

Transpek Industry Limited

Regd. Office: 6th Floor, Marble Arch, Race Course, Vadodara – 390 007
(CIN: L23205GJ1965PLC001343)

Notice of Postal Ballot

Pursuant to Section 110 of the Companies Act, 2013

Dear Member(s),

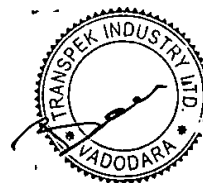
Notice is hereby given, pursuant to the provisions of Section 110 and other applicable provisions, if any, of the Companies Act, 2013, ("the Act"), read together with the Companies (Management and Administration) Rules, 2014, including any statutory modification or re-enactment thereof for the time being in force, that the resolutions appended below are proposed to be passed by the Shareholders as Special Resolutions by way of Postal Ballot.

Resolution I:

Increase in remuneration of Shri Atul G Shroff as Managing Director of the Company for the period from 1st December 2013 to 30th November 2014.

To consider and, if deemed fit, pass the following resolution as a Special Resolution:

"RESOLVED THAT, pursuant to (i) the approval accorded by (a) the members of the Company by means of the Special Resolution passed at their Annual General Meeting held on 25th August, 2011 for the re-appointment of Shri Atul G. Shroff as Managing Director of the Company for a period of five years with effect from 1st December, 2011 to 30th November, 2016 and the payment of remuneration to him during the said period and (b) the Central Government vide its letter No. B19438563/1/2011 – CL. VII dated 9th February, 2012 for the re-appointment of Shri Atul G. Shroff as Managing Director of the Company for a period of five years with effect from 1st December, 2011 to 30th November, 2016 and the payment of remuneration to him for a period of three years with effect from 1st December, 2011 to 30th November, 2014; (ii) the provisions of Sections 197, 198 and 200 read together with Schedule V of the Companies Act, 2013 and the Rules framed thereunder [including any statutory modification(s) or re-enactment thereof for the time being in force] (hereinafter referred to as the "Act") and other applicable provisions, if any, of the Act, or any other applicable law and notwithstanding the limits and conditions specified in section 197 and Part II of Schedule V of the Act (except Section IV of Part II) and (iii) the resolutions passed by the Nomination and Remuneration Committee of Directors and by the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall, unless repugnant to the context or meaning thereof, be deemed to include any committee thereof and any person authorised by the Board in this behalf) at their respective meetings, both held on 12th November, 2014 but subject to the previous approval of the Central Government and any other approvals, if required, and further subject to such conditions as the Central Government or any other authority may impose while granting such approval or consent, approval of the members of the Company be and is hereby accorded to the proposal submitted to the Central Government for revising and increasing the ceiling fixed by the Central Government on the remuneration payable to Shri Atul G. Shroff, Managing Director of the Company, for the period 1st December, 2013 to 30th November, 2014 from Rs.1,13,88,000 to Rs.1,42,98,730 (excluding contribution to provident fund and superannuation or annuity fund, gratuity payable as per rules of the Company and encashment of leave at the end of his tenure) with the liberty to the Board to alter and vary the terms and conditions of payment of remuneration during the said period in such manner as may be agreed to between the Board and Shri



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Atul G. Shroff, provided such alterations/variations are in accordance with the approval accorded by the members of the Company and by the Central Government.”

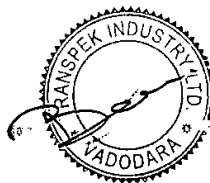
“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all such acts, deeds, matters and things including acceptance of such conditions as the Central Government may impose while granting its approval as aforesaid and to authorise execution of all such documents, instruments and writings as may be necessary, proper, expedient or incidental for giving effect to this Resolution.”

Resolution II:

Payment of remuneration to Shri Atul G. Shroff as Managing Director of the Company for the period from 1st December 2014 to 30th November 2016.

