



NOTICE OF MEETING

NOTICE IS HEREBY GIVEN THAT the Eighty Third Annual General Meeting of VST INDUSTRIES LIMITED will be held at Hotel Trident, HITEC city, Near Cyber Towers, Madhapur, Hyderabad - 500 081 on **Tuesday, 12th August, 2014 at 9.30 a.m.** for transacting the following business:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2014, 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, 2014.
3. To appoint Director in place of Mr. Raymond S. Noronha, who retires by rotation and being eligible, offers himself for re-appointment.
4. 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 from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting at a remuneration of ₹30,00,000 (Rupees Thirty 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

5. 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. James Yamanaka, a nominee of the Raleigh Investment Company Limited, a British American Tobacco group Company who was appointed

a Director of the Company with effect from 1st January, 2014 in place of Mr. Peter G. Henriques and who vacates office at the ensuing Annual General Meeting pursuant to Section 161 of the Companies Act, 2013 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 his candidature for the office of Director be and is hereby appointed a Director of the Company whose period of office shall be liable to determination by retirement of Directors by rotation."

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 notwithstanding anything to the contrary contained in the Articles of Association of the Company and in terms of Section 149(10) and other applicable provisions of the Companies Act, 2013, Prof. Mubeen Rafat be and is hereby appointed as an Independent Director of the Company for a period of five years with effect from August 12, 2014 to August 11, 2019 (both days inclusive)."

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 notwithstanding anything to the contrary contained in the Articles of Association of the Company and in terms of Section 149(10) and other applicable provisions of the Companies Act, 2013 and in supercession of earlier resolutions passed by the Members, Mr. S. Thirumalai be and is hereby appointed as an Independent Director of the Company for a period of five years with effect from October 1, 2014 to September 30, 2019 (both days inclusive)."

The Register of Members of the Company shall remain closed from Thursday, 31st July, 2014 to Thursday, 7th August, 2014 (both days inclusive) for payment of dividend, if declared.



NOTICE OF MEETING

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 30th July, 2014 will be registered in time for the transferees to become eligible for dividend, if declared.

Dividend, if declared, will be paid on 25th August, 2014 to those Members whose names appear in the Register of Members of the Company on 7th August, 2014 or to their mandatees, subject however to the provisions of Section 126 of the Companies Act, 2013 or any amendment or modification thereof. In respect of

dematerialised shares the dividend will be payable on the basis of beneficial ownership as on 30th July, 2014, 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
Company Secretary

Dated this 5th day of June, 2014.
Azamabad, Hyderabad - 500 020

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 102 of the Companies Act, 2013, Explanatory Statement setting out the material facts in respect of items 5 to 7 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 113 of the Companies Act, 2013 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. None of the directors are related to each other inter-se.
- 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.
- 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.
- 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.
- 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.



NOTICE OF MEETING

9. Members are requested to refer to the 'Shareholder Referencer' of the Report on Corporate Governance 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 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.
12. 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.
13. Pursuant to Section 108 of Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014, it is mandatory to extend to the Members of the Company, the facility to vote at the AGM by electronic means. Members of the Company can transact all the items of the business through electronic voting system as contained in the Notice of the Meeting.

The Company has appointed Mr. Tumuluru Krishnamurthy, Practicing Company Secretary, failing him Mr. S.S. Marthi, Practicing Company Secretary, who in the opinion of the Board is a duly qualified person, as a Scrutinizer who will scrutinize the electronic voting process in a fair and transparent manner. The Scrutinizer shall within a period of three working days from the date of conclusion of e-voting period, submit his report of the votes cast in favour or against, if any, to the Chairman of the Company. The result of the same will be disclosed at the AGM proceedings. The Company has appointed Karvy Computershare Private Limited as the Agency for the purpose of facilitating the electronic voting.

INSTRUCTION FOR E-VOTING

1. Use the following URL for e-voting from Karvy website: <http://evoting.karvy.com>
2. Shareholders of the Company holding shares either in physical form or in dematerialized form, as on July 4, 2014, 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. Shareholders holding multiple folios/demat account shall choose the voting process separately for each folio/demat account.



NOTICE OF MEETING

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, shareholders can login any number of times till they have voted on the resolution.
11. Once the vote on the resolution is cast by the shareholder, he shall not be allowed to change it subsequently.
12. The Portal will be open for voting from 9.00 a.m. on 5th August, 2014 to 6.00 p.m. on 7th August, 2014.
13. 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 <http://evoting.karvy.com> or contact Karvy Computershare Private Limited at Telephone No. 1800 345 4001 (toll free).

