

---

## NOTICE

Notice is hereby given that the 63rd Annual General Meeting of the of Godavari Biorefineries Limited will be held on Wednesday, 26th September, 2018 at 11:30 a.m. at Nalanda Auditorium, 4th Floor, 'Somaiya Vidyavihar', SIMSR Building, Off 7th Rajawadi Road, Mumbai - 400 077, Maharashtra to transact the following businesses:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Standalone and Consolidated Audited Financial Statements of the Company for the financial year ended 31st March 2018 including the Balance Sheet as at 31st March 2018 and the Reports of the Auditors' and Directors' thereon.
2. To appoint a Director in place of Mr. Werner Wutscher (DIN: 06456562), who retires by rotation, and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Vinay V. Joshi (DIN: 00300227), who retires by rotation, and being eligible, offers himself for re-appointment.
4. Appointment of Statutory Auditors of the Company

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

**"RESOLVED THAT** pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, M/s Verma Mehta & Associates, Chartered Accountants, (Firm Registration No. 112118W), be and is hereby appointed as Statutory Auditors of the Company in place of the retiring auditors M/s Desai Saksena & Associates, Chartered Accountants (Firm Registration No. 102358W), to hold office from the conclusion of this Annual General Meeting ("AGM") till the conclusion of the sixty-eight AGM, at such remuneration in addition to reimbursement of all out-of-pocket expenses in connection with the audit of the accounts of the Company, as may be mutually agreed between the Board of Directors of the Company and the Auditors."

### SPECIAL BUSINESS:

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

**"RESOLVED THAT** pursuant to the provisions of Section 149, 161 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any modification or re-enactment thereof), if any, Prof. M. Lakshmi Kantam (DIN 07831607) who was appointed as an Additional Director in the meeting of the Board of Directors held on 28th November, 2017 and whose term expires at the ensuing Annual General Meeting of the Company and for the appointment of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 proposing her candidature for the office of the Director be and is hereby appointed as a Director of the Company.

**RESOLVED FURTHER THAT** pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Prof. M. Lakshmi Kantam (DIN 07831607) who was appointed as a Director and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member, be and is hereby appointed as an Independent Non Executive Woman Director of the Company to hold office for a term upto five consecutive years from the date of this Meeting and whose period of office will not be liable to determination by retirement of directors by rotation.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby severally authorized to do all the acts, deeds and things which are necessary, proper and expedient to give effect to the above said resolution."

6. **Approval for Re-appointment of Shri Samir S. Somaiya as Chairman and Managing Director and Managerial Remuneration payable to him.**

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

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198, 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and subject to approval of the Central Government, if necessary, and subject to all such approvals as may be required, the approval of the members be and is hereby accorded to the re-appointment of Shri Samir S. Somaiya (DIN- 00295458) as Chairman and Managing Director of the Company for a period of three years from 1st April 2018 to 31st March 2021 on the terms and conditions including remuneration as set out in this resolution, with liberty to the Board of Directors to revise, implement, alter and vary the terms and conditions of his appointment including remuneration in such manner as may be permitted in accordance with the provisions of the Companies Act, 2013 and Schedule V or any modification thereto and as may be agreed to by and between the Board and Shri Samir S. Somaiya -

- 1) Salary : Rs. 10,64,250 per month. The Board of Directors of the Company may decide such accelerated increments as may be deemed appropriate at its absolute discretion.

---

2) Commission: 2 % of net profit.

3) Perquisites:

i) A fully furnished Rent Free Residential Accommodation

OR

House Rent Allowance (HRA) limited to the 60% of basic salary or if he offers a house in his own name / spouse, the same may be taken on lease limited to 60% of basic salary.

- ii) The expenditure incurred by the Company on gas, electricity, water and furnishings shall be valued as per as per Income Tax Act, 1961 and Rules thereunder.
- iii) Medical Reimbursement: For him and his family
- iv) Leave Travel Reimbursement: For him and his family as per rules of the Company.
- v) Club Fees-Subject to maximum of two clubs admission and membership fees as per rules of the Company.
- vi) Personal Accident Insurance / Medical Insurance or any other coverage as per rules of the Company. Annual Premium to be paid by the Company.
- vii) Provision of two cars with drivers, the entire expenditure of which will be borne by the Company.
- viii) Provision of telecommunication facilities including telephone/fax at residence.
- ix) Contribution to Provident Fund, Superannuation Fund or Annuity Fund at the rates applicable from time to time in the Company.
- x) Gratuity not exceeding half a month's salary for each completed year of tenure.
- xi) Encashment of leave at the end of tenure.
- xii) Reimbursement of entertainment expenses actually incurred in course of legitimate business of the Company.
- xiii) Housing, education, medical and other loans or facilities as applicable in accordance with the rules of the Company.