To consider and, if deemed fit, pass the following resolution as a Special Resolution:

“RESOLVED THAT, pursuant to (i) the approval accorded by (a) the members of the Company by means of the Special Resolution passed at their Annual General Meeting held on 25th August, 2011 for the re-appointment of Shri Atul G. Shroff as Managing Director of the Company for a period of five years with effect from 1st December, 2011 to 30th November, 2016 and the payment of remuneration to him during the said period and (b) the Central Government vide its letter No. B19438563/1/2011 – CL. VII dated 9th February, 2012 for the re-appointment of Shri Atul G. Shroff as Managing Director of the Company for a period of five years with effect from 1st December, 2011 to 30th November, 2016 and the payment of remuneration to him for a period of three years with effect from 1st December, 2011 to 30th November, 2014; (ii) the provisions of Sections 197, 198 and 200 read together with Schedule V of the Companies Act, 2013 and the Rules framed thereunder [including any statutory modification(s) or re-enactment thereof for the time being in force] (hereinafter referred to as the "Act") and other applicable provisions, if any, of the Act, or any other applicable law and notwithstanding the limits and conditions specified in section 197 and Part II of Schedule V of the Act (except Section IV of Part II) and (iii) the resolutions passed by the Nomination and Remuneration Committee of Directors and by the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall, unless repugnant to the context or meaning thereof, be deemed to include any committee thereof and any person authorised by the Board in this behalf) at their respective meetings, both held on 12th November, 2014 but subject to the previous approval of the Central Government and any other approvals, if required, and subject to such conditions as the Central Government or any other authority may impose while granting such approval or consent, approval of the members of the Company be and is hereby accorded to the proposal submitted to the Central Government for fixing his remuneration at the figures not exceeding Rs.1,91,03,885 for the period from 1st December, 2014 to 30th November, 2015 and not exceeding Rs.2,22,53,885 for the period from 1st December 2015 to 30th November, 2016 (excluding contribution to provident fund and superannuation or annuity fund, gratuity payable as per rules of the Company and encashment of leave at the end of his tenure) on the terms and conditions as set out in the agreement executed on 12th April, 2012 between the Company and Shri Atul G. Shroff as approved by the special resolution passed by the members of the Company at their Annual General Meeting held on 25th August, 2011, with the liberty to the Board to alter and vary the terms and conditions of payment of remuneration in such manner as may be agreed to between the Board and Shri Atul G. Shroff, provided such alterations/variations are in accordance with the approval accorded by the members of the Company and by the Central Government.”



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“RESOLVED FURTHER THAT subject to the approval of the Central Government and notwithstanding the provisions of Part II of Schedule V to the Act, if in any financial year during the tenure of the Managing Director, the Company has no profits or its profits are inadequate, Shri Atul G. Shroff, shall be entitled to receive and be paid the same remuneration in that year as set out in this Resolution.”

“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all such acts, deeds, matters and things including acceptance of such conditions as the Central Government may impose while granting its approval as aforesaid and to authorise execution of all such documents, instruments and writings as may be necessary, proper, expedient or incidental for giving effect to this Resolution.”

Resolution III:

Consent of the Company to the Board of Directors of the Company to mortgage and/or charge the properties of the Company.


To consider and, if deemed fit, pass the following resolution as a Special Resolution:

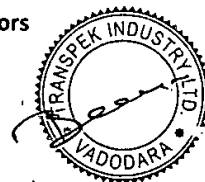
“RESOLVED THAT, in supersession of all the earlier resolutions passed by the members of the Company, consent of the members of the Company be and is hereby accorded, pursuant to the provisions of Section 180 (1) (a) of the Companies Act, 2013, read with the relevant rules (including any statutory modification or re-enactment thereof for the time being in force) and subject to the provisions of the Articles of Association of the Company, consent of the Company be and is hereby accorded in favour of the Board of Directors of the Company to mortgage and/or charge any or all of the immovable and/or moveable properties of the Company wheresoever situate, both present and future, or the whole or substantially the whole or part of the undertaking or undertakings of the Company with power to take over the management in certain events to or in favour of the Financial Institutions, Banks and any other lenders for securing the amounts borrowed/to be borrowed by the Company from time to time for the due repayment of the principal, together with interest, costs, charges, expenses and all other monies payable by the Company in respect of such borrowings upto a maximum of Rs.100,00,00,000/- (Rupees One Hundred Crores Only).”

“RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to do or cause to be done all such acts, deeds and other things as may be required or considered necessary or incidental thereto and execute all such documents, deeds and undertakings as may be necessary for giving effect to this resolution.”

