

Notice

Notice is hereby given that the Thirty First Annual General Meeting of **PRAJ INDUSTRIES LIMITED** will be held on Friday, **the 11th August, 2017 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, 2017 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, 2017 together with the report of the Auditors thereon.
2. To declare Dividend on Equity Shares.
3. To appoint a Director in place of Mr. Daljit Mirchandani (DIN: 00022951) who retires by rotation and being eligible, offers himself for re-appointment.

In this matter, to consider and if thought fit, to pass the following resolution as Ordinary Resolution;

"RESOLVED THAT Mr. Daljit Mirchandani (DIN: 00022951), 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."

SPECIAL BUSINESS

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

"RESOLVED THAT pursuant to the provisions of Sections 139 and 142 and other applicable provisions, if any, of the Companies Act, 2013, and the applicable rules made thereunder (including any statutory modification(s) for the time being in force), the Company hereby ratifies the appointment of M/s P.G. Bhagwat, Chartered Accountants, Pune (Firm Registration No. 101118W) as the Statutory Auditors of the Company to hold the office from the conclusion of this Annual General Meeting till the conclusion of the 32nd Annual General Meeting of the Company to be held in the year 2018 on such remuneration as may be determined by the Board of Directors and reimbursement of out-of-pocket expenses incurred, plus applicable indirect taxes, if any."
5. To ratify the remuneration of Dhananjay V. Joshi & Associates, Cost Accountants, Pune as Cost Auditors for the financial year ending 31st March, 2018 and in this regard; to consider and if thought fit, to pass 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), the Company hereby ratifies the remuneration of ₹ 2,75,000/- as Audit fees plus out of pocket expenses at actuals plus applicable indirect taxes, if any, on submission of supporting bills payable to Dhananjay V. Joshi & Associates, Cost Accountants, Pune who have been 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, 2018."
6. Appointment of Mr. Sachin Raole (DIN: 00431438) as Director.

In this matter, to consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:-

"RESOLVED that Mr. Sachin Raole (DIN: 00431438), who was appointed as an Additional Director of the Company with effect from 16th January, 2017 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 Director of the Company liable to retire by rotation."

7. Appointment of Mr. Sachin Raole (DIN: 00431438) as Whole Time Director.

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

"RESOLVED THAT in accordance with the provisions of Sections 196, 197 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), read with Schedule V to the Act or any statutory modification(s) or re-enactment thereof, consent of the Company be and is hereby accorded to the appointment of Mr. Sachin Raole (DIN: 00431438) as Whole Time Director of the Company, for a period with effect from 16th January, 2017 till 31st July, 2019 on the terms and conditions including remuneration as set out in the Explanatory Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any Committee of the Board constituted to exercise its

powers, including the powers conferred by this Resolution) to alter and vary the terms and conditions and/or remuneration, subject to the same not exceeding the limits specified under Schedule V to the Act or any statutory modification(s) or re-enactment thereof.

FURTHER RESOLVED THAT the Board be and is hereby authorised to take all such steps as may be necessary, proper or expedient to give effect to this Resolution."

8. Extension of an appointment of Mr. Pramod Chaudhari (DIN : 00196415) as Executive Chairman of the Company and fixing of remuneration.

In this matter, to consider and if thought fit, to pass the following Resolution as 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, 2017 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 this Resolution."

By Order of the Board of Directors

Dattatraya Nimbolkar
Chief Internal Auditor &
Company Secretary

Place: Mumbai

Date: 30th June, 2017

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.**

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. Proxy is not entitled to vote at a meeting if the member appointing the proxy votes on e-voting platform made available by the Company.

- 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 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 Regulation 36 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, are as follows:

Name of Director and (DIN)	Date of Birth (No. of Equity Shares held)	Qualification (Relationship with other Directors)	Nature of Expertise	Name of Companies in which he/she holds Directorship*	Name of Committees of the Companies of which he/she holds Chairmanship/ Membership**
Mr. Daljit Mirchandani (00022951)	26/10/1947 (1,200)	Electrical Engineer (Not related with any Director/KMP of the Company)	Mr. Daljit Mirchandani has more than 47 years of experience in Engineering, Strategy management & other related fields.	1. Praj Industries Limited 2. Mahindra CIE Automotive Limited 3. Skill Training Assessment Management Partners Limited	Mahindra CIE Automotive Limited -Audit Committee (Chairman) -Stakeholders' Relationship Committee (Member)
Mr. Sachin Raole (00431438)	29.08.1970 (Nil)	B.Com, CA, CMA (Not related with any Director/KMP of the Company)	Mr. Sachin Raole is a Chartered Accountant and Cost Accountant with twenty two years of experience in varied fields of finance and accounts. He has worked in the areas of divestment, mergers & acquisitions, financial restructuring, treasury, accounts and taxation. He has very rich experience in the wide spectrum of finance across industries; manufacturing, project, financial services and pharmaceutical. Additionally he also has an experience in heading Human Resources, materials, IT, legal & secretarial.	Praj Industries Limited	Praj Industries Limited -Audit Committee (Member) -Stakeholders' Relationship Committee (Member)
Mr. Pramod Chaudhari (00196415)	26/11/1949 (38,700,000)	Mechanical Engineer from IIT, Bombay (Mr. Pramod Chaudhari is spouse of Ms. Parimal Chaudhari, Director)	Mr. Pramod Chaudhari's career spans over 46 years of professional and entrepreneurial endeavor. He established Praj in 1985. Since then he has built PRAJ into a global Company.	1. Praj Industries Limited 2. Praj HiPurity Systems Limited 3. Nichrome India Limited	Nil

*Directorship includes Directorship in Indian Public Companies including Praj Industries Limited.

** Memberships / Chairmanship of only Audit Committee and Stakeholders' Relationship Committee have been considered for this purpose.

- 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/Proxies attending the meeting, are requested to submit the attendance slip at the venue of 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, (Saturdays and Sundays are weekly offs), 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 4th August, 2017 to Friday, the, 11th August, 2017 (both days inclusive) for determining the names of members eligible for dividend on Equity Shares, if declared at the Meeting.

- (ii) The Dividend, if any declared, shall be payable to those shareholders whose names stand registered;
- a. As beneficial owner as at the end of business hours on 11th August, 2017 as per the lists to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited in respect of the shares held in the electronic form and
 - b. As member in the register of members of the Company / Registrar & Share Transfer Agent, after giving effect to valid share transfers in physical form lodged with the Company as at the end of the business hours on 11th August, 2017.
 - c. The dividend on Equity Shares, if declared at the Meeting, will be credited / dispatched on or after 18th August, 2017 before statutory time limit.
- j) Members holding shares in electronic form are requested to intimate 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 to the Company / Link Intime India Private Limited, Share Transfer Agent of the Company (Link).
- k) 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 2009-10 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 22nd July, 2016 (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.
- l) 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.
- m) 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.
- n) Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company.
- o) 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.
- p) 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.
- q) The notice of 31st 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 email addresses, physical copies of the aforesaid documents are being sent by the permitted mode.
- r) Members are requested to notify their queries, if any, on financial statements etc. at least 48 hours before the time appointed for meeting to facilitate the answering thereto. The queries be sent on e-mail at investorsfeedback@praj.net.

By Order of the Board of Directors

Dattatraya Nimbolkar
Chief Internal Auditor &
Company Secretary

Place: Mumbai
Date: 30th June, 2017

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

- i. In compliance with Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Sections 108 and 110 and other applicable provisions 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 31st Annual General Meeting to be held on Friday, the 11th August, 2017, at 10.00 a.m. The Company has engaged the services of Central Depository Services (India) Limited (CDSL) to provide the e-voting facility. The facility for voting through ballot paper will also be made available at the Annual General Meeting and members attending the Annual General Meeting, who have not already cast their votes by remote e-voting, shall be able to exercise their right at the Annual General Meeting through ballot paper.

These details and instructions form an integral part of the Notice for the Annual General Meeting to be held on Friday, the 11th August, 2017.

- ii. The remote e-voting facility will be available during the following voting period:

Commencement of remote e-voting	End of remote e-voting
8th August, 2017, 9.00 A.M. IST	10th August, 2017, 5.00P.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. Thursday, the 3rd August, 2017, may cast their vote electronically. The remote e-voting module shall be disabled by CDSL after voting period ends.

- iii. The remote e-voting facility can be availed by typing the link www.evotingindia.com in the internet browser.
- iv. Click on the "shareholders" tab.
- v. Now Enter your User ID
- For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - Members holding shares in Physical Form should enter Folio Number registered with the Company.
- vi. Next enter the Image Verification as displayed and Click on Login.
- vii. 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.
- viii. If you are a first time user, follow the steps given below:

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 sequence number which is printed on Attendance Slip indicated in the PAN field.
Dividend Bank Details	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company's records in order to login.
OR Date of Birth (DOB)	If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- ix. After entering these details appropriately, click on "SUBMIT" tab.
- x. Members holding shares in physical form will then reach directly to 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.
- xi. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xii. Click on the EVSN for the relevant <Company Name > on which you chose to vote.
- xiii. 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.

