



August 29, 2018

Compliance Department <b>BSE Limited</b> Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai – 400 001 <b>Scrip Code: 539889</b>	Compliance Department <b>National Stock Exchange of India Limited</b> Exchange Plaza, Plot No. C/1, G-Block, Bandra – Kurla Complex, Bandra (E), Mumbai – 400 051 <b>Scrip Symbol: PARAGMILK</b>
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Dear Sir / Madam,

**Subject: Compliance under Regulation 30 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015**

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, please find enclosed the following:

1. Notice of the Twenty Sixth Annual General Meeting of the Company to be held on Wednesday, September 19, 2018 at 11:30 a.m. at Mahratta Chamber of Commerce Industries and Agriculture, MCCIA Trade Tower, A Wing, 5<sup>th</sup> Floor, Navalmal Firodia Seminar Hall, Senapati Bapat Road, Pune 411016;

You are requested to take the same on record.

Thanking you,

For **PARAG MILK FOODS LIMITED**

Rachana Sanganeria  
**Company Secretary and Compliance Officer**  
ACS No.: 10280

Encl:a/a

## PARAG MILK FOODS LIMITED

CIN: L15204PN1992PLC070209

Regd. Office: Flat No.1, Plot No-19, Nav Rajasthan CHS. Shivaji Nagar, Pune – 411 016

Website: [www.paragmilkfoods.com](http://www.paragmilkfoods.com), Email- [investors@paragmilkfoods.com](mailto:investors@paragmilkfoods.com)

Tel. No.: +91 7276470001, Fax No. 022 - 43005580

### NOTICE

NOTICE is hereby given that the **Twenty Sixth Annual General Meeting** (“AGM”) of the Members of **Parag Milk Foods Limited** (the “Company”) will be held on **Wednesday, 19 September, 2018 at 11.30 A.M.** at Mahratta Chamber of Commerce Industries and Agriculture, MCCIA Trade Tower, A Wing, 5th Floor, Navalmal Firodia Seminar Hall, Senapati Bapat Road, Pune 411016, to transact the following business: -

#### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements (including the Audited Consolidated Financial Statements) of the Company for the financial year ended 31 March, 2018, together with the Reports of the Board of Directors and the Auditors thereon.
2. To declare Final Dividend on equity shares at the rate of ₹ 0.75/- per equity share for the financial year ended 31 March, 2018.
3. To appoint a Director in place of Mr. B. M. Vyas (DIN: 00043804), who retires by rotation and being eligible, offers himself for re-appointment.

#### SPECIAL BUSINESS:

4. To re-appoint Mr. Pritam Shah (DIN: 01127247) as the Managing Director and Key Managerial Personnel (KMP) of the Company.

To consider, and, if thought fit, to pass the following resolution as a **Special Resolution**

“**RESOLVED THAT** pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V and any other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any amendment, statutory modification(s), variation or re-enactment thereof for the time being in force), and the Articles of Association of the Company, and in terms of recommendation of the Nomination and Remuneration Committee and as approved by the Board of Directors of the Company and subject to approval from any regulators, if required, consent of the Members be and is hereby accorded, to re-appoint Mr. Pritam Shah (DIN: 01127247) as Managing Director and Key Managerial Personnel of the Company for a further term of 5 (Five) years with effect from 01 April, 2018 till 31 March, 2023 on the terms and conditions as set-out in the Explanatory Statement annexed to this Notice (including the remuneration payable by way of salary, perquisites and allowances, which is within the limits prescribed under Section 197 of the Companies Act, 2013) and he shall not be liable to retire by rotation.

**RESOLVED FURTHER THAT** the Board of Directors (which term shall always be deemed to include any Committee as constituted or to be constituted by the Board to exercise its powers including the powers conferred under this resolution) be and are hereby authorised to alter the terms and conditions of appointment and/or increase the remuneration from time to time to the extent the Board of Directors may deem

appropriate, provided that such increase, as the case may be, is within the overall limits as specified under Section 197 read with Schedule V of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and/ or applicable provisions.

**RESOLVED FURTHER THAT** in the event of no profits or inadequacy of profits, in any financial year, during the currency of term of the Managing Director, the Company shall pay to the Managing Director such minimum remuneration not exceeding the limit laid down in Schedule V to the Companies Act, 2013, as applicable to the Company or such other limits, as may be prescribed by the Central Government from time to time, which shall be approved by the Board of Directors.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, any of the Directors and/or any of the Key Managerial Personnel of the Company for the time being, be and are hereby jointly or severally authorised to do all such acts, deeds, matters and things and take such steps which are necessary, expedient or incidental in this regard.”

5. To re-appoint Mr. Devendra Shah (DIN: 01127319) as Whole- Time Director and Key Managerial Personnel (KMP) of the Company.

To consider, and if thought fit, to pass the following resolution as a **Special Resolution.**

“**RESOLVED THAT** pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V and any other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under (including any amendment, statutory modification(s), variation or re-enactment thereof for the time being in force), and the Articles of Association of the Company, and in terms of the recommendation of the Nomination and Remuneration Committee and as approved by the Board of Directors of the Company and subject to approval from any regulators, if required, consent of the Members of the Company be and is hereby accorded, to re-appoint Mr. Devendra Shah (DIN: 01127319) as Whole-time Director and Key Managerial Personnel of the Company for a further term of 5 (Five) years with effect from 01 April, 2018 till 31 March, 2023, on the terms and conditions as set-out in the Explanatory Statement annexed to this Notice (including the remuneration payable by way of salary, perquisites and allowances, which is within the limits prescribed under Section 197 of the Companies Act, 2013).

**RESOLVED FURTHER THAT** the Board of Directors (which term shall always be deemed to include any Committee as constituted or to be constituted by the Board to exercise its powers including the powers conferred under this resolution) be and, are hereby authorised to alter the terms and conditions of appointment and/or increase the remuneration from time to time to the extent the Board of Directors may deem appropriate, provided that such increase, as the case may be, is within the overall limits as specified under Section 197 read with Schedule V of the Companies Act, 2013 (including any

statutory modification(s) or re-enactment(s) thereof, for the time being in force) and/ or applicable provisions .

**RESOLVED FURTHER THAT** in the event of no profits or inadequacy of profits, in any financial year, during the currency of term of the Whole time Director, the Company shall pay the Whole- time Director such minimum remuneration not exceeding the limit laid down in Schedule V to the Companies Act, 2013, as applicable to the Company or such other limits, as may be prescribed by the Central Government from time to time, which shall be approved by the Board of Directors.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, any of the Directors and/or any of the Key Managerial Personnel of the Company for the time being, be and are hereby jointly or severally authorised to do all such acts, deeds, matters and things and take such steps which are necessary, expedient or incidental in this regard.”

6. To ratify the remuneration of Cost Auditors for the financial year ending 31 March, 2019

To consider and, if thought fit, to pass the following Resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and Rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Company hereby ratifies and confirms the remuneration not exceeding ₹ 90,000 (Rupees Ninety Thousand Only) and reimbursement of actual out of pocket expenses, as may be incurred by them, in connection with the audit of cost records of the Company, payable to M/s. Harshad S. Deshpande & Associates, Pune, Cost Accountants (Firm Registration No.00378), who were appointed by the Board of Directors as the Cost Auditors of the Company to conduct audit of cost records maintained by the Company for the financial year ending on 31 March, 2019.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (including any Committee thereof) and/or Company Secretary, be and are hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

7. To ratify Parag Milk Foods Limited “Employee Stock Option Scheme 2015” (ESOS 2015)

To consider, and if thought fit, to pass the following resolution as a **Special Resolution**

“**RESOLVED THAT** in furtherance of and supplementing to the Special Resolution passed by the Shareholders in the Extra-Ordinary General Meeting of the Company, held on 16 May, 2015, and in pursuance to Clause 12 and other applicable provisions, if any, of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) (“SEBI ESOP Regulations”), and provisions of Section 62 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force), the Memorandum and Articles of Association of the Company, and subject to such other approvals, consents, permissions and sanctions, as may be applicable, including

such conditions and modifications as may be prescribed or imposed while granting such approvals, consents, permissions and sanctions, “Parag Milk Foods Limited - Employee Stock Option Scheme 2015” (ESOS 2015) formulated and approved prior to the Initial Public Offering (“IPO”) of the Company, be and is hereby, ratified and the consent of the shareholders be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include Compensation Committee already constituted by the Board under Section 178 of the Companies Act, 2013 nomenclature as the Nomination & Remuneration Committee, to exercise its powers, including the powers, conferred by this resolution), to create, offer, issue and grant at any time, directly or through a trust, to the eligible permanent employees, existing & future, the directors (including whole-time directors and non-executive directors but excluding independent directors) of the Company, whether working in or outside India, as may be decided by the Board, under the ESOS 2015, up to a maximum of 227,000 options, each option convertible into one fully paid-up equity share of Rs. 10/- each of the Company, on payment of the requisite exercise price to the Company, in one or more tranches and on such terms and conditions as may be fixed or determined by the Board and/or the Nomination and Remuneration Committee in accordance with the ESOS 2015.

