

Binani

BRAJ BINANI GROUP

BINANI INDUSTRIES LIMITED

(CIN: L24117WB1962PLC025584)

Registered Office: 37/2, Chinar Park, New Town, Rajarhat Main Road, P.O.Hatiara, Kolkata - 700 157. **Tel.:** 033-3262 6795/96

Corporate Office: Mercantile Chambers, 12, J. N. Heredia Marg, Ballard Estate, Mumbai - 400 001. **Tel.:** 022-3026 3000/01/02 • **Website:** www.binaniindustries.com

Postal Ballot Notice

[Pursuant to Section 110 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014]

Dear Member(s),

Notice is hereby given, pursuant to the provisions of Section 110 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force), and other applicable laws and regulations, that the Resolutions appended below, in relation to the variation in Terms of Contract of Mr. Sushil Bhatte, Manager of the Company, is proposed to be passed by the Members through Postal Ballot Process.

In compliance with Sections 108, 110 and other applicable provisions of Companies Act, 2013, read with Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide facility to the Members to exercise their vote through electronic-voting (e-voting).

The proposed Resolution, along with the explanatory statement, setting out the material facts and reasons thereto, are appended below and a Postal Ballot Form is enclosed for your consideration.

The Board of Directors of the Company has appointed Mr. Mohammed Aabid of M/s Aabid & Co., Company Secretaries, as the Scrutinizer for conducting the Postal Ballot and e-voting process in a fair and transparent manner.

Members, desiring to exercise their vote by Postal Ballot, are requested to carefully read the instructions printed in the Postal Ballot Form and return the same duly completed so as to reach the Scrutinizer not later than 5.00 p.m. (IST) on Monday, 22nd June, 2015.

Members desiring to opt for e-voting as per the facilities arranged by the Company, are requested to read the instructions in the Notes under the section 'Voting through electronic means' appended to this Notice.

The Scrutinizer will submit his Report to the Chairman or any other Director of the Company after the completion of the scrutiny of the Postal Ballots (including e-voting). The result of Postal Ballots (including e-voting) shall be declared on Tuesday, 23rd June, 2015 at 11 a.m. (IST) at the Corporate Office of the Company situated at Mercantile Chambers, 12, J.N. Heredia Marg, Ballard Estate, Mumbai – 400 001. The aforesaid Results shall be intimated to the Stock Exchanges where the Company's shares are listed and also would be displayed on the Company's website at www.binaniindustries.com.

DRAFT RESOLUTION

To consider and approve variation in the terms of contract of Mr. Sushil Bhatte, 'Manager' of the Company.

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

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and subject to the approval of the Central Government and such other approvals/permissions, as may be required, the consent of the Company be and is hereby accorded to the variation in the terms of Contract dated 18th June, 2014 entered into between the Company and Mr. Sushil Bhatte, 'Manager' of the Company as per the details enumerated in the Explanatory Statement annexed hereto;

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to take such steps, as may be necessary for obtaining approvals (whether statutory, contractual or otherwise), in relation to the above and to settle all matters arising out of and incidental thereto, and to sign and execute all deeds, applications, documents and writings that may be required and to do all such acts, deeds, matters and things, as it may in its absolute discretion, deem fit, necessary or appropriate, on behalf of the Company for the purpose of giving effect to the aforesaid Resolution."

