

HELD AT _____ ON _____ TIME _____

TILAKNAGAR INDUSTRIES LTD.
P.O. Tilaknagar, Tal. Shrirampur, Dist. Ahmednagar,
Maharashtra - 413720

MINUTES

OF THE SEVENTY-SEVENTH ANNUAL GENERAL MEETING OF THE MEMBERS OF TILAKNAGAR INDUSTRIES LTD. HELD ON FRIDAY, SEPTEMBER 21, 2012 AT 12.00 NOON AT THE REGISTERED OFFICE OF THE COMPANY I.E. P.O. TILAKNAGAR, TAL. SHRIRAMPUR, DIST. AHMEDNAGAR, MAHARASHTRA - 413720.

PRESENT:

Mr. Amit Dahanukar	:	Chairman & Managing Director
Mr. V.B. Haribhakti	:	Director
Dr. Vishnu Kanhere	:	Director
Dr. Ravindra Bapat	:	Director
Mrs. Shivani Amit Dahanukar	:	Executive Director
Mr. C. V. Bijlani	:	Director
Mr. Madan Goyal	:	Director

EXECUTIVES:

Mr. Laxmi Narasimhan	:	Deputy Managing Director
Dr. Keshab Nandy	:	Director (Legal, HR, Vigilance, Safety, IT & Industrial Relations)
Mr. G.S. Krishnan	:	Officiating Head of Finance
Mr. M R K Nair	:	General Manager - IR, HR & Legal
Mr. Minu Bamboat	:	SAP Consultant

IN ATTENDANCE:

Mr. Gaurav Thakur	:	Company Secretary
Mr. Kaushal Mehta	:	Statutory Auditors

TOTAL MEMBERS PRESENT

111 Members of the Company were present in person at the Meeting.

The Chairman welcomed all the Members at the 77th Annual General Meeting of the Company. He informed that the Company had received 60 proxies for 18,106,317 Equity Shares representing 15.03% of the Equity Share Capital of the Company. As there was desired quorum, he declared the Meeting as duly convened.

The Chairman introduced the Board of Directors and Senior Management Team of the Company to the Members.

The Chairman stated that his speech has been already circulated amongst the Members. The same was, therefore, taken as read with the permission of the Members.

1. NOTICE

With the permission of the Members, the Notice of the meeting was also taken as read. The Chairman then asked the Company Secretary to read the Auditors' Report.

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CHAIRMAN'S INITIALS

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2. AUDITORS' REPORT

The Auditors' Report for the financial year ended March 31, 2012 was read out by the Company Secretary.

3. ORDINARY BUSINESS**RESOLUTION NO.1 - ORDINARY****ANNUAL ACCOUNTS FOR THE FINANCIAL YEAR 2011-12**

The Chairman then moved Resolution No.1

"RESOLVED THAT the Audited Profit & Loss Account of the Company for the financial year ended March 31, 2012 and the Balance Sheet as at that date and Reports of the Auditors and the Directors thereon be and are hereby approved and adopted."

Mr. P.A. Vijaykar seconded the Resolution.

Before putting the resolution to vote, Chairman invited comments, suggestions and observations of the Members on the annual accounts of the Company.

The following Members expressed their views and sought some information as under:-

MR. JOSEPH MARTIN

He appreciated the management for maintenance of excellent budget discipline, better cost control and receipt of various prestigious awards during the financial year. He thanked the management for the comfortable arrangements made for the Members to enable them to attend the Meeting. He supported the resolution.

MR. P.A. VIJAYKAR

He congratulated the Board for excellent financial results of the Company for the financial year 2011-12. He enquired about the number of Members who had opted for physical annual reports, quantity of annual reports printed and cost of printing the same. He also sought details about increase in electricity cost, depreciation and audit fees during the year. He supported the resolution.

MRS. H.S. PATEL

She appreciated the steps taken by the Company to discharge its social responsibilities. She enquired about the reason for recommending same rate of dividend as in last financial year despite improved performance of the Company. She also sought details about the price of Seven Islands Vintage Single Malt Scotch Whisky launched in London and quantum of subsidies received by the Company pursuant to grant of 'Mega Project' status by the Government of Maharashtra. She supported the resolution.

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COMPANY SECRETARY

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MR. MAHESH JAIN

He thanked the management for giving opportunity to the Members for visiting the Plant of the Company. He supported the resolution.

MR. PRASAD MANJREKAR

He appreciated the management for social activities undertaken by the Company. He enquired about the dividend policy and capex plan of the Company for the financial year 2012-13. He supported the resolution.

MR. BHARAT SHAH

He congratulated the management for various awards received by the Company. He thanked the management for the travelling arrangements made. He supported the resolution.

MR. KHUDABUX POUREDEHI

He complimented the management for including the comprehensive Corporate Social Responsibility Report in the Annual Report. He supported the resolution.

MRS. VIJAY NAGVEKAR

She thanked the management for recommending 8% dividend and also enquired about the reason for increase in other expenses of the Company. She supported the resolution.

MR. VIRAL RAWAL

He complimented the management for the initiatives taken by the Company to discharge its social responsibilities. He also enquired about the reason for low visibility of Company's products and why Company was not aggressively advertising its brands. He supported the resolution.

MR. AJAY PURBEY

He appreciated the management for the overall arrangements made and complimented the promoters of the company for imbibing confidence in the Company amongst investors, by converting warrants into equity shares at a price of Rs.73/- per share when the market price was Rs.59/- per share. He also enquired about the reason for subdued volume delivery of Company's products in Tamil Nadu Market. He supported the resolution.

MR. SHIVAJI PAWAR

He appreciated the initiatives taken by the Company to discharge its social responsibilities. He supported the resolution.

MR. NAVANATH JEJURKAR

He congratulated the management for presenting the informative Annual Report. He enquired about the reason for recommending same rate of dividend as in last financial year. He supported the resolution.

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The Chairman thanked the Members for their valuable comments and suggestions and thereafter, requested Mr. Laxmi Narasimhan, Deputy Managing Director of the Company to reply to the queries raised by the Members on the operational issues of the Company.

DEPUTY MANAGING DIRECTOR'S REPLY

While addressing the Members, Mr. Laxmi Narasimhan stated that in the Indian IMFL industry regulated by various restrictions put by the State and Central Governments, retaining fair market share was a challenge for the Company. Still, the Company had achieved growth in both the revenue and profit after tax which stood at 18% and 19% respectively as against industry's average growth of 10% per annum during the financial year 2011-12. In order to achieve an EBIDTA growth of 28% in the coming years, the Company had undertaken portfolio approach and had been concentrating on business opportunities by State instead of going by a "One size fit all" strategy. The Company had also embedded its root in premium category with the objective to counter cost increases, enhance profitability and protect business sustainability.

Moving forward, the Company had extended its geographical spread in three more states namely Bihar, Arunachal Pradesh and Sikkim during the financial year 2011-12. It had also launched various new brands in premium and semi-premium category in the existing markets. The Company's footprint in Eastern India had grown exponentially as its "Senate Royal Whisky" had delivered an outstanding performance as compared with "Officers Choice" and "Bagpiper" in the largest State of Orissa. Also, the "White House Rum" of the Company had become the second largest Rum after "Mcdowell Celebration Rum" in the largest Rum consuming State of Kerala.

Replying to the query raised by Mr. Ajay Purbey regarding subdued volume delivery in the State of Tamil Nadu, he informed that same was on account of issues related to bottling. In this regard, necessary action had been taken by the Company and it had tied up with new units and also launched various variants at higher prices.

Replying to the query raised by Mrs. H. S. Patel, he informed that the price per bottle of Seven Islands Vintage Malt Scotch Whisky was 135 pounds sterling.

Replying to the query raised by Mr. Prasad Manjrekar, he informed that only such Capex would be incurred by the Company in financial year 2012-13, which would be essential for smooth functioning of the operations of the Company.

Thereafter, Chairman replied to other queries of the Members as under:

CHAIRMAN'S REPLY

Replying to the query raised by Mrs. H. S. Patel, he informed that the Company had become entitled to MVAT and CST refunds of Rs.1098.39 lacs for the financial year 2011-12 pursuant to the grant of "Mega Project" status by the Government of Maharashtra.

Replying to the query raised by Mr. Navnath Jejurkar and Mrs. H. S. Patel, regarding recommending the same rate of dividend, he informed that the reason for it was to conserve resources of the Company, which would, in turn, enhance profits and shareholders' value. He further

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CHAIRMAN'S INITIALS

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informed that the dividend payout ratio of the Company was better than the other peer group companies.

Replying to the query raised by Mr. P. A. Vijaykar, he informed that increase in the cost of depreciation and electricity was due to impact of capitalisation of 100 KLPD plant and increase in the rate per unit by the electricity corporations respectively whereas increase in audit fees was due to increase in scope of work of the auditors. In respect of the query regarding number of Members opted for physical annual reports, he replied that 13,000 (52%) Members had opted for the same and the cost of printing per copy was Rs. 59.25/-

Replying to the query raised by Mrs. Vijay Nagvekar regarding increase in other expenses, he informed that it was due to increased provision for excise duty due to conversion of some tie-up arrangements of the Company into lease arrangements during the financial year 2011-12, including in the State of Karnataka, where excise duty rates were four times as compared to other States.

Replying to the query raised by Mr. Viral Rawal, he informed that as the Company's product had prominent presence in the Southern States, therefore, most of the advertisement activities were concentrated in the South. He further informed that the Company had associated with the Indian National Hockey Team and had also been advertising on SpiceJet aircrafts.

After replying to all the queries of the Members, he thanked the Members for their continued support and co-operation and thereafter, put resolution No.1 to vote on show of hands and declared the same passed unanimously.

The following resolutions were thereafter taken one by one:-

RESOLUTION NO. 2 - ORDINARY

DECLARATION OF DIVIDEND

Proposed by : Mr. Mahesh Jain
Seconded by : Mr. Joseph Martin

"RESOLVED THAT a final dividend of Rs. 0.80 per Equity Share (8%), as recommended by the Board of Directors for the Financial Year ended March 31, 2012 be and is hereby declared payable out of the net available profits after provision of taxation to those shareholders:-

- a) holding shares in electronic form as per the beneficial ownership data made available by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as at the end of working hours on September 14, 2012; and
- b) holding shares in physical form whose names are appearing on the Register of Members as on September 15, 2012."

Chairman then put the resolution to vote on show of hands and declared the same passed unanimously.

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RESOLUTION NO. 3 - ORDINARY**RE-APPOINTMENT OF MR. V.B. HARIBHAKTI AS DIRECTOR**

Proposed by : Mr. Kanak Maganlal
Seconded by : Mr. Bharat Shah

"**RESOLVED THAT** pursuant to the provisions of Section 255 and other applicable provisions, if any, of the Companies Act, 1956, Mr. V.B. Haribhakti, who retires by rotation and is eligible for re-appointment, be and is hereby re-appointed as a Director of the Company liable to retire by rotation."

Chairman then put the resolution to vote on show of hands and declared the same passed unanimously.

RESOLUTION NO. 4 - ORDINARY**RE-APPOINTMENT OF MR. MADAN GOYAL AS DIRECTOR**

Proposed by : Mr. Kalu Jat
Seconded by : Mr. Ajay Purbey

"**RESOLVED THAT** pursuant to the provisions of Section 255 and other applicable provisions, if any, of the Companies Act, 1956, Mr. Madan Goyal, who retires by rotation and is eligible for re-appointment, be and is hereby re-appointed as a Director of the Company liable to retire by rotation."

Chairman then put the resolution to vote on show of hands and declared the same passed unanimously.

RESOLUTION NO. 5 - ORDINARY**RE-APPOINTMENT OF STATUTORY AUDITORS**

Proposed by : Mrs. Usha Karnad
Seconded by : Mr. Mahendra Laxmidas

"**RESOLVED THAT** pursuant to the provisions of Section 224A and other applicable provisions, if any, of the Companies Act, 1956, M/s. Batliboi & Purohit, Chartered Accountants, the retiring Statutory Auditors of the Company, be and are hereby re-appointed as Statutory Auditors of the Company to hold office from the conclusion of the 77th Annual General Meeting upto the conclusion of the 78th Annual General Meeting of the Company at a remuneration, as recommended by Audit Committee, of Rs. 400,000 plus out of pocket expenses as may be incurred by them for conducting the Statutory Audit."

Chairman then put the resolution to vote on show of hands and declared the same passed unanimously.

Thereafter, the Chairman requested Mr. V.B. Haribhakti to conduct the proceedings of the Meeting in respect of the Item Nos. 6 and 7 of the AGM Notice as he was interested in the Item Nos. 6 & 7. Mr. V.B. Haribhakti took the Chair and following resolutions were taken thereafter:

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4. SPECIAL BUSINESS**RESOLUTION NO. 6 - SPECIAL****RE-APPOINTMENT OF MR. AMIT DAHANUKAR AS CHAIRMAN & MANAGING DIRECTOR W.E.F. NOVEMBER 07, 2012**