**RESOLVED FURTHER THAT** the Board and/or the Nomination and Remuneration Committee, be and is hereby authorised to do all such acts, as it may in its absolute discretion deem necessary to bring the ESOS 2015 into effect, including to incur any expenses, if any, in relation thereto.

**RESOLVED FURTHER THAT** subject to applicable laws and any approvals, consents, permissions and sanctions, as may be required, the options may be granted to the eligible employees either directly or through a trust constituted/to be constituted by the Board and/or the Nomination & Remuneration Committee.

**RESOLVED FURTHER THAT** the equity shares, if any, issued/ allotted upon exercise of options from time to time in accordance with the ESOS 2015, shall rank pari-passu in all respects with the then existing equity shares of the Company.

**RESOLVED FURTHER THAT** for the purpose of giving effect to any creation, offer, issue, allotment or listing of the shares, on behalf of the Company, the Board and/or the Nomination & Remuneration Committee be and is hereby authorised to make any modifications, changes, variations, alterations or revisions in the ESOS 2015 from time to time or to suspend, withdraw or revive the ESOS 2015, from time to time, as may be specified by any statutory authority or otherwise and to do all such acts, deeds, matters and things as it may in its absolute discretion deem fit or necessary or desirable for such purpose in conformity with the Companies Act, 2013, the Memorandum and Articles of Association of the Company, the SEBI ESOP Regulations as amended from time to time and any other applicable laws and with power on behalf of the Company, to settle any questions, difficulties or doubts that may arise in this regard without requiring the Board and/or the Nomination & Remuneration Committee to secure any further consent or approval of the shareholders”

8. To approve increase in remuneration of Ms. Akshali Shah VP-Strategy (Sales and Marketing) appointed to an office or place of profit

To consider, and if thought fit, to pass the following resolution as an **Ordinary Resolution**.

**“RESOLVED THAT** pursuant to the provisions of Section 188(1) (f) and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 15 3 of the Companies (Meeting of Board and its Powers) Rules, 2014 and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any statutory modification(s) or re-enactment thereof for the time being in force) and applicable Articles of Association of the Company, the approval of the Members be and is hereby accorded to enhance the remuneration payable with effect from 1 July, 2018 to Ms. Akshali Shah, relative of Mr. Devendra Shah, Chairman of the Company, holding an office or place of profit within the meaning of Section 188(1) (f) of the Companies Act, 2013 read with Explanation thereto, as VP- Strategy (Sales and Marketing) of the Company, in the manner as set out in the Explanatory Statement annexed to the Notice convening this Meeting, as approved by the Board of Directors upon recommendation made by the Nomination and Remuneration Committee as per the Remuneration Policy of the Company and also approved by the Audit Committee in accordance with the Policy of the Company on Related Party Transactions”

**“RESOLVED FURTHER THAT** the Board of Directors or Nomination and Remuneration Committee of the Board be and are hereby authorised to change/alter/increase/decrease the terms and conditions/remuneration of Ms. Akshali Shah from time to time subject to such approvals as may be required under the provisions of the Companies Act, 2013”.

**“RESOLVED FURTHER THAT** any of the Directors or Company Secretary of the Company, be and are hereby severally authorized to file requisite forms with the Registrar of Companies and to do all acts, deeds and things in this connection.”

#### 9. Alteration of Articles of Association

To consider and, if thought fit, to pass the following Resolution as a **Special Resolution**.

**“RESOLVED THAT** pursuant to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) approval of the Members be and is hereby accorded for alteration of the Articles of Association of the Company in the following manner and the Articles be renumbered accordingly, if needed.”

A. Existing Article 32 be and is hereby substituted with the following new Clause:

#### **“32. QUESTIONS AT GENERAL MEETING HOW DECIDED**

(a) The Chairman shall, at the General Meeting, at the end of discussion on the resolutions on which voting is to be held, allow voting, as provided in Rule 21 of the Companies (Management and Administration) Rules, 2014, as applicable, with the assistance of scrutiner, by use of ballot or polling paper or by using an electronic voting system for all those Members who are present at the General Meeting but have not cast their votes by availing the remote e-voting facility. The Members who have cast their vote by remote-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.

(b) In the case of equal votes, the Chairman shall have a casting vote in addition to the vote or votes to which he may be entitled as a Shareholder.

(c) The scrutiner shall, immediately after the conclusion of voting at the General Meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than three days of conclusion of the meeting, a consolidated scrutiner's report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same.

(d) No document purporting to be a report of the proceedings of any General Meeting of the Company shall be circulated or advertised at the expense of the Company unless it includes the matters required by these Articles or Section 118 of the Act to be contained in the Minutes of the proceedings of such meeting.

(e) The Shareholders will do nothing to prevent the taking of any action by the Company or act contrary to or with the intent to evade or defeat the terms as contained in these Articles.”

B. Existing Article 36 (VI) be and is hereby substituted with the following new Clause:

#### **“36. E-VOTING**

(VI) the facility of remote e-voting shall remain open for not less than three days and shall close at 5.00 p.m. on the date preceding the date of the General Meeting”.

C. Existing Article 49 be and is hereby substituted with the following new Clause:

#### **“49. ONE-THIRD OF DIRECTORS TO RETIRE EVERY YEAR**

At every Annual General Meeting of the Company, one third of such of the Directors for the time being as are liable to retire by rotation, or, if their number is not three or a multiple of three, the number nearest to one- third shall retire from office, and they will be eligible for re-election. The Managing Director, the Nominee Director (s) and the Debenture Director(s), if any, shall not be counted in determining the number of Directors liable to retire by rotation, subject to compliance of the Act and the Rules made thereunder or any other applicable provisions of Law”

D. Existing Article 59(a) be and is hereby substituted with the following new Clause:

#### **“59. PROCEEDINGS OF THE BOARD OF DIRECTORS**

(a) There shall be at least 4 (four) Board Meetings in every year and there should not be a gap of more than 120 (one hundred twenty) days between two consecutive Board Meetings. Meetings shall be held in Mumbai, or such a place as may be decided by the Board.”

E. Existing Article 60(a) be and is hereby substituted with the following new Clause:

#### **“60. QUORUM FOR BOARD MEETING**

(a) Quorum for Board Meetings:

Subject to the provisions of Section 174 of the Act, the quorum for each Board Meeting shall be one third of its total strength or three Directors, whichever is higher, and the participation of the directors by video conferencing or

by other audio visual means shall also be counted for the purposes of quorum under this sub-section.

If any duly convened Board Meeting cannot be held for want of a quorum, then such a meeting shall automatically stand adjourned for 7 (seven) days after the original meeting at the same time and place, or if that day is a national holiday, on the succeeding day which is not a public holiday to the same time and place. Provided however, the adjourned meeting may be held on such other date and such other place as may be unanimously agreed to by all the Directors in accordance with the provisions of the Act.”

- F. Existing Article 69 be and is hereby substituted with the following new Clause:

**“69. SEAL**

- (a) The Board shall provide for the safe custody of the seal.  
(b) The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least one director or the secretary or such other person as the Board may appoint for the purpose; and the director or the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.”

- G. New Article 70A be inserted after the existing Article 70:

**“70A OPEN TO THE MEMBERS TO WAIVE/FORGO HIS/ THEIR RIGHT TO RECEIVE THE DIVIDEND**

- a. Notwithstanding anything contained in this Articles of the Company, but subject to the provisions of the Companies Act, 2013 and all other applicable rules of the statutory authorities and the Rules framed by the Board of Directors of the Company in this behalf as amended from time to time by the Board, it shall be open for the Members of the Company who hold the equity shares in the Company to waive/forgo his/their right to receive the dividend (interim or final) by him/them for any financial year which may be declared or recommended respectively by the Board of Directors of the Company. The waiver/ forgoing by the Members, his/ their right to receive the dividend (interim or final) by him/them under this Article shall be irrevocable immediately after the record date/

book closure date fixed for determining the names of Members entitled for dividend. The Company shall not be entitled to declare or pay and shall not declare or pay dividend on equity shares to such Members who have waived/forgone his/their right to receive the dividend (interim or final) by him/ them under this Article.