Provided that the remuneration aforesaid, including all perquisites, benefits and amenities shall be allowed as a minimum remuneration in any year in the event of absence or inadequacy of profits for that year.

**RESOLVED FURTHER THAT** Mr. Samir S. Somaiya shall exercise such powers and perform such duties as may be delegated by the Board of Directors of the Company from time to time and shall have substantial powers of the management of the affairs of the Company.

**RESOLVED FURTHER THAT** any of the Directors or Company Secretary of the Company be and is hereby authorised to take such steps as may be necessary to give effect to this Resolution."

**7. To appoint Mr. Bhalachandra R. Bakshi as Director – (Works) and approve remuneration payable to him.**

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

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198, 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and subject to approval of the Central Government, if necessary and all such approvals as may be required, the approval of members be and is hereby accorded to the appointment of Mr. Bhalachandra R. Bakshi (DIN-03538688) as Whole- time Director designated as Director (Works) for the Company's business unit in Sameerwadi, Karnataka w.e.f. 1st June, 2018 till 31st March, 2021 on the terms and conditions including remuneration as set out in this resolution, with liberty to the Board of Directors to revise, implement, alter and vary the terms and conditions of his appointment including remuneration in such manner as may be permitted in accordance with the provisions of the Companies Act, 2013 and Schedule V or any modification thereto and as may be agreed to by and between the Board and Mr. Bhalachandra R. Bakshi -

- 1) Salary : Rs. 1,80,000 per month. The Board of Directors of the Company may decide such accelerated increments as may be deemed appropriate at its absolute discretion.
- 2) Special Allowance : Rs. 48,400/- p. m.
- 3) Bonus : 20% of Basic Salary

---

4) **Performance Incentive:** 0.3% of Net Profit after Tax of Sameerwadi Unit of the Company with maximum limit upto ₹ 20 lacs per annum, subject to recommendation of Remuneration and Nomination Committee and approval of Board of Directors or approval of Members, as may be required.

5) **Perquisites:**

- i. Housing : Furnished Accommodation at Factory
- ii. Contribution to Provident Fund at the rates applicable from time to time in the Company.
- iii. Medical Reimbursement : As per Company's Rules.
- iv. Leave Travel Reimbursement : One month's Basic pay subject to Income Tax Laws and Company's Rules.
- v. Encashment of Leave at the time of retirement/cessation of service, which will not be included in the computation of the ceiling on perquisites.
- vi. Provision of car for use on Company's business and telephone at residence will not be considered as perquisites, use of car and telephone for private purpose shall be billed by the Company to Mr. Bhalachandra R. Bakshi

**RESOLVED FURTHER THAT** Mr. Bhalachandra R. Bakshi shall exercise such powers and perform such duties as may be delegated by the Board of Directors of the Company from time to time and shall have substantial powers of the management of the affairs of the Company.

**RESOLVED FURTHER THAT** any of the Directors or Company Secretary of the Company be and is hereby authorised to take such steps as may be necessary to give effect to this Resolution."

8. **To approve remuneration payable to the Cost Auditor of the Company.**

To consider and if thought fit, 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 the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Cost Auditors M/s. B.J.D. Nanabhoy & Company, the Cost Accountants (Firm Registration No. 000011) appointed by the Board of Directors of the Company, on the recommendation of Audit Committee, to conduct the audit of the cost records of the Company for the Financial Year ending 31st March, 2019, be paid the remuneration amounting to ₹ 2,50,000/- p.a. (Rupees Two Lakh Fifty Thousand Only) and also the payment of tax, as applicable and re-imbursment of out of pocket expenses incurred in connection with the aforesaid audit and the same is hereby ratified and approved."

9. **To approve contributing to Charitable and other funds.**

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

**"RESOLVED THAT** pursuant to the provisions of Section 181 and other applicable provisions, of the Companies Act, 2013, if any, the consent of the Members be and is hereby accorded to the Board of Directors for contributing to charitable and other funds not directly relating to the businesses of the Company upto an aggregate sum of ₹ 3,00,00,000/- (Rupees Three Crore Only) during Financial Year 2018-19.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

10. **To approve Acceptance of Deposits.**

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

**"RESOLVED THAT** pursuant to the provisions of Section 73 and Chapter V of the Companies Act, 2013, read with Companies (Acceptance of Deposit) Rules, 2014, as may be amended from time to time and clarifications/guidelines issued by the Central Government, and any other applicable provisions, if any, the consent of the members be and is hereby accorded to the Board of Directors of the Company to accept fixed deposits within limits prescribed in the Act and overall borrowing limits of the Company, and the same is hereby approved.