By Order of the Board
For **Binani Industries Limited**

K. K. Saraf
President & Company Secretary

Mumbai,
May 11, 2015

Note:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, stating all material facts and the reasons for the proposal set out above, is annexed hereto.
2. The Board has appointed Mr. Mohammed Aabid of M/s Aabid & Co., Company Secretaries, as the Scrutinizer for conducting the postal ballot / e-voting process in a fair and transparent manner.
3. The Postal Ballot Notice is being sent to the Members whose names appear on the Register of Members / List of Beneficial Owners as received from the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as on the close of business hours on May 15, 2015. Accordingly, the Members whose names appear on the Register of Members / List of Beneficial Owners (received from the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as on May 15, 2015 ("cut-off date") will be considered for the purpose of voting.
4. Voting rights shall be reckoned on the paid-up value of Equity Shares registered in the name of the Members as on the cut-off date i.e. May 15, 2015.
5. The dispatch of the Postal Ballot Notice and the Explanatory Statement shall be announced through an advertisement in at least 1 (one) English newspaper and at least 1 (one) Bengali newspaper, each with wide circulation in Kolkata, where the registered office of the Company is situated.
6. In accordance with the provisions of Section 110 and other applicable provisions of the Companies Act, 2013, read with Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014, the Postal Ballot Notice is being sent by email to those Members who have registered their email addresses with their Depository Participants (in case of shares held in demat form) or with the Company's Registrar and Share Transfer Agents (in case of shares held in physical form). For Members whose email IDs are not registered, physical copies of the Postal Ballot Notice are being sent by permitted mode (i.e. through registered or speed post or through courier), along with a postage-prepaid self-addressed Business Reply Envelope.
7. In compliance with Sections 108, 110 and other applicable provisions of the Companies Act, 2013, read with Rules framed there under, the Company is pleased to provide e-voting facility to all its Members, to enable them to cast their votes electronically instead of dispatching the physical Postal Ballot Form by post. The Company has engaged the services of CDSL for the purpose of providing e-voting facility to all its Members. Please note that e-voting is an alternate mode to cast votes and is optional.
8. Members can opt for only one mode of voting, i.e., either by physical ballot or e-voting. In case Members cast their votes through both the modes, voting done by e-voting shall prevail and votes cast through physical postal ballot forms will be treated as invalid. The instructions for electronic voting are annexed to this Notice.
9. In case a Member is desirous of obtaining a printed Postal Ballot Form or a duplicate, he or she may send an e-mail to rnt.helpdesk@linkintime.co.in. The Registrar and Transfer Agents of the Company shall forward the same along with postage pre-paid self-addressed Business Reply Envelope to the Member.
10. A Member cannot exercise his / her vote through proxy on Postal Ballot.
11. Members desiring to exercise their vote by physical Postal Ballot, are requested to carefully read the instructions printed in the Postal Ballot Form and return the Form duly completed and signed, in the enclosed self-addressed Business Reply Envelope to the Scrutinizer, so that it reaches the Scrutinizer not later than close of working hours i.e. 5.00 p.m. (IST) on Monday, June 22, 2015. The postage will be borne by the Company. However, envelopes containing Postal Ballots, if sent by courier or registered / speed post at the expense of the Members, will also be accepted. The Postal Ballot Form(s) may also be deposited personally at the address given on the self-addressed Business Reply Envelope.
12. The duly completed Postal Ballot Form(s) should reach the Scrutinizer not later than 5.00 p.m. (IST) on Monday, June 22, 2015 to be eligible for being considered, failing which, it will be strictly considered that no reply has been received from the Member.
13. The Postal Ballot Notice shall be uploaded on the Company's website viz., www.binaniindustries.com and on the website of CDSL viz., www.evotingindia.com.
14. In case of joint-holding, the Postal Ballot Form must be completed and signed (as per the specimen signature registered with the Company) by the first named Member and in his / her absence, by the next named Member.
15. Unsigned, incomplete, improperly or incorrectly ticked Postal Ballot Forms shall be treated as invalid.

16. The Scrutinizer will submit his report to the Chairman or any other Director of the Company, after the completion of scrutiny of the Postal Ballots (including e-voting). The result of the Postal Ballot Process will be announced by the Chairman or the Director the Company, on Tuesday, June 23, 2015 at 11.00 a.m. at the Corporate Office of the Company and will be intimated to the Stock exchanges where the shares of the Company are listed and will also be displayed on the website of the Company viz., www.binaniindustries.com.
17. Resolutions passed by the Members through Postal Ballots shall be deemed to have been passed as if they have been passed at a General Meeting of the Members.
18. The date of declaration of results of the Postal Ballot shall be the date on which the Resolution would be deemed to have been passed, if passed by the requisite majority.
19. All the material documents referred to in the Explanatory Statement, shall be available for inspection at the Registered Office of the Company during office hours on all working days from the date of dispatch of the Notice till Monday, June 22, 2015.

