

Notice

Notice is hereby given that the Twenty-Ninth Annual General Meeting of **PRAJ INDUSTRIES LIMITED** will be held on Thursday, the 6th August, 2015 at 10.00 AM at the Registered Office of the Company at "Praj Tower", S. No. 274 & 275/2, Bhumkar Chowk-Hinjewadi Road, Hinjewadi, Pune 411 057 to transact the following business:-

ORDINARY BUSINESS

1. To receive, consider and adopt ;
 - a. the audited Financial Statements of the Company for the financial year ended 31st March, 2015 together with the reports of Board of Directors and the Auditors thereon.
 - b. the audited Consolidated Financial Statements of the Company for the financial year ended 31st March, 2015 together with the report of the Auditors thereon.

2. To declare Dividend on Equity Shares.

3. To appoint a Director in place of Mr. Gajanan Nabar (DIN: 00714569) who retires by rotation and being eligible, offers himself for re-appointment.

In this matter, to consider and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution;

"RESOLVED THAT Mr. Gajanan Nabar (DIN: 00714569), who is liable to retire by rotation pursuant to Section 152 of the Companies Act, 2013 and other applicable provisions if any, and who has offered himself for re-appointment be and is hereby re-appointed as a Director of the Company."

4. To consider and if thought fit, to pass with or without modifications, the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 139(8) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), appointment of M/s. P. G. Bhagwat, Chartered Accountants, Pune (Firm Registration No. 101118W), who were appointed by the Board of Directors as the Statutory Auditors of the Company w.e.f. 13th June, 2015 till the conclusion of this Annual General Meeting of the Company, to fill the casual vacancy caused by the resignation of B. K. Khare & Co, Chartered Accountants, the then Statutory Auditors of the Company be and is hereby approved at a remuneration and reimbursement of out-of-pocket expenses, if any, as may be mutually agreed to, between the Board of Directors and M/s. P. G. Bhagwat, Chartered Accountants, Pune.

RESOLVED FURTHER THAT pursuant to the provisions of Section 139-142 of the Companies Act, 2013 and other applicable provisions, if any, read with the Companies (Audit and Auditors) Rules 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), M/s P. G. Bhagwat, Chartered Accountants, Pune (Firm Registration No. 101118W) be and are here by appointed as the Statutory Auditors of the Company to hold office for a term of five years from the financial year 2015-16 i.e. from the conclusion of this Annual General Meeting till the conclusion of the Thirty-Fourth Annual General Meeting, subject to ratification at every Annual General Meeting, at an annual remuneration and reimbursement of out-of-pocket expenses, if any, as may be mutually agreed to, between the Board of Directors and M/s P. G. Bhagwat, Chartered Accountants, Pune."

SPECIAL BUSINESS

5. Appointment of Mr. Daljit Mirchandani (DIN: 00022951) as Director.

In this matter, to consider and, if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:-

"RESOLVED that Mr. Daljit Mirchandani (DIN: 00022951), who was appointed as an Additional Director of the Company with effect from 28th May, 2015 by the Board of Directors and who holds office upto the date of this Annual General Meeting of the Company under Section 161(1) of the Companies Act, 2013 (the Act) but who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a Member proposing his candidature for the office of Director, be and is hereby appointed as non-executive non-independent Director of the Company liable to retire by rotation."

6. Extension of an appointment of Mr. Pramod Chaudhari as Executive Chairman of the Company and fixing of remuneration.

In this matter, to consider and if thought fit, to pass with or without modifications, the following Resolution as an Ordinary Resolution:

"RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203, read with rules framed thereunder and Schedule V and other applicable provisions (including any Statutory modifications or re-enactments thereof for the time being in force), if any, of the Companies Act, 2013, (hereinafter referred to as 'The Act'), the consent of the Company be and is hereby accorded to the extension of appointment of Mr. Pramod Chaudhari as Executive Chairman of the Company for a period of two years with effect from 1st August, 2015 on the same terms and conditions, including remuneration, as set out in the explanatory statement annexed to this notice.