Regd. Office:
6th Floor, Marble Arch,
Race Course,
Vadodara – 390007
Dated: 3rd February 2015

By Order of the Board of Directors
For Transpek Industry Limited


BIMAL V. MEHTA
Executive Director



Transpek Industry Limited

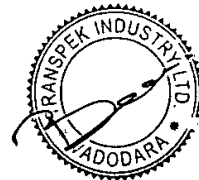
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NOTES:

1. The Explanatory Statement and reasons for the proposed Special Resolutions pursuant to Section 110 of the Companies Act, 2013, setting out the material facts concerning the items of business are appended hereto. A Postal Ballot Form and a self-addressed Business Reply Envelope are also enclosed.
2. In terms of Section 110 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014, the items of business set out in the Notice are sought to be passed through postal ballot.
3. The Postal Ballot Notice is being sent to all the Members whose names appear in the Register of Members/list of Beneficial Owners, received from National Securities Depository Limited (NSDL)/Central Depository Services (India) Limited (CDSL) as on 6th February, 2015.
4. The voting shall be reckoned in proportion to a Member's share of voting rights on the paid-up Equity Share Capital of the Company as on 6th February, 2015.
5. Members are requested to note that the Special Resolutions in the notice seek consent of the members through Postal Ballot. The Board of Directors has appointed Shri Vijay L. Vyas, Practising Company Secretary, as the Scrutinizer for conducting the Postal Ballot in a fair and transparent manner.
6. Members desirous of exercising their votes by Postal Ballot are requested to carefully read the instructions printed on the Form, record their assent ('FOR') or dissent ('AGAINST') therein and return the same in original duly completed in the attached self-addressed Business Reply Envelope (if posted in India). Postage will be paid by the company. Form(s), if sent by courier or registered post or speed-post at the expense of the Member(s) will also be accepted. Form(s) may also be deposited personally at the address given on the self-addressed Business Reply Envelope. In case of shares held by companies, trusts, societies etc., the duly completed Postal Ballot should be accompanied by a certified copy of Board Resolution/Authority Letter.
7. The duly completed Postal Ballot should reach the Scrutinizer not later than 1800 hours IST on 17th March 2015 to be eligible for being considered, failing which it will be treated as if no reply has been received from the Member.
8. Incomplete, unsigned or incorrect Postal Ballot Forms will be rejected. The scrutinizer's decision on the validity of a Postal Ballot will be final and binding.

'Voting through Electronic Means'

9. In compliance with the provisions of Sections 108 and 110 and other applicable provisions of the Act, read with the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer e-voting facility as an option to all the Members of the Company. The Company has entered into an agreement with CDSL for facilitating e-voting to enable the Members to cast their votes electronically instead of dispatching Postal Ballot Form. E-voting is optional.
10. References to Postal Ballot(s) in this Postal Ballot Notice include votes received electronically.



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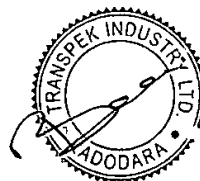
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The process and instructions for e-voting are as under:

- (i) The voting period begins on 16th February, 2015 at 0900 hours and ends on 17th March, 2015 at 1800 hours. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. 6th February, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) 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.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) 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.
- (vii) 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 letters of their name and the 8 digits of the Sequence Number in the PAN Field. The Sequence Number is printed on the Postal Ballot Paper. Alternatively, they may use the Postal Ballot Form for voting. • 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, e.g. if your name is Ramesh Kumar with Sequence Number 1, then enter RA00000001 in the PAN field.
DOB	<p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> • Please enter the DOB or Dividend Bank Details in order to login. If the 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 (iv).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) 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-



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- 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.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
 - (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
 - (xii) 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.
 - (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
 - (xiv) 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.
 - (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
 - (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
 - (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
 - (xviii) Note for Non – Individual Shareholders and Custodians
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians 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 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.
 - (xix) 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.com, under "Help" section or write an email to helpdesk.evoting@cdslindia.com.

GENERAL:

- I. A copy of this Notice has been placed on the website of the Company and the website of CDSL.
- II. Shareholders can opt only one mode of voting, i.e. either by physical Postal Ballot or e-voting. If shareholders are opting for e-voting, then do not vote by physical Postal Ballot also and vice versa. However, in case shareholders cast their vote by physical Postal Ballot and e-voting, then voting done through valid physical Postal Ballot shall prevail and voting done by e-voting will be treated as invalid.



