



## NOTICE OF MEETING

NOTICE IS HEREBY GIVEN THAT the Eighty Second Annual General Meeting of VST INDUSTRIES LIMITED will be held at Hotel Taj Krishna, Road No.1, Banjara Hills, Hyderabad - 500 034 on **Tuesday, 30th July, 2013 at 9.30 a.m.** for transacting the following business:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2013, the Statement of Profit and Loss 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, 2013.
3. To appoint a Director in place of Mr. T. Lakshmanan, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. S. Thirumalai, 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 ₹26,00,000 (Rupees Twenty Six 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 Mrs. Asha Nair, a nominee of General Insurers' (Public Sector) Association of India who was

appointed a Director of the Company with effect from 1st October, 2012 in place of Mr. Milind A. Kharat and who vacates office at the ensuing Annual General Meeting pursuant to Section 262 of the Companies Act, 1956 and Article 98 of the Articles of Association of the Company and in respect of whom the Company has received a notice in writing from a Member proposing her candidature for the office of Director be and is hereby appointed as a Director of the Company whose period of office shall be liable to determination by retirement of Directors by rotation."

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 pursuant to Sections 269, 309, 310 and 311 read with Schedule XIII and other applicable provisions of the Companies Act, 1956 including any statutory modification or re-enactment thereof, approval be and is hereby granted to the appointment of Mr. N. Sai Sankar as Managing Director of the Company for a period from 3rd September, 2012 to 31st December, 2015 (both days inclusive), on such terms as set out in the Explanatory Statement annexed to the Notice convening this Meeting."

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 in partial modification of the resolution(s) passed by the Members at the Annual General Meeting held on 12th July, 2012 and pursuant to the provisions of Sections 198, 269, 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, consent be and is hereby accorded to the revised terms of appointment of Mr. Devraj Lahiri, Wholetime Director from and including the financial year 2012-13, as set out in the Explanatory Statement annexed to the Notice convening this Meeting."



## NOTICE OF MEETING

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

"RESOLVED THAT in supersession of the resolution(s) passed by the Members at the Annual General Meeting held on 16th July, 2009 and pursuant to the provisions of Section 309(4) and other applicable provisions if any, of the Companies Act, 1956, the Directors of the Company other than the Managing Director and the Wholetime Director(s) be paid remuneration by way of commission not exceeding 1% of the Company's net profits referred to in Section 198 of the Companies Act, 1956 or any amendment or re-enactment thereof, for each of the five financial years of the Company commencing from 1st April, 2013 for all such Directors aforesaid to be divided amongst the Directors aforesaid in such manner as the Board of Directors of the Company may from time to time determine and in default of such determination, equally.

RESOLVED FURTHER THAT the payment of commission, as aforesaid, shall be exclusive of the fees payable to such Directors for attending the meetings of the Board and Committees thereof."

The Register of Members of the Company shall remain closed from Thursday, 11th July, 2013 to Tuesday, 16th July, 2013 (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, Plot Nos. 17 to 24, Vittal Rao Nagar, Madhapur, Hyderabad - 500 081, before the close of business hours on 10th July, 2013 will be registered in time for the transferees to become eligible for dividend, if declared.

Dividend, if declared, will be paid on 14th August, 2013 to those Members whose names appear in the Register of Members of the Company on 16th July, 2013 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 10th July, 2013, 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

NITESH BAKSHI  
Secretary

Dated this 18th day of April, 2013.  
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.**
- In accordance with Section 173(2) of the Companies Act, 1956, an Explanatory Statement in respect of items 6 to 9 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,



## NOTICE OF MEETING

- 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.
6. The shares of the Company are under compulsory demat trading. Members holding shares in physical form are requested to convert their shares into dematerialized form in their own interest and for their convenience.
  7. 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.
  8. 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 about these folios to enable consolidation of all such shareholdings into one folio.
  9. Members are requested to refer to the 'Shareholder Referencer' which inter-alia contains details regarding unclaimed dividend.
  10. Members are requested to bring their copy of the Annual Report to the Meeting.
  11. 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.

## 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 Second Annual General Meeting of the Company to be held at Hotel Taj Krishna, Road No. 1, Banjara Hills, Hyderabad - 500 034 on **Tuesday, 30th July, 2013.**

### Item No. 6

Mrs. Asha Nair was nominated by General Insurers' (Public Sector) Association of India as a Director of your Company with effect from 1st October, 2012 in place of Mr. Milind A. Kharat.

Mrs. Asha Nair who was appointed as a Director of the Company at the Board Meeting held on 12th July, 2012 to fill the casual vacancy caused by the resignation of Mr. Milind A. Kharat in terms of Section 262 of Companies Act, 1956 and Article 98 of the Articles of Association of the Company, vacates office at this Annual General 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 Mrs. Asha Nair as a Director of the Company. The consent pursuant to Section 264(1) of the Companies Act, 1956 has been filed by Mrs. Asha Nair to act as Director, if appointed. Mrs. Nair does not hold any shares in the Company.

None of the Directors of your Company other than Mrs. Asha Nair is concerned or interested in this Resolution.

The Board commends this item of business for your approval.