**RESOLVED FURTHER THAT** the Board of Directors thereof be and is hereby authorised to do all such other acts, deeds, matters and things as may be necessary, proper and expedient or incidental for giving effect to this resolution."

11. **Maintenance of Statutory Registers at a place other than the Register office of the Company**

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

**"RESOLVED THAT** pursuant to the provisions of Section 94 read with Section 88 and other applicable provisions, if any, of the Companies Act,

---

2013 and the rules made there under, the consent of the members of the Company be and is hereby accorded to keep, maintain and preserve the Statutory Register of the Company, at the Office of Link Intime India Private Limited, Registrar and Transfer Agent, situated at C 101, 247 Park, LBS Marg, Vikhroli West, Mumbai 400 083, instead of keeping and maintaining the same at Registered Office of the Company.”

“**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

Registered Office:  
Somaiya Bhavan,  
45/47, M. G. Road,  
Fort, Mumbai - 400 001

**By Order of the Board of Directors**

**Date:** 25th May, 2018  
**Place:** Mumbai

sd/-  
**Samir S. Somaiya**  
**Chairman & Managing Director**  
**DIN - 00295458**

#### **NOTES:**

1. A statement pursuant to section 102(1) of the Companies Act, 2013, setting out all material facts relating to Special Business to be transacted at the meeting is annexed herewith and the same should be taken as part of this Notice.
2. Route Map of venue of the Meeting is attached.
3. A member entitled to attend and vote at the meeting may appoint a proxy to attend and vote on a poll on his behalf. A proxy need not be a member of the Company. A person can act as proxy on behalf of not exceeding 50 Members and holding in the aggregate not more than 10% of the total Equity Share Capital of the Company. Any Member holding more than 10% of the total Equity share capital of the Company may appoint a single person as proxy and in such a case, the said person shall not act as proxy for any other person or member.
4. Pursuant to Section 113 of the Companies Act, 2013, Corporate Members intending to send their authorized representative to attend the Meeting are requested to send to the Company, a certified copy of Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
5. The instrument appointing proxy should, however, be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
6. During the period beginning 24 hours before the time fixed for commencement of the AGM and until the conclusion of the meeting, a member would be entitled to inspect the proxies lodged during the business hours of the Company, provided that not less than three days notice of writing is given to the Company.
7. Members / proxies / authorized representatives should bring the duly filled attendance slip enclosed herewith and the Annual report copy to attend the meeting along with a valid identity proof such as PAN Card, Passport, AADHAR Card or Driving license to enter the AGM Hall.
8. Members are requested to inform of any change in their addresses immediately to: (i) Registrar & Transfer Agents (R & T Agents) in case of shares held in Physical Form or (ii) Depository Participants in case of shares held in Electronic Form
9. The Members are requested to send their queries, if any at least seven days before the Annual General Meeting to the Company Secretary at the registered office of the Company or at email id investors@somaiya.com.
10. The Annual Report 2017-18, the Notice of the 63rd AGM and instructions for e-voting along with attendance slip and proxy form, are being sent by electronic mode to members whose email addresses are registered with the Company / depository participant(s), unless a member has requested for a physical copy of the documents. For members who have not registered their email addresses, physical copies are being sent by permitted mode.
11. Members may also note that the Notice the 63rd AGM and the Annual Report will be available on Company's website, www.godavaribiorefineries.com.
12. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participant(s). Members holding shares in physical form are required to submit their PAN details to the Registrars and Share Transfer Agent.

13. In response to the Green Environment Initiative taken by the Ministry of Corporate Affairs, we urge the members to support our commitment to environmental protection by choosing to receive any shareholding communication through email. You can do the same by updating your email addresses to the concerned Depository Participant. Members who hold shares in physical form are requested to register their email addresses with Link Intime India Pvt. Ltd., Registrar and Share Transfer Agents of the Company.