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- III. The Scrutinizer shall, within a period not exceeding three (3) working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, (by Postal Ballot as well as by e-voting) forthwith to the Chairman.
- IV. The results declared along with the Scrutinizer's Report will be displayed at the registered Office and shall also be placed on the Company's website www.transpek.com and on the website of CDSL within two (2) days of passing or otherwise of the resolutions and communicated to the BSE Limited i.e. on or before 22nd March 2015.
11. As per Companies (Management and Administration) Rules, 2014, Notice of Postal Ballot may be served on the Members through electronic transmission. Members who have registered their e-mail IDs with depositories or with the Company are being sent Notice of Postal Ballot by e-mail and Members who have not registered their e-mail IDs will receive Notice of Postal Ballot along with Postal Ballot Form through post/courier. Shareholders who have received Postal Ballot Notice by e-mail and who wish to vote through Physical Postal Ballot Form, may seek duplicate Postal Ballot Form from M/s. Link Intime India Private Limited; B-102-103, Shangrila complex, First Floor, Near Radhakrishna Char Rasta, Akota, Vadodara – 390020 (0265-2356573; 2356794); e-mail: Vadodara@linkintime.co.in or download the Postal Ballot Form from the Company's website www.transpek.com.

ANNEXURE TO THE NOTICE:

STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013

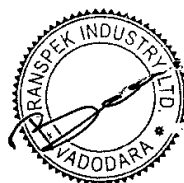
RESOLUTIONS – I & II:

On the recommendations of the Remuneration Committee and the Board of Directors of the Company at their respective meetings, both held on 9th April, 2011, the members of the Company had at the Annual General Meeting held on 25th August 2011, subject to the approval of the Central Government, accorded their approval to the re-appointment of and payment of remuneration to Shri Atul G. Shroff, Managing Director of the Company for a period of five years effective from 01.12.2011 to 30.11.2016.

Subsequently, the Central Government had vide its letter No. B19438563/1/2011 – CL. VII dated 9th February, 2012, granted approval for re-appointment of Shri Atul G. Shroff for a period of five years with effect from 01-12-2011 to 30-11-2016 and payment of remuneration for a period of three years with effect from 01-12-2011 to 30-11-2014 at a figure not exceeding Rs.1,13,88,000/- per annum for each of the aforesaid three years pursuant to Section 198 (4) of the Companies Act, 1956.

The aforesaid remuneration was approved notwithstanding the limits of 5% and 10% of the net profits as laid down in sub-section (3) of Section 309 of the Companies Act, 1956 and the overall limit of 11% of the net profits as laid down in sub-section (1) of section 198, ibid and having regard to the facts and circumstances including working results of the Company and considering the remuneration drawn earlier and the policy of the Government followed in terms of section 198 (4) of the Companies Act, 1956.

Since the remuneration paid to Shri Atul G. Shroff for the period from 01-12-2013 to 31-10-2014 was close to the ceiling limit as approved by the Central Government, the remuneration payable to him for the period 01-11-2014 to 30-11-2014 along with the balance payment of Rs.10,73,115/- towards



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Performance Incentive payable at the rate of 1.5% of Profit Before Tax as approved by the shareholders at the AGM held on 25th August 2011 would exceed the prescribed ceiling of Rs.1,13,88,000/- for the period 01-12-2013 to 30-11-2014, an application was made by the Company to the Central Government for revision in the ceiling approved by it for the period 01-12-2013 to 30-11-2014 from Rs.1,13,88,000/- to Rs.1,42,98,730/- in form MR-2.

Further, the Central Government, while approving the re-appointment for a period of five years effective from 01.12.2011 to 30.11.2016, had approved the remuneration only for the period of the first three years, i.e. from 01.12.2011 to 30.11.2014. The remuneration to Shri Atul G. Shroff for the period 01-12-2014 to 30-11-2016 had, therefore, remained to be fixed by the Central Government. For the purpose, the Company had also made an application to the Central Government in Form MR-2 for payment of the remuneration not exceeding Rs.1,91,03,885/- for the period from 01-12-2014 to 30-11-2015 and a remuneration not exceeding Rs.2,22,53,885/- for the period from 01-12-2015 to 30-11-2016 respectively.

In response to both the aforesaid applications, the Central Government had vide its emails dated 2nd February, 2015 advised the Company to obtain approval of the members of the Company by means of a Special Resolution under the new Companies Act 2013 for:

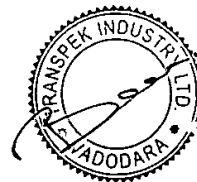
1. revising the existing ceiling on remuneration from Rs.1,13,88,000/- to Rs.1,42,98,730/- for the period 01-12-2013 to 30-11-2014; and
2. for fixing the remuneration payable to Shri Atul G. Shroff, Managing Director of the Company not exceeding Rs.1,91,03,885/- for the period from 01-12-2014 to 30-11-2015 and not exceeding Rs.2,22,53,885/- for the period from 01-12-2015 to 30-11-2016.

