any other director of the Company.

Apart from Mr. Devraj Lahiri, Deputy Managing Director who

is interested in his appointment and remuneration, none of the other Directors and Key Managerial Personnel of the Company or their respective relatives is, in any way, concerned or interested financially or otherwise in this item of business.

The Board commends this item of business for your approval.

By Order of the Board

NITESH BAKSHI  
Company Secretary

Dated this 20th day of April, 2016.  
Azamabad, Hyderabad - 500 020

### INSTRUCTIONS FOR REMOTE E-VOTING

1. Use the following URL for e-voting from Karvy website: <https://evoting.karvy.com>
2. Members of the Company holding shares either in physical form or in dematerialised form, as on 4th August, 2016, the cut off date (Record Date), may cast their vote electronically.
3. Enter the login credentials (i.e. User ID and password mentioned in the Attendance Slip enclosed with this Notice). Your Folio No/DP ID Client ID will be your User ID.
4. After entering the details appropriately, click on LOGIN.
5. You will reach the password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. The system will prompt you to change your password and update any contact details like mobile, email etc on first login. You may also enter the secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
6. You need to login again with the new credentials.
7. On successful login, the system will prompt you to select the EVEN i.e. VST Industries Limited.
8. On the voting page, enter the number of shares as on the cut off date under FOR/AGAINST or alternately you may enter partially any number in FOR and partially in AGAINST but the total number in FOR/AGAINST taken together should not exceed the total shareholding. You may also choose the option ABSTAIN.
9. Members holding multiple folios/demat account shall choose the voting process separately for each folio/demat account.
10. Cast your vote by selecting an appropriate option and click on SUBMIT. A confirmation box will be displayed. Click OK to confirm else CANCEL to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the resolution.
11. Once the vote on the resolution is cast by the Member, he/she shall not be allowed to change it subsequently.
12. The portal will be open for voting from 9.00 a.m. on 8th August, 2016 and closes at 5.00 p.m. on 10th August, 2016.
13. Members of the Company who have purchased their shares after the dispatch of the notice but before the cut off date (4th August, 2016) may contact Karvy Computershare Private Limited at Telephone No. 1800 345 4001 (toll free) to obtain login ID and password.
14. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and e-voting User Manual for shareholders available at the download section of <https://evoting.karvy.com> or contact Karvy Computershare Private Limited at Telephone No. 1800 345 4001 (toll free).



AGM Venue - Route Map  
Hotel Taj Krishna, Road No. 1, Banjara Hills, Hyderabad - 500 034  
Landmark: Between GVK One & City Center Mall