- xiv. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xv. 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.
- xvi. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvii. You can also take a print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- xviii. If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password and enter the details as prompted by the system.
- xix. Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- xx. **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 linked in the login 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.

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.

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 Thursday, the 3rd August, 2017 and not casting their vote electronically, may only cast their vote at the Annual General Meeting.

Mr. Sunil Nanal, Partner KANJ & ASSOCIATES, (Membership No. FCS 5977), has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner who, after the conclusion of voting at the AGM, shall first count the votes cast at the meeting and thereafter unblock the votes cast through remote - evoting in the presence of at least two witnesses, not in the employment of the Company and shall make, not later than 48 hours of the conclusion of AGM, a Consolidated Scrutinizer's Report of the total votes cast in favour of or against, if any to the Chairman of the Company or a person authorised by him in this behalf, 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-up equity capital of the Company as on 3rd August, 2017.

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 31st Annual General Meeting of the Company on Friday, the 11th August, 2017, 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 despatch of the notice of the meeting and holding shares as on the cut-off date i.e. 3rd August, 2017, 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: Mumbai
Date: 30th June, 2017

Dattatraya Nimbolkar
Chief Internal Auditor &
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. 4

The members, at the Twenty-Ninth Annual General Meeting held on 6th August, 2015, approved the appointment of M/s P.G. Bhagwat, Chartered Accountants, Pune (Firm Registration No. 101118W) for a term of five years from the financial year 2015-16 till the financial year 2019-20, subject to ratification of appointment at every Annual General Meeting.

Accordingly, the ratification of the members is being sought by an Ordinary Resolution as set out at Item No. 4.

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. 4 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the shareholders.

Item No. 5

The Board, on the recommendation of the Audit Committee, has approved the appointment 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, 2018 for a total remuneration of ₹ 2,75,000/- as Audit fees plus out of pocket expenses at actuals 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 ratified 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. 5 of the Notice.

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

Item No. 6 & 7

Mr. Sachin Raole (DIN: 00431438) was appointed by the Board on 16.01.2017 as an additional director. The Board of Directors has received a notice from the shareholder proposing the candidature of Mr. Sachin Raole as Director to be appointed under the provisions of Sections 149 and 152 of the Companies Act, 2013.

Mr. Sachin Raole is a Chartered Accountant and Cost Accountant from India with twenty-two years of experience in varied fields of finance and accounts. He has worked in the areas of divestment, mergers & acquisitions, financial restructuring, treasury, accounts and taxation. He has a very rich experience in the wide spectrum of finance across industries; manufacturing, project, financial services and pharmaceutical. Additionally he also has an experience in heading Human Resources, Materials, IT, Legal & Secretarial.

The Company has received from Mr. Sachin Raole;

- (i) Consent in writing to continue 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.

The Resolution seeks the approval of members for the appointment of Mr. Sachin Raole as Director liable to retire by rotation.

Pursuant to the recommendation of Nomination & Remuneration Committee and subsequent approval of Audit Committee, the Board, subject to the approval of the members, appointed Mr. Sachin Raole also, as Whole Time Director of the Company for a period with effect from 16th January, 2017 till 31st July, 2019.

The brief terms of appointment of Mr. Sachin Raole including remuneration are as follows:

1. Powers to be exercised by Mr. Sachin Raole as Whole Time Director

- (i) To manage, conduct and transact the operations of Finance, Commercial, Secretarial, Information Technology and Investor Relation functions under supervision and control of Chairman, including power to enter into contracts and to vary and rescind them.
- (ii) To enter into and become party to and to sign and execute deeds, instruments, contracts, receipts and all other documents or writings on behalf of Finance, Commercial, Secretarial, Information Technology and Investor Relation functions, whether or not required to be executed under its common seal or otherwise provided for in the Articles of Association of the Company.
- (iii) Apart from the above, Mr. Sachin Raole shall also exercise and perform such powers and duties as the Chairman / Board of Directors of the Company (hereinafter called as "the Board") may from time to time determine and also which he may consider necessary or proper or in the interest of the Company.

2. Annual Remuneration:

Mr. Sachin Raole as from date of appointment as Whole Time Director (WTD) till as long as he performs the services and complies with the terms and conditions provided by the Agreement shall be entitled to and paid the following remuneration during the term.

- (i) **Starting Salary:** Mr. Sachin Raole will be paid starting monthly salary of ₹8,00,100/- as detailed below:

Basic Salary	2,61,000
House Rent Allowance	1,04,400
Conveyance Allowance	3,000
Quality of Life Allowance	3,72,500
Lunch Allowance	2,500
Education Allowance	1,000
Leave Travel Assistance Allowance	52,200
Medical Allowance	3,500
Total	8,00,100

The above remuneration will be revised on 1st July every year hereinafter.

- (ii) **Variable Pay**

Mr. Sachin Raole will be eligible for Variable Pay of ₹ 30,00,000/- (Rupees Thirty Lakhs) only. Committed variable pay for year 2016-17 (till 30th June 2017) will be 80% i.e. ₹ 24,00,000/- (Rupees Twenty Four Lakhs only). From July 2017 onwards, this variable pay will be 100% variable and be payable annually subject to Company & Individual Performance.

- (iii) **Perquisites**

The following perquisites shall be allowed in addition to above:

- (a) **Leave and Leave Encashment**

Mr. Sachin Raole shall be entitled to 30 days leave for each year of service. The leave can be accumulated up to 60 days and will be encashed beyond accumulation over 60 days.

- (b) **Provident Fund**

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

- (c) **Superannuation**

The Company shall contribute annually to a recognized or statutory superannuation fund or annuity fund on behalf of Mr. Sachin Raole to the extent that such contribution is not taxable in the hands of Mr. Sachin Raole under the provisions of Income Tax Act, 1961 as subsisting from time to time. Presently the amount of such contribution is ₹ 1,50,000 per annum.

- (d) **Gratuity**

Gratuity shall be payable to Mr. Sachin Raole on the termination of Agreement or 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 and subject to Payment of Gratuity Act.

- (e) **Ex-Gratia**

An amount representing excess of 10% of Mr. Sachin Raole's basic salary over ₹ 1,50,000/- should be paid to him as an ex-gratia on an annual basis.

This amount will be paid in financial year 2017/18 on pro rata basis when ex-gratia is paid to all other employees of the Company.

- (iv) **Other Benefits**

- (a) **Insurance**

Insurance premium not exceeding ₹33,450/- per annum, will be paid by the Company as detailed below:

Group Mediciam Insurance Policy Premium ₹28,100/ (Mediciam Policy limit of ₹ 4,00,000/- per Annum on Floater basis for self and direct family members. Group Personal Accident Insurance Policy Premium ₹ 2,350/- (Sum insured under Group Personal Accident Insurance Policy will be ₹1,00,00,000/-) Group Term Insurance Policy Premium ₹ 3,000/- (Sum insured under Group Term Insurance Policy will be ₹ 60,00,000/-). For the purposes above the term "family" means spouse, dependent child and parents of Mr. Sachin Raole.

- (b) **Telephone Reimbursement:**

The Company shall reimburse telephone expenses incurred on the telephone at the residence of Mr. Sachin Raole and mobile used by Mr. Sachin Raole subject to maximum of ₹2,150/- per month.

- (c) **Laptop:**

Mr. Sachin Raole will be entitled to company owned Laptop for use at residence/ travel. At the end of his tenure this will be owned by him.

(d) Reimbursement of expenses:

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

Mr. Sachin Raole's international travel shall be by Business Class and domestic travel by Economy Class as per Travel Policy applicable to Executives in Level L4.

(v) ESOP

Mr. Sachin Raole when appointed as CFO and President- Finance & Commercial was granted 100,000 Stock Options as per Praj ESOP which will form part of Mr. Sachin Raole's remuneration as WTD.

However the total remuneration as specified above and any subsequent increase thereto as may be decided by the Chairman / Board of Directors or Committee thereof, shall always be subject the ceiling limits for Managerial Remuneration prescribed under Companies Act, 2013 read with Rules framed thereunder and Schedule V to the Companies Act, 2013 and amendments / modifications thereto.

(vi) Inadequacy or Absence of Profits

If the Company has no profits or its profits are inadequate, the Company may pay Mr. Sachin Raole 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 Schedule V to the Companies Act, 2013.

