



Regd. Office: P.O. Tilaknagar, Tal. Shrirampur, Dist. Ahmednagar, Maharashtra-413 720

NOTICE

NOTICE is hereby given that the Seventy Seventh Annual General Meeting (AGM) of the Members of Tilaknagar Industries Ltd. will be held on Friday, September 21, 2012 at 12.00 noon at the Registered Office of the Company i.e. P.O. Tilaknagar, Tal. Shrirampur, Dist. Ahmednagar, Maharashtra – 413 720 to transact the following business:

ORDINARY BUSINESS

Item No. 1 – Adoption of Accounts

To receive, consider and adopt the Audited Balance Sheet as at March 31, 2012 and the Profit & Loss Account for the year ended on that date together with the Report of the Directors and Auditors thereon.

Item No. 2 – Declaration of dividend

To declare final dividend for the financial year ended March 31, 2012 on equity shares of the Company.

Item No. 3 – Re-appointment of Mr. V. B. Haribhakti

To appoint a Director in place of Mr. V. B. Haribhakti, who retires by rotation and being eligible, offers himself for re-appointment.

Item No. 4 – Re-appointment of Mr. Madan Goyal

To appoint a Director in place of Mr. Madan Goyal, who retires by rotation and being eligible, offers himself for re-appointment.

Item No. 5 – Re-appointment of Statutory Auditors

To re-appoint Statutory Auditors, M/s. Batliboi & Purohit, Chartered Accountants (FRN101048W), to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Members of the Company and to authorise the Audit Committee to fix their remuneration.

SPECIAL BUSINESS

Item No. 6 – Re-appointment of Mr. Amit Dahanukar as Chairman & Managing Director

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a SPECIAL RESOLUTION:

“RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309 and 310 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force), permissions and sanctions

as may be required and subject to such conditions and modifications, as may be prescribed or imposed by any Authorities in granting such approvals, permissions and sanctions and pursuant to the approval of the Board of Directors of the Company at its Meeting held on May 28, 2012, the consent of the Members be and is hereby accorded to the re-appointment of Mr. Amit Dahanukar as Chairman & Managing Director of the Company, for a period of five years with effect from November 07, 2012 to November 06, 2017, on the terms and conditions as set out in the draft agreement submitted to this Meeting with absolute discretion to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include any Committee which the Board may constitute to exercise its powers conferred by this resolution) to alter and vary the terms and conditions of the said agreement as may be agreed between the Board and Mr. Amit Dahanukar;

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

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

Item No. 7 – Re-appointment of Mrs. Shivani Amit Dahanukar as Executive Director

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a SPECIAL RESOLUTION:

“RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309 and 310 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force), permissions and sanctions as may be required and subject to such conditions and modifications, as may be prescribed or imposed by any Authorities in granting such approvals, permissions and sanctions and pursuant to the approval of the Board of Directors of the Company at its Meeting held on May 28, 2012, the consent of the Members be and is hereby accorded to the re-appointment of Mrs. Shivani Amit Dahanukar as Executive Director of the Company, for a period of five years with effect from October 01, 2012 to September 30, 2017, on the terms and conditions as set out in the draft agreement submitted to

this Meeting with absolute discretion to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any Committee which the Board may constitute to exercise its powers conferred by this resolution) to alter and vary the terms and conditions of the said agreement as may be agreed between the Board and Mrs. Shivani Amit Dahanukar;

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

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

Item No. 8 – Payment of Commission to Non-Executive Directors

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a SPECIAL RESOLUTION:

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

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

By Order of the Board

Place: Mumbai

Date: May 28, 2012

Gaurav Thakur

Company Secretary

Registered Office:

P.O. Tilaknagar, Tal. Shrirampur,

Dist. Ahmednagar, Maharashtra - 413 720

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

2. The instrument appointing proxy must be received by the Company at its Registered Office not less than 48 hours before the commencement of the Meeting.
3. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, relating to the Special Business to be transacted at the Meeting is annexed here to.
4. Members are requested to note that the Company's equity shares are under compulsory demat trading for all investors, subject to the provisions of SEBI Circular No. 21/99 dated July 8, 1999. Members are, therefore, requested to dematerialise their shareholding to avoid inconvenience.
5. The Register of Members and the Share Transfer Books of the Company will remain closed from Saturday, September 15, 2012 to Friday, September 21, 2012 (both days inclusive).
6. If the final dividend as recommended by the Board of Directors is approved at the Annual General Meeting, payment of such dividend will be made on or before September 28, 2012:
 - i) to all Members in respect of shares held in physical form whose names appear on the Company's Register of Members as on September 15, 2012 after giving effect to valid transfers in respect of transfer requests lodged with the Company on or before the close of business hours on September 14, 2012; and
 - ii) to all Beneficial Owners in respect of shares held in dematerialised form whose names appear in the statement of beneficial ownership furnished by National Securities Depository Limited and Central Depository Services (India) Limited as at the close of business hours on September 14, 2012.
7. The facility of electronic credit of dividend directly to the respective bank accounts of the Members through Electronic Clearing Service (ECS) is arranged by the Company. This facility is currently available at the locations specified by RBI. This facility is in addition to the Bank Mandate Facility that already exists whereby bank account details are printed on the dividend warrants. Members who would like to avail of the ECS Mandate Facility or the Bank Mandate Facility (if not done earlier) are requested to complete and submit the ECS Mandate Form to Company's Registrar and Share Transfer Agents (for shares held in physical form) or their Depository Participants (for shares held in electronic form) latest by September 14, 2012.
8. Members are requested to:
 - (a) intimate any change in their addresses/ mandate/bank details and also direct all their queries related to shares to the Company's Registrar and Share Transfer Agents i.e. Bigshare Services Pvt. Ltd., E-2/3, Ansa Industrial Estate, Sakivihar Road, Sakinaka, Andheri (East), Mumbai – 400 072.
 - (b) quote Client ID and DP ID numbers in respect of shares held in dematerialised form and ledger folio number in respect of shares held in physical form in all the correspondence.

- (c) bring the attendance slip duly filled in for attending the Meeting.
9. 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.
 10. Corporate Members are requested to send a duly certified copy of the board resolution authorising their representatives to attend and vote at the Annual General Meeting.
 11. Members who have multiple folios in identical names or joint names in the same order are requested to send all the Share Certificates to the Company's Registrar and Share Transfer Agents i.e. Bigshare Services Pvt. Ltd. for consolidation of all such folios into one to facilitate better service. Members may also avail of the nomination facility as provided under Section 109A of the Companies Act, 1956.
 12. All documents referred in the accompanying notice are open for inspection at the Registered Office of the Company on all the working days, except Saturdays and holidays between 11.00 a.m. and 1.00 p.m. upto the date of the Annual General Meeting including Certificate of Auditors with respect to implementation of ESOP Schemes of the Company, which shall also be placed in the Meeting.
 13. Members may refer Report on Corporate Governance for particulars of Directors' appointment/re-appointment at the Annual General Meeting.
 14. The Annual Report of the Company, circulated to the Members of the Company, will also be made available on the Company's website i.e. www.tilind.com.
 15. Members desiring any relevant information about the accounts at the Annual General Meeting are requested to write to Mr. Gaurav Thakur, Company Secretary and Compliance Officer of the Company at least ten days in advance of the Meeting so that the information required can be made readily available.
 16. Unclaimed Dividend:

The details of dividends paid by the Company and their respective due dates for the proposed transfer to Investor Education & Protection Fund of the Central Government, if they remained unclaimed for a period of 7 years, are as under:

Dividends for the year	Date of Declaration of Dividend	Dividend %	Due Date for the proposed transfer to the IE&P Fund
2004-05	28.09.2005	12%	02.11.2012
2005-06	12.08.2006	8%	16.09.2013
2006-07	22.08.2007	15 %	26.09.2014
2007-08	06.08.2008	21%	10.09.2015
2008-09	01.08.2009	25%	05.09.2016
2009-10	20.09.2010	25%	24.10.2017
2010-11	08.09.2011	8%	12.10.2018

It may please be noted that no claim will lie from a Member once the transfer is made to the credit of the Investor Education & Protection Fund of the Central Government. The Members are advised to send the un-encashed dividend warrants to Registered Office of the Company or to the Company's Registrar and Share Transfer Agents for revalidation and encash those before the due date for transfer to the aforesaid fund.