The instructions for the Shareholders voting electronically, are as under:

- (i) The voting period begins on May 23, 2015 from 10.00 a.m. and ends on June 22, 2015 at 5.00 p.m. 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. May 15, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The Shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) 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.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) 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.
- (vii) If you are a first time user follow the steps given below:

Fill up the following details in the appropriate boxes

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • 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 8 digits of the sequence number in the PAN field. • In case the sequence 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. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the Company's records for the said demat account or folio 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. <ul style="list-style-type: none"> • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or the Company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach 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 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.

- (x) For Members holding shares in physical form, the details can be used only for e-voting on the Resolution contained in this Notice.
- (xi) Click on the EVSN for BINANI INDUSTRIES LIMITED.
- (xii) 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.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) 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.
- (xv) Once you “CONFIRM” your vote on the Resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Non – Individual Shareholders and Custodians
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for 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.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) 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.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013

Mr. Sushil Bhatte was appointed as ‘Manager’ of the Company effective 1st June, 2014, for a period of 3 years i.e. upto 31st May, 2017 pursuant to the provisions of Sections 196, 203 and other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Since Mr. Sushil Bhatte also held the position of Managing Director of Binani Zinc Limited (“BZL”), a subsidiary of the Company and was paid remuneration by BZL, Mr. Bhatte was not entitled to any remuneration from the Company. The Shareholders of the Company at the Annual General Meeting held on 29th September, 2014 had approved the terms and conditions of appointment of Mr. Bhatte.

Over the last few months, the Group has undertaken various restructuring exercises which inter alia included streamlining the human resources within the Group Companies. Consequently, upon attaining the age of 58 years, Mr. Bhatte opted for retirement as Managing Director of BZL at the close of working hours on 31st March, 2015.

Considering the vast experience of Mr. Sushil Bhatte over the last 37 years in diverse businesses, the Nomination & Remuneration Committee and the Board of Directors of the Company, at their respective meetings held on 30th March, 2015, subject to the approval of the Shareholders of the Company and the Central Government, proposed the

following variations effective 1st April, 2015 in the terms of Contract dated 18th June, 2014 entered into between the Company and Mr. Sushil Bhatte:

1. The tenure of appointment shall be up to 31st March, 2017 instead of upto 31st May, 2017.
2. Mr. Sushil Bhatte shall be paid the following Remuneration including perquisites:
 - a. Salary : Rs. 7,00,000/- (Rupees Seven Lacs only) per month.
 - b. Perquisites:

i.	Car	:	Mr. Bhatte will be provided a Company maintained car with all expenses to be incurred by the Company as per the current policy of the Company. In the event, car is not provided by the Company, Mr. Bhatte shall be entitled to the reimbursement of expenses incurred on the car up to Rs.1,00,000/- (Rupees One Lac only) per month.
ii.	Insurance	:	Mr. Bhatte shall be entitled to the coverage under Personal Accident Insurance, Group Medclaim and Group Term Life Insurance Policy as per the Rules applicable to 'MA' Grade of the Company.
iii.	Leave	:	Leave with full salary as per the Rules of the Company but not exceeding 30 days of privilege leave and 11 days of casual leave for every completed year of service. Leave accrued but not availed of, may be encashed as per the Rules of the Company. Encashment of leave at the end of tenure will not be treated as perquisites.
iv	Telephone	:	Mr. Bhatte shall be entitled to the reimbursement of expenses incurred on telephones at the residence. Personal calls shall however, be paid by Mr. Bhatte.

3. Mr. Sushil Bhatte shall be entitled to reimbursement of travelling expenses for undertaking travel outside Mumbai for business purpose, as per the Travel Rules of the Company.
4. Mr. Sushil Bhatte shall also be entitled to reimbursement of entertainment expenses at actuals, incurred in connection with the Company's business.
5. The Contract can be terminated with written notice of one month from either side.

The Members may also note that upon nomination by the Board of Directors of the Company, Mr. Sushil Bhatte has been appointed as Managing Director of BZL by the Board of Directors of BZL effective 1st April, 2015 without any remuneration.

The remuneration proposed to be paid by the Company, as mentioned hereinabove, are reasonable and much lower compared to that paid by the peers in the Industry to the level of CEOs/Managing Directors/Managers. Moreover, Mr. Sushil Bhatte has been drawing higher remuneration in his capacity as Managing Director of BZL prior to his retirement on 31st March, 2015.

Since the remuneration proposed is in excess of limits specified in Schedule V of the Companies Act, 2013, the same shall be subject to the approval of the Members of the Company and also of the Central Government. Therefore, approval of the Members is being sought to the variation in the terms of contract of Mr. Sushil Bhatte as aforesaid. The information and disclosures, as required under Section II (B) of Part II of Schedule V of the Companies Act, 2013, are given below:

I. General Information:

(1) Nature of industry

The Company is a Holding Company and engaged in making investments and granting loans and issuing corporate guarantees for its subsidiaries. The Company has also licensed its Brand and Logo etc. to its major subsidiaries for their use.

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

Not Applicable

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

Not Applicable

(4) Financial performance based on given indicators

Rs. in Lacs

Financial Parameters	2013-14	2012-13	2011-12
Total Revenue	13,264.06	18,734.19	19,004.05
Total Expenses (Net)	11,177.12	21,233.35	20,563.52
Depreciation & Amortisation	126.70	119.17	64.63
Profit/(Loss) Before Tax	1,960.24	1,493.54	2,002.60
Profit/(Loss) after Tax	1,960.24	1,238.34	1,368.18

(5) Foreign investments or collaborations, if any.

None

II Information about the Appointee:

(1) Background details

Mr. Sushil Bhatler, aged about 58 years, is B.E (Hons) Chemical from Birla Institute of Technology & Science, Pilani. He has wide experience of over 37 years in diversified businesses in the domain of projects, operations, administration, strategy and planning culminating in executive positions of Managing Director and Corporate Director.

Mr. Bhatler has been associated with the Braj Binani Group since 1980. Mr. Bhatler has held position of Business Head – Metallurgy with the Company, and as Managing Director of Binani Zinc Limited for a brief period from 1st January, 2011 to 22nd October, 2011 and then again for the period 1st February, 2013 to 31st March, 2015. During his association with the Group, Mr. Bhatler successfully implemented expansion of capacity of Zinc Smelter to 38,000 tons per annum ('TPA'). Earlier, he also handled the setting-up of Glass Fibre Project at Colvale, Bardez, Goa.

(2) Past remuneration : Last 3 years

(Rs. in Lacs)

2014-15**	2013-14**	2012-13*
110.70	177.47	123.40

* includes the remuneration from Binani industries Limited and Binani Zinc Limited, prior to his appointment as Managing Director of Binani Zinc Limited effective 1st February, 2013, he was Sr. Executive Director in Binani Industries Limited.

** Remuneration received from Binani Zinc Limited.

(3) Recognition & rewards : NIL

(4) Job Profile & his suitability:

Mr. Sushil Bhatler, as a 'Manager' of the Company appointed under the provisions of Section 203 of the Companies Act, 2013, shall be responsible for the day to day affairs of the Company subject to the supervision and control of the Board of Directors of the Company.

Mr. Bhatler is a professional PAR EXCELLENCE having vast experience in operations and strategic management, in managing and building businesses including start-ups and new verticals and spearheading expansion and development in the companies, he had worked with. Mr. Bhatler has also handled joint ventures and acquisitions. He is a strong leader having skills in managing companies in a rapidly changing environment with a focused approach. His major strengths have been providing business leadership with a strong emphasis on development of resources through delegation and control.

(5) Remuneration proposed

1. The tenure of appointment shall be up to 31st March, 2017 instead of upto 31st May, 2017.
2. Mr. Sushil Bhatler shall be paid the following Remuneration including perquisites:
 - a. Salary : Rs. 7,00,000/- (Rupees Seven Lacs only) per month.

b. Perquisites:

i	Car	:	Mr. Bhattar will be provided a Company maintained car with all expenses to be incurred by the Company as per the current policy of the Company. In the event car is not provided by the Company, Mr. Bhattar shall be entitled to the reimbursement of expenses incurred on the car upto Rs.1,00,000/- (Rupees One Lac only) per month.
ii	Insurance	:	Mr. Bhattar shall be entitled to the coverage under Personal Accident Insurance, Group Mediclaim and Group Term Life Insurance Policy as per the Rules applicable to 'MA' Grade of the Company.
iii.	Leave	:	Leave with full salary as per the Rules of the Company but not exceeding 30 days of privilege leave and 11 days of casual leave for every completed year of service. Leave accrued but not availed of, may be encashed as per the Rules of the Company. Encashment of leave at the end of tenure will not be treated as perquisites.
iv	Telephone	:	Mr. Bhattar shall be entitled to the reimbursement of expenses incurred on telephones at the residence. Personal calls shall however be paid by Mr. Bhattar.

3. Mr. Sushil Bhattar shall be entitled to reimbursement of travelling expenses for undertaking travel outside Mumbai for business purpose, as per the Travel Rules of the Company.
4. Mr. Sushil Bhattar shall also be entitled to reimbursement of entertainment expenses at actuals, incurred in connection with the Company's business.
5. The Contract can be terminated with written notice of one month from either side.

(6) Comparative remuneration profile with respect to the Industry, size of the Company, profile of the position

Considering Mr. Bhattar's long experience and qualification, the remuneration proposed is much lower than that paid by the companies to its Senior Executives in the Industry and also lower than that drawn by him earlier in Binani Zinc Limited. The remuneration proposed is lower considering his vast experience, professional qualification and technical & managerial competency.

(7) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any

NIL

III. Other information:

(1) Reason of loss or inadequate profits

The Company earns revenue by way of interest and dividend from its subsidiaries. In view of the set-back in the performance of subsidiaries, the Company's revenue line was affected during the last two financial years. Although, the Company made profits during these years, the same is inadequate.

(2) Steps taken or proposed to be taken for improvement

Over the last 12 months, the Group has undertaken various restructuring exercises across the companies which inter alia include realigning the human resources. These will enable significant reduction in overheads of the Company, going forward and will facilitate the Company earning higher profits. Further, various steps have also been taken by the Company's major operating subsidiaries to enhance operating efficiencies with ultimate objectives of earning higher profits.

(3) Expected increase in productivity and profits in measurable terms

As mentioned hereinabove, performance of the Company being a Holding Company, will depend on the performance and the profitability of its subsidiary companies. With various corrective actions taken/planned to be taken, it is expected that the Company would be able to report improved profits in the coming years.

The Board recommends the Special Resolution for approval of the Members of the Company.

Except Mr. Sushil Bhattar, none of Directors, Key Managerial Personnel or their relatives, is concerned or interested in the Resolution.

A draft of the Supplementary Contract incorporating the aforesaid variation in terms of contract shall be available for inspection by Members of the Company on any working day between 11.00 a.m. and 1 p.m. up to 22nd June, 2015 at the Registered Office of the Company.

By Order of the Board
For **Binani Industries Limited**

K.K. Saraf
President & Company Secretary

Mumbai,
11th May, 2015