**PROCEDURE FOR E-VOTING:**

- I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM (“remote e-voting”) will be provided by National Securities Depository Limited (NSDL).
- II. The facility for e-voting shall also be made available at the AGM for those members who have not cast their votes earlier.
- III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- IV. Members can opt for only one mode of voting i.e. either by Polling Paper or e-voting. In case Members cast their votes through both the modes, voting done by e-voting shall prevail and votes cast through Polling Paper shall be treated invalid.
- V. The remote e-voting period commences on 23rd September, 2018 (9:00 am) and ends on 25th September, 2018. During this period members’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 19th September, 2018, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- VI. The process and manner for remote e-voting are as under:

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

Step 1 : Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2 : Cast your vote electronically on NSDL e-Voting system.

**Details on Step 1 is mentioned below:**

**How to Log-into NSDL e-Voting website?**

- 1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- 2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.
- 3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.  
  
Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
- 4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID  For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who holds shares in demat account with CDSL.	16 Digit Beneficiary ID  For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company  For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

**1. Your password details are given below:**

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
  - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
  - (ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.

**2. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:**

- a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsd.com](http://www.evoting.nsd.com).
- b) Physical User Reset Password? (If you are holding shares in physical mode) option available on [www.evoting.nsd.com](http://www.evoting.nsd.com).
- c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) in mentioning your demat account number/folio number, your PAN, your name and your registered address.

**3. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.**

**4. Now, you will have to click on "Login" button.**

**5. After you click on the "Login" button, Home page of e-Voting will open.**

**Details on Step 2 is given below:**

**How to cast your vote electronically on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [tushar@tusharshri.com](mailto:tushar@tusharshri.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsd.com](http://www.evoting.nsd.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsd.com](http://www.evoting.nsd.com)

- 
- i. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 19th September, 2018.
  - ii. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 19th September, 2018, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
  - iii. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
  - iv. 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 as well as voting at the AGM through Polling paper.
  - v. Mr. Tushar Shridharani, Practicing Company Secretary has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
  - vi. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Polling Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
  - vii. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and 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 shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favor or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
  - viii. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company [www.godavaribiorefineries.com](http://www.godavaribiorefineries.com) and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing.
  - ix. For any other queries relating to the shares of the Company, you may contact the Share Transfer Agents at the following address: Link Intime India Pvt. Ltd., C-101, 247 Park, LBS Marg, Vikhroli (West), Mumbai – 4000783. Email: [mt.helpdesk@linkintime.co.in](mailto:mt.helpdesk@linkintime.co.in) / [prachi.babadi@linkintime.co.in](mailto:prachi.babadi@linkintime.co.in)

Registered Office:  
Somaiya Bhavan,  
45/47, M. G. Road,  
Fort, Mumbai - 400 001

**Date:** 25th May, 2018  
**Place:** Mumbai

**By Order of the Board of Directors**

sd/-  
**Samir S. Somaiya**  
**Chairman & Managing Director**  
**DIN - 00295458**

---

## EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Pursuant to Section 102 of the Companies Act, 2013 ('the Act'), the following Explanatory Statement sets out all material facts relating to the business mentioned under Item Nos. 5 to 10 of the accompanying Notice:

### Item No. 5:

The Board of Directors of the Company, at its meeting held on 28th November, 2017 has appointed Prof. Manne palli Lakshmi Kantam pursuant to the provisions of Section 161 of the Companies Act, 2013, as an Additional Director of the Company.

In terms of provision of Section 161 of the Companies Act, 2013, Prof. Manne palli Lakshmi Kantam would hold office up to the date of this Annual General Meeting and is eligible to be appointed as an Independent Non Executive Women Director for a term upto five years.

Prof. Manne palli Lakshmi Kantam is an Indian scientist. She is the Director of CSIR-IICT and has obtained her PhD degree from Kurukshetra University, Kurukshetra. Her area of Specialization lies in Catalysis, Materials & Process Chemistry. She has done various researches and received various awards.

The Company has received a Declaration of Independence under Section 149(7) of the Companies Act, 2013. In the opinion of the Board, Prof. Manne palli Lakshmi Kantam fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder for her appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Prof. Manne palli Lakshmi Kantam as an Independent Non Executive Women Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company from 10 a.m. to 1 p.m. on working days except Saturdays, Sundays and other public holidays upto the date of Annual General Meeting (AGM).

The Board considers that her continued association would be of immense benefit to the Company and it is desirable to continue to avail her guidance and expertise. Accordingly, the Board recommends the resolution for appointment of Prof. Manne palli Lakshmi Kantam as an Independent Non Executive Women Director, for the approval of the shareholders of the Company.

Prof. Manne palli Lakshmi Kantam does not hold by herself or for any other person on a beneficial basis, any shares in the Company.

