



JAGATJIT INDUSTRIES LIMITED

NOTICE

NOTICE is hereby given that the Sixty-eighth Annual General Meeting of JAGATJIT INDUSTRIES LIMITED will be held on Monday the 30th September, 2013 at 09.30 A.M. at the Registered Office of the Company at Jagatjit Nagar, Distt. Kapurthala, Punjab to transact the following business:-

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Accounts and Reports of the Directors and Auditors of the Company for the year ended 31st March, 2013.
2. To appoint a Director in place of Mrs. Gita Bawa, who retires by rotation, is eligible and offers herself for re-appointment.
3. To appoint Auditors of the Company and to fix their remuneration from the conclusion of this Meeting until the conclusion of the next Annual General Meeting. Messrs Mittal Chaudhry & Co., Chartered Accountants, the retiring Auditors, are eligible and offer themselves for re-appointment.

SPECIAL BUSINESS

4. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution :
"RESOLVED THAT pursuant to the provisions of the Sections 198, 309, 310, 311, 314 and other applicable provisions of the Companies Act, 1956, Schedule XIII to the Companies Act, 1956, Rules or Regulations, if any, approval of the Company be and is hereby accorded to the revision of terms of appointment of Mr. Narender Sapra, Managing Director of the Company w.e.f. 1st October, 2012."

"RESOLVED FURTHER THAT the terms and conditions regarding remuneration of Mr. Narender Sapra as the Managing Director of the Company shall not exceed the limits set out in Section I of Part II of Schedule XIII to the Companies Act, 1956 read with applicable sections of the Companies Act, 1956.

The material terms of appointment, inter-alia, are as under:-

1. Basic Salary: Rs. 6,20,000/- p.m.
2. Perquisites: In addition to salary as above, Mr. Narender Sapra shall also be entitled to perquisites like reimbursement of expenditure or allowances in respect of maintenance, utilities such as gas, electricity, water, medical re-imbursement, medical insurance and leave travel concession for himself and his family, personal accident insurance, club fees, Leave etc. in accordance with the Rules of the Company or as may be agreed by the Board and Mr. Narender Sapra.
3. Provision of a car with driver for use of Company's business and telephone facility at his residence will not be considered as perquisites.
4. The following shall not be included for the purposes of computation of remuneration or perquisites as aforesaid:
 - (i) The Company's contribution to Provident Fund and Superannuation or Annuity Fund, to the extent these either singly or together are not taxable under the Income Tax Act;
 - (ii) Gratuity payable as per Rules of the Company;"

"RESOLVED FURTHER THAT pursuant to the provisions of Clause 1(C) of Section II of Part II of the Schedule XIII to the Companies Act, 1956, in the event of loss or inadequacy of profits in any financial year, during the tenure of Mr. Narender Sapra as Managing Director, the Company shall pay him the same remuneration by way of salary allowances, perquisites and allowances as stated above, as the minimum remuneration."

5. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution :
"RESOLVED THAT pursuant to the provisions of the Sections 198, 309, 310, 311, 314 and other applicable provisions of the Companies Act, 1956, Schedule XIII to the Companies Act, 1956, Rules or Regulations, if any, approval of the Company be and is hereby accorded for payment of remuneration to Mr. Ravi Manchanda, Director of the Company during the year 2012-13 as per details given below :

Basic Salary Rs.1,05,000/- p.m.

H.R.A. Rs. 84,000/- p.m.

Special Allowance Rs. 10,000/- p.m.

Provision of Car with Driver or reimbursement of such other expenses, Medical reimbursement, L.T.A., contribution to the Provident Fund and Superannuation Fund, telephone and books and periodicals as per Company's policy."

"RESOLVED FURTHER THAT approval of the Company be and is hereby accorded to the fixing/revision of remuneration from time to time of Mr. Ravi Manchanda, as a Director of the Company for such period and on such terms and conditions and with

such powers and authorities, as the Board may, in the exercise of its discretion, consider appropriate, provided however, that the terms of this remuneration shall not exceed those set out in Clause 1(B) of Section II of Part II of the Schedule XIII to the Companies Act, 1956, as amended from time to time."

6. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution :
"RESOLVED THAT Mr. Peri Kameswara Sharma, who was appointed as an Additional Director of the Company on 30th May, 2013 by the Board of Directors and who holds office upto the date of this Annual General Meeting, be and is hereby appointed as Director of the Company, liable to retire by rotation."

BY ORDER OF THE BOARD
for JAGATJIT INDUSTRIES LIMITED

Date : 30th May, 2013
Registered Office :
Jagatjit Nagar - 144 802
Distt. Kapurthala (Punjab)

Sd/-
K.K. Kohli
Company Secretary

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE IN HIS STEAD AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY FORM IS ENCLOSED.
Proxy form should be lodged with the Company at its Registered Office at least 48 hours before the scheduled time of the meeting.
2. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of the resolutions set out under Item Nos. 4, 5 and 6 above are annexed.
3. Members are requested to intimate to the Company changes, if any, in their Registered Addresses along with Pin Code Numbers.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 27th September, 2013 to 30th September, 2013 (both days inclusive).
5. Members/ Proxies should bring the Attendance Slip duly filled in for attending the Meeting.
6. Members are requested to bring their copy of the Annual Report to the Meeting.
7. The trading of shares of the Company has been put under compulsory dematerialised form. The Company has entered into agreements with M/s. National Securities Depository Ltd. and Central Depository Services (India) Ltd. and is providing all the share registry related services In-house. All members are advised to take steps for dematerialisation of their shares for easy liquidity.
8. Members who hold shares in dematerialised form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting.
9. The Company has transferred the unclaimed dividend upto the financial year 1999-2000, declared in the year 2004 to the Investor Education and Protection Fund of the Central Government as required under Sections 205C of the Companies Act, 1956. Presently, no unclaimed/unpaid dividend is held by the Company.
10. Members are requested to intimate to the Company the details, if any, required in relation to this Annual Report at least 10 days before the meeting to enable the management to keep the information ready.

EXPLANATORY STATEMENT

Pursuant to Section 173(2) of the Companies Act, 1956

Item No. 4

Mr. Narender Sapra had been re-appointed as Whole Time Director of the Company for a period of three years w.e.f. 28th November, 2011 and his designation has been revised as Managing Director of the Company w.e.f. 26th March, 2012 and the approval of the share holders for reappointment and change of designation has since been obtained by way of special resolution passed by the shareholders in the Annual General Meeting of the Company held on 28th September, 2012.

On assumption of the appointment as Managing Director, the responsibilities of Mr. Narender Sapra have increased substantially. In view of the increased responsibilities, qualifications and experience of Mr. Narender Sapra, the Board considered to revise the terms of remuneration of Mr. Narender Sapra w.e.f. 01st October, 2012.

The Company has already sent the abstract of the revised terms of appointment of Mr. Narender Sapra to all the shareholders in compliance with Section 302 of the Companies Act, 1956. However the Notice and the Explanatory Statement in respect of the aforesaid resolution may also be treated as abstract of the terms of appointment of Mr. Narender Sapra, under Section 302 of the Companies Act, 1956.

A statement as per the provisions of Clause 1(C) of Section II of Part II of the Schedule XIII to the Companies Act, 1956 is being annexed and forms part of this Notice.

The Board commends the resolution for approval.

None of the Directors except Mr. Narender Sapra is interested or concerned in the resolution.

Item No.5

Mr. Ravi Manchanda was appointed as an Additional Director of the Company by the Board of Directors in their meeting held on 6th October, 2008 and appointed as a Director liable to retire by rotation in the Annual General Meeting (AGM) of the Company held on 25th September, 2009. Mr. Ravi Manchanda retired by rotation and was re-appointed as Director of the Company in the AGM held on 29th September, 2011.

In the AGM held on 25th September, 2009, the shareholders have authorized the Board of Directors to fix/revise the remuneration of Mr. Ravi Manchanda as per discretion of the Board within the limits prescribed under Part II of the Schedule XIII to the Companies Act, 1956.

During the financial year 2012-13 Mr. Ravi Manchanda was paid remuneration as stated in the proposed resolution, which falls under the Clause 1(B) of Section II of the Part II of the Schedule XIII to the Companies Act, 1956. Accordingly the proposed resolution is being moved for seeking the approval of the shareholders and to comply with the provisions contained in the said Schedule.

A statement as per the provisions of Clause 1(B) of Section II of Part II of the Schedule XIII to the Companies Act, 1956 is being annexed and forms part of this Notice.

The Board commends the resolution for approval.

None of the Directors except Mr. Ravi Manchanda is interested or concerned in the resolution.

Item No. 6

Mr. Peri Kameswara Sharma was appointed as an Additional Director on 30th May, 2013 by the Board of Directors, under Article 109 of the Articles of Association of the Company. He holds office upto the date of the ensuing Annual General Meeting. The Company has received a notice in writing, under Section 257 of the Companies Act, 1956, from a member proposing the name of Mr. Peri Kameswara Sharma, as a candidate for the office of Director.

Mr. Peri Kameswara Sharma is a Graduate in Economics and hold post graduation diplomas in Marketing Management, Material Management and Import-Export Management and has around four decades of experience in the fields of marketing and project implementation.

The Board commends the resolution for approval.

None of the Directors except Mr. Peri Kameswara Sharma is interested or concerned in the resolution.

Statement pursuant to the provisions of Clause 1(C) of Section II of Part II of Schedule XIII to the Companies Act, 1956, in respect of Mr. Narender Sapra.

General Information:

The Company is a multi-product company manufacturing Alcoholic Beverages (mainly being Indian Made Foreign Liquor and Country Liquor), Malted Milkfood, Dairy Products and Glass Containers. However, the Alcoholic Beverages business is the major activity of the Company.