Accordingly, approval of the members is being sought for the Special Resolutions as at Resolutions I & II by means of Postal Ballot.

As required under the Schedule V of the Companies Act, 2013, the following information is furnished:

I. General Information:

- i) **Nature of Industry:** Manufacture of Industrial Chemicals
- ii) **Date of commencement of commercial production:** January, 1966
- iii) **Financial performance based on given indicators:** The Financial year 2013-2014 of the Company ended with cash profit before extraordinary items and taxes of Rs.1909.60 lacs as against cash profit (Profit before Tax + Depreciation) of Rs.1764.38 lacs in the previous financial year. Further, during that year, after recognizing depreciation and amortization expenses amounting to Rs.722.18, provision for tax liabilities amounting to Rs. 1.33 lacs (total current tax liabilities Rs.298.33 lacs less the MAT credit amounting to Rs.297.00 lacs), deferred tax liability amounting to Rs.456.10 lacs and after accounting for (excess)/ short provision for taxation for previous years amounting to Rs.10.24 lacs, the Company registered Profit After Tax amounting to Rs.719.75 lacs as compared to Rs.1023.48 lacs in the previous year.
- iv) **Foreign investments or collaborations, if any:** There have been no foreign collaborations or investments.



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II. Information about the appointee:

- 1. Background:** Shri Atul G. Shroff, who has been the Managing Director of the Company since 1981, has grown through the ranks of the Company, since its inception in 1965. A people's man, he is known to be found moving on the shop-floor, and having a direct rapport with most of its workforce which constitutes the Transpek family. His vision envisages the setting up of a global network. His keen sense of understanding the chemical processes has resulted in the development of several innovative and appropriate improvements in our various plants. He is committed to develop Transpek into a world class company, where each employee is a proud partner. He strives to harness the most innovative and appropriate technologies for manufacturing chemicals having complex chemistry with due concern to the environment and safety of all employees and the neighborhoods. During his tenure the Company has made all round progress emerging as a forward-looking organization with zeal to become a world-class organization. After hiving off the Sulphoxylates Business to Transpek-Silox Industry Ltd., he has steered the Company out of the difficulties into a self-sustaining organization of international standard by providing entrepreneurial inputs and adding products that have new applications and by arranging backward and forward integration synergy – thus improving in-house generation of important raw-materials and increasing in-house consumption of existing products. Shri Atul Shroff also provides his expertise and services to various public and private limited companies as a Director / Chairman on their Boards.
- 2. Past Remuneration:** Rs. 49.00 lacs p.a. as salary and equivalent amount of perquisites and contribution to Provident Fund and other funds (Rs. 8.80 lacs p.a.) and performance incentive at the rate of 1.5% of PBT (Rs. 7.08 lacs) aggregating to Rs. 113.88 lacs p.a.
- 3. Recognition or awards:** Under the stewardship of Shri A. G. Shroff the Company obtained the following recognitions /awards.

- In 1990, the Company won a turn-key project in Iran against stiff competition from several international players under which it installed and commissioned a chemical plant valued at US Dollars 12.5 million.
- In 1992, Financial Express declared the Company as the "Best Organic Chemical Industry" for two consecutive years.
- Indian Chemical Manufacturers' Association gave an award to the Company for "Innovative and Purposeful Programmes for Solid Progress."

Quality Management System:

- The Company was awarded QMS ISO 9002:1994 certification by RW TUV, Germany in 1997.
- QMS ISO 9002:1994 was recertified by RW TUV Germany in 2000.
- In 2003 the Company was re-certified for QMS ISO 9001:2000, expanding the scope of Company for manufacture & sales of its products.
- The Company was re-certified for QMS ISO 9001:2000 in 2006 by RW TUV, Germany.

Environmental Management System:



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- The Company's Environmental Management System was awarded ISO 14001:1996 in 2000
- In 2003, re-certification was awarded by RW TUV, Germany for ISO 14001:1996.
- In 2005-2006, re-certification for EMS ISO 14001:2004 was awarded by RW TUV Germany

Occupational Health & Safety Assessment Series System:

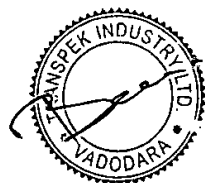
TIL was certified for BS OHSAS 18001:1999 standard by RW TUV, Germany in year 2007.