Proposed by : Mrs. H.S. Patel
Seconded by : Mr. Shivaji Pawar

"RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309 and 310 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force), permissions and sanctions as may be required and subject to such conditions and modifications, as may be prescribed or imposed by any Authorities in granting such approvals, permissions and sanctions and pursuant to the approval of the Board of Directors of the Company at its Meeting held on May 28, 2012, the consent of the Members be and is hereby accorded to the re-appointment of Mr. Amit Dahanukar as Chairman & Managing Director of the Company, for a period of five years with effect from November 07, 2012 to November 06, 2017, on the terms and conditions as set out in the draft agreement submitted to this Meeting with absolute discretion to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any Committee which the Board may constitute to exercise its powers conferred by this resolution) to alter and vary the terms and conditions of the said agreement as may be agreed between the Board and Mr. Amit Dahanukar;

RESOLVED FURTHER THAT where in any financial year the Company has no profits or its profits are inadequate, the Company shall pay to Mr. Amit Dahanukar, remuneration by way of salary, perquisites and allowances not exceeding the ceiling limit specified in Schedule XIII to the Companies Act, 1956;

RESOLVED FURTHER THAT the Board be and is hereby authorised to take all such steps as may be necessary to give effect to this resolution."

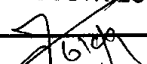
Chairman then put the resolution to vote on show of hands and declared the same passed unanimously.

RESOLUTION NO. 7 - SPECIAL**RE-APPOINTMENT OF MRS. SHIVANI AMIT DAHANUKAR AS EXECUTIVE DIRECTOR W.E.F. OCTOBER 01, 2012**

Proposed by : Mr. Jehangir Mehta
Seconded by : Mr. Vinayak Patkar

"RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309 and 310 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force), permissions and sanctions as may be required and subject to such conditions and modifications, as may be prescribed or imposed by any Authorities in granting such approvals, permissions and sanctions and pursuant to the approval of the Board of Directors of the Company at its Meeting held on May 28, 2012, the consent of the Members be and is

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hereby accorded to the re-appointment of Mrs. Shivani Amit Dahanukar as Executive Director of the Company, for a period of five years with effect from October 01, 2012 to September 30, 2017, on the terms and conditions as set out in the draft agreement submitted to this Meeting with absolute discretion to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any Committee which the Board may constitute to exercise its powers conferred by this resolution) to alter and vary the terms and conditions of the said agreement as may be agreed between the Board and Mrs. Shivani Amit Dahanukar;

RESOLVED FURTHER THAT where in any financial year the Company has no profits or its profits are inadequate, the Company shall pay to Mrs. Shivani Amit Dahanukar, remuneration by way of salary, perquisites and allowances not exceeding the ceiling limit specified in Schedule XIII to the Companies Act, 1956;

RESOLVED FURTHER THAT the Board be and is hereby authorised to take all such steps as may be necessary to give effect to this resolution."

Chairman then put the resolution to vote on show of hands and declared the same passed unanimously.

Thereafter, Mr. V.B. Haribhakti vacated the Chair and requested Mr. Amit Dahanukar to resume the Chair. Mr. Amit Dahanukar occupied the Chair and then continued the further proceedings of the Meeting.

RESOLUTION NO. 8 - SPECIAL

PAYMENT OF COMMISSION TO NON-EXECUTIVE DIRECTORS

Proposed by : Mr. Mahesh Jain
Seconded by : Mr. Viral Rawal

"RESOLVED THAT pursuant to the provisions of Sections 198, 309 and all other applicable provisions, if any, of the Companies Act, 1956 including any statutory modification(s) or re-enactment thereof for the time being in force, Members of the Company hereby approve payment of remuneration to Non-Executive Directors by way of commission and that such remuneration payable to all the Non-Executive Directors of the Company for any financial year shall not, in the aggregate for all the Non-Executive Directors put together, exceed 1% (one percent) of the net profits of the Company calculated in accordance with the provisions of Sections 198, 349, 350 and other provisions, if any, of the Companies Act, 1956 and that such commission shall be paid to and distributed amongst the aforesaid Non-Executive Directors or such of them, in such amounts or in such proportions and in such manner as may be decided by the Board from time to time;

RESOLVED FURTHER THAT the Board be and is hereby authorised to take all such steps as may be necessary to give effect to this resolution."

Chairman then put the resolution to vote on show of hands and declared the same passed unanimously.

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COMPANY SECRETARY

CHAIRMAN'S INITIALS

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5. CONCLUSION OF THE MEETING

Chairman thanked the Members for their participation in the Meeting and declared the conclusion of the Meeting.

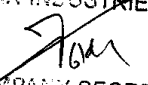
6. VOTE OF THANKS

Mr. Shivaji Pawar gave hearty vote of thanks to the Chair, which was carried with acclamation.

Place : Mumbai
Date : October 19, 2012


CHAIRMAN

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