EXPLANATORY STATEMENT

In accordance with Section 102(1) of the Companies Act, 2013, the following material facts are given in explanation of the items of Special Business set out in the attached Notice of the Eighty Third Annual General Meeting of the Company to be held at Hotel Trident, HITEC city, Near Cyber Towers, Madhapur, Hyderabad - 500 081 on **Tuesday, 12th August, 2014 at 9.30 a.m.**

Item No. 5

Mr. James Yamanaka who was appointed as a Director of the Company with effect from January 01, 2014 at the Board Meeting held on 18th October, 2013 to fill the casual vacancy caused by the resignation of Mr. Peter G. Henriques in terms of Section 161(4) of Companies Act, 2013 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 ₹1,00,000 from a Member under Section 160 of the Companies Act, 2013, proposing the appointment of Mr. James Yamanaka as a Director of the Company. The consent pursuant to Section 152(5) of the Companies Act, 2013 to act as Director if appointed, has been received from Mr. Yamanaka. Mr. Yamanaka does not hold any shares in the Company.

Mr. Yamanaka has a Bachelors' degree in Political Science & Economics from University of California, San Diego, MS in Foreign Service from Georgetown University,

Washington DC and MBA from London Business School, U.K. He has over 20 years of experience in the area of Strategy and Planning and was also the Managing Director/CEO of Ceylon Tobacco Company from January 2011 to December 2012. He specializes in strategy and planning and is currently the Group Head of Strategy and Planning of British American Tobacco Plc. Mr. Yamanaka is not a Director in any other Company in India.

None of the Directors or Key Managerial Personnel or their relatives other than Mr. James Yamanaka has any concern or interest, financial or otherwise in this Resolution.

The Board commends this item of business for your approval.

Item No. 6

In terms of Section 149 of the Companies Act, 2013, the Company is required to appoint Independent Directors who shall not be liable to retire by rotation. Prof. Mubeen Rafat was appointed as an Additional Director of the Company under Section 161(1) of the Companies Act, 2013 and to act as an Independent Director in pursuance of Clause 49 of the Listing Agreement with effect from January 1, 2014 whose term as an Additional Director will come to an end at the ensuing Annual General Meeting.

On the basis of her declaration given that she meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013 the Board is of the opinion that Prof. Rafat fulfills the conditions specified in the Companies



ANNEXURE TO NOTICE OF MEETING

Act, 2013 and the rules thereunder for appointment as Independent Director and she is independent of management.

Prof. Rafat has a Bachelors' degree in Science and has completed her MMS (Finance) from Jamnalal Bajaj Institute of Management Studies. After working for various corporates, she has been associated with Administrative Staff College of India (ASCI) and is now a Professor at ASCI. She has vast experience in the field of finance and specializes in financial management, capital markets, mergers and acquisitions, corporate governance & infrastructure finance. The Board is of the opinion that appointment of Prof. Mubeen Rafat as a director will add immense value. Prof. Rafat is not a Director in any other Company in India.

It is proposed that Prof. Rafat be appointed as an Independent Director for a period of five years with effect from August 12, 2014 to August 11, 2019 (both days inclusive) whose period of office shall not be liable to determination by retirement of directors by rotation. Prof. Rafat does not hold any shares in the Company.

The consent pursuant to Section 152(5) of the Companies Act, 2013 to act as Director, if appointed, has been received from Prof. Rafat.

None of the Directors or Key Managerial Personnel of the Company or their relatives other than Prof. Rafat has any concern or interest, financial or otherwise, in this resolution.

The Board commends this item of business for your approval.

Item No. 7

In terms of Section 149 of the Companies Act, 2013, the Company is required to appoint Independent Directors who shall not be liable to retire by rotation. Mr. S. Thirumalai was re-appointed as Independent Director in pursuance of Clause 49 of the Listing Agreement by the Members on 30th July, 2013 and his office is liable to determination by retirement of Directors by rotation. However, in order to comply with the provisions of Companies Act, 2013, it is proposed to appoint Mr. Thirumalai as Independent Director for a period of five years with effect from October 1, 2014 to

September 30, 2019 (both days inclusive) whose period of office shall not be liable to determination by retirement of directors by rotation.

Mr. Thirumalai is a Commerce and Law graduate and is a Fellow Member of Institute of Chartered Accountants of India and Institute of Company Secretaries of India and is also a Certified Associate of Indian Institute of Bankers. He has diversified experience of over three decades and specializes in Finance, Taxation and General Management. He is presently associated with Deloitte Touche Tohmatsu India Private Limited as Senior Advisor. The Board feels that the vast and diversified experience of Mr. Thirumalai will prove to be an asset to the Company. Mr. Thirumalai is not a Director in any other Company in India.

On the basis of his declaration given that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013 the Board is of the opinion that Mr. Thirumalai fulfills the conditions specified in the Companies Act, 2013 and the rules thereunder for appointment as Independent Director and he is independent of management. Mr. Thirumalai holds 25 shares in the Company.

The consent pursuant to Section 152(5) of the Companies Act, 2013 to act as Director, if appointed, has been received from Mr. Thirumalai.

None of the Directors or Key Managerial Personnel of the Company or their relatives other than Mr. Thirumalai has concern or interest, financial or otherwise in this resolution.

The Board commends this item of business for your approval.

By Order of the Board
VST INDUSTRIES LIMITED

NITESH BAKSHI
Company Secretary

Dated this 5th day of June, 2014.
Azamabad, Hyderabad - 500 020