### Item No. 7

At the Seventy Ninth Annual General Meeting of your Company held on 16th July, 2010, the Members approved re-appointment of Mr. N. Sai Sankar as Deputy Managing Director of the Company with effect from 1st January, 2011 to hold office for a further period of five years from 1st January, 2011 to 31st December, 2015 (both days inclusive).



## ANNEXURE TO NOTICE OF MEETING

The Board of Directors of your Company ("the Board") at its meeting held on 12th July, 2012, approved the appointment of Mr. N. Sai Sankar as Managing Director of the Company, effective 3rd September, 2012 for a period from 3rd September, 2012 to 31st December, 2015 (both days inclusive), on the following remuneration, subject to the approval of the Members:

I. **Consolidated Salary:** At the rate of ₹8,52,498 per month subject to such increases as the Board may determine in the consolidated salary during the tenure of office as Managing Director having regard to the annual performance of Mr. N. Sai Sankar and to cover the Consumer Price Index.

II. **Performance Bonus:** Payable annually for each financial year ending March 31, 2013 and thereafter, not exceeding 150% of the Consolidated Salary per annum after approval of the accounts as may be determined by the Board of Directors of the Company.

In addition to the aforesaid Consolidated Salary and Performance Bonus, Mr. N. Sai Sankar 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 ₹10,00,000 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, as per the Rules of the Company.
- b. Contribution to Provident Fund and Superannuation Fund upto 27% of salary and contribution to Gratuity Fund upto 8.33% of salary as defined in the Rules of the respective Funds, or upto such other limit as

may be prescribed under the Income Tax Act, 1961 and the Rules thereunder for this purpose.

- c. Use of Company car for official purposes and telephone at residence (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.

III. **Minimum Remuneration:** Notwithstanding anything to the contrary contained herein, where, in any financial year during the currency of the tenure of Mr. N. Sai Sankar, the Company has no profits or its profits are inadequate, the Company will pay salary and perquisites as laid down in Section II of Part II of Schedule XIII as Minimum Remuneration and subject to the provisions thereof.

The aggregate of the remuneration and perquisites/benefits including contribution towards Provident Fund, Superannuation Fund and Gratuity Fund, payable to Mr. N. Sai Sankar shall always be subject to the overall ceilings laid down in Sections 198 and 309 of the Companies Act, 1956.

Within the above limits, the Board of Directors of the Company be and are hereby authorised to vary, alter or modify the different components of the above stated remuneration as may be agreed to by the Board of Directors and Mr. N. Sai Sankar.

An abstract under Section 302 of the Companies Act, 1956 dated 12th July, 2012 has been circulated to the Members of the Company.

None of the Directors of your Company other than Mr. Sai Sankar is concerned or interested in this item of business.

The Board commends this item of business for your approval.

**ANNEXURE TO NOTICE OF MEETING****Item No. 8**

The Board of Directors of your Company ("the Board") at its meeting held on 22nd January, 2013 approved modification in the terms of appointment of Mr. Devraj Lahiri, Wholetime Director of the Company with effect from 1st April, 2012 in the following manner, subject to the approval of the Members:

'Consolidated Salary - ₹2,50,000 per month subject to such increase as the Board may approve, from time to time during the tenure of his office as a Wholetime Director having regard to the annual performance of Mr. Devraj Lahiri and to cover the Consumer Price Index, subject to such increase being in accordance with the conditions specified in Schedule XIII to the Companies Act, 1956.'

The Consolidated Salary of Mr. Devraj Lahiri was increased by ₹22,500 to ₹2,72,500 per month with effect from 1st April, 2012 and by ₹17,985 to ₹2,90,485 per month with effect from 1st April, 2013.

Abstract under Section 302 of the Companies Act, 1956 dated 22nd January, 2013 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 item of business.

The Board commends this item of business for your approval.

**Item No.9**

At the Seventy Eighth Annual General Meeting of the Company held on 16th July, 2009, the Members approved payment of remuneration to the Non-Executive Directors of the Company, by way of commission not exceeding one

percent of the net profits of the Company as provided under Section 309(4) read with Section 198 of the Companies Act, 1956, for each financial year, subject to a ceiling of ₹25,00,000 (Rupees Twenty Five Lakhs only) to be divided amongst the Directors aforesaid in such manner as the Board of Directors may from time to time determine and in default of such determination, equally, for a period of five years from 1st April, 2009.

Keeping in view the current trends and commensurate with the time devoted and contributions made by Non-Executive Directors, the Board of Directors of your Company at its meeting held on 18th April, 2013, recommended for the approval of the Members, payment of remuneration by way of commission not exceeding 1% of the Company's net profits to the Non-Executive Directors of the Company for each of the five financial years commencing from 1st April, 2013 in the manner stated in the text of the Special Resolution at Item 9 of the Notice.

None of the Directors of your Company other than the Non-Executive Directors is concerned or interested in this Special Resolution.

The Board commends this item of business for your approval.

By Order of the Board  
VST INDUSTRIES LIMITED

NITESH BAKSHI  
Secretary

Dated this 18th day of April, 2013.  
Azamabad, Hyderabad - 500 020,  
Andhra Pradesh.