- b. The Company may in general meeting, declare a dividend to be paid to the Members, other than the Members who have waived/foregone their right of receiving any dividend (including any interim dividend) declared / to be declared by the Company for any financial year in accordance with the Rules as may be framed by the Board and as amended from time to time, according to their respective rights and interests in the profits and subject to the provisions of the Act, may fix time for payment of the same”

- H. Existing Article 81 be and is hereby substituted with the following new Clause:

**“81. INSPECTION BY SHAREHOLDERS**

The register of charges, register of investments, register of Shareholders and the minutes of the meetings of the Shareholders shall be kept at the Office of the Company and shall be open, during Business hours, for such periods not being less in the aggregate than two hours in each day as the Board determines, for the inspection of any Shareholder without charge. In the event such Shareholder conducting inspection of the above mentioned documents requires extracts of the same, the Company may charge a fee which shall not exceed Rupees ten per page or such other limit as may be prescribed under the Act or other applicable provisions of Law.”

“**RESOLVED FURTHER THAT** the Board of Directors or Company Secretary of the company be and is hereby authorized to take all such steps and actions for the purpose of making all such filings and registrations as may be required in relation to the aforesaid amendment to the Articles of Association and further to do all such acts and deeds, matters and things as may be deemed necessary to give effect to this resolution.”

**By Order of the Board of Directors**

**Rachana Sangneria**  
Company Secretary and  
Compliance Officer

Place: Mumbai  
Date: 06 August, 2018

**Registered Office:**  
Flat No.1, Plot No. 19,  
Nav Rajasthan Co. Op. Hsg. Soc,  
Behind Ratna Memorial Hospital,  
S.B. Road, Shivaji Nagar,  
Pune – 411 016 -Maharashtra

## NOTES:

1. **A Member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a Member of the Company. The instrument appointing the proxy, in order to be effective, must be deposited at the Company's Registered Office, duly completed and signed, not less than 48 hours before the commencement of the AGM.** Proxies submitted on behalf of companies, societies etc., must be supported by appropriate resolutions / authority, as applicable. A person can act as proxy on behalf of Members not exceeding 50 (Fifty) and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
2. Corporate Members intending to send their authorised representative(s) to attend the AGM are requested to send to the Company a certified true copy of the relevant Board Resolution together with the specimen signature(s) of the representative(s) authorised under the said Board Resolution to attend and vote on their behalf at the AGM.
3. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 ("Act") relating to the special business to be transacted at the AGM is annexed hereto. All relevant documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during business hours except on Saturday, Sundays or holidays, up to and including the date of the AGM.
4. The relevant details of Directors retiring by rotation / seeking re-appointment at the ensuing AGM are provided in the "Annexure" to the Notice pursuant to the provisions of (i) the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations") and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.
5. In case of joint holders attending the AGM, the Member whose name appears as the first holder in the order of names as per the register of Members of the Company will be entitled to vote.
6. (a) **The Company has fixed Wednesday, 12 September, 2018 as the "Record Date" for determining entitlement of Members to dividend for the financial year ended 31 March, 2018.**  
 (b) The final dividend on equity shares, recommended by the Board, if declared at the AGM, will be paid on or before Thursday, 18 October, 2018, to those Members whose names appear on the Company's Register of Members on the Record Date, in respect of the shares held in dematerialised mode, the dividend will be paid to Members whose names are furnished by National Securities Depository Limited (NSDL and Central Depository Services (India) Limited (CDSL) as beneficial owners as on that date.
7. The Company's Registrar & Transfer Agent ("R&TA") for its share registry (both, physical as well as electronic) is Karvy Computershare Private Limited ("Karvy") having its office at Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad 500032 (Unit: Parag Milk Foods Limited).
8. Pursuant to Section 91 of the Act, Register of Members and Share Transfer Books of the Company will remain closed from **Thursday, 13 September, 2018 to Wednesday, 19 September, 2018**, (both days inclusive) for the purpose of the AGM.
9. The Register of Directors and Key Managerial Personnel and their shareholdings, maintained under Section 170 of the Act and the Register of Contracts or Arrangements in which Directors are interested maintained under Section 189 of the Act, will be made available for inspection by the Members at the AGM.
10. Members holding shares in electronic mode may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or Karvy cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant (DP) by the Members.
11. Members holding shares in electronic mode are requested to intimate any change in their address or bank mandates to their DPs with whom they are maintaining their demat accounts. Members holding shares in physical mode are requested to advise any change in their address or bank mandates to the Company / Karvy.
12. Members / proxies / authorised representatives are requested to bring to the Meeting the necessary details of their shareholding, attendance slip (s), identity proof and copy(ies) of the Annual Report.
13. The Securities and Exchange Board of India ("SEBI") has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their depository participant(s) with whom they are maintaining their demat account(s). Members holding shares in physical form can submit their PAN details to Karvy (R&TA).
14. Members who hold shares in physical mode in multiple folios in identical names or joint holding in the same order

of names are requested to send the share certificates to Karvy, for consolidation into a single folio.

15. Members who have not registered / updated their e-mail addresses with Karvy, if shares are held in physical mode or with their DPs, if shares are held in electronic mode, are requested to do so for receiving all future communications from the Company including Annual Reports, Notices, Circulars, etc., electronically.
16. Electronic copy of the Annual Report for FY 2017-18 and the Notice of 26th Annual General Meeting (“AGM”) along with Attendance Slip and Proxy Form are being sent to all the Members whose e-mail addresses are registered with the Company/Depository Participant(s) for communication purposes, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies of the Annual Report for FY 2017-18 and the Notice along with Attendance Slip and Proxy Form are being sent by the permitted mode. To support the ‘Green Initiative’, the Members who have not registered their e-mail addresses are requested to register the same with the Company’s Registrar and Share Transfer Agent/Depositories. Members may note that the Notice of the AGM of the Company and the Annual Report for will also be available on the website of the Company [www.paragmilkfoods.com](http://www.paragmilkfoods.com) and on the website of Karvy Computershare Private Limited (“Karvy”) [www.evoting.karvy.com](http://www.evoting.karvy.com)
17. Members are requested to note that as per Section 124 of the Companies Act, 2013, dividends not encashed/claimed within seven years from the date of declaration will be transferred to the Investor Education and Protection Fund (IEPF). No claims in this respect shall lie against the Company.
18. The Members may note that M/s Haribhakti & Co, LLP, Chartered Accountants, Pune (Firm Registration No. 103523W / W100048), were appointed as Statutory Auditors of the Company, for a period of 5 years i.e. upto the conclusion of the Annual General Meeting to be held for the FY 2019-2020, to be held for the adoption of accounts for the financial year ending 31 March, 2019. As per the provisions of the Act and rules framed thereunder, the said appointment of the Statutory Auditors was required to be ratified at every Annual General Meeting. However, the Ministry of Corporate Affairs by way of the Companies (Amendment) Act, 2017, has omitted the first proviso to Section 139 of the Act, requiring ratification of appointment of Statutory Auditors. The said amendment was made effective on 7 May, 2018. Accordingly, agenda for ratification of appointment of Statutory Auditors is not included in this Notice of AGM.
19. A route map giving directions to reach the venue of the AGM is given at the end of the Notice.
20. **Voting:**
  - i. In compliance with the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended, and Regulation 44 of the SEBI Listing Regulations, and the Secretarial Standard on General meetings (“SS-2”) issued by the Institute of Companies Secretaries of India, the Members are provided with the facility to cast their vote electronically, (“e-voting”) on all the resolutions set forth in this Notice. The Members may cast their vote(s) using an electronic voting system from a place other than the venue of the Meeting (‘remote e-voting’).
    - ii. The facility for voting through electronic voting system (‘Insta Poll’) or ballot paper shall also be made available at the AGM. Members attending the Meeting who have not cast their vote(s) by remote e-voting shall be able to exercise their right to vote at the AGM.
    - iii. The Members who have cast their vote(s) by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote(s) again.
    - iv. A Member can opt for only single mode of voting, that is, through remote e-voting or voting at the AGM. If a Member casts vote(s) by both modes, then voting done through remote e-voting shall prevail and vote(s) cast at the AGM shall be treated as “INVALID”.
    - v. The Company has engaged the services of Karvy Computershare Private Limited (‘Karvy’) as the Agency to provide e-voting facility.
    - vi. The Board of Directors of the Company has appointed Mr. Chaitanya Udgirkar, Associate Company Secretary, Legasis Services (Membership Number 49740 and PCS No. 18161), as Scrutiniser to scrutinise the remote e-voting and Insta Poll process in a fair and transparent manner.
    - vii. Voting rights shall be reckoned on the paid-up value of shares registered in the name of the Member / beneficial owner (in case of electronic shareholding) as on the cut-off date, that is, Wednesday, 12 September, 2018.
  - viii. **A person, whose name is recorded in the register of Members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting / Insta Poll. A person who is not a Member as on the cut-off date, should treat this Notice for information purpose only.**
  - ix. Any person who becomes a Member of the Company after despatch of the Notice of the Meeting and holding shares as on the cut-off date may obtain the User ID and password from Karvy in the manner as mentioned below:
    - a. If the mobile number of the Member is registered against Folio No. / DP ID Client ID, the Member may send SMS.
    - b. MYEPWD<space> E-Voting Event Number Folio No. or DP ID Client ID to 9212993399