RESOLVED FURTHER THAT in the event of any enhancement of the limits specified in Schedule V to the Act, the Board of Directors be and is hereby authorised to vary and/or upwardly revise the remuneration within such enhanced limits.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take all such steps as may be necessary, to give effect to the Resolution."

7. Re-appointment of Mr. Gajanan Nabar as CEO & MD of the Company and fixing of remuneration.

In this connection, to consider and if thought fit, to pass with or without modifications, the following Resolution as an Ordinary Resolution:

"RESOLVED THAT in accordance with the provisions of Sections 196, 197, and 203, read with rules framed thereunder and Schedule V and other applicable provisions (including any Statutory modifications or re-enactments thereof for the time being in force), if any, of the Companies Act, 2013 (hereinafter referred to as 'The Act'), the consent of the Company be and is hereby accorded to the re-appointment of Mr. Gajanan Nabar as CEO & MD of the Company for a period of three years with effect from 1st August, 2014 on such terms and conditions, including remuneration as set out in the explanatory statement attached to this notice.

RESOLVED FURTHER THAT in the event of any enhancement of the limits specified in Schedule V to the Act, the Board of Directors be and is hereby authorised to vary and/or upwardly revise the remuneration within such enhanced limits.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take all such steps as may be necessary, to give effect to the Resolution."

8. To approve the remuneration of Dhananjay V. Joshi & Associates, Cost Accountants, Pune as Cost Auditors for the financial year ending 31st March, 2016 and in this regard;

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions 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), Dhananjay V. Joshi & Associates, Cost Accountants, Pune appointed by the Board of Directors as Cost Auditors of the Company to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2016, be paid the remuneration as set out in the Statement annexed to the Notice convening this Meeting.

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."

By Order of the Board of Directors

Place: Pune

Date: 13th June, 2015

Dattatraya Nimbolkar

CFO & Company Secretary

Notes:

- a) A member entitled to attend and vote at the Annual General Meeting (the "Meeting") is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the Meeting. The Proxy-holder shall prove his identity at the time of attending the Meeting by producing a photo identity card such as PAN Card, Adhar Card, Passport or any other photo identity card issued by Government agency/office.
- A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- b) The business set out in the Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means.
- c) Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
- d) Brief resume of Directors including those proposed to be appointed/re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships/ chairmanships of Board Committees, shareholding and relationships between Directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.
- e) A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
- f) Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
- g) In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- h) Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, during business hours up to the date of the Meeting.
- i) (i) The Company has notified closure of Register of Members and Share Transfer Books from Friday, the 31st July, 2015 to Thursday, the, 6th August, 2015 (both days inclusive) for determining the names of members eligible for dividend on Equity Shares, if declared at the Meeting.
- (ii) The dividend on Equity Shares, if declared at the Meeting, will be credited/dispatched on or after 20th August, 2015 to those members whose names appear on the Company's Register of Members on 30th July, 2015; in respect of the shares held in dematerialised form, the dividend will be paid to members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on that date.
- j) Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrar and Transfer Agents, Link Intime India Private Limited ("Link") cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant by the members.
- k) Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company/Link.
- l) Pursuant to the provisions of Section 124(5) of the Companies Act, 2013, the Company has transferred the unpaid or unclaimed dividends (including interim dividends) as and when declared upto the financial year 2007-08 on due dates, to the Investor Education and Protection Fund (the IEPF) established by the Central Government. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 28th July, 2014 (date of last Annual General Meeting) on the website of the Company (www.praj.net), as also on the website of the Ministry of Corporate Affairs.

- m) Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to Link, for consolidation into a single folio.
- n) 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 their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company/Link.
- o) Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company.
- p) Non-Resident Indian Members are requested to inform Link, immediately of:
 - (i) Change in their residential status on return to India for permanent settlement.
 - (ii) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with PIN code number, if not furnished earlier.
- q) To further Company's environment friendly agenda and to participate in MCA's Green Initiative, members are requested to register / update their e-mail address with their Depository Participants. Members who are holding shares in physical form are requested to send their e-mail address at investorsfeedback@praj.net for updation.
- r) The notice of 29th Annual General Meeting and instructions for remote e-voting, alongwith the attendance slip and Proxy Form, is being sent by electronic mode to all members whose email addresses are registered with the Company/Depository participant(s) unless a member has requested for a hard copy of the same. For members who have not registered their e-mail addresses, physical copies of the aforesaid documents are being sent by the permitted mode.
- s) Members are requested to notify their queries, if any, on financial statements, etc. at least 48 hours before the time appointed for the meeting to facilitate the answering thereto.