The Company has received a notice in writing from a member proposing Prof. Manne palli Lakshmi Kantam as a candidate for the office of the Independent Director of the Company under the provisions of Section 160 (1) of the Companies Act, 2013.

Except Prof. Manne palli Lakshmi Kantam, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution except and to the extent they are member of the Company.

The Board recommends passing of the resolution as set out at item no. 5 of the Notice

### Item No. 6:

Mr. Samir S. Somaiya (DIN- 00295458) is re-appointed as Chairman and Managing Director of the Company for the period of three years starting from 1st April, 2018 under the authority of the resolution passed by the Board of Directors at their meeting held on 14th March, 2018 subject to approval of the Shareholders at the forthcoming Annual General Meeting of the Company.

Shri Samir S. Somaiya will be paid remuneration as set out in Resolution No.6 of this Notice. Perquisites shall be evaluated as per Income Tax Rules, wherever applicable and in absence of any such rules, perquisites shall be evaluated at actual cost. A special resolution has to be passed at the forthcoming Annual General Meeting of the Company for approving the reappointment and payment of the remuneration.

The aggregate of salary and perquisites in any one financial year shall not exceed the limits prescribed under sections 196, 197, 198 and other applicable provisions of the Companies Act, 2013 read with Schedule V of the said Act. In the event of absence or inadequacy of profit during the period, Shri Samir S. Somaiya shall be paid the above remuneration as minimum remuneration.

### General Terms & Conditions:

- (i) Subject to the supervision and control of the Board of Directors, Shri Samir S. Somaiya shall have substantial power of management of the Company. He will supervise and monitor all the affairs of the Company.
- (ii) Without prejudice to the powers contained in the previous clause, the Board of Directors may from time to time entrust to Shri Samir S. Somaiya such of the powers exercisable by the Directors as they think fit, and may confer such powers for such time and to be exercised for such objects and purposes, and upon such terms and conditions, and with such restrictions as they may think expedient.
- (iii) Shri Samir S. Somaiya shall be entitled to engage and dismiss staff and shall manage the business of the Company with full powers to do all acts, matters and things deemed necessary, proper or expedient for carrying on the business of the Company.
- (iv) Shri Samir S. Somaiya shall not be paid any sitting fees for attending the meetings of the Board of Directors or Committee thereof.
- (v) Shri Samir S. Somaiya shall also visit such places from time to time, which may be necessary for the purpose of the business of the Company. Shri Samir S. Somaiya shall be entitled to reimbursement of all the traveling, boarding, lodging and incidental expenses, which



---

he may incur for performing his duties.

- (vi) Shri Samir S. Somaiya shall not be reckoned as Director for the purpose of determining the retirement of Directors by rotation or in fixing the number of Directors to retire but he shall immediately cease to be Chairman and Managing Director if he ceases to hold the office of Director for any reason.
- (vii) Shri Samir S. Somaiya may with the sanction of the Board of Directors delegate any of his powers to such Managers, Directors, Secretary or other persons, as he may deem fit, and shall have power to grant to such Manager, Directors or other delegates such power of Attorney as Shri Samir S. Somaiya may, subject to the approval of the Board of Directors, deem expedient and shall have power to revoke the same.

Mr. Samir Somaiya (age 50 years), is Bachelor of Chemical Engineering and a Master of Chemical Engineering from Cornell University, U.S.A. He has also acquired his Masters degree in Business Administration from Cornell University, U.S.A. and a Masters Degree of Public Administration is conferred upon him by the Harvard University. Mr. Samir Somaiya carries more than 20 years of experience in the field of Sugar, Chemical & Power.

Subject to the supervision and control of the Board of Directors Mr. Samir Somaiya is in-charge of running the affairs of the Company including Budgeting, Planning, Projects and Corporate affairs. He is a dynamic new generation industrialist. As a Chairman and Managing Director, he has played a key role in making the Company one of the most efficient sugar producers in the country. The Company has built a strategic foundation for growth under his leadership.

Shri Samir S. Somaiya is also a Director on the Board of Subsidiary Company i.e. Solar Magic Pvt. Ltd. and also Director on the Board of few associate companies. He is also Chairman of K. J. Somaiya Trust, K. J. Somaiya Medical Trust, The Somaiya Trust and The Girivanvasi Pragati Mandal.

Mr. Samir Somaiya is a Promoter Director holding 44,43,865 Equity Shares consisting of 11.81% of the paid-up equity capital of the Company.