Integration of QMS, EMS & OHSAS System:

- Integrated Management Systems of QMS ISO 9001:2000, EMS ISO 14001:2004 & BS OHSAS 18001:1999 were re-certified by RW TUV, Germany in 2009
- Surveillance audit of Company's Integrated Management Systems for QMS ISO 9001:2008, EMS ISO 14001:2004 & BS OHSAS 18001:2007 was successfully completed by TUV Nord, Germany in the year 2010.
- In 2011, the Integrated Management Systems of QMS ISO 9001:2008, EMS ISO 14001:2004 & BS OHSAS 18001:2007 were successfully completed by TUV Nord, Germany.

Research & Development:

- In 2002-03, the Company's R&D Department was recognized by the Department of Scientific and Industrial Research (DSIR), Govt. of India.
- In 2005-06 the Company was awarded the status of One Star Export House.
- Under his stewardship certain process improvements were made for manufacturing Thionyl Chloride ("TC"). These, together with de-bottlenecking of certain equipments enabled the Company to increase the installed capacity of TC by about 18%.
- During his term the Company could reduce waste product generation by introducing certain modifications at source which have in turn reduced effluent generation.
- During his term, the Company's R & D Department has developed various acid chlorides and also increased the existing plant capacity. New plants were installed to cope up with the demand of export business.
- By undertaking various energy conservation activities considerable savings have been effected during the last 3 years.
- During his tenure commercial manufacture of 4 new products could be established.



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Continuous efforts are being made towards protecting the environment and conserving natural resources. Shri Atul Shroff's emphasis has remained towards reducing pollution at source by recovery of valuable products from the waste streams, implementing novel methods in process change, thereby reducing waste generation and improving product efficiencies.

In the area of conservation of natural resources, he has meticulously implemented the concept of rain water harvesting in our Company as well as extended to other areas of which has benefited the society at large by improving ground water table.

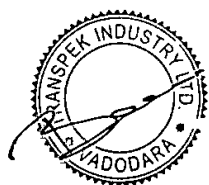
- His concept and ideas have helped us in developing unique method for treatment of domestic waste water and reusing it for reducing fresh water consumption.
- Under his stewardship, the Company took a big leap in enhancing the skill of communities in the neighbourhood of its plant site at Ekalbara; also it became the Industry partner for managing ITI, Padra under the Public Private Partnership (PPP) scheme of Government of India and made suggestions for improving infrastructure facilities, providing training to students, helping them gain exposure to contemporary industry practices, creating opportunities for employment in surrounding industries and also opened Extension Centre of ITI Padra at Ekalbara village to bring vocational training to the door step of villagers in its true sense.
- Under his leadership, self - employment opportunities were provided for the women of the surrounding villages. They have already started receiving commercial orders for their products, thus helping them to become financially independent and migrate to above poverty line. The Company has organized several medical camps in surrounding villages and has also contributed extensively in providing infrastructure to schools

4. **Job profile and his suitability:** Responsible for overall management of the Company under the supervision of the Board of Directors. Considering his background and experience, believed to be suitable to perform his duties.

5. **Remuneration Proposed:** The details of Remuneration proposed is set out in the following table:

Resolution No.	Remuneration for the period	Amount in Rs.
Resolution -I	1-12-2013 to 30-11-2014	1,42,98,730
Resolution -II	1-12-2014 to 30-11-2015	1,91,03,885
Resolution -II	1-12-2015 to 30-11-2016	2,22,53,885

6. **Comparative remuneration profile with respect to industry, size of the company, profile of the position and person:** Looking to the trend of industries across different segments, the Company is of the opinion that the payment of remuneration for the period 01.12.2013 to 30.11.2014 and for the years 2014-15 and 2015-16 to the Managing Director of Transpek Industry Ltd. is commensurate with the size of the industry, nature of the business, the sales turnover of the Company and the age and experience of the incumbent.



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7. **Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any:** The appointee has the pecuniary relationship to the extent of the amount of remuneration being proposed to be paid to him.

III. Other information:**i) Reasons for loss or inadequate profits:**

For the period from 1-12-2013 to 30-11-2014: For the said period, the Company has paid total Managerial Remuneration (to all the Directors together) of Rs.2,05,75,000/- against the 11% limit prescribed under section 197 of the Companies Act, 2013. However, to pay balance amount of Rs.10,73,115/- of Performance Incentive @1.5% would exceed the approved limit of Rs.1,13,88,000/- for Shri Atul G Shroff and the total managerial remuneration would exceed 11% limit and hence the Profit is inadequate. Secondly, the Company was anticipating substantial amount of profit for the year 2013-14. However, due to increased raw material cost and diminution in the value of investment, it could not achieve adequate profit.