By Order of the Board of Directors

Place: Pune
Date: 13th June, 2015

Dattatraya Nimbolkar
CFO & Company Secretary

Instructions and other information relating to e-voting are as under :

- i. Pursuant to provisions of section 108 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer remote e-voting facility to the members to cast their votes electronically on all resolutions set forth in the Notice convening the 29th Annual General Meeting to be held on Thursday, the 6th August, 2015, at 10.00 a.m. The Company has engaged the services of Central Depository Services Limited (CDSL) to provide the e-voting facility.
- ii. These details and instructions form an integral part of the Notice for the Annual General Meeting to be held on Thursday, the 6th August, 2015.
- iii. The remote e-voting facility will be available during the following voting period:

Commencement of remote e-voting	End of remote e-voting
3rd August, 2015 , 9.00 A.M. IST	5th August, 2015, 5.00 P.M. IST

During this period, shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. 30th July, 2015, may cast their vote electronically. The remote e-voting module shall be disabled by CDSL after voting period ends.

- iv. The e-voting facility can be availed by typing the link www.evotingindia.com in the internet browser.
- v. Click on the "shareholders" tab.
- vi. Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- vii. Next enter the Image Verification as displayed and Click on Login.
- viii. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- ix. If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN*	<ul style="list-style-type: none"> Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the sequence Number in the "PAN" field. In case the sequence No. number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. e.g. If your name is Ramesh Kumar with Sequence No.001 then enter RA000001 in the "PAN" field.
DOB	Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio respectively in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio respectively. Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member ID/folio number in the Dividend Bank details field.

- x. After entering these details appropriately, click on "SUBMIT" tab.
- xi. Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for remote e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- xii. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xiii. Click on the EVSN for the relevant <Company Name > on which you chose to vote.
- xiv. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xv. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xvi. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xvii. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xviii. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- xix. If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xx. Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
 - They should e-mail a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a Compliance user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.

Since the Company is required to provide members the facility to cast their vote by electronic means, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 30th July, 2015 and not casting their vote electronically, may only cast their vote at the Annual General Meeting.

Mr. Sunil Nanal, Partner KANJ & ASSOCIATES, Practicing Company Secretaries (Membership No. FCS 5977), has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

The Scrutinizer shall, after the conclusion of voting at the AGM, 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 favour or against, if any, to the Chairman of the Company, who shall countersign the same and declare the result of the voting forthwith.

The voting rights of shareholders shall be in proportion to their shares of the paid equity capital of the Company as on 30th July, 2015.

The results shall be declared on or after the AGM of the Company. The results declared alongwith the Scrutinizers' Report shall be placed on the Company's website www.praj.net and on the website of CDSL within two days of the passing of the resolutions at the 29th Annual General Meeting of the Company on 6th August, 2015, and communicated to the BSE Ltd. and National Stock Exchange of India Ltd within the prescribed period.

Any person who becomes a member of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date i.e. June 30, 2015, may obtain the User ID and password from the R & T Agents of the Company i.e. Link Intime India Private Limited. "Link" Members may call Link on 020-26160084 or may send email at bhagavant.sawant@linkintime.co.in.

By Order of the Board of Directors

Place: Pune
Date: 13th June, 2015

Dattatraya Nimbolkar
CFO & Company Secretary

STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013:-

The following Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

Item No. 5:

Mr. Daljit Mirchandani (DIN: 00022951) was appointed by the Board at its meeting held on 28.05.2015 as an additional director. The Board of Directors has received a notice from the shareholder proposing the candidature of Mr. Daljit Mirchandani as Non-Executive, Non-Independent Director to be appointed under the provisions of Section 149 and 152 of the Companies Act, 2013

He has graduated in Electrical Engineering in 1970 from the Birla Institute of Technology and has more than 45 years of experience in Engineering, Strategy management & other related fields.