He is currently drawing a basic salary of ₹ 9,67,500/- per month plus commission & perquisites as per Company's policy.

The Company has been benefitted with supervision, guidance and ardent leadership of Shri Samir S. Somaiya as Chairman and Managing Director of the Company and he has established ideal platform for the continued growth of the Company with the focus on innovation, research and development, quality management and developing institutional customers. The remuneration proposed to be paid to Shri Samir S. Somaiya is justified having regard to the nature of services required from him and the responsibility which he is called upon to bear as Chairman and Managing Director of the Company.

The company has not committed any default in repayment of any of its debts (including public deposits) or debentures or interest payable thereon before the date of appointment of Shri Samir S. Somaiya.

Keeping in view the above, the Nomination and Remuneration Committee and Board of Directors of the Company has also recommended re-appointment of Mr. Samir S. Somaiya as a Chairman & Managing Director at its meeting held on 14th March, 2018.

Smt. Harinakshi Somaiya who works as General Manager (Development & Communication) is the sister of Shri Samir S. Somaiya. No other managerial personnel have any relationship with Shri Samir S. Somaiya.

None of the other Directors or Key Managerial Personnel (KMP) or their relatives except Mr. Samir Somaiya have any concern or interest, financial or otherwise, in the proposed resolution.

#### **Item No. 7:**

Shri Balchandra Bakshi replaces Shri S. N. Bableshwar as a Whole Time Director of the Company designated as Director (Works) Sameerwadi from 1st June, 2018 to 31st March, 2021 consequent on the latter tendering his resignation effective from the end of working hours of 14th August, 2018. Shri Balchandra Bakshi was appointed by the Board of Directors at their meeting dated 25th May, 2018 as an Additional Director to hold office upto the date of the Annual General Meeting and additionally as a Whole-time Director. The appointment as Whole time Director was as per terms and conditions more specifically detailed as part of the notice, which requires approval by the Shareholders as envisaged under the provisions of Section 197(4) of the Companies Act, 2013. Shri Balchandra Bakshi till recently was holding the General Manager (Personnel Administration, Industrial Relations & Public Relations) for the last 8 years before promoting as the Director (Works) in May 2018.

He is a graduate in Agriculture Science from University of Agriculture Sciences, Dharwad, Karnataka. He is having valuable experience of over 25 years in the field of fertilizers, sugar, ethanol and power industry apart from being an agriculturist.

Having regard to his qualification and experience and keeping in view his enriched expertise and knowledge especially in sugar industry, it would be beneficial for the Company to induct him as a Whole- time Director on the Board of Directors of the Company

General terms and conditions applicable including remuneration payable to Shri Balchandra Bakshi is mentioned in Resolution No.7 as set out in the Notice. Perquisites shall be evaluated as per Income Tax Rules, wherever applicable and in absence of any such rules, perquisites shall be evaluated at actual cost. A special resolution has to be passed at the forthcoming Annual General Meeting of the Company for approving the reappointment and payment of the remuneration.

The aggregate of salary and perquisites in any one financial year shall not exceed the limits prescribed under sections 196, 197, 198 and other

applicable provisions of the Companies Act, 2013 read with Schedule V of the said Act. In the event of absence or inadequacy of profit during the period, Shri Balchandra Bakshi shall be paid the above remuneration as minimum remuneration.

Shri Balchandra Bakshi is also a Director on the Board of Subsidiary Company i.e. Solar Magic Pvt. Ltd. Mr. Balchandra Bakshi does not hold any shares in the Company.

He is currently drawing a basic salary of ₹ 1,39,000/- per month as a GM (PA, IR & PR)

The Company will be benefitted with supervision, guidance of Shri Balchandra Bakshi as Whole- time Director of the Company. The remuneration proposed to be paid to Shri Balchandra Bakshi is justified having regard to the nature of services required from him and the responsibility which he is called upon to bear as Director (Works) of the Company.

None of the other Directors or Key Managerial Personnel (KMP) or their relatives have any concern or interest, financial or otherwise, in the proposed resolution.

Your directors therefore recommend the resolution for your approval.

The statement as required under Clause (iv) Section II, Part II of the Schedule V of the Companies Act, 2013 with reference to the item nos. 6 and 7 are as follows:

#### I. General Information:

(1) **Nature of Industry:**

Manufacturing of Sugar, Cogeneration of Power, Industrial Alcohol & Organic Manure.

(2) **Date or expected date of commencement of commercial production:**

Existing Company, hence already commenced business.

(3) **In case of new Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:**

Existing Company, not applicable

(4) **Financial performance based on given indicators:**

Particulars	(₹ in Lacs)	
	2017-18	2016-17
Sales (Net of Excise Duty)	1,21,802	98,515
Profit / (Loss) before Exceptional items, Depreciation, Interest and Tax	10,691	7,929
Exceptional Items	-	1,026
Profit / (Loss) before Depreciation, Interest and Tax	10,691	6,903
Finance costs	8,753	7,956
Profit / (Loss) after Interest but before Depreciation and Tax	1,938	(1,053)
Depreciation & Amortization	4,868	4,978
Profit / (Loss) Before Tax	(2,930)	(6,030)
Taxes (Income)/Expense	(817)	(2,163)
Profit / (Loss) After Tax	(2,113)	(3,867)

(5) **Foreign Investment of Collaborators, if any:**

The Company has received investment in its equity share capital from Mandala Capital AG Limited. The Company also allotted the Non Convertible Debenture / Bond to Mandala Agribusiness Investments II Limited, both of which are Foreign Companies incorporated in Mauritius.

**II. Information about the Appointees:** The information with respect to Mr. Samir S. Somaiya and Mr. Balchandra Bakshi is given in Item no. 6 and 7 of the explanatory statement respectively.

#### III. Other Information:

**1. Reasons of loss or inadequate profits:**

Net Loss after Tax of ₹ 2,113 Lakhs incurred by the Company for the financial year ended 31st March, 2018 was majorly on account of high cane cost.

---

## **2. Steps taken or proposed to be taken for improvement:**

Sugar being a seasonal industry, the performance of a financial year may not be representative of the next annual performance of the company. The integrated model concept adopted by the Company in regard to Power Co-generation and Distilleries operations is expected to offset the Losses from the sugar divisions of the Company to some extent and also provide a source of revenue. Sugar being seasonal and cyclical in nature, the working results witness a phase of upturn & downturn. The value added by-products like Co-generation of Power, Industrial Alcohol, Ethanol and Specialty Chemicals will also help the Company to improve its business prospects. The Company through process of innovation makes consistent efforts to optimize the resources and increase the margins.

## **3. Expected increase in productivity and profits in measurable terms:**

The Company has shifted its focus from sugar manufacturing to the downstream utilization of its by-products such as Co-generation of Power, Industrial Alcohol and Ethanol. The value added by-products like Co-generation of Power, Industrial Alcohol, Ethanol and Alcohol based Chemicals will help the Company to maximize its profits.

**IV. Disclosures:** The disclosures in the Directors' report under the heading "Corporate Governance Report" of the Company are not required as mentioned in Clause (iv) Section II, Part II of the Schedule V of the Companies Act, 2013.

The Explanatory Statement along with the notice is and shall be deemed to be an abstract of the terms and memorandum of interest under section 190 of the Companies Act, 2013.

## **Item No. 8:**

The Board, on the recommendation of the Audit Committee, had approved the appointment and remuneration of M/s. B.J.D. Nanabhoj & Company, Cost Accountants (Firm Registration. No.000011) as the Cost Auditors to conduct the audit of the cost records of the Company relating to Sugar and Industrial Alcohol, Electricity and Chemicals pursuant to Section 148 read with Rule 3 and 4 of Companies (Cost Records and Audit) Rules, 2014 and Companies (Cost Records and Audit) Amendment Rules, 2014 for the financial year ending March 31, 2019 at a remuneration of ₹ 2,50,000/- p.a (Rupees Two Lakh Fifty Thousand Only) plus applicable taxes and out of pocket expenses.

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 shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 8 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2019.

None of the Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 8 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No. 8 of the Notice for approval by the shareholders.

## **Item No. 9:**

As per the provisions of Section 181 of the Companies Act, 2013 (the Act in this statement), prior permission of the Company, in general meeting, is required to contribute to bonafide charitable and other funds, if the aggregate amounts, in any financial year exceeds five percent of the Company's average profits for three immediately preceding financial years. Considering the activities undertaken by the Company voluntarily towards the Society, the Board of Directors consider that the consent of the Members of the Company should be obtained to contribute the sum up to ₹ 3,00,00,000/- (Rupees Three Crore only) to charitable institutions and funds during the Financial Year 2018-19.

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

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

## **Item No. 10:**

The special business relates to seeking members' approval for acceptance / renewal of unsecured deposits.

Section 76 read with the Companies (Acceptance of Deposits) Rules, 2014 of Companies Act, 2013 prescribes approval of members by way of special resolution is required to accept or renew the said deposits by your Company and thus your approval is sought for accepting the deposits from Public.