(vii) Sitting Fees

Mr. Sachin Raole shall not be paid any remuneration for attending any of the meetings of the Board of the Company.

3. Confidentiality, Secrecy and Non-competition

3.1 Mr. Sachin Raole shall not, during the Term or at any time thereafter, divulge or disclose to any person, firm, company, body corporate or concern whomsoever or make any use whatever for his own or for whatever purpose of any confidential information or knowledge obtained by him during his employment as to the business or affairs of the Company or as to any trade secrets or secret processes of the Company and he shall during the continuance of his employment hereunder, also use his best endeavours to prevent any other person, firm, company, body corporate or concern from doing so. Further, Mr. Sachin Raole shall not, at least for two years after termination of the agreement, work for Company's customers/competitors.

3.2 Mr. Sachin Raole acknowledges that the Company shall be entitled to injunctive reliefs to restrain him from committing a breach of Clause 3.1 above.

4. Position as Director

Mr. Sachin Raole acknowledges that he shall be a Director on the Board by virtue of his being the Whole Time Director and hence, if Mr. Sachin Raole ceases to be Whole Time Director for any reason whatsoever, he shall automatically, without any act or application either on part of the Company or Mr. Sachin Raole, deemed to have ceased to be a Director of the Company. Mr. Sachin Raole's office as Director shall be liable to retirement by rotation however, in the event that Mr. Sachin Raole gets reappointed as a Director, such retirement by rotation and consequent reappointment shall not be construed as cessation in his services as Whole Time Director.

5. Termination

5.1 Either Party may terminate this Agreement without being bound to assign any reason by giving three months' notice in writing to the other. The Company shall have the option to pay Mr. Sachin Raole three months' remuneration in lieu of notice.

5.2 This Agreement shall automatically stand terminated upon the happening of any of the following events:-

(i) If Mr. Sachin Raole commits any act of insolvency;

(ii) If Mr. Sachin Raole suffers from any legal disability which renders his continuance as a director on the Board illegal;

(iii) If Mr. Sachin Raole suffers any physical or mental disability which prevents him from performing his obligations hereunder for more than six months;

(iv) If the Board resolves to revoke the appointment of Mr. Sachin Raole as Whole Time Director on the grounds that Mr. Sachin Raole has committed a material breach of the provisions of this Agreement or any other sufficient cause which renders Mr. Sachin Raole's continuance in office as not being in the interest of the Company.

5.3 Mr. Sachin Raole acknowledges that he has wide supervisory and managerial functions and he is not a workman within the meaning of the Industrial Dispute Act or under any other law.

5.4 Mr. Sachin Raole further acknowledges that in the event that Mr. Sachin Raole contending that the Company has unlawfully terminated the Agreement, Mr. Sachin Raole shall only be entitled to claim damages but shall not be entitled to claim any injunctive or other interlocutory reliefs against the Company.

Brief resume of Mr. Sachin Raole, 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 SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, form part of the Annual Report.

No Director or Key Managerial Personnel of the Company and/ or their relatives, except Mr. Sachin Raole in his personal capacity for whom the Resolutions relate, is interested or concerned in the Resolutions.

The Board recommends the Ordinary Resolution and Special Resolution as set out at Item No. 6 & 7 respectively of the Notice for approval by the shareholders.

Item No. 8

The Company had entered into an agreement dated 10th August, 2015 with Mr. Pramod Chaudhari re-appointing him as Executive Chairman of the Company for a term of two years w.e.f. 1st August, 2015.

On recommendation of Nomination & Remuneration Committee, the Board of Directors, in its meeting held on 30th June, 2017, subject to the approval of the members in the ensuing Annual General Meeting, has extended the term of the agreement on the same terms and conditions including remuneration w.e.f. 1st August, 2017 for a further period of two years. The remuneration of Mr. Pramod Chaudhari has remained unchanged since last two terms i.e. from 1st August 2012 to 31st July 2015 and from 1st August 2015 to 31st July 2017.

The information relevant for considering the resolution is as under:

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 46 years experience in the industry, as a professional and as 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 allowances 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 ₹ 2,00,000/- per annum.
- g) The Company shall contribute upto ₹ 1,50,000 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 ₹ 1,50,000/- 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.
- 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.

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 whatsoever 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 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 2 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-se as stipulated under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, form part of the Annual Report.

Mr. Pramod Chaudhari is interested in the resolution set out at Item No. 8 of the Notice. The relatives of Mr. Pramod Chaudhari may be deemed to be interested in the resolution set out at Item No. 8 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 recommends the Ordinary Resolution set out at Item No. 8 of the Notice for approval by the members.