For the years: 2014-2016: The Company apprehends that the actual profit for the financial year 2014-15 and 2015-16 may be inadequate for paying the remuneration (including performance incentive @ 1.5% of PBT) to Shri Atul G. Shroff, Managing Director for the period 01.12.2014 to 30.11.2015 and 01.12.2015 to 30.11.2016, in accordance with the approval accorded by the Shareholders at their Annual General Meeting held on 25.08.2011.

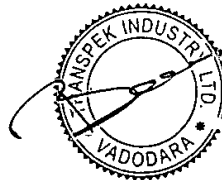
- ii) **Steps taken or proposed to be taken for improvement:** The Company is constantly increasing its volume of sales and is hopeful that it will achieve good amount of profits.
- iii) **Expected increase in productivity and profits in measurable terms:**
In view of the efforts put in to achieve voluminous sales, the Company expects good amount of increase in turn over at domestic and international level in the year in the coming years which would also simultaneously increase in the profitability of the Company.

iv) Disclosures:

The main terms and conditions of the Agreement entered into for the re-appointment of Shri Atul G. Shroff, Managing Director of the Company and approved by the shareholders are as follows:

- (a.) **Tenure:** Period of Agreement will be five years effective from 1.12.2011 to 30.11.2016.
- (b.) **Salary:** In the range of Rs.3,75,000 - Rs.5,25,000

However, the Board will grant annual increments commencing from 01.12.2012, and re-fix the salary within the aforesaid range by granting one increment of Rs.25,000/- or more in multiple thereof, having regard to merit and the Company's performance.

v) Perquisites:

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i. In addition to the salary referred to in para 4(b) above, Shri Atul G. Shroff, Managing Director shall be also entitled to perquisites like accommodation (furnished or otherwise) or house rent allowance in lieu thereof, house maintenance allowance, together with utilities such as gas, electricity, water, furnishings and repairs, medical reimbursement, leave travel concession for himself and his family, club fees, medical insurance etc. in accordance with the Rules of the Company or as may be agreed to by the Board of Directors and Shri Atul G. Shroff. Such perquisites will be an amount equal to the annual salary provided that the aggregate value of salary and perquisites shall not exceed such limits as may be specified by the Central Government.

ii. For the purpose of calculating the ceilings, perquisites shall be evaluated as per Income-tax Rules, wherever applicable. In the absence of any such Rules, perquisites shall be evaluated at actual cost.

Provision for use of one car of the Company to be fully maintained by the Company for official duties and mobile telephone and landline at residence (including payment for local calls and long distance official calls) shall not be included in the computation of value of perquisites for the purpose of calculating the total remuneration.

iii. Company's contribution to provident fund and superannuation or annuity fund, gratuity payable as per rules of the Company and encashment of leave at the end of his tenure shall not be included in the computation of limits for the remuneration or perquisites aforesaid

vi) **Performance Incentive:**

In addition to the salary and perquisites as referred to above, Shri A. G. Shroff shall also be entitled to an annual incentive payment which shall be calculated at the rate of 1.5 % (one and half percent) of the Profit Before Tax of the Company in the relevant financial year appearing in the audited accounts of the Company and paid to him after the adoption of the annual accounts at the Annual General Meeting of the Company.

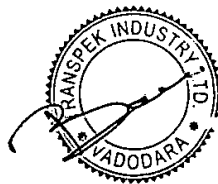
Where Shri A. G. Shroff has been the Managing Director of the Company only for a part of any financial year, the aforesaid incentive payable to him shall be appropriately pro-rated.

vii). **Minimum Remuneration:**

Even in the event of the Company having no profits or inadequate profits in any financial year, the remuneration payable to the Managing Director as set out in the Resolutions shall remain unchanged.

viii). **Other Benefits:**

- i. Leave: On full pay and allowance, as per the Rules of the Company but not exceeding one month's leave for every 11 months of service. Leave accumulated and not availed of during his tenure as Managing Director may be allowed to be encashed at the end of his tenure as per Rules of the Company.
- ii. Shri A. G. Shroff will be entitled to reimbursement of entertainment expenses actually and properly incurred by him in the course of legitimate business of the Company.



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- ii. Shri A. G. Shroff will also be entitled to receive from the Company travelling, hotel and other expenses incurred in performance of duties on behalf of the Company.

Insurance cover for Directors' liability:

The Company will obtain insurance covering the liability of the Managing Director as permissible including indemnifying him against any claim which may be made against him by virtue of his being the Managing Director of the Company. This will also include the Company defending him in any suit filed during the period he is such Managing Director or even after he ceases to be such Managing Director but pertaining to the period during which he was such Managing Director.

The insurance shall also include the Company defending him in any suit filed pertaining to a period during which he was "Occupier" of the Factory of the Company.

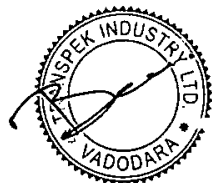
- iii. Shri A. G. Shroff will be entitled to avail Key Man Insurance Policy as permissible to cover the company's losses in the event of the death of the Managing Director during the term of office.

- iv. Compensation for non-renewal or premature termination of contract by the Company:

In the event of non-renewal or premature termination of the contract by the Company, Shri Atul G. Shroff will be entitled to receive from the Company compensation equivalent to 12 months' salary and equivalent amount of perquisites, as applicable at the time of such termination.

ix). Other terms & conditions:

- i. The terms and conditions of the said re-appointment and/or Agreement may be altered and varied from time to time by the Board as it may, in its discretion, deem fit, within the maximum amount payable to the Managing Director in accordance with the approval of the Shareholders of the Company and of the Central Government.
- ii. Shri A. G. Shroff shall not, so long as he functions as Managing Director, become interested or otherwise concerned directly or through his wife and/or minor children in any selling agency of the Company in future without such prior approval of the Government of India as may be required.
- iii. The appointment may be terminated by either party giving to the other party not less than ninety days' notice in writing.
- iv. In the event of dispute or difference arising at any time between Shri A. G. Shroff and the Company in respect of the agreement between him and the Company or the construction thereof, the same will be submitted to and be decided by arbitration in accordance with the provisions of the Arbitration and Conciliation Act, 1996.
- v. The headquarters of the Managing Director shall be at Vadodara.



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- vi. The Managing Director as long as he continues to be a Managing Director of the Company, shall not be liable to retire by rotation and shall not be reckoned as a Director for the purpose of determining the number of Directors liable to retire by rotation.
- vii. If at any time the Managing Director ceases to be a Director of the Company for any cause whatsoever, he shall cease to be the Managing Director.

It is also proposed to authorise the Board of Directors of the Company to do all such acts, deeds and things that may be required to be done to give effect to and implement the Resolutions I & II.

The Board of Directors of the Company commends the Special Resolutions by Postal Ballot as per Resolution I & II in the Notice.

This may also be considered and treated as the memorandum kept under Section 190 of the Companies Act, 2013.

None of the Directors and Key Managerial Personnel of the Company, other than Shri Atul G. Shroff, is in any way, concerned or interested financially or otherwise in the said Resolutions.

RESOLUTION – III:

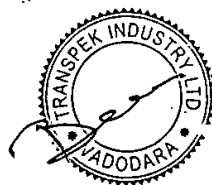
The Company has been regularly borrowing funds from various Financial Institutions, Banks and other lenders by securing in favour of the lenders all/any of the immovable and moveable properties, of the Company, both present and future and wheresoever situate and the whole or part of the undertaking of the Company with the power to take over the management of the business and concern of the Company in certain events.

Necessary approval of the shareholders of the Company had been obtained under Section 293 (1) (a) of the Companies Act, 1956.

However, with the enactment of the Companies Act, 2013 *inter alia* replacing the corresponding provisions of the Companies Act, 1956 including Section 293 (1) (a) thereof, once again approval of the shareholders of the Company is being sought by means of the proposed Special Resolution under Section 180 (1) (a) of the Companies Act, 2013 in order to enable the Board of Directors of the Company to secure the sum or sums of moneys borrowed/ to be borrowed to the extent of Rs.100,00,00,000/- (Rupees One Hundred Crores Only).

The Board of Directors of the Company commends the Special Resolution by Postal Ballot or e-voting as per Resolution III in the Notice.

The Directors or the Key Managerial Personnel of the Company or their relatives do not have any concern or interest, financial or otherwise, in the passing of the said Resolution. The proposed Resolution does not relate to or affect any other Company.





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Regd. Office:
6th Floor, Marble Arch,
Race Course,
Vadodara – 390007
Dated: 3rd February 2015

By Order of the Board of Directors
For Transpek Industry Limited

BIMAL V. MEHTA
Executive Director