The Company was established in the year 1944 and is in continuous operation since then. The financial performance of the Company for the last ten years is attached and forms part of the Annual Report being sent to the shareholders alongwith the Notice for the Annual General Meeting. The Company exported the goods worth Rs. 576 lacs calculated on FOB basis during the year 2012-13. The Company has foreign investments from GDR holders, OCB and NRI investors aggregating to the shares of face value of Rs. 2642.70 lacs as on 31st March, 2013. The Company does not have any foreign collaborator.

Information about the appointee :

Mr. Narender Sapra was appointed as an Additional Director of the Company on 6th October, 2008 and was appointed as Whole Time Director of the Company for a period of three years w.e.f. 28th November, 2008. On completion of his term of three years, Mr. Narender Sapra was re-appointed as Whole Time Director for a period of three years w.e.f. 28th November, 2011 and has been designated as Managing Director w.e.f. 26th March, 2012. On being re-appointed as Whole Time Director Mr. Narender Sapra has been paid the same remuneration as was approved by the shareholders in their meeting held on 25th September, 2009 for the previous tenure i.e. w.e.f. 28th November, 2008 to 27th November, 2011. The Board of Directors in their meeting held on 10th April, 2013 has subject to the approval of the shareholders resolved the revision of terms of remuneration of Mr. Narender Sapra as set out in the resolution. Accordingly, the proposed resolution is being moved for seeking the approval of the shareholders.

Mr. Narender Sapra is a Chartered Accountant having experience of more than three decades in the fields of Finance, Accounts and Administration. He has a long association with the Company and has held various senior posts in the Company in the past. Based upon his past performance in the Company he was appointed as a Director and was designated as the Whole Time Director and

Managing Director of the Company. The terms of appointment and remuneration are enumerated in the proposed resolution. The remuneration now paid to Mr. Narender Sapra, or as may be paid to him after re-fixation by the Board from time to time, shall be in accordance with the Part II of Schedule XIII to the Companies Act, 1956.

In view of his qualification, experience, nature of his duties and the size of the Company, his remuneration is justified and is comparable with the persons having similar position in the beverage industry. Mr. Narender Sapra does not have any pecuniary relationship with the Company and is not related to any other managerial personnel.

Other Information:

During the Financial Year 2012-13, the profitability of the Company suffered due to increased cost of production, introduction of new brands and sales promotional activities. With the increasing market share and cost control measures, the Company is confident of achieving an increased turnover and profitability by around 10% during current years and years to come.

Statement pursuant to the provisions of Clause 1(B) of Section II of Part II of Schedule XIII to the Companies Act, 1956, in respect of Mr. Ravi Manchanda.

General Information:

The Company is a multi-product company manufacturing Alcoholic Beverages (mainly being Indian Made Foreign Liquor and Country Liquor), Malted Milkfood, Dairy Products and Glass Containers. However, the Alcoholic Beverages business is the major activity of the Company.

The Company was established in the year 1944 and is in continuous operation since then. The financial performance of the Company for the last ten years is attached and forms part of the Annual Report being sent to the shareholders alongwith the Notice for the Annual General Meeting. The Company exported the goods worth Rs. 576 lacs calculated on FOB basis during the year 2012-13. The Company has foreign investment from GDR holders, OCB and NRI investors aggregating to the shares of face value of Rs. 2642.70 lacs as on 31st March, 2013. The Company does not have any foreign collaborator.

Information about the appointee :

Mr. Ravi Manchanda was appointed as an Additional Director of the Company by the Board of Directors in their meeting held on 6th October, 2008 and appointed as a Director liable to retire by rotation in the Annual General Meeting (AGM) of the Company held on 25th September, 2009. Mr. Ravi Manchanda retired by rotation and was re-appointed as Director of the Company in the AGM held on 29th September, 2011.

In the AGM held on 25th September, 2009, the shareholders have authorized the Board of Directors to fix/revise the remuneration of Mr. Ravi Manchanda as per discretion of the Board within the limits prescribed under Part II of the Schedule XIII to the Companies Act, 1956.

During the financial year 2012-13 Mr. Ravi Manchanda was paid remuneration as stated in the proposed resolution, which falls under the Clause 1(B) of Section II of Part II of the Schedule XIII to the Companies Act, 1956. Accordingly the proposed resolution is being moved for seeking the approval of the shareholders and to comply with the provisions contained in the said Schedule.

Mr. Ravi Manchanda is an Engineering Graduate with post graduation diploma in Marketing and having experience of more than three decades in the fields of Project Management and Administration. He is associated with the Company for the last ten years and has held senior posts in the Company. Based upon his performance in the Company, he was appointed as a Director of the Company, liable to retire by rotation.

In view of his qualification, experience, nature of his duties and the size of the Company, the remuneration paid to Mr. Ravi Manchanda is justified and is comparable with the persons having similar position in the beverage industry. Mr. Ravi Manchanda does not have any pecuniary relationship with the Company and is not related to any other managerial personnel.

Other Information:

During the Financial Year 2012-13, the profitability of the Company suffered due to increased cost of production, introduction of new brands and sales promotional activities. With the increasing market share and cost control measures, the Company is confident of achieving an increased turnover and profitability by around 10% during current years and years to come.