17. As per SEBI directive, it is mandatory for the transferees to furnish self-attested copy of the PAN (Permanent Account Number) card to the Company's Registrar and Share Transfer Agents for registration of transfer/transmission/transposition of shares in the physical form.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956 SETTING OUT ALL THE MATERIAL FACTS RELATING TO SPECIAL BUSINESS:

Item No. 6

The Board of Directors of the Company at its Meeting held on May 28, 2012 has, subject to the approval of the Members, approved the re-appointment of Mr. Amit Dahanukar as Chairman & Managing Director of the Company, for a period of five years with effect from November 07, 2012 to November 06, 2017, on remuneration package as given herein below.

Mr. Amit Dahanukar is a graduate in Electrical Engineering with a Masters degree in Engineering Management from Stanford University, U.S.A.

Mr. Amit Dahanukar fulfills the eligibility criteria set out under Part I of Schedule XIII to the Companies Act, 1956. The remuneration payable to Mr. Amit Dahanukar on re-appointment has been determined by the Remuneration Committee constituted by the Board of Directors.

The detail of remuneration as reviewed by the Remuneration Committee and approved by the Board subject to the approval of the Members is reproduced herein below:

Salary: ₹14,28,000/- (Rupees Fourteen Lacs Twenty Eight Thousand only) per month.

Commission: Payment of commission calculated with reference to the net profit of the Company for each financial year as may be fixed by the Board of Directors, subject to ceiling laid down in Section 309 of the Companies Act, 1956.

Performance Incentive: As per the rules of the Company.

Perquisites and Allowances:

In addition to salary, the Chairman & Managing Director shall be entitled to following perquisites and allowances:-

Accommodation: Furnished or otherwise, shall be provided by the Company or HRA in lieu thereof subject to a limit of sixty percent of annual salary.

Medical Reimbursement: For self and family in accordance with the rules of the Company and Scheme as applicable to other Senior Executives.

Leave Travel Assistance: For self and family in accordance with

the rules of the Company and Scheme as applicable to other Senior Executives.

Personal Accident Insurance: Premium not to exceed ₹ 4000/- per annum.

Leave: Leave on full pay as per the rules of the Company subject to maximum of one month's leave for every eleven months' service.

Encashment of Leave: Encashment of leave at the end of tenure will not be included in the computation of the ceiling on perquisites.

Provident Fund: Benefits under the Provident Fund Scheme of the Company in accordance with the Company's rules and regulations in force from time to time.

Pension and Superannuation Fund: Benefits under the Company's Pension and Superannuation Fund Scheme in accordance with the Company's rules and regulations and Schemes in force from time to time, to the extent these two are not taxable under the Income-Tax Act, 1961.

Gratuity: Gratuity payable in accordance with the rules and approved Scheme of the Company which does not exceed half month's salary (15 days) for each completed year of service, subject to a ceiling laid down thereunder from time to time.

Car: Free use of Company's Car including maintenance and operation together with driver, the monetary value of which may be evaluated as per Income-Tax Rules, 1962.

Telephone: Free telephone facility at residence.

Provision for use of car for official duties and telephone facility at residence shall not be included in computation of perquisites for the purpose of calculation of the said ceiling.

Club Fees: Fees for Clubs, subject to a maximum of two Clubs, excluding admission and life membership fees.

Minimum Remuneration:

Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of the Chairman & Managing Director, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary and perquisites as specified in Section II of Part II of Schedule XIII to the Companies Act, 1956, as may be amended from time to time.