Example for NSDL:

MYEPWD <SPACE> IN12345612345678

Example for CDSL:

MYEPWD <SPACE> 1402345612345678

Example for Physical:

MYEPWD <SPACE> XXXX1234567890

- b. If e-mail address or mobile number of the Member is registered against Folio No. / DP ID Client ID, then on the home page of [www.evoting.karvy.com](http://www.evoting.karvy.com), the Member may click “Forgot Password” and enter Folio No. or DP ID Client ID and PAN to generate a password.
- c. Member may call on Karvy’s toll-free number: 1800-3454-001 (from 9.00 a.m. to 6.00 p.m.).
- d. Member may send an e-mail request for e-voting at [evoting@karvy.com](mailto:evoting@karvy.com)/[mohsin.mohd@karvy.com](mailto:mohsin.mohd@karvy.com).

If the Member is already registered with Karvy e-voting platform, then he can use his existing User ID and password for casting the vote(s) through remote e-voting.

- x. The remote e-voting facility will be available during the following period:
  - **Commencement of remote e-voting: From 9:00 a.m. (IST) on Saturday, 15 September, 2018**
  - **End of remote e-voting: Up to 5:00 p.m. (IST) on Tuesday, 18 September, 2018.**

The remote e-voting will not be allowed beyond the aforesaid date and time and the remote e-voting module shall be disabled by Karvy upon expiry of the aforesaid period.

The Company has opted to provide the same electronic voting system at the AGM, as used during remote e-voting and the said facility shall be operational till all the resolutions proposed in the Notice are considered and voted upon at the AGM and may be used for voting only by the Members holding shares as on the cut-off date who are attending the AGM and who have not already cast their vote(s) through remote e-voting.

- xi The Scrutiniser will, after the conclusion of e-voting at the AGM, scrutinise the votes cast at the Meeting (Insta Poll) and votes cast through remote e-voting, make a consolidated Scrutiniser’s Report and submit the same to the Chairman. The results will be declared within 48 hours after the AGM. The result declared along with the consolidated Scrutiniser’s Report will be placed on the website of the Company: [www.paragmilkfoods.com](http://www.paragmilkfoods.com) and on the website of Karvy at: [www.evoting.karvy.com](http://www.evoting.karvy.com). The result will simultaneously be communicated to the stock exchanges, BSE Limited and National Stock Exchange of India Limited where the shares

of the Company as listed. The Results shall also be displayed on the Notice Board at the Registered Office of the Company.

**xii. Subject to receipt of requisite number of votes, the Resolutions proposed in the Notice shall be deemed to be passed on the date of the AGM, that is, Wednesday, 19 September, 2018.**

xiii. Information and instructions relating to remote e-voting:

**1. A. In case a Member receives an e-mail from Karvy** [for Members whose e-mail addresses are registered with the Company / Depository Participant(s)]:

- (a) Launch internet browser by typing the URL: [www.evoting.karvy.com](http://www.evoting.karvy.com)
- (b) Enter the login credentials (that is, **User ID** and **Password**) which are printed and available in the communication with respect to voting by electronic means enclosed with the Notice and forms an integral part of it.  
  
The E-Voting Event Number+Folio No. or DP ID Client ID will be your User ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote(s). If required, please visit [www.evoting.karvy.com](http://www.evoting.karvy.com) or contact toll-free number 1800-3454-001 (from 9.00 a.m. to 6.00 p.m.) for your existing password.
- (c) After entering these details appropriately, click on “**LOGIN**”.
- (d) You will now reach Password Change Menu wherein you are required to mandatorily change your password. The new password shall comprise minimum 8 characters with at least one upper case (A-Z), one lower case (az), one numeric (0-9) and a special character (@,#,\$,etc.). The system will prompt you to change your password and update your contact details like mobile number, e-mail address, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it, It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
- (e) You need to login again with the new credentials.
- (f) On successful login, the system will prompt you to select the E-Voting Event Number for Parag Milk Foods Limited.



- (g) On the voting page, enter the number of shares (which represents the number of votes) as on the cut-off date under either “FOR” or “AGAINST” or alternatively, you may partially enter any number under “FOR” / “AGAINST”, but the total number under “FOR” / “AGAINST” taken together should not exceed your total shareholding as on the cut-off date. You may also choose the option “ABSTAIN” and the shares held will not be counted under either head.
- (h) Members holding shares under multiple folios / demat accounts shall choose the voting process separately for each of the folios / demat accounts.
- (i) Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as “ABSTAINED”.
- (j) You may then cast your vote by selecting an appropriate option and click on “SUBMIT”.
- (k) A confirmation box will be displayed. Click “OK” to confirm, else “CANCEL” to modify.
- (l) Once you confirm, you will not be allowed to modify your vote.
- (m) Corporate / Institutional Members (that is, other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution / Power of Attorney / Authority Letter, etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutiniser at e-mail id: [chaitanya.u@legasis.co.in](mailto:chaitanya.u@legasis.co.in) with a copy marked to [evoting@karvy.com](mailto:evoting@karvy.com). They may also upload the same in the e-voting module in their login. The scanned image of the above mentioned documents should be in the naming format “Corporate Name\_EVENT NO.”

**B. In case a Member receives physical copy of the Notice by Post** [for Members whose e-mail addresses are not registered with the Company /

Depository Participant(s)]:

- a) User ID and initial password - Initial password is provided in the below given format in the communication with respect to voting by electronic means enclosed with the Notice and forms integral part of it:

<b>EVEN (E-voting Event Number)</b>	<b>User ID</b>	<b>password</b>
.....	.....	.....

- b) Please follow all steps from Sr. No. (a) to (m) as mentioned in (A) above, to cast your vote.
- You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending further communication(s).
  - During the voting period, Members can login to Karvy’s e-voting platform any number of times till they have voted on all the Resolutions. Once the vote on a resolution is cast by a Member, whether partially or otherwise, the Member shall not be allowed to change it subsequently or cast the vote again.
  - In case of any query pertaining to e-voting, Members may refer to the “Help” and “FAQs” sections / E-voting user manual available at the “Downloads” section of Karvy’s website for e-voting: [www.evoting.karvy.com](http://www.evoting.karvy.com) or contact Karvy as per the details given under point no. 5.
  - The Members are requested to note the following contact details for addressing e-voting grievances:

Shri Mohd Mohsin Uddin-Senior Manager  
 Karvy Computershare Private Limited  
 Karvy Selenium Tower B, Plot 31-32,  
 Gachibowli, Financial District,  
 Nanakramguda, Hyderabad 500 032  
 Toll-free No.: 1800-3454-001  
 Phone:(040) 67161562/67161583  
 E-mail: [evoting.parag@karvy.com](mailto:evoting.parag@karvy.com)/ [mohsin.mohd@karvy.com](mailto:mohsin.mohd@karvy.com)

**By Order of the Board of Directors**

**Rachana Sanganeria**  
 Company Secretary and Compliance Officer

Place: Mumbai  
 Date: 06 August, 2018

**Registered Office:**  
 Flat No.1, Plot No. 19,  
 Nav Rajasthan Co. Op. Hsg. Soc,  
 Behind Ratna Memorial Hospital,  
 S.B. Road, Shivaji Nagar,  
 Pune – 411 016 -Maharashtra

## EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 (“the Act”)

The following Statements sets out all material facts relating to the Special Business mentioned in the Notice.

### ITEM NO. 4 : RE-APPOINTMENT OF MR. PRITAM SHAH (DIN: 01127247) AS THE MANAGING DIRECTOR AND KEY MANAGERIAL PERSONNEL

The Board of Directors of the Company (“the Board”) at its Meeting held on 26 April, 2018 has, subject to approval of the Members, re-appointed Mr. Pritam Shah (DIN: 01127247) as Managing Director of the Company, designated as Key Managerial (KMP) for a further period of 5 (five) years from the expiry of his present term, that is 31 March, 2018, on the existing terms and conditions including remuneration, as recommended by the Nomination and Remuneration Committee of the Board (NRC).

It is proposed to seek Members’ approval for the re-appointment of and remuneration payable to Mr. Pritam Shah as Managing Director, designated as KMP, in terms of the applicable provisions of the Act.

Broad particulars of the terms of re-appointment of and remuneration payable to Mr. Pritam Shah are as under.

- a. Term of appointment: Five years with effect from 01 April, 2018 to 31 March, 2023
- b. Remuneration of ₹ 2.40 crores p.a.( Rupees Two crores forty lakhs only) all-inclusive of Salary, perquisites and allowances, i.e. Salary: ₹ 20,00,000/- per month. The annual increment will be decided by the Board of Directors of the Company.

#### c. Reimbursement of Expenses:

Expenses incurred for travelling, boarding and lodging for business trips for Mr. Pritam Shah including communication expenses at residence, shall be reimbursed at actual and not considered as perquisites.

The overall remuneration payable every year to the Managing Director and the Whole-time Directors by way of salary, perquisites and allowances, incentive / bonus / performance linked incentive, remuneration based on net profits, etc., as the case may be, shall not exceed in the aggregate 10% (Ten percent) of the net profits of the Company as per Section 197 of the Act as computed in the manner laid down in Section 198 of the Act or any statutory modification(s) or re-enactment(s) thereof.

#### d. General

- (i) The Managing Director will perform his duties as such with regard to all work of the Company and will manage and attend to such business and carry out the orders and comply with all such directions and regulations as may from time to time be given and made by the Board.
- (ii) The Managing Director shall act in accordance with the Articles of Association of the Company and shall abide by the provisions contained in Section 166 of the Act with regard to duties of the Directors.

- (iii) The Managing Director shall adhere to the Company’s Code of Conduct.

Mr. Pritam Shah, aged 47 years is the promoter of the Company, appointed as Director on the Board on 29 December, 1992 since incorporation of the Company and has rich and varied experience in the industry and has been involved in the business, management and the operations of the Company. It would be in the interest of the Company to continue to avail of his considerable expertise and to re-appoint Mr. Pritam Shah as Managing Director. Accordingly, approval of the Members is sought for passing a Special Resolution for re-appointment of Mr. Pritam Shah as a Managing Director, as set out in Part-I of Schedule V to the Act as also under sub-section (3) of Section 196 of the Act.

Mr. Pritam Shah satisfies all the conditions set out in Part-I of Schedule V to the Act as also conditions set out under sub-section (3) of Section 196 of the Act for being eligible for his re-appointment. He is not disqualified from being appointed as Director in terms of Section 164 of the Act.

The above may be treated as a written memorandum setting out the terms of re-appointment of Mr. Pritam Shah under Section 190 of the Act.

Details of Mr. Pritam Shah are provided in “Annexure” to the Notice pursuant to the provisions of (i) the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and (ii) Secretarial Standard on General Meetings (“SS-2”), issued by the Institute of Company Secretaries of India.

Except Mr. Pritam Shah (the appointee) and Mr. Devendra Shah (being relative of the appointee) none of the other Directors and Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the aforementioned resolution.

The Board recommends the Special Resolution set out at Item No. 4 of the Notice for approval by the Members .

### ITEM NO. 5 : RE-APPOINTMENT OF MR. DEVENDRA SHAH (DIN: 01127319) AS WHOLE-TIME DIRECTOR AND KEY MANAGERIAL PERSONNEL

The Board of Directors of the Company (“the Board”) at its Meeting held on 09 May, 2018 has, subject to the approval of the Members, re-appointed Mr. Devendra Shah (DIN: 01127319) as Whole-time Director of the Company, designated as Key Managerial (KMP) on the existing terms and conditions including remuneration as recommended by the Nomination and Remuneration Committee of the Board (NRC)

It is proposed to seek Members’ approval for the re-appointment of and remuneration payable to Mr. Devendra Shah as Whole-time Director, designated as KMP, in terms of the applicable provisions of the Act.

Broad particulars of the terms of re-appointment of and remuneration payable to Mr. Devendra Shah are as under.

- a. Term of appointment: Five years with effect from 01 April, 2018 to 31 March, 2023.
- b. Remuneration of ₹ 2.40 crores p.a. (Rupees Two crores forty lakhs only) all-inclusive of Salary, perquisites and allowances. Salary: ₹ 20,00,000/- per month. The annual increment will be decided by the Board of Directors of the Company.

**c. Reimbursement of Expenses:**

Expenses incurred for travelling, boarding and lodging for business trips for Mr. Devendra Shah including communication expenses at residence, shall be reimbursed at actual and not considered as perquisites.

The overall remuneration payable every year to the Managing Director and the Whole-time Directors by way of salary, perquisites and allowances, incentive / bonus / performance linked incentive, remuneration based on net profits, etc., as the case may be, shall not exceed in the aggregate 10% (Ten percent) of the net profits of the Company as per Section 197 of the Act as computed in the manner laid down in Section 198 of the Act or any statutory modification(s) or re-enactment(s) thereof.

**d. General**

- (i) The Whole-time Director will perform his duties as such with regard to all work of the Company and will manage and attend to such business and carry out the orders and directions and conform to and comply with all such directions and regulations as may from time to time be given and made by the Board / Managing Director and the functions of the Whole-time Director will be under the overall authority of the Managing Director.
- (ii) The Whole-time Director shall act in accordance with the Articles of Association of the Company and shall abide by the provisions contained in Section 166 of the Act with regard to duties of Directors.
- (iii) The Whole-time Director shall adhere to the Company's Code of Conduct.

Mr. Devendra Shah, aged 53 years is the promoter of the Company and was appointed on the Board on 29 December, 1992, since incorporation of the Company and has over 25 years of rich experience in the industry. It would be in the interest of the Company to continue to avail of his considerable expertise and to re-appoint Mr. Devendra Shah as Whole-time Director. Accordingly, approval of the Members is sought for passing a Special Resolution for re-appointment of Mr. Devendra Shah as a Whole-time Director, as set out in Part-I of Schedule V to the Act as also under sub-section (3) of Section 196 of the Act.

Mr. Devendra Shah satisfies all the conditions set out in Part-I of Schedule V to the Act as also conditions set out under sub-section (3) of Section 196 of the Act for being eligible for his re-appointment. He is not disqualified from being appointed as Director in terms of Section 164 of the Act.

The above may be treated as a written memorandum setting out the terms of re-appointment of Mr. Devendra Shah under Section 190 of the Act.

Details of Mr. Devendra Shah are provided in "Annexure" to the Notice pursuant to the provisions of (i) the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

Mr. Devendra Shah is interested in the resolution set out at Item No. 5 of the Notice.

Except Mr. Devendra Shah (the appointee), Mr. Pritam Shah (being relative of the appointee) none of the other Directors or Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the above resolution

The Board commends the Special Resolution set out at Item No. 5 of the Notice for approval by the Members

**ITEM NO. 6 : RATIFICATION OF COST AUDITORS REMUNERATION.**

The Board in its Meeting held on 09 May, 2018, on the recommendation of the Audit Committee, has approved the appointment of M/s Harshad S. Deshpande & Associates, Cost Accountants as the Cost Auditors, to conduct the audit of the cost records of the Company for the financial year 2018-2019 at a remuneration of ₹ 90,000/- per annum (Rupees Ninety Thousand Only) plus Goods and Services tax as applicable and reimbursement out of pocket expenses, if any. M/s. Harshad S. Deshpande & Associates, Cost Accountants, have furnished a certificate regarding their eligibility for appointment as Cost Auditors of the Company and confirmed that they are not disqualified under the provisions of Sections 148(5).

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the Members of the Company.

The Board recommends resolution set forth in Item No. 6 for the approval of the Members as an Ordinary Resolution.

None of the Directors or Key Managerial Personnel or their relatives, are in any way concerned or interested financially or otherwise in passing the Resolution set out at Item No. 6 of the Notice.

**ITEM NO. 7 : RATIFICATION OF 'PARAG MILK FOODS LIMITED -EMPLOYEE STOCK OPTION SCHEME 2015' (ESOS 2015)**

Company had instituted the "Parag Milk Foods Limited -Employee Stock Option Scheme 2015" (ESOS 2015) pursuant to resolutions dated 27 February, 2015 and 21 April, 2015 passed by the Board and resolutions dated 03 April, 2015 and 16 May, 2015 passed by the shareholders of the Company. The ESOS 2015 is in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("SEBI ESOP Regulations").

The total number of options that can be granted under ESOS 2015 is 6,96,339, convertible to Equity Shares. The

ESOS 2015 is administered by the ESOP Trust, 2,27,000 Equity Shares were allotted to the ESOP Trust on 03 September, 2015.

Details of grants, vesting, exercise and lapsing of options as on 31 March, 2018 are as follows:

<b>Particulars</b>	<b>Share/Options</b>
Shares allotted to ESOP Trust	227,000
Options forfeited /lapsed	122,701
Options granted	199,200
Options vested	126,927
Options exercised	Nil
Options outstanding	104,299

In terms of Regulation 12(1) of the Securities and Exchange Board of India (Share Based Employee

Benefits) Regulations, 2014 (“SEBI ESOP Regulations”), no company shall make any fresh grant which involves allotment or transfer of shares to its employees under any schemes formulated prior to its Initial Public Offering (“IPO”) and prior to the listing of its equity shares (“Pre-IPO Scheme”) unless: (i) such Pre-IPO Scheme is in conformity with the SEBI ESOP Regulations; and (ii) Such Pre-IPO Scheme is ratified by its Members subsequent to the IPO. Further, as per proviso to Regulation 12(1) of the SEBI ESOP Regulations, the ratification under clause (ii) may be done any time prior to grant of new options under such Pre-IPO Scheme. ESOS 2015 is compliant with the SEBI ESOP Regulations. In terms of Regulation 12(1) of the SEBI ESOP Regulations, the Company cannot make any fresh grant under ESOS 2015, unless ESOS 2015 is ratified by the Members of the Company.

The Directors recommends the resolution set forth in item no. 7 for ratification by the Members.

None of the Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested financially or otherwise in this resolution

Disclosures relating to Employee Stock Option Scheme 2015 (ESOS 2015) as required under the SEBI ESOP Regulations, 2014 are as under:

<b>Particulars</b>	<b>Description</b>
Brief Description of the scheme	The purpose of the <b>Employee Stock Option Scheme 2015’ (ESOS 2015)</b> is to provide the employees with an additional incentive in the form of Options to receive the Equity Shares of the Company at a future date. The ESOP is aimed to reward its employees for their continuous hard work, dedication and support. The main objective of the ESOP Scheme is to recognise employees who are performing well, a certain minimum opportunity to gain from the Company’s performance thereby acting as a retention tool and to attract best talent available in the market.
Total Number of options, shares or benefits, as the case may be to be granted	A total number of options equal to 696,339 of the Equity Shares would be available for being granted to eligible employees of the Company under ESOS 2015. Each option when exercised would be converted into one Equity share of ₹ 10/- each fully paid-up. Presently 2,27,000 equity shares of ₹ 10/- each fully paid up allotted to ESOP Trust for grant of ESOP options as per the ESOS 2015.
Identification of classes of employees entitled to participate and the beneficiaries in the scheme	Present as well as future employees and Director(s) other than Independent Directors of the Company as determined by the Company or a Committee thereof.
Requirements of vesting and period of vesting	The Options granted shall vest so long as the employee continues to be in the employment of the Company, as the case may be. The Board may, at its discretion, lay down certain performance metrics on the achievement of which the granted options would vest, the detailed terms and conditions relating to such performance-based vesting, and the proportion in which options granted would vest (subject to the minimum and maximum vesting period as specified below). The vesting period of options granted shall vest in not less than one year and not more than three years from the date of grant of such options. The exact proportion in which and the exact period over which the options would vest would be determined by the Board, subject to the minimum vesting period of one year from the date of grant of options.
Maximum period within which the options, shares or benefits shall be vested	The options granted shall vest in not more than three years from the date of grant of such options. Vested options that lapse due to non-exercise or unvested options that get cancelled due to resignation/separation of the employees from the Company or otherwise, would be available for being re-granted at a future date

Particulars	Description
Exercise Price/Pricing formula	The exercise price is equal to FMV of the Shares on the date of grant, as determined by the Independent Valuer.  The value of price per share to be charged for the purpose of exercising the options from the employees will be at Rs. 250 per share being exercise price of shares.
Lock-in period	The shares issued pursuant to exercise of options shall not be subject to any lock-in period.
Exercise period and process of exercise	From the date of vesting of the options, the employees shall be entitled to exercise the options from time to time within such period as may be prescribed by Board or a Committee thereof, which period shall not exceed three years from the date of the respective grants. The options would be exercisable by the said employees by the payment of the consideration amount and submitting the requisite application form after which the shares would be allotted. The Board or the Committee thereof, may at its discretion, do all such acts deeds, matter and things as may be necessary /desirable to facilitate exercise of options by the employee under full cash mode or otherwise.
The appraisal process for determining the eligibility of employees for the scheme	The appraisal process for determining the eligibility of the employee will be specified by the Board /Committee and will be based on criteria such as role / designation of the employee, length of service with the Company, past performance record, future potential of the employee and/or such other criteria that may be determined by the Board at its sole discretion.
Whether the scheme(s) is to be implemented and administered directly by the Company or through a trust	The Scheme is administered through an ESOP Trust.
Acquisition of shares by the Trust	Company has issued and allotted new shares to the ESOP Trust as per Board and shareholders resolution passed .
A statement to the effect that the Company shall conform to the accounting policies specified in regulation 15	It is hereby confirmed that the Company does conform to the accounting policies specified in Regulation 15 of the SEBI (Share Based Employee Benefits) Regulations, 2015.
The method which the Company shall use to value its options	The Company use intrinsic value method for accounting the cost of share based employee benefits.
In case the Company opts for expensing of share based employee benefits using the intrinsic value, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognised if it had used the fair value, shall be disclosed in the Directors` report and the impact of this difference on profits and on earnings per share (EPS) of The Company shall also be disclosed in the Directors` Report	It is hereby confirmed that the details as required herein will be disclosed in the Directors` Report.

**ITEM NO. 8 : APPROVAL UNDER SECTION 188(1)(f) OF THE COMPANIES ACT, 2013 FOR INCREASE IN PAYMENT OF REMUNERATION TO MS. AKSHALI SHAH VP – STRATEGY (SALES & MARKETING) FOR HOLDING/CONTINUE TO HOLD OFFICE OR PLACE OF PROFIT IN THE COMPANY.**

In terms of the first proviso to clause (f) Sub Section (1) of Section 188 of the Companies Act, 2013, read with Rule 15(3)(b) of the Companies (Meeting of Board and its Powers) Rules, 2014, appointment of a related party to any office or place of profit in the Company at a monthly remuneration exceeding 2.50 lacs requires prior approval from Members by means of an Ordinary Resolution.

Since Ms. Akshali Shah is a related party within the meaning of Sec. 2 (76) of the Act as well as Regulation 2 (zb) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Audit Committee of the Board, at their Meeting held on 09 May, 2018, has recommended the revision in the remuneration of Ms. Akshali Shah, pursuant to Section 188 of the Companies Act, 2013 read with Rule 15 of the Companies (Meeting of Board and its Powers) Rules, 2014, in accordance with Company's Policy on Related Party Transaction and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Based on the recommendations of the Audit Committee, as aforesaid, the Board of Directors at their Meeting held on 09 May, 2018, approved the revision in the terms of appointment of Ms. Akshali Shah with effect from 1 July, 2018 subject to approval by the Members of the Company by an Ordinary Resolution, at a remuneration to be paid to her as approved by the Nomination and Remuneration Committee in accordance with the Remuneration Policy of the Company. Brief profile of Ms. Akshali Shah – VP Strategy (Sales & Marketing) is as below:

<b>Name of Related Party</b>	Ms. Akshali Shah
<b>Designation</b>	VP-Strategy (Sales & Marketing)
<b>Name of the Director/Key Managerial Personnel who is related</b>	1. Mr. Devendra Shah- Executive Chairman
<b>Nature of Relationship</b>	Daughter of Mr. Devendra Shah- Executive Chairman
<b>Nature, Material terms, Monetary value and particulars of the contract or arrangement</b>	1. Employment Contract 2. At a remuneration of Rs. 37,00,000/- (Rupees Thirty-Seven Lakhs) per annum 3. Either parties to the contract of service shall be entitled to change the terms and conditions of contract with mutual consent.
<b>Expertise in specific functional areas</b>	Ms. Akshali Shah, 27 years, holds an MBA degree in Family Managed Business from S. P. Jain Institute of Management and Research, Mumbai and brings in strategic thinking with exceptional marketing management skills and has a pragmatic and collaborative style of working. She has played a key role in revamping the corporate identity of the company and has brought in new innovation in branding, public image, marketing & advertising strategy, sales campaigns and marketing metrics. Her expertise in Information Technology & Digital Marketing has helped Parag Milk Foods Ltd. enhance their overall brand visibility on social media and build a strong digital presence As VP- Strategy (Sales & Marketing), she has been instrumental in the journey of transformation from being a Dairy to a leading FMCG company with product innovation focusing on health & nutrition.
<b>Shareholding in the Company</b>	NIL

Considering the time and effort devoted by Ms. Akshali Shah towards the growth of the Company, the management of the Company has proposed to increase the payment of remuneration payable to her from ₹ 28,80,000/- (Rupees Twenty-Eight Lakhs Eighty Thousand only) per annum to ₹ 37,00,000/- (Rupees Thirty-Seven Lakhs) per annum.

In view of this, your Directors, recommend adoption of the proposed ordinary resolution for seeking your consent for enhancement in the remuneration payable to Ms. Akshali Shah in the manner aforesaid.

None of the Directors, Key Managerial Personnel or their relatives, other than Mr. Devendra Shah, Executive Chairman and are concerned or interested in the proposed Ordinary Resolution set out at Item No. 8 of the Notice for approval by the Members.

#### **ITEM NO. 9: ALTERATION OF ARTICLES OF ASSOCIATION OF THE COMPANY**

As per Provisions of Section 14 of the Companies Act 2013, Alteration of Articles of Association requires shareholders' approval. Board has at their meeting held on 06 August, 2018 approved the amendments to the Articles of Association of the Company and recommends the proposal, subject to approval of Members in the Annual General Meeting in the special resolutions as follows:

1. The Company intends to bring the provisions of Article 36(VI) with respect to E-Voting, Article 49 with respect to Directors liable to retire by rotation, Article 59(a) with respect to proceedings of Board of Directors, Article 32 with respect to voting at General Meeting, Article 60 pertaining to quorum for Board Meeting and Article 81 pertaining to inspection by shareholders in line with the provisions of Companies Act, 2013. Existing Article 36(VI) specifies that the e-voting shall remain open for not less than one day and not more than three days and such voting period shall be completed three days prior to the date of the general meeting. The existing provisions of Article number 49 specify that the Managing Director and Whole-Time Director shall not be liable to retire by rotation and 59(a) require the Company to hold a Board Meeting once in every 3 Months. The existing provisions in Article 32 pertain to voting by Show of hands and demand for poll, which is not applicable as the Company, provides e-voting facility to its Members. Existing Article 60 specifies that the quorum for Board Meeting shall be atleast 3 Directors but does not include the requirement of atleast one third of the total number of Directors to be present and Article 81 allows inspection of the Minutes of the Board Meeting and Books of Accounts by the Shareholders which is not permitted under the Act and Revised Secretarial Standards on Board Meetings (SS-1). Since these requirements are not as per the Companies Act, 2013 it is proposed to amend the same.
2. Further, in view of Companies (Amendment) Act, 2015 ("Amendment Act") which was passed on 25 May, 2015 the words 'and a common seal' appearing under Section 9 of the Companies Act have been omitted which means it shall not be mandatory for a company to have a common seal. However, it is noticed that few Banks/Financial Institutions still request for affixing of Common Seal on documents to be submitted to them. In view of the same and since the Company already has a Common Seal it is proposed amend Article 69 to align the requirements of the number of Directors in the presence of whom the Common Seal be affixed as provided in the Companies Act, 2013.
3. The Board of Directors at their Meeting held on 06 August, 2018 have proposed to alter the Articles of Association (AOA) of your Company by inserting a new Article 70A to enable the Members of the Company including Promoters & Promoters Group, who hold the equity shares in the

Company to waive/forgo his/their right to receive the dividend, interim or final, by him/them for any financial year which may be declared or recommended respectively by the Board of Directors of the Company or Members of the Company.

Shareholder(s) can waive/forgo his/their right to receive the dividend (interim or final) for any financial year any time before the record date/book closure fixed for determining the names of Members entitled for dividend. In case the Shareholder(s) has/have conveyed his/their waiver/forgoing his/their right to receive the dividend (interim or final) for any financial year any time and subsequently sold the relevant shares before the record date / book closure fixed for determining the names of Members entitled for dividend, the earlier Shareholder(s) waiver/forgoing would be invalid since the earlier Shareholder(s) who has/have sold the relevant shares is/are not the Member(s) on the record date / book closure date fixed for determining the names of Members entitled for dividend.

The waiver / forgoing of the dividend for any year by a Member will be purely voluntary on his/their part. In the absence of any communication from the Members waiving/forgoing his/their right to receive the dividend

(interim or final) for any financial year, such Member shall continue to receive the dividend as usual as may be declared by the Company.

With respect to above mentioned changes the Board of Directors of the Company have recommended altering the Articles of Association of the Company by substituting the Article numbers 32, 36(VI),49, 59(a), 60, 69 and 81 and by insertion of New article 70A in the Articles of Association of the Company in the manner as set out in the Special Resolution at Item No. 9 of the Notice.

Copy of the Articles of Association of the Company incorporating the proposed new substituted Articles is available for inspection by Members at the registered office of the Company.

Approval of the Members is sought to the alteration of Articles of Association of the Company by passing a Special Resolution as set out at Item No. 9 of the Notice.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 9 of the Notice.

The Board recommends the Special Resolution set out at Item No. 9 of the Notice for approval by the Members.

**By Order of the Board of Directors**

**Rachana Sangneria**

Company Secretary and Compliance Officer

Place: Mumbai  
Date: 06 August, 2018

**Registered Office:**

Flat No.1, Plot No. 19,  
Nav Rajasthan Co. Op. Hsg. Soc,  
Behind Ratna Memorial Hospital,  
S.B. Road, Shivaji Nagar,  
Pune – 411 016 -Maharashtra

**ANNEXURE1**

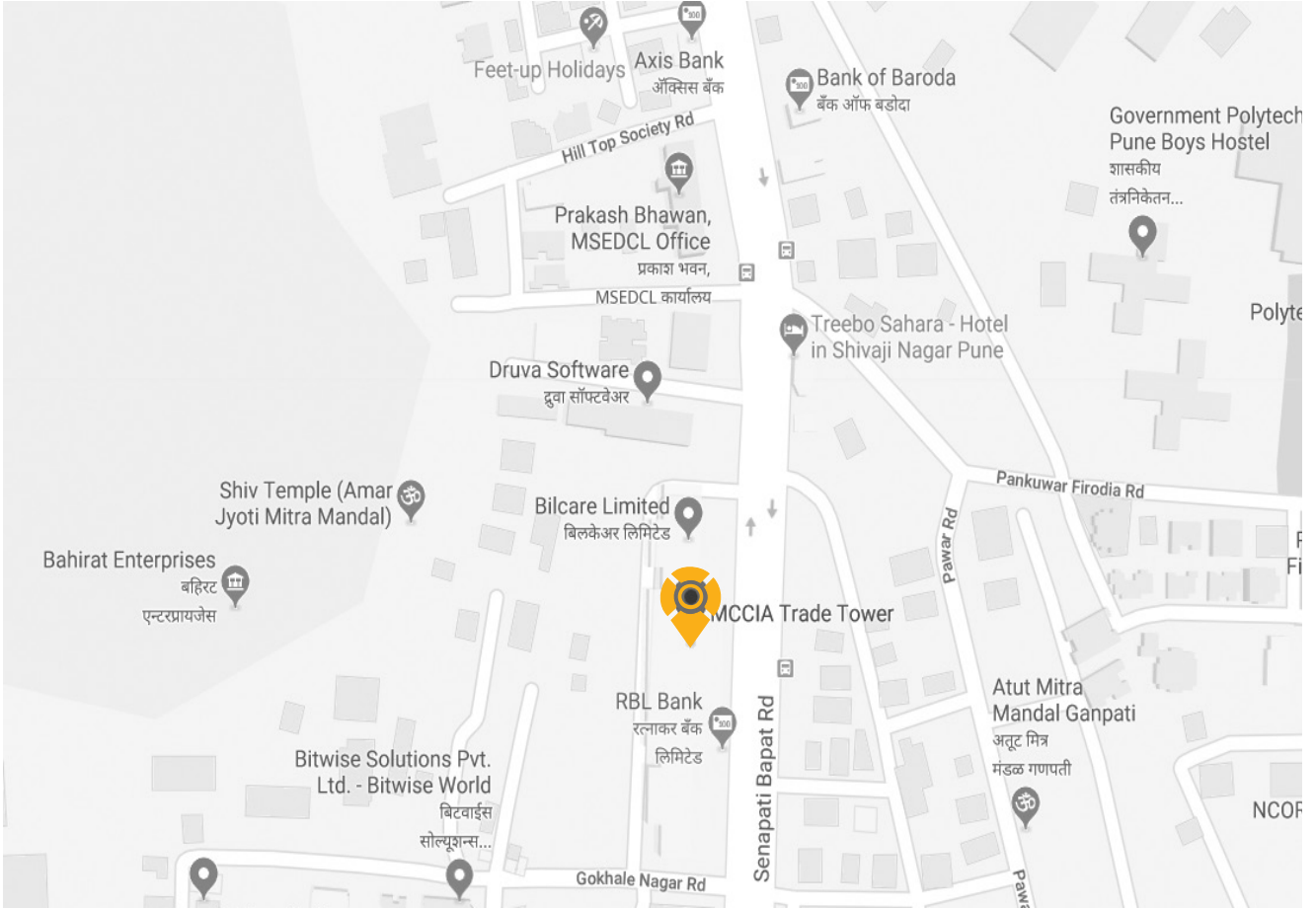
**Details of Director (s) seeking appointment/ re-appointment/ continuation in directorship in the Twenty Sixth Annual General Meeting Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause 1.2.5 of Secretarial Standards on General Meetings are as follows:**

<b>Name of the Director</b>	<b>Mr. B. M. Vyas</b>	<b>Mr. Devendra Shah</b>	<b>Mr. Pritam Shah</b>
Director Identification Number (DIN)	00043804	01127319	01127247
Age	68 years	53 years	47 years
Date of first appointment on the Board	22 July, 2010	29 December, 1992	29 December, 1992
Relationship with Directors and Key Managerial Personnel	None	Brother of Mr. Pritam Shah – Managing Director	Brother of Mr. Devendra Shah – Chairman
Expertise in specific functional area	He has an experience of more than 45 years in the dairy industry and has associated with GCMML (Amul) for majority of his career. He is currently an independent dairy consultant.	Entrepreneur, visionary who has conceptualised, launched, an established the Company Parag Milk Foods Limited and promoted it to new heights. He has more than 25 year of rich experience in Dairy Industry. He is actively involved in agricultural activities and elevation of farming community.	Entrepreneur, promoter of Parag Milk Foods Limited He is actively involved in business management and the operational activities of the Company. He has more than 25 year of rich experience in Dairy Industry.
Board Membership of other listed companies on 31 March, 2018	Manpasand Beverages Limited	N.A.	N.A.
Number of Board Meetings of the Company attended	3/5	5/5	5/5
Membership/ Chairmanship of Committees of other Board	Nomination and Remuneration Committee  Manpasand Beverages Limited (Member)	-	-
Number of shares held in the Company as on 31 March, 2018	Nil	1,50,06,400 equity shares	91,59,888 equity shares
Terms and conditions of appointment or re-appointment	As per Nomination and Remuneration Policy of the Company as displayed on the Company's website at <a href="http://www.paragmilkfoods.com">www.paragmilkfoods.com</a> .  He is a Non-Executive Director liable to retire by rotation.	As per Nomination and Remuneration Policy of the Company as displayed on the Company's website at <a href="http://www.paragmilkfoods.com">www.paragmilkfoods.com</a> .  He is an Executive Director liable to retire by rotation.	As per Nomination and Remuneration Policy of the Company as displayed on the Company's website at <a href="http://www.paragmilkfoods.com">www.paragmilkfoods.com</a> .  He is an Executive Director not liable to retire by rotation.



**The route map of the AGM venue is given below:**

**Venue :** Mahratta Chamber of Commerce Industries and Agriculture, MCCIA Trade Tower, A Wing, 5th Floor, Navalmal Firodia Seminar Hall, Senapati Bapat Road, Pune 411016



**Landmark:** Distance from Pune Railway Station: around 7 km

**PARAG MILK FOODS LIMITED**

CIN: L15204PN1992PLC070209

Regd. Office: Flat No.1, Plot No-19, Nav Rajasthan CHS. Shivaji Nagar, Pune – 411 016

Website: [www.paragmilkfoods.com](http://www.paragmilkfoods.com), Email- [investors@paragmilkfoods.com](mailto:investors@paragmilkfoods.com)

Tel. No.: +91 7276470001 Fax No. 022 43005580

**FORM NO.MGT-11  
PROXY FORM**

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of the Member(s) :  
 Registered address :  
 E-mail ID :  
 Folio No./Client ID :  
 DP ID :

I/We, being the Member(s) of shares of the above named Company, hereby appoint

1. Name :  
 Address :  
 E-mail ID :  
 Signature :  
 or failing him/her :

2. Name :  
 Address :  
 E-mail ID :  
 Signature :  
 or failing him/her :

3. Name :  
 Address :  
 E-mail ID :  
 Signature :  
 or failing him/her :

as my/our proxy to attend and vote for me/us and on my/our behalf at the Twenty Sixth Annual General Meeting of the Company to be held on Wednesday, 19 September, 2018, at 11.30 a.m., at Mahratta Chamber of Commerce Industries and Agriculture, MCCA Trade Tower, A Wing, 5th Floor, Navalmal Firodia Seminar Hall, Senapati Bapat Road, Pune 411016, and at any adjournment thereof in respect of the Resolutions as are indicated below:

**ORDINARY BUSINESS**

- Adoption of the Audited Standalone Financial Statements (including the Audited Consolidated Financial Statements) and the Reports of the Board of Directors and the Auditors thereon for the financial year ended 31 March, 2018.
- Declaration of Dividend on equity shares for the financial year ended 31 March, 2018.
- Re-appointment of Mr. B. M. Vyas (DIN: 00043804), Director, who retires by rotation and being eligible, offers himself for re-appointment.

**SPECIAL BUSINESS**

- Re-appointment of Mr. Pritam Shah (DIN: 01127247) as Managing Director of the Company.
- Re-appointment of Mr. Devendra Shah (DIN: 01127319) as Whole-Time Director of the Company.
- Ratification of Remuneration of M/s. Harshad S. Deshpande & Associates, Cost Auditors. (Firm Registration No.00378)
- Ratification of "Employee Stock Option Scheme" (ESOS 2015)
- Approval for increase in payment of remuneration to Ms. Akshali Shah- VP – Strategy (Sales & Marketing) for holding/continue to hold office or place of profit in the Company
- Alteration of Article of Association of the Company.

Signed this ..... day of ....., 2018

Signature of Shareholder ..... Signature of Proxy holder(s) .....

Affix Revenue Stamp
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**Notes:**

- The Proxy Form in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
- The Proxy Form shall be signed by the appointer or his attorney duly authorised in writing, or if the appointer is a body corporate, be under its seal or be signed by an officer or an attorney duly authorised by it.
- The Proxy Form is valid only if it is properly stamped and such stamp is cancelled.
- Blank, incomplete or undated proxy form shall not be considered valid.
- The proxy-holder shall prove his/her identity at the time of attending the Meeting.



**PARAG MILK FOODS LIMITED**

CIN: L15204PN1992PLC070209

Regd. Office: Flat No.1, Plot No-19, Nav Rajasthan CHS. Shivaji Nagar, Pune – 411 016

Website: [www.paragmilkfoods.com](http://www.paragmilkfoods.com), Email- [investors@paragmilkfoods.com](mailto:investors@paragmilkfoods.com)

Tel. No.: +91 7276470001 Fax No. 022 43005580

**ATTENDANCE SLIP**

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING

**Joint shareholder(s) may obtain additional Attendance Slip(s) at the venue of the meeting**

*DP.ID		@Folio No.	
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*Client ID		No. of share(s) held	
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Name and address of the shareholder .....

I hereby record my presence at the Twenty Sixth Annual General Meeting of Parag Milk Foods Limited to be held on Wednesday, 19 September, 2018 at 11.30 a.m. at Maharashtra Chamber of Commerce Industries and Agriculture, MCCA Trade Tower, A Wing, 5th Floor, Navalmal Firodia Seminar Hall, Senapati Bapat Road, Pune 411016.

.....  
Signature of Member/Proxy

\* Applicable for Members holding shares in dematerialised form

@ Applicable for Members holding shares in physical form

**Notes:**

1. Electronic copy of the Annual Report for 2017-2018 and Notice of the Annual General Meeting along with Attendance Slip and Proxy Form is being sent to all the Members whose email address is registered with the Company/Depository Participant unless any Member has requested for a hard copy of the same. Members receiving electronic copy and attending the Annual General Meeting can print copy of this Attendance Slip.
2. Physical copy of the Annual Report for 2017-2018 and Notice of the Annual General Meeting along with Attendance Slip and Proxy Form is sent in the permitted mode(s) to all Members whose email IDs are not registered with the Company or have requested for a hard copy.
3. The electronic voting particulars are set out below:

**ELECTRONIC VOTING PARTICULARS**

<b>EVEN</b> (Electronic Voting Event Number)	User ID	Password
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Please refer the attached AGM Notice for instructions on E-Voting.

E-Voting facility is available during the following voting period:

Commencement of E-Voting	End of E-Voting
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