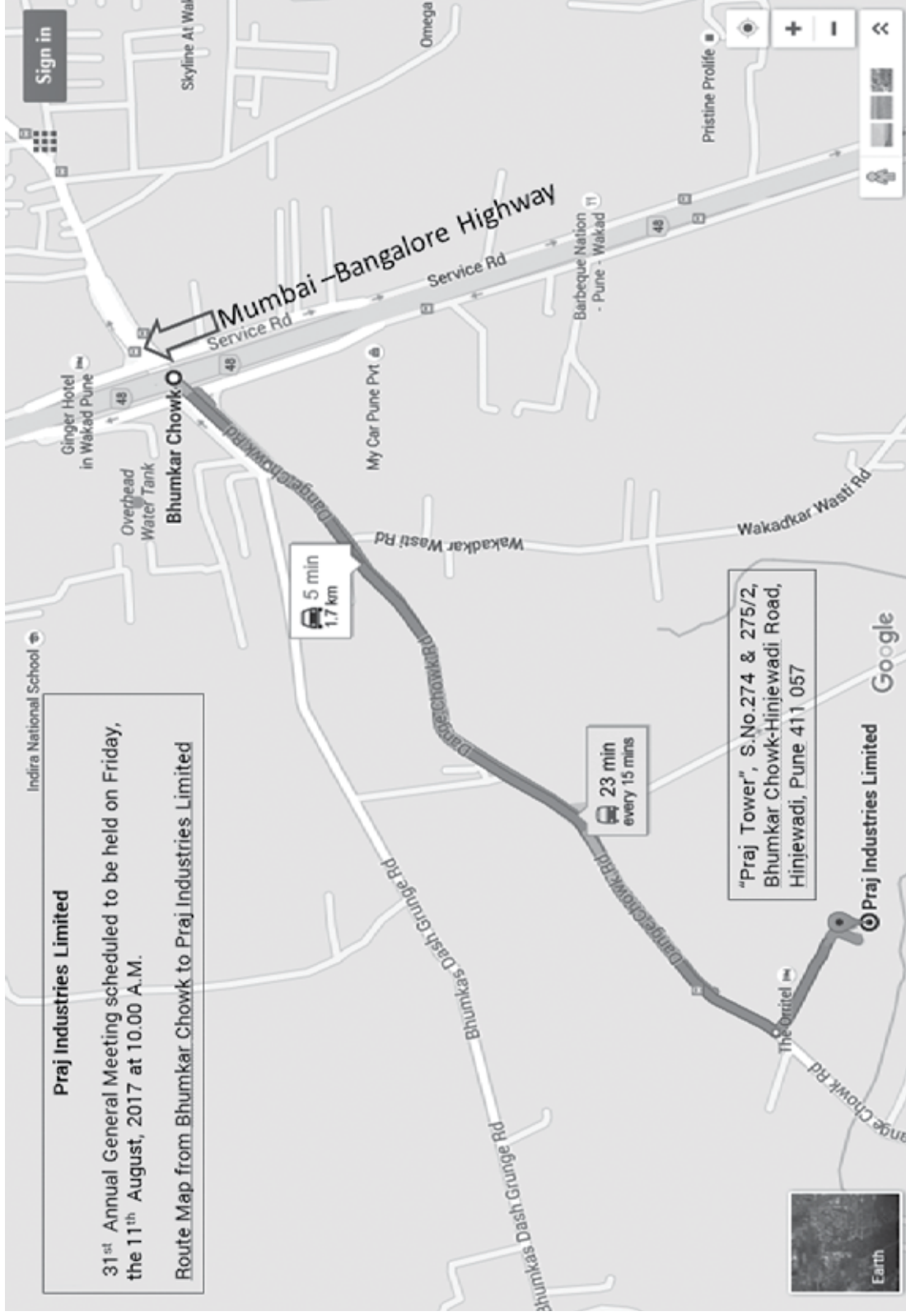
Place: Mumbai

Date: 30th June, 2017

By Order of the Board of Directors

Dattatraya Nimbolkar

Chief Internal Auditor & Company Secretary



Address - Praj Industries Limited. 'Praj Tower', S. No. 274 & 275, Bhumkar Chowk-Hinjewadi Road, Hinjewadi, Pune - 411 057, Tel:+91-20-22941000/71802000