

VST INDUSTRIES LIMITED

**MINUTES OF THE EIGHTY FOURTH ANNUAL GENERAL MEETING
OF VST INDUSTRIES LIMITED HELD AT
HOTEL TAJ KRISHNA, ROAD NO. 1, BANJARA HILLS
HYDERABAD – 500 034 ON WEDNESDAY, AUGUST 12, 2015**

PRESENT: Directors : Mr. Raymond S. Noronha, Non-Executive Chairman
Mr. Devraj Lahiri, Wholetime Director
Prof. Mubeen Rafat, Independent Director and Chairperson
of Stakeholder Relationship Committee & CSR Committee
Mr. N. Sai Sankar, Managing Director
Mr. Ramakrishna V. Addanki, Non-Executive Director
Mr.S. Thirumalai, Independent Director & Chairman of Audit
Committee & Nomination & Remuneration Committee

Company Secretary : Mr. Nitesh Bakshi

Statutory Auditors : M/s. Lovelock & Lewes, Hyderabad
Represented by Mr. N.K.Varadarajan, Partner

Scrutinizer : Mr. Tumuluru Krishna Murty

Chief Financial Officer : Mr. Anish Gupta

471 Members (in person/through their representatives)
5 Proxies representing 41,25,691 shares

CHAIR : In accordance with Article 62 of the Articles of Association of the Company, Mr. Raymond S. Noronha, Chairman of the Board of Directors took the Chair at 09.30 A.M.

QUORUM : After ascertaining that the requisite quorum was present, the Chairman called the Meeting to order.

NOTICE : With the consent of the Members present, the Notice dated 21st April, 2015 convening the Eighty Fourth Annual General Meeting, Directors Report along with annexures thereto and the financial statements for the year ended 31st March, 2015 were taken as read.

**REGISTER /
DOCUMENTS** The requisite registers and documents required to be statutorily made available during the Annual General Meeting including the matters stated in the Notice were laid before the Meeting and kept open and accessible for inspection during the Meeting.

SUMMARY
OF THE
CHAIRMAN'S
SPEECH

The Chairman welcomed the Members to the Eighty Fourth Annual General Meeting of the Company.

He then introduced the Directors present and thereafter proceeded with his speech to the Members.

Highlights of the Chairman's Speech

The Chairman discussed the performance of the Company and informed about key financial highlights for the financial year 2014-15. He discussed the regulatory environment and taxation on the industry.

He informed that the Company had received Safety Innovation Award for the year 2014 by the Institute of Engineers (India) and the President Award for the year 2014 by the Royal Society for Prevention of Accidents, U.K for maintaining highest standards in Occupational, Health & Safety.

Mr. N. Sai Sankar, Managing Director on behalf of the Company was presented the Best Management Award-2015 by the Hon'ble Chief Minister of Telangana.

The Chairman informed about the Company's collaboration with L.V. Prasad Eye Institute to provide Eyecare to lower socio-economic segment society. He further informed about the Company's efforts towards installation of solar lights in association with village panchayats and projects to improve the hygiene and sanitation of farmers in rural areas.

The Chairman highlighted the steps being taken to improve competitive position of the Company.

He appreciated the sterling effort put in by all the employees, workers and contractors and in particular by the Management team. He placed on record his sincere appreciation to the Board of Directors for their guidance and the Shareholders, Business Associates and other Stakeholders for all their support.

He informed that in terms of the Companies Act, 2013 and the Rules thereunder, the Company had provided remote e-voting options on the resolutions of the Annual General Meeting. However, those Members who did not exercise e-voting option and were present at the meeting could exercise their vote through poll.

AUDITORS'
REPORT

The Chairman informed that the Auditors, M/s. Lovelock and Lewes, Chartered Accountants had given an unqualified report on the

financials of the Company for the year ended 31st March, 2015.

**SECRETARIAL
AUDITORS
REPORT**

The Chairman informed that the Secretarial Auditor has also given an unqualified report for the financial year ended 31st March, 2015.

The Chairman explained the agenda items which required the approval of the Members either through e-voting or through poll.

ORDINARY BUSINESS

**RESOLUTION
No. 1**

Adoption of Accounts and Reports of Directors and Auditors thereon – Ordinary Resolution

The Chairman informed that the first item related to receiving, considering and adopting the Audited Balance Sheet as at 31st March, 2015, the Statement of Profit & Loss for the year ended on that date and Reports of the Directors and Auditors thereon in term of the Companies Act, 2013. The ordinary resolution for the purpose was as under :

‘RESOLVED that the Report of the Directors to the Members for the year ended 31st March, 2015, Audited Balance Sheet as at 31st March, 2015 and the Statement of Profit and Loss Account for the year ended on that date and the Report of the Auditors thereon be and are hereby received, approved and adopted.’

The Chairman then invited the Members to put forward any questions or make any observations on the aforesaid Report and Accounts for the financial year ended 31st March, 2015.

Some Members inter-alia raised queries relating to operations of the Company, impact of taxation, diversification, brands, CSR spending, bonus and rights issue, pending cases etc.

The Chairman thanked the Members and addressed the major queries put forth by the Members.

**RESOLUTION
No. 2**

Declaration of Dividend – Ordinary Resolution

The Chairman informed that Item No.2 related to declaration of dividend on shares for the year ended 31st March, 2015 which needs to be confirmed by the Members. The ordinary resolution for the purpose was as under :

'RESOLVED that in respect of the financial year ended 31st March, 2015 a Dividend of Rs.70.00 per share (700%) be and is hereby declared and the same be paid on 31st August, 2015 to the Ordinary Shareholders of the Company whose names appear in the Register of Members as on 12th August, 2015 or to their Mandatees.'

Since the next resolution related to the Chairman, the Chairman vacated the Chair and requested the Managing Director who with the consent of Members, took the Chair.

RESOLUTION
No.2

To re-elect Mr. Raymond S. Noronha as a Director - Ordinary Resolution

The Managing Director informed that Item No.3 related to appointment of Mr. Raymond S. Noronha, who retires by rotation and being eligible, has offered himself for re-appointment. The ordinary resolution for the purpose was as under :

‘RESOLVED that Mr. Raymond S. Noronha (DIN: 00012620) who retires by rotation be and is hereby appointed as a Director of the Company, liable to retire by rotation.’

The Managing Director thereafter vacated the Chair and with the consent of Members, the Chairman took the Chair once again.

RESOLUTION
No. 4

Appointment of Auditors – Ordinary Resolution

The Chairman informed that the Item No.4 related to re-appointment of M/s. Lovelock & Lewes, Chartered Accountants as Auditors of the Company to hold office from the conclusion of the Annual General Meeting until conclusion of the next Annual General Meeting as per the below ordinary resolution :

‘RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions of the Companies Act, 2013 read with Rules framed there under (including any statutory modification or re-enactment thereof for the time being in force) M/s. Lovelock & Lewes, Chartered Accountants, having ICAI Firm Registration No: 301056E be and are hereby re-appointed as the Statutory Auditors of the Company, who shall hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting at a remuneration of Rs.30,00,000 (Rupees Thirty Lakhs only) payable in two equal instalments in addition to service tax as applicable, travelling and reimbursement of reasonable actual

out-of-pocket expenses incurred.’

SPECIAL BUSINESS

RESOLUTION
No.5

Appointment of Mr. Ramakrishna Venkata Addanki as Director - Ordinary Resolution

The Chairman informed that Item No.5 related to appointment of Mr.Ramakrishna V.Addanki as a director whose office shall be liable to retirement by rotation as per the below ordinary resolution and details mentioned in the explanatory statement :

‘RESOLVED THAT Mr. Ramakrishna Venkata Addanki, (DIN: 07147591) a nominee of the Raleigh Investment Company Limited, a British American Tobacco group company who was appointed as a Director of the Company with effect from 21st April, 2015 in the place of Mr. James H. Yamanaka (DIN: 06739695) and who vacates office at the ensuing Annual General Meeting pursuant to Section 161 of the Companies Act, 2013 and Article 98 of the Articles of Association of the Company and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director be and is hereby appointed a Director of the Company whose period of office shall be liable to determination by retirement of Directors by rotation.’

RESOLUTION
No. 6

Re-appointment of Mr. N. Sai Sankar as Managing Director - Ordinary Resolution

The Chairman informed that Item No.6 related to re-appointment of Mr. N. Sai Sankar as Managing Director of the Company for a period from 1st January, 2016 to 27th November, 2017 (both days inclusive) as per the below ordinary resolution and details mentioned in the explanatory statement :

‘RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Rules framed there under (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the Company be and is hereby accorded to the re-appointment of Mr. N. Sai Sankar (DIN: 00010270) as Managing Director (MD) of the Company with effect from 1st January, 2016 to 27th November, 2017 (both days inclusive) being a director not liable to retire by rotation, on the terms and

conditions including remuneration as set out in the Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the remuneration including the components of remuneration as it may deem fit and as may be acceptable to Mr. N. Sai Sankar the incumbent Managing Director, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.’

RESOLUTION
No.7

Revised terms of appointment to Mr.Devraj Lahiri, Wholetime Director - Ordinary Resolution

The Chairman informed that Item No.7 related to approval of revised terms of appointment of Mr. Devraj Lahiri, Wholetime Director of the Company with effect from 1st April, 2014 as per the below ordinary resolution and details mentioned in the explanatory statement :

‘RESOLVED THAT pursuant to the provisions of Section 197 read with Schedule V of the Companies Act, 2013 and the Rules framed there under (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the Company be and is hereby accorded to the revised terms of appointment to Mr. Devraj Lahiri, (DIN: 03588071) Wholetime Director of the Company with effect from 1st April, 2014 as set out in the Statement annexed to the Notice convening this Meeting with liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the remuneration including the components of remuneration as it may deem fit and as may be acceptable to Mr. Devraj Lahiri, the incumbent Wholetime Director, subject to the same not exceeding the limits specified under the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.’

RESOLUTION
No.8

Change of location to maintain Register of Members, Index of Members & other related books – Special Resolution

The Chairman informed that Item No.8 was in supersession of the special resolution passed through Postal Ballot on 13th December, 2011 to maintain Register of Members, Index of Members, Register of Renewed and Duplicate Shares and copies of annual returns together

with the copies of certificates and documents required to be annexed thereto and other related books or any one or more of them to be kept at the office of the Company's Registrar & Transfer Agent viz., Karvy Computer Share Private Limited at Karvy Selenium Tower B, Plot No.31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 032 or any other place within the local limits of the city of Hyderabad as per the below special resolution and details mentioned in explanatory statement :

‘RESOLVED THAT in supersession of the Special Resolution passed through Postal ballot on 13th December, 2011 and pursuant to the provisions of Section 94 and other applicable provisions, if any, of the Companies Act, 2013, approval of the Company be and is hereby accorded to maintain Register of Members, Index of Members, Register of Renewed and Duplicate Shares and copies of annual returns, together with the copies of certificates and documents required to be annexed thereto and other related books or any one or more of them be kept at the office of the Company's Registrar & Transfer Agent viz., Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot No.31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 032 or any other place within the local limits of the city of Hyderabad instead of their office at Plot No.17 to 24, Vittal Rao Nagar, Madhapur, Hyderabad – 500 081.’

The Chairman informed the Members that in terms of the provisions of Companies Act, 2013 and the listing agreement, the Company had provided remote e-voting facility to the Members to enable them to cast their vote electronically and further informed that Members attending the Annual General Meeting who had not cast their vote electronically through remote e-voting were eligible to vote at the meeting through physical poll on the items of the Agenda. He informed that Mr.Tumuluru Krishna Murty, Practicing Company Secretary has been appointed as Scrutinizer for the poll process and handed over the poll process to the Scrutinizer and the Company Secretary. He further stated that the combined result of the votes cast through remote e-voting open during the period 8th August, 2015 to 11th August, 2015 and the physical poll at the meeting on the items of Agenda would be communicated to the stock exchanges and also displayed on the website of the Company within 48 hours.

The business of the meeting having been concluded at 11.20 A.M., the Chairman thanked the Members and brought the meeting to a close.

Summary of Scrutinizer's Report

The voting rights were reckoned as on 5th August, 2015, being the cut off date for the purpose of deciding the entitlement of Members for the remote e-voting and voting at

the Annual General Meeting.

The Company had appointed M/s. Karvy Computershare Private Limited (Karvy) as agency for providing the remote e-voting platform. Remote e-voting was open from 9.00 A.M. (IST) on 8th August, 2015 to 5.00 P.m. (IST) on 11th August, 2015 for the Members to cast their vote electronically in respect of 7 ordinary resolutions and 1 special resolution. The Company made arrangements for voting at the Annual General Meeting by Ballot on Polling Paper for the Members who were present at the meeting and did not cast their votes through remote e-voting.

60 Members had cast their votes through remote e-voting and 61 Members/Proxies cast their vote through Poll. The consolidated results with respect to each items on the Agenda were as under :

Item Nos.	No. of votes cast					
	In favour		Against		Invalid	
	No.of equity shares	%	No.of equity shares	%	No.of equity shares	%
Item No.1	12304134	99.871	610	0.005	15291	0.124
Item No.2	12304747	99.876	Nil	Nil	15288	0.124
Item No.3	12234902	99.309	69836	0.567	15288	0.124
Item No.4	12281431	99.687	23307	0.189	15288	0.124
Item No.5	12234606	99.309	69832	0.567	15288	0.124
Item No.6	12303997	99.873	351	0.003	15288	0.124
Item No.7	12304045	99.873	303	0.002	15288	0.124
Item No.8	12304441	99.874	297	0.002	15288	0.124

Based on the Report of the Scrutinizer, all the items as mentioned in the Notice of Eighty Fourth Annual General Meeting have been duly approved by the Members with requisite majority.

Sd/-
MANAGING DIRECTOR

Dated : 8.9.2015
Place : Hyderabad