During his professional career, he was associated with many renowned corporates like Kirloskar Group of Companies, Ingersoll-Rand (India) Ltd. He was also associated with Confederation of Indian Industries (CII).

At present he is on the Statutory and Advisory Boards of various Indian and Multinational Companies in the field of bio fuels, water treatment, infrastructure development, infrastructure finance, auto components and energy management.

The Company has received from Mr. Daljit Mirchandani;

- (i) Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014
- (ii) Intimation in Form DIR- 8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014 to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013 and

The Resolution seeks the approval of members for the appointment of Mr. Daljit Mirchandani as Non-Executive, Non-Independent Director liable to retire by rotation.

No Director or Key Managerial Personnel of the Company and/or their relatives, except Mr. Daljit Mirchandani in his personal capacity for whom the Resolution relates, is interested or concerned in the Resolution.

The Board commends the Ordinary Resolution set out at Item No. 5 of the Notice for approval by the shareholders.

Item No. 6:

The Company had entered into an agreement dated 20th July, 2012 with Mr. Pramod Chaudhari re-appointing him as Executive Chairman of the Company for a term of three years w.e.f. from 1st August, 2012.

On recommendation of Nomination & Remuneration Committee, the Board of Directors, in its meeting held on 28th May, 2015, subject to the approval of the members in the ensuing Annual General Meeting, has extended the term of the agreement without any change in other terms and conditions including remuneration w.e.f. 1st August, 2015 for a further period of two years.

The information relevant for considering the resolution is as under:

Praj Industries is an integrated process engineering and solutions provider for biofuels, brewery, water & wastewater and process equipment globally for the last thirty years. The Company's financial and export performance has been furnished in the enclosed audited accounts for the year ended on 31st March, 2015.

Mr. Pramod Chaudhari is a B.Tech in Mechanical Engineering from IIT, Bombay. He is Promoter and Founder Director of Praj Industries Limited. He has over 44 years experience in the industry, as a professional and an entrepreneur.

Broad terms of his appointment and remuneration are as follows –

The remuneration payable to Mr. Pramod Chaudhari, Executive Chairman shall be as under:-

I. Salary :

Basic Salary not exceeding ₹ 1,800,000/- per month.

II. Performance Bonus/Variable Pay :

In addition to salary and perquisites, Performance Bonus/Variable Pay as recommended by the Nomination & Remuneration Committee and as approved by the Board shall be paid to Mr. Pramod Chaudhari after considering the performance of the Company & Praj Group Companies and his individual performance.

III. Commission :

In addition to salary, perquisites and Performance Bonus/Variable Pay, Commission on profits shall be paid to Mr. Pramod Chaudhari depending upon the profitability of the Company and Praj Group Companies. The commission will be recommended by the Nomination & Remuneration Committee and will be approved by the Board after considering the performance of Company and Praj Group Companies within the overall limits approved by the members.

The total payments under the head Performance Bonus and Commission taken together shall not exceed 3% of consolidated profit before tax (subject to the overall limits prescribed under Section 197 (1) of the Companies Act, 2013) read with rules framed there under.

IV. Allowances/Perquisites :

In addition to the above, Mr. Pramod Chaudhari shall be entitled to the following allowances / perquisites which shall not exceed 125% of his basic salary:

- a) Fully furnished residential accommodation. Where no accommodation is provided by the Company, House Rent Allowance 50% of basic salary in lieu thereof shall be paid.
- b) Medical Allowance not exceeding 15% of basic salary per month.
- c) Leave Travel Assistance for self and family not exceeding 15% of basic salary per month.
- d) Other allowance not exceeding 45% of basic salary per month.
- e) Fees of clubs in India which will include admission and life membership fees.
- f) Personal accident insurance, premium whereof does not exceed ₹ 25,000/- per annum.
- g) The Company shall contribute ₹ 1,00,000 per annum to a recognized or statutory Superannuation Fund or Annuity Fund on behalf of Mr. Pramod Chaudhari.
- h) Annual Ex-gratia representing an amount of excess of 15% of Mr. Pramod Chaudhari's basic salary over ₹ 1,00,000/- as per (g) above
- i) A car with driver.
- j) Telephone, Computer, Fax and such other facilities at residence and also at a other office of Mr. Pramod Chaudhari.
- k) 30 days Leave for each year of service. The Leave can be accumulated as per Company Policy.
- l) Subject to any statutory ceiling/s, Mr. Pramod Chaudhari shall be entitled to such other allowances, perquisites, benefits and facilities as Nomination & Remuneration Committee from time to time may recommend and the Board of Directors approve.

"Family" for the above purpose means the spouse and dependent child of Mr. Pramod Chaudhari.

V. Computation of Ceiling :

The following shall not be included in the computation of perquisites for the purposes of the ceiling:

- i) Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax, 1961.
- ii) Gratuity at the rate not exceeding half a month's salary for each completed year of service, and
- iii) Encashment of leave at the end of the Term.
- iv) Items from (e), (f), (g), (i), (j), (k) and (l) of Allowances/Perquisites as mentioned in IV above.

However, the overall remuneration payable to Mr. Pramod Chaudhari shall be within the ceiling of Section 197(1) of the Companies Act, 2013 read with rules framed thereunder.

VI. Minimum Remuneration :

In the event of loss or inadequacy of profits in any financial year during the Term the payment of Salary, perquisites and other allowances shall stand reduced to the limit prescribed by Schedule V to the Companies Act, 2013, as amended from time to time, as minimum remuneration.

For the purpose of computation of minimum remuneration, the following shall not be included:

- i. Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- ii. Gratuity at the rate of half month's salary for each completed year of service, and
- iii. Encashment of leave at the end of Term.

His remuneration is in compliance with the requirements under Schedule V of the Companies Act, 2013.

Other Terms :

1. Mr. Pramod Chaudhari shall be entitled to reimbursement of Entertainment expenses and other expenses actually incurred in connection with the Company's business.
2. Mr. Pramod Chaudhari shall not, during the continuance of his employment or at any time thereafter divulge or disclose to any person whosoever or make any use for whatever purpose, of any confidential information or knowledge obtained by him during his employment as to the business or to the affairs of the Company or as to any trade secrets, processes of the Company and Mr. Pramod Chaudhari shall during the continuance of his employment hereunder also use his best endeavors to prevent any other person from doing so.
3. If before the expiration of this Agreement, the Term of office of Mr. Pramod Chaudhari is determined by any reason whatsoever, Mr. Pramod Chaudhari shall, subject to the provisions of Section 202 of the Companies Act, 2013 be entitled to by way of compensation for the loss of office an amount equivalent to the remuneration which he would have earned if he had been in office for the remainder of his term or 3 years whichever is shorter.
4. In case Mr. Pramod Chaudhari dies during the course of his employment, the Company shall pay to his spouse or next of kin such amount which shall be equivalent to the remuneration which he would have earned if he had been in office for 36 months after the date of his death and shall be calculated on the basis of the salary drawn by him at the time of his death.
5. Subject to the provisions of the Act, Mr. Pramod Chaudhari shall not, while he continues to hold office of the Executive Chairman, be subject to retirement by rotation of Directors and he shall not be reckoned as a Director for the purpose of determining the rotation for retirement of Directors or in fixing the number of Directors to retire, but he shall 'ipso facto' and immediately cease to be the Executive Chairman if he ceases to hold office of Director for any reason.

Brief resume of Mr. Pramod Chaudhari, nature of his expertise in specific functional areas, names of companies in which he holds directorships and memberships/chairmanships of Board Committees, shareholding and relationship between directors inter-seas stipulated under Clause 49 of Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.

Mr. Pramod Chaudhari is interested in the resolution set out at Item No. 6 of the Notice. The relatives of Mr. Pramod Chaudhari may be deemed to be interested in the resolution set out at Item No. 6 of the Notice, to the extent of their shareholding interest, if any, in the Company.

None of the Directors, other than Mr. Pramod Chaudhari and Ms. Parimal Chaudhari being spouse of Mr. Pramod Chaudhari, is in any way concerned or interested in the said resolution.

The Board commends the Resolution set out at Item No. 6 of the Notice for approval by the members.

Item No. 7:

The Company had entered into an agreement dated 15th November, 2010 with Mr. Gajanan Nabar appointing him as CEO & MD of the Company for a term of 44.5 months w.e.f. from 15th November, 2010.

Mr. Gajanan Nabar, was re-appointed, subject to the approval of the members in general meeting, as CEO & MD of the Company, for a period of 3 years with effect from 1st August, 2014 till 31st July, 2017. The approval of members is sought for the appointment of Mr. Nabar as the CEO & MD of the Company.

The information relevant for considering the resolution is as under:

Praj Industries is an integrated process engineering and solutions provider for biofuels, brewery, water & wastewater and process equipment globally for the last thirty years. The Company's financial and export performance has been given in the enclosed audited accounts for the year ended on 31st March, 2015.

Gajanan Nabar has over 24 years of multi functional management experience. He holds Masters Degree in Organic Chemistry and Master in Management from Bombay University. He was conferred a diploma by Plastic and Rubber Institute, London and has successfully completed the Executive Development Program of Wharton Management School in the year 2000.

Broad terms of his appointment and remuneration are as follows –

While approving the remuneration, the Company has complied with the requirements under Schedule V of the Companies Act, 2013.

The remuneration payable to Mr. Gajanan Nabar, CEO & MD shall be as under:-

1. Annual Remuneration

(a) Salary :

Mr. Gajanan Nabar will be placed in the salary grade of ₹ 7.50 Lacs to ₹ 9.00 Lacs per month with a starting salary of ₹ 7.50 Lacs (Rupees Seven Lacs Fifty Thousand only) per month. The salary will be revised subject to his annual performance.

(b) Performance/Variable Pay :

Mr. Gajanan Nabar shall be entitled to Performance/variable pay up to 40% of CTC [basic salary + 150% of the basic salary towards cost of perquisites as defined in (d) below] per year. Modalities for Performance/Variable pay and computation thereof shall be recommended by the Chairman to the Committee and the Board.

(c) Commission :

In addition to salary, performance/variable pay, Commission up to 0.35% of Profit After Tax (PAT) as per Audited Consolidated Accounts of the Company shall be paid to Mr. Gajanan Nabar.

The quantum of commission will be recommended by the Nomination and Remuneration Committee in consultation with the Chairman and approved by the Board within the overall limits approved by the shareholders.

(d) Perquisites :

The following perquisites shall be allowed in addition to above so however that the total cost of perquisites to the Company shall not exceed 150% of basic salary as mentioned in (a) above:

(i) House Rent Allowance/Rent Free Accommodation

House Rent Allowance equivalent to 60% of basic salary given in para (a) above, or alternatively the Company shall provide Mr. Gajanan Nabar rent free unfurnished residential accommodation, provided that the rent of such accommodation that is borne by the Company shall not exceed 60% of the basic salary given in para (a) above.

(ii) Medical Reimbursement

Medical expenses incurred for Mr. Gajanan Nabar and his family subject to the ceiling of 10.50% of basic salary as per para (a) above in a year shall be allowed to be reimbursed on the production of bills or a written undertaking regarding the actual incurring of such expenditure.

(iii) Leave Travel Concession

Reimbursement of expenses incurred by Mr. Gajanan Nabar or his family for proceeding on leave to any destination in India once in a year shall be allowed. The expenses to be reimbursed may be in the nature of traveling, lodging, boarding and other incidentals. The said reimbursement shall be subject to a ceiling of one month's basic salary as per para (a) above.

(iv) Leave and Leave Encashment

Mr. Gajanan Nabar shall be entitled to 30 days leave for each year of service. The leave can be accumulated upto 90 days and can be encashed beyond accumulation over 90 days.

(v) Housing Expenses

Mr. Gajanan Nabar shall be reimbursed for all expenses incurred on watchman's salary, gardener's salary and other domestic assistance at his residence subject to a ceiling of 40% of basic salary given in para (a) above.

(vi) Provident Fund

The Company shall contribute to a statutory or recognised provident fund on behalf of Mr. Gajanan Nabar to the extent that such contribution is not taxable in the hands of Mr. Gajanan Nabar under the provisions of Income Tax Act, 1961 as subsisting from time to time. Presently it is 12% of basic salary.

(vii) Superannuation

The Company shall contribute ₹ 1, 00,000 (Rupees One Lac only) per annum to a recognized or statutory superannuation fund or annuity fund on behalf of Mr. Gajanan Nabar.

An amount representing excess of 15% of Mr. Gajanan Nabar's basic salary over ₹ 1,00,000/- should be paid to him as an ex-gratia on an annual basis.

(viii) Gratuity

Gratuity shall be payable to Mr. Gajanan Nabar on the termination of this Agreement in the event of his resignation or his death @ half month's basic salary for each completed year of service and as per prevailing rules.

For the purposes of the perquisites mentioned at Clause (i) to (viii) above the term "family" means spouse, dependent children and dependent parents of Mr. Gajanan Nabar.

(e) Other Benefits :

(i) Club Fees

Membership fees of a maximum of two clubs in India shall be allowed to be reimbursed to Mr. Gajanan Nabar in respect of his personal membership. No admission fees and life membership fees shall be reimbursed. Fees for obtaining credit cards are not covered by this clause.

(ii) Personal Accident Insurance

Insurance premium not exceeding ₹ 25,000/- per annum for insuring accidental risks of Mr. Gajanan Nabar shall be reimbursed to him.

(iii) Car, Driver and Telephone

The Company shall provide chauffeur driven car for official and local personal purposes. The Company shall provide and pay for all running, maintenance, repairs and upkeep expenses.

The Company shall reimburse all telephone expenses incurred on the telephone at the residence of Mr. Gajanan Nabar. Personal long distance calls on telephone shall be billed by the Company to and recovered from Mr. Gajanan Nabar.

(iv) Miscellaneous Household Reimbursement:

Mr. Gajanan Nabar shall be reimbursed electricity, water and municipal taxes on actual basis.

(v) Reimbursement of expenses and credit cards

Mr. Gajanan Nabar shall be reimbursed at actuals all travelling, entertainment and other out of pocket expenses actually incurred by him while conducting and in connection with or for the business of the Company. This shall not constitute his remuneration.

Mr. Gajanan Nabar's international travel shall be by Business Class and domestic travel by Economy Class.

The Company shall procure at its own cost two domestic and two international credit cards in the personal name of Mr. Gajanan Nabar and shall reimburse him for all expenses incurred by him through such credit cards for and while conducting and in connection with the business of the Company. Such facility and reimbursement shall not constitute his remuneration.

(vi) Mr. Gajanan Nabar shall not be entitled for any other incentives which may be granted to other employees of the Company from time to time.

(vii) Advance Salary

The Company shall allow Mr. Gajanan Nabar to draw salary as given in para (a) above in advance for a maximum 3 months at a time and for a longer period if authorised by a specific resolution of the Board.

It is clarified that Mr. Gajanan Nabar's total remuneration during the term of this agreement shall be subject to the overall ceilings prescribed under Section 197 of the Companies Act, 2013 read with rules made thereunder and schedule V to the Companies Act, 2013 as stands amended from time to time:

2. Inadequacy of Absence of Profits

If the Company has no profits or its profits are inadequate, the Company may pay Mr. Gajanan Nabar by way of salary, perquisites and other allowances, not exceeding the amount based on the effective capital of the Company, subject to the overall ceiling limit prescribed under Part II of Schedule V to the Companies Act, 2013.

3. Sitting Fees

Mr. Gajanan Nabar shall not be paid any remuneration for attending any of the meetings of the Board of the Company.

