

HELD AT \_\_\_\_\_ ON \_\_\_\_\_ TIME \_\_\_\_\_

Minutes of the fifty-eighth Annual General Meeting of the Members of the Company held on Tuesday, 06 May 2014 at 3.30 p.m. at Hall No.4, 'A' Wing, 5<sup>th</sup> Floor, MCCIA Trade Tower, ICC Complex, Senapati Bapat Road, Pune-411016.

|          |                           |                   |
|----------|---------------------------|-------------------|
| Present: | Mr. Suresh Talwar         | Director          |
|          | Mr. Ravindra Kulkarni     | Director          |
|          | Mr. Ranjal Laxmana Shenoy | Director          |
|          | Mr. Ravindra Kumar        | Managing Director |
|          | Mr. Sharadkumar Shetye    | Director          |
|          | Mr. Shirish Dabir         | Company Secretary |

Thirty eight members in person, four proxies and two representatives were present in all, holding 6044769 shares in aggregate, whose attendance was noted in the Attendance Register.

1. Chairman

Dr. Matthias Wolfruber, Chairman, not being present, the Directors present elected Mr. Suresh Talwar as the Chairman of the meeting.

2. Quorum

At 3.30 p.m., as the required quorum for the meeting was present, the Chairman declared that the meeting be commenced. The Chairman then informed the members that the Register of representations and Register of Directors' shareholding, Register of Contracts in which Directors are interested were kept open and made accessible to the members during the continuance of the Meeting.

3. Chairman's Address

The Chairman extended a warm welcome to the members and addressed them. He welcomed Mrs. Kishori Udeshi, Mr. Martin Babilas and Mr. Ranjal Laxmana Shenoy who were appointed on the Board of the Company. He gave a brief background of the respective directors.

In his address, he stated that the Indian economy was presently going through difficult times due to slow pace of reforms and infrastructure development, declining manufacturing output, and high inflation leading to high borrowing cost, massive rupee depreciation and exchange rate fluctuations. Despite adverse market conditions like, the Company has done well in terms of improvement in revenues and margins, by focusing on its customers, chosen market segments, price adjustment initiatives & cost optimization in every aspect of business.

The Electrical Insulation Systems segment had 4% volume growth and 11% value growth during 2013. Electronic & Electrical (EL) Compounds have been identified as the Company's potential growth area. Its Speciality Epoxy & Polyurethane Products catering to Auto & allied industries have been well received by the OEM customers. With the active help of Division ELANTAS's European & US affiliates, opportunities in new areas e.g. RO filtration membranes, LED potting, advanced battery adhesives, have been created.

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The Company has upgraded the infrastructure at its manufacturing sites to manufacture and supply larger volumes of products to the customers and has commenced a new Research and Development Centre at Ankleshwar in the year 2013.

He also informed the members that on 4<sup>th</sup> March 2014, the promoters carried out an 'Offer for Sale' to the public on BSE Ltd., for 269,109 equity shares of Rs.10 each, aggregating to 3.39% of the total paid up equity share capital of the Company to reduce its shareholding to 75%. Thus, the Company was now compliant with the prescribed minimum public shareholding.

He concluded his address thanking sincerely his colleagues on the Board and all the employees of the Company for their continuous and valuable contribution, and to the shareholders for the interest shown by them in the affairs of the Company.

#### 4. Notice of Meeting

With the consent of the members present, the Notice dated 28 March 2014 issued to convene the 58<sup>th</sup> Annual General Meeting was taken as read.

#### 5. Adoption of Balance Sheet as at 31 December 2013, Profit & Loss Account for the year ended on that date and the Reports of the Directors and the Auditors thereon.

Mr. Shirish Dabir, Company Secretary read the Auditors Report.

Mr. A.N. Navare proposed the following resolution for adoption of annual accounts as an Ordinary Resolution, which was seconded by Mr. S.G. Marathe.

"RESOLVED THAT the Balance-Sheet as at 31 December 2013, the Profit and Loss Account of the Company for the year ended on that date and the Reports of the Auditors / Directors and other documents attached to and forming part of the said Audited Accounts be and are hereby approved and adopted."

Before putting the resolution to vote, the Chairman invited comments and queries from the members on the Audited Accounts and Financial Statements under consideration.

Amongst the members, Mr. S.G. Marathe, Mr. Anuj Sharma, Mr. Nikhil Upadhyay and Mr. Anil Jain, made certain suggestion and raised few questions pertaining to R&D expenditure, consumption of electricity, use of renewable energy, capex, patents, market share, growth opportunities, capacity utilization etc.

The Chairman and the Managing Director answered the queries raised to the satisfaction of the members and stated that the suggestions made by the shareholders would receive due consideration.

The resolution on being put to vote by show of hands was passed unanimously.

#### 6. Declaration of Dividend

The Chairman then took up the second item of business on the Agenda regarding declaration of dividend for the year 2013, for consideration.

Mr. S.G. Marathe proposed the following resolution for declaration of dividend as an Ordinary Resolution, which was seconded by Mr. Kushal Kumar.

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"RESOLVED THAT a dividend of Rs.55/- per share for the year ended 31 December 2013 be and is hereby declared and the Board of Directors be and is hereby authorized to take necessary steps for effecting the dividend payment as per statutory provisions."

The resolution on being put to vote by show of hands was passed unanimously.

7. **Re-appointment of Mr. Ravindra Kulkarni**

Mr. Suresh Talwar took up the next resolution and requested a proposer and seconder for re-appointment of Mr. Ravindra Kulkarni as a Director of the Company.

Mr. Ravindra Bonagir proposed the following resolution as an Ordinary Resolution, which was seconded by Mr. S.G. Marathe.

"RESOLVED THAT Mr. Ravindra Kulkarni, who retires by rotation in accordance with the provisions of Section 256 of the Companies Act, 1956, and being eligible for re-appointment, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years in terms of the provisions of the Companies Act, 2013."

The resolution on being put to vote by show of hands was passed unanimously.

8. **Re-appointment of Dr. Matthias Wolfgruber**

Mr. Suresh Talwar took up the next resolution and requested a proposer and seconder for re-appointment of Matthias Wolfgruber as a Director of the Company.

Mr. R.S. Baheti proposed the following resolution as an Ordinary Resolution, which was seconded by Mr. Ravindra Bonagir.

"RESOLVED THAT Dr. Matthias Wolfgruber, who retires by rotation in accordance with the provisions of Section 256 of the Companies Act, 1956, and being eligible for re-appointment, be and is hereby re-appointed as the Director of the Company

The resolution on being put to vote by show of hands was passed unanimously.

9. **Appointment of Auditors and fixing their remuneration**

The Chairman then took up the fifth item on agenda regarding appointment of Auditors of the Company and fixing their remuneration. The Chairman mentioned that the retiring auditors M/s. BSR & Co. LLP, have informed the Company that if appointed, their appointment shall be within the purview of Section 224 of the Companies Act, 1956.

The Chairman requested a proposer and seconder for the appointment of Auditors of the Company and fixing their remuneration.

Mr. S.V. Pundlik proposed the following resolution as an Ordinary Resolution, which was seconded by Mr. A.N. Navare.

"Resolved that BSR & Co. LLP, Chartered Accountants, having Firm Registration No. 101248W, registered with ICAI, retiring Auditors, be and are hereby appointed as the Auditors of the Company to hold such office for a period of three years from this Annual General Meeting i.e. upto the conclusion of the Annual General Meeting to be

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held in the year 2017, subject to ratification by members at every Annual General Meeting, to conduct the audit on a remuneration not exceeding Rs.29.70 lakh per annum until revised.

The resolution on being put to vote by show of hands was passed unanimously.

**10. Appointment of Mr. Ranjal Laxmana Shenoy as a Director**

The Chairman then took up the next item on agenda i.e. item no. 6 regarding appointment of Mr. Ranjal Laxmana Shenoy as a Director and he requested a proposer and seconder for the same.

Mr. R.S. Baheti proposed the following resolution as an Ordinary Resolution, which was seconded by Mr. Ravindra Bonagir.

"RESOLVED THAT Mr. Ranjal Laxmana Shenoy who was appointed as an additional director to hold office till the conclusion of this Meeting, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years in terms of the provisions of the Companies Act, 2013."

The resolution on being put to vote by show of hands was passed unanimously.

**11. Appointment of Mr. Ravindra Kumar as the Managing Director**

The Chairman then took up the next item on agenda i.e. item no. 7 regarding appointment of Mr. Ravindra Kumar as the Managing Director and he requested a proposer and seconder for the same.

Mr. Kushal Kumar proposed the following resolution as an Ordinary Resolution, which was seconded by Mr. A.N. Navare.

"RESOLVED THAT Mr. Ravindra Kumar be and is hereby appointed as a Director of the Company.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 (hereinafter referred to as 'the Act') read with Schedule XIII of the said Act, and also of the applicable provisions, if any, of the Companies Act, 2013, and subject to the approval of the Central Government if required, the approval of the Company be and is hereby accorded to the appointment and terms of remuneration of Mr. Ravindra Kumar as Managing Director of the Company for a period of three years with effect from 1 January 2014, on the terms and conditions set out in the Explanatory Statement attached hereto with liberty to the Board of Directors to alter and vary the terms and conditions of appointment and /or remuneration subject to the same being within the limits as approved by the shareholders in such manner as may be agreed to between the Directors and Mr. Ravindra Kumar.

RESOLVED FURTHER THAT consent of the Company be and is hereby accorded to set an overall maximum ceiling pertaining to payment of Salary & Special Allowance, Performance Salary and Perquisites to Mr. Ravindra Kumar, Managing Director, as follows:

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| Particulars                | Maximum amount per annum |
|----------------------------|--------------------------|
| Salary & Special Allowance | Rs. 50 lakh              |
| Performance Salary         | Rs. 40 lakh              |
| Perquisites                | Rs. 20 lakh              |

Provided that in the event where in any financial year during the currency of tenure of Mr. Ravindra Kumar, the Company has no profits or its profits are inadequate, it may pay as remuneration to Mr. Ravindra Kumar an amount not exceeding the least of ceiling limits calculated as under:

- a) the remuneration approved by the Board for the time being, within the overall limits of the maximum remuneration as approved by the shareholders in the general meeting
- or
- b) the ceiling limits as prescribed in paragraph I of Section II of part II of Schedule XIII to the Companies Act, 1956 or any statutory modification or re-enactment thereof as may be then in force.

While calculating the remuneration with the reference to Section II of part II of schedule XIII to the Companies Act, 1956, payments qualifying exclusion /valuation by a prescribed method / rate should be, accordingly excluded or valued as the case may be.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to take such steps as may be necessary and desirable to give effect to the foregoing Resolution."

#### 12. Vote of thanks.

Mr. Arvind Navare proposed a vote of thanks to the Chair.

The Chairman thanked Mr. Navare and then declared that the meeting was concluded.

Entered on:

Date:

4/6/2014  
04.06.2014

  
Chairman

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MINUTE BOOK

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