



NOTICE OF MEETING

NOTICE IS HEREBY GIVEN THAT the Eighty First Annual General Meeting of VST INDUSTRIES LIMITED will be held at Hotel Taj Krishna, Road No.1, Banjara Hills, Hyderabad - 500 034 on **Thursday 12th July, 2012 at 10.30 a.m.** for transacting the following business:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2012, the Profit and Loss Account of the Company for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To declare a Dividend on the Equity Shares for the year ended 31st March, 2012.
3. To appoint a Director in place of Mr. Peter G. Henriques, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Milind A. Kharat, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors and to fix their remuneration. In this connection, to consider and, if thought fit, to pass with or without modification(s) the following Resolution which will be proposed as an Ordinary Resolution:

"RESOLVED THAT M/s. Lovelock & Lewes, Chartered Accountants (ICAI Registration No: 301056E), the retiring Auditors be and are hereby re-appointed as the Auditors of the Company to hold such office until the conclusion of the next Annual General Meeting at a remuneration of ₹24 lakhs (Rupees Twenty four Lakhs only) payable in two equal instalments exclusive of service tax as applicable, travelling and reimbursement of actual out-of-pocket expenses incurred."

SPECIAL BUSINESS

6. To consider and, if thought fit, to pass with or without modification(s), the following Resolution which will be proposed as an Ordinary Resolution:

"RESOLVED THAT pursuant to Section 269 and other applicable provisions, if any, of the Companies Act, 1956

read with Schedule XIII of the said Act including any statutory modification or re-enactment thereof approval be and is hereby granted to the appointment of Mr. Devraj Lahiri as Director and Wholetime Director of the Company for a period of five years from 1st August, 2011 to 31st July, 2016 [both days inclusive], on such remuneration as set out in the Explanatory Statement annexed to the Notice convening this Meeting."

7. To consider and, if thought fit, to pass with or without modification(s), the following Resolution which will be proposed as an Ordinary Resolution:

"RESOLVED THAT in partial modification of the Resolution passed at the Annual General Meeting held on 16th July, 2010 and in accordance with the provisions of Sections 198, 309, 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 including any amendment thereto or re-enactment thereof, the consent of the Company be and is hereby accorded for an adhoc payment of 90% of the current annualised consolidated basic to Mr. Raymond S. Noronha, Managing Director of the Company in addition to his approved remuneration payable in financial year 2012-13.

RESOLVED FURTHER THAT the Board of Directors, be and is hereby authorised to do all things and deeds incidental thereto including entering into an agreement or amending the existing Agreement entered into with Mr. Raymond S. Noronha for the above purpose.

RESOLVED FURTHER THAT Mr. N. Sai Sankar, Secretary of the Company be and is hereby authorised to do all such acts and deeds as may be required to give effect to the above Resolution."

8. To consider and, if thought fit, to pass with or without modification(s), the following Resolution which will be proposed as an Ordinary Resolution:

"RESOLVED THAT Mr. Raymond S. Noronha be and is hereby appointed as a Non-Executive Director of the Company with effect from 3rd September, 2012 whose



NOTICE OF MEETING

period of office will be liable to determination by retirement by rotation and in respect of which appointment the Company has received the requisite notice from a Member pursuant to Section 257 of the Companies Act, 1956."

The Register of Members of the Company will remain closed from 19th June, 2012 to 26th June, 2012 (both days inclusive) for payment of dividend, if declared.

Transfer of shares received in order at the office of Registrar and Transfer Agents of the Company, M/s. Karvy Computershare Private Limited, Plot Nos. 17 to 24, Vittal Rao Nagar, Madhapur, Hyderabad - 500 081, before the close of business hours on 18th June, 2012 will be registered in time for the transferees to become eligible for dividend, if declared.

Dividend, if declared, will be paid on 10th August, 2012 to those Members whose names appear in the Register of

Members of the Company on 26th June, 2012 or to their mandatees, subject however to the provisions of Section 206A of the Companies Act, 1956 or any amendment or modification thereof. In respect of dematerialised shares the dividend will be payable on the basis of beneficial ownership as on 18th June, 2012 as per details to be furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for this purpose.

By Order of the Board
VST INDUSTRIES LIMITED

N. SAI SANKAR
Secretary

Dated this 17th day of April, 2012.
Azamabad, Hyderabad - 500 020,
Andhra Pradesh.