4. Sweat Equity

The existing grants of Mr. Gajanan Nabar as were agreed upon Mr. Gajanan Nabar and Praj Industries Ltd. vide agreement dated 15th November, 2010 shall remain in force and shall continue as per the terms of clause No.11 of the said agreement, which, for the sake of clarity is reproduced below;

"At the commencement of the Term, Nabar shall be granted by way of sweat equity a grant of 1,250,000 (One Million Two Hundred Fifty Thousand) equity shares of the Company of the face value of ₹ 2/- each ('Shares'). The Options shall vest in Mr. Gajanan Nabar in five equal annual installments commencing 1st August, 2012. The grant shall be at the listed price of the Shares on the National Stock Exchange on the date of Mr. Gajanan Nabar joining the services of the Company ('Price'). Upon the date of which vesting Mr. Gajanan Nabar shall be entitled to be allotted the Shares in the manner above and upon Mr. Gajanan Nabar tendering the Price to the Company. It is clarified that Mr. Gajanan Nabar shall alone bear income-tax, if any, on the date of exercise of the Options and Mr. Gajanan Nabar shall obtain independent tax advice, if he so desires. This grant shall be subject to the usual terms and conditions under any Employees Stock Option Plan or Scheme of the Company."

Accordingly Mr. Gajanan Nabar is granted Sweat Equity option at ₹ 72.50 per Equity Share which was the price prevailing on 15th November 2010, the date of Mr. Gajanan Nabar joining the services of the Company.

Details of Supplementary agreement 4th February, 2015 for grant of 250,000 ESOPS under Praj ESOP, 2011:

Grant of options under Praj ESOP 2011 shall be as under:

- a) Mr. Gajanan Nabar shall be granted 2,50,000 (Two Hundred and Fifty Thousand) options under Praj ESOP 2011
- b) The Options shall vest in him in two equal annual installments viz. on 1st July, 2016 and on 1st July, 2017.
 In case the original agreement gets extended, beyond 31st July, 2017, the vested options can be exercised within a period of one year from the date of vesting.
 In case the original agreement is terminated, the vested options will have to be exercised within a period of 60 days from the date of termination of the agreement. In case the options are not exercised within the said period, they shall lapse immediately on the expiry of aforesaid period without any obligation, whatsoever on the Company.
- c) The grant shall be at the exercise price of ₹ 55.75 per option. Upon the date of which vesting, Mr. Gajanan Nabar shall be entitled to be allotted the Shares in the manner above and upon Mr. Gajanan Nabar tendering the Price to the Company.
- d) It is clarified that Mr. Gajanan Nabar shall alone bear income-tax, if any, on the date of exercise of the Options and Mr. Gajanan Nabar shall obtain independent tax advice, if he so desires.
- e) This grant shall be subject to the terms and conditions of Employee Stock Option Plan 2011 of the Company.

Brief resume of Mr. Gajanan Nabar, nature of his expertise in specific functional areas, names of companies in which he holds directorships and memberships/chairmanships of Board Committees, shareholding and relationship between directors inter-se as stipulated under Clause 49 of Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.

Mr. Gajanan Nabar is interested in the resolution set out at Item No. 7 of the Notice. The relatives of Mr. Gajanan Nabar may be deemed to be interested in the resolution set out at Item No. 7 of the Notice, to the extent of their shareholding interest, if any, in the Company.

No Director or Key Managerial Personnel of the Company and/or their relatives, except Mr. Gajanan Nabar in his personal capacity for whom the Resolution relates, is interested or concerned in the Resolution.

The Board commends the Resolution set out at Item No. 7 of the Notice for approval by the members.

Item No. 8:

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of Dhananjay V. Joshi & Associates, Cost Accountants, Pune, the Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2016 for a total remuneration of ₹ 2,75,000/- as Audit fees plus out of pocket expenses at actual on submission of supporting bills.

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 approved by the shareholders of the Company.

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

Place: Pune
Date: 13th June, 2015

By Order of the Board of Directors

Dattatraya Nimbolkar
CFO & Company Secretary