The Directors recommend the Resolution in the best interest of the Company for your approval.

None of the Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 10 of the Notice.

---

**Item No. 11:**

The special business relates to seeking members' approval for Maintenance of Statutory Registers at a place other than the Register office of the Company.

Pursuant to the provisions of Section 94 of the Companies Act, 2013 and the Rules made there under, the Register of Members and Index of Members required to be kept and maintained by the company under Section 88 and copies of the Annual Return filed by the Company under Section 92 shall be kept at the registered office of the company, provided that such registers or copies of return may also be kept at any other place in India in which more than one-tenth of the total number of members entered in the register of members reside, if approved by a special resolution passed at a general meeting of the company and the Registrar has been given a copy of the proposed special resolution in advance. In view of the above, it is proposed to authorize M/s. Link Intime India Private Limited, Registrar and Transfer Agent to maintain, preserve and authenticate Statutory Register of the Company, at its office situated at, C 101, 247 Park, LBS Marg, Vikhroli West, Mumbai 400 083, instead of maintaining the same at Registered Office of the Company.

The Board commends the Special Resolution set out at Item No. 11 of the Notice for approval by the shareholders.

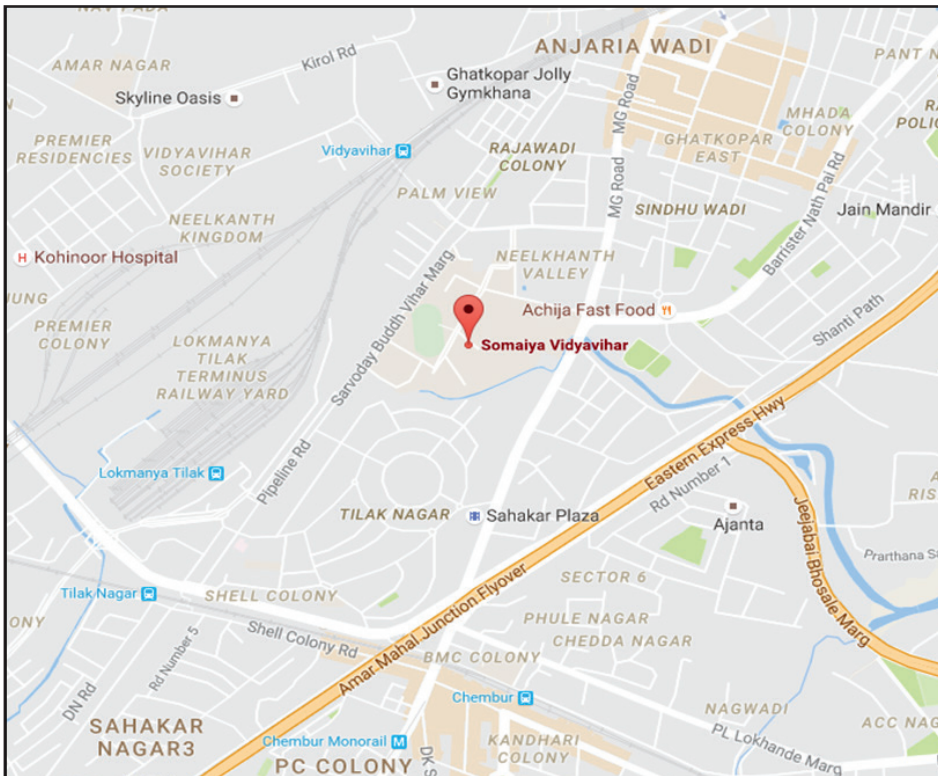
None of the Directors / Key Managerial Personnel of the Company / their relatives is in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 11 of the Notice.

Registered Office:  
Somaiya Bhavan,  
45/47, M. G. Road,  
Fort, Mumbai - 400 001

**By Order of the Board of Directors**

**Date:** 25th May, 2018  
**Place:** Mumbai

sd/-  
**Samir S. Somaiya**  
**Chairman & Managing Director**  
**DIN - 00295458**

**VENUE:**

Nalanda Auditorium,  
4th Floor,  
Somaiya Vidyavihar,  
SIMSR Building,  
off 7th Rajawadi Road,  
Mumbai - 400077

**Landmark:**

K. J. Somaiya College of  
Science and Commerce

*Distance from Chhatrapati  
Shivaji Terminus: 21.4 Kms*

*Distance from Vidyavihar  
Railway Station: 750m*