NOTES

- A Member entitled to attend and vote at the Annual General Meeting may appoint a proxy to attend and vote on a poll on his behalf. A proxy need not be a Member of the Company. The instrument of proxy in order to be effective, must be received at the Registered Office of the Company, duly completed and signed not less than forty-eight hours before the commencement of the Annual General Meeting i.e. by 10.30 a.m. on 10th July, 2012.**
- In accordance with Section 173(2) of the Companies Act, 1956, an Explanatory Statement in respect of items 6 to 8 being items of Special Business is annexed to the Notice of the Meeting.
- Corporate members are requested to send, a duly certified copy of the board resolution pursuant to Section 187 of the Companies Act, 1956, authorising their representative to attend and vote at the Annual General Meeting.
- The brief profile of the Directors proposed to be appointed/re-appointed is given in the Directors' Report.
- 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.
- Members who have multiple folios in identical names or joint names in the same order are requested to intimate to the Registrar and Transfer Agents, M/s. Karvy Computershare Private Limited, these folios to enable consolidation of all such shareholdings into one folio.
- Members are requested to refer to the 'Shareholder Referencer' which inter-alia contains details regarding unclaimed dividend.
- Members are requested to bring their copy of the Annual Report to the Meeting.
- 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 attached to the Annual Report. Members are requested to sign at the place provided on the Attendance Slip and hand it over at the entrance to the venue.



ANNEXURE TO NOTICE OF MEETING

EXPLANATORY STATEMENT

In accordance with Section 173(2) of the Companies Act, 1956, the following information is given in explanation of the items of Special Business set out in the attached Notice of the Eighty First Annual General Meeting of the Company to be held at Hotel Taj Krishna, Road No. 1, Banjara Hills, Hyderabad - 500 034 on **Thursday, 12th July, 2012.**

Item No. 6

The Board of Directors of your Company ('the Board') at its meeting held on 14th July, 2011, approved the appointment of Mr. Devraj Lahiri as Additional Wholtime Director of the Company for a period of five years with effect from 1st August, 2011 to 31st July, 2016 [both days inclusive], on the following remuneration, subject to the approval of the Members:

- I. **Consolidated Salary:** ₹2,50,000 per month
- II. **Other Allowance:** ₹50,000 per month
- III. **Performance Bonus:** Payable annually for each financial year ending 31st March, 2012 and thereafter, not exceeding 75% of the consolidated salary per annum after approval of the accounts as may be determined by the Board.
- 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 Act/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, as per the rules of the Company.
- 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, 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.

The aggregate of the remuneration and perquisites/benefits, including contribution towards Provident Fund, Superannuation Fund and Gratuity Fund, payable to Mr. Devraj Lahiri as such shall always be subject to the overall ceilings laid down under the Companies Act, 1956 or any amendment or re-enactment thereof.

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 Wholtime Director, the Company has no profits or its profits are inadequate, the Company will pay salary and perquisites to Mr. Devraj Lahiri up to the maximum limit specified under Section II of Part II of Schedule XIII to the Companies Act, 1956 as minimum remuneration.



ANNEXURE TO NOTICE OF MEETING

A notice has been received by the Company along with a deposit of ₹500 from a Member under Section 257 of the Companies Act, 1956, proposing the appointment of Mr. Devraj Lahiri as a Director of the Company. The consent pursuant to Section 264(1) of the Companies Act, 1956, has been filed by Mr. Devraj Lahiri to act as Director, if appointed. Mr. Devraj Lahiri does not hold any shares in the Company.

An abstract under Section 302 of the Companies Act, 1956 dated 14th July, 2011 has been circulated to the Members of the Company.

None of the Directors of your Company other than Mr. Devraj Lahiri is concerned or interested in this Resolution.

The Board commends this Resolution for your approval.

Item No. 7

The Board of Directors at their meeting held on 17th April, 2012 have subject to the approval of the Members at the Eighty First Annual General Meeting approved an adhoc payment of 90% of the annualised consolidated basic to Mr. Raymond S. Noronha, Managing Director of the Company for the year 2012-13, in addition to his approved remuneration.

All other existing terms of re-appointment of Mr. Raymond S. Noronha, Managing Director of the Company including remuneration payable to him as approved by the Members at their meeting held on 16th July, 2010 remain unchanged.

Mr. Raymond S. Noronha is interested in the Resolution relating to adhoc payment. None of the other Directors of your Company is interested in the Resolution.

The Board commends this Resolution for your approval.

Item No. 8

Mr. Raymond S. Noronha shall be retiring as Managing Director of the Company on 2nd September, 2012. The Board of Directors at its meeting held on 17th April, 2012 recommended for the approval of the Members, the appointment of Mr. Raymond S. Noronha, as a Non-Executive Director of the Company as set out in the Resolution.

A notice has been received by the Company along with a deposit of ₹500 from a Member under Section 257 of the Companies Act, 1956 proposing the appointment of Mr. Raymond S. Noronha as Non-Executive Director of the Company. Requisite consent, pursuant to Section 264(1) of Companies Act, 1956 has been furnished by Mr. Raymond S. Noronha to act as a Non-Executive Director, if appointed. Mr. Noronha does not hold any shares in the Company.

Except Mr. Raymond S. Noronha, no other Director of the Company is concerned or interested in the proposed Resolution.

The Board commends this Resolution for your approval.

By Order of the Board
VST INDUSTRIES LIMITED

N. SAI SANKAR
Secretary

Dated this 17th day of April, 2012.
Azamabad, Hyderabad - 500 020,
Andhra Pradesh.