The draft agreement to be entered into between the Company and Mr. Amit Dahanukar, Chairman & Managing Director of the Company is available for inspection at the Registered Office of the Company on all the working days, except Saturdays and

holidays between 11.00 a.m. and 1.00 p.m. upto the date of the ensuing Annual General Meeting.

Approval of Members is sought under Section 269 read with Schedule XIII of the Companies Act, 1956 for the re-appointment of Mr. Amit Dahanukar, Chairman & Managing Director and for payment of remuneration to him with effect from November 07, 2012 to November 06, 2017.

The Board of Directors recommends the resolution for approval of the Members as a Special Resolution.

None of the Directors except, Mr. Amit Dahanukar and Mrs. Shivani Amit Dahanukar who is a relative of Mr. Amit Dahanukar is concerned or interested in the Resolution.

This may also be treated as an abstract pursuant to the provisions of Section 302 of the Companies Act, 1956.

Item No. 7

The Board of Directors of the Company at its Meeting held on May 28, 2012 has, subject to the approval of the Members, approved the re-appointment of Mrs. Shivani Amit Dahanukar as Executive Director of the Company, for a period of five years with effect from October 01, 2012 to September 30, 2017, on remuneration package as given herein below.

Mrs. Shivani Amit Dahanukar has a Masters in Business Administration from the University of San Francisco and is also a graduate in Law from the Government Law College, University of Mumbai.

Mrs. Shivani Amit Dahanukar fulfills the eligibility criteria set out under Part I of Schedule XIII to the Companies Act, 1956. The remuneration payable to Mrs. Shivani Amit Dahanukar on re-appointment has been determined by the Remuneration Committee constituted by the Board of Directors.

The detail of remuneration as reviewed by the Remuneration Committee and approved by the Board subject to the approval of the Members is reproduced herein below:

Salary: ₹13,54,000 (Rupees Thirteen Lacs Fifty Four Thousand only) per month.

Commission: Payment of commission calculated with reference to the net profit of the Company for each financial year as may be fixed by the Board of Directors, subject to ceiling laid down in Section 309 of the Companies Act, 1956.

Performance Incentive: As per the rules of the Company.

Perquisites and Allowances:

In addition to salary, the Executive Director shall be entitled to

following perquisites and allowances:-

Medical Reimbursement: For self in accordance with the rules of the Company and Scheme as applicable to other Senior Executives.

Personal Accident Insurance: Premium not to exceed ₹ 4000/- per annum.

Leave: Leave on full pay as per the rules of the Company subject to maximum of one month's leave for every eleven months' service.

Encashment of Leave: Encashment of leave at the end of tenure will not be included in the computation of the ceiling on perquisites.

Provident Fund: Benefits under the Provident Fund Scheme of the Company in accordance with the Company's rules and regulations in force from time to time.

Pension and Superannuation Fund: Benefits under the Company's Pension and Superannuation Fund Scheme in accordance with the Company's rules and regulations and Schemes in force from time to time, to the extent these two are not taxable under the Income-Tax Act, 1961.

Gratuity: Gratuity payable in accordance with the rules and approved Scheme of the Company which does not exceed half month's salary (15 days) for each completed year of service, subject to a ceiling laid down thereunder from time to time.

Car: Free use of Company's Car including maintenance and operation together with driver, the monetary value of which may be evaluated as per Income-Tax Rules, 1962.

Provision for use of car for official duties and telephone facility at residence shall not be included in computation of perquisites for the purpose of calculation of the said ceiling.

Club Fees: Fees for Clubs, subject to a maximum of two Clubs, excluding admission and life membership fees.

Minimum Remuneration:

Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of the Executive Director, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary and perquisites as specified in Section II of Part II of Schedule XIII to the Companies Act, 1956, as may be amended from time to time.

The draft agreement to be entered into between the Company and Mrs. Shivani Amit Dahanukar, Executive Director of the Company is available for inspection at the Registered Office of the Company on all the working days, except Saturdays and

holidays between 11.00 a.m. and 1.00 p.m. upto the date of the ensuing Annual General Meeting.

Approval of Members is sought under Section 269 read with Schedule XIII of the Companies Act, 1956 for the re-appointment of Mrs. Shivani Amit Dahanukar, Executive Director and for payment of remuneration to her with effect from October 01, 2012 to September 30, 2017.

The Board of Directors recommends the resolution for approval of the Members as a Special Resolution.

None of the Directors except, Mrs. Shivani Amit Dahanukar and Mr. Amit Dahanukar who is a relative of Mrs. Shivani Amit Dahanukar is concerned or interested in the Resolution.

This may also be treated as an abstract pursuant to the provisions of Section 302 of the Companies Act, 1956.

Item no. 8

In order to remunerate the Non-Executive Directors of the Company for increased responsibilities entrusted upon them under the law, as per the current trends and commensurate with the time devoted and the contribution made by them, it is proposed to compensate the Non-Executive Directors by way of commission upto an amount not exceeding 1% of the Net Profits in aggregate for all the eligible Non-Executive Directors. The commission so paid shall be in addition to the sitting fees for attending the Meetings of the Board of Directors or any Committee thereof.

Approval of Members is sought under Section 309(4) of the Companies Act, 1956 for payment of remuneration by way of commission up to an amount not exceeding 1% of the Net Profits in aggregate for all the eligible Non-Executive Directors and for authorizing the Board of Directors to decide the quantum of commission payable every year within the overall limits stipulated aforesaid.

The Board of Directors recommends the resolution for approval of the Members as a Special Resolution.

All the Directors except Mr. Amit Dahanukar, Chairman & Managing Director and Mrs. Shivani Amit Dahanukar, Executive Director of the Company, are interested in the Resolution.

By Order of the Board

Place: Mumbai

Date: May 28, 2012

Gaurav Thakur

Company Secretary

Registered Office:

P.O. Tilaknagar, Tal. Shrirampur,

Dist. Ahmednagar, Maharashtra - 413 720

FOR THE KIND ATTENTION OF MEMBERS

Green Initiative in Corporate Governance: Go Paperless

The Company has received tremendous response from the Members of the Company for adopting "Green Initiative in Corporate Governance" implemented by the Ministry of Corporate Affairs ("MCA") vide Circular nos. 17/2011 dated April 21, 2011 and 18/2011 dated April 29, 2011 allowing paperless compliances by Companies through electronic mode. The Company in continuance with initiative of MCA welcomes the Members to achieve 100% paperless compliance, enabling the Company to contribute to the society by saving more trees/plants and also reduce cost of Company on printing annual reports, letters, documents etc. used for communication with Members.

MCA initiative permits companies to send various communications/documents (including notice of general meetings, annual reports etc.) to its Members through electronic mode, to the registered e-mail addresses of the Members. Besides being a faster and secure way of receiving information, it also acts as a repository of all such communications/documents. It is also a golden opportunity for the Members to contribute to the corporate social responsibility initiative of the Company.

Recognizing the spirit of the Circulars issued by MCA, your Company endeavor to effect all communications, as may be allowed from time to time, including annual report for the financial year 2011-12, in electronic form, to the email address provided/updated by you with the depository/the Company. Please note that all the communications/documents will also be made available on the Company's website i.e. www.tilind.com for download. The Company undertakes to provide physical copies of all the above communications/ documents free of cost on receipt of a requisition from you.

Shares held in Demat Mode:

If you are holding shares of the Company in dematerialised form and have not registered your email address with your depository participant, you are hereby requested to promptly register your e-mail address for serving of documents by the Company in electronic mode.

Shares held in Physical Mode:

If you are holding shares of the Company in physical form and have not registered your e-mail address with the Company/Registrar and Share Transfer Agents (RTA) of the Company, you are hereby requested to register your e-mail address either in writing to the RTA at Bigshare Services Pvt. Ltd., E-2/3, Ansa Industrial Estate, Sakivihar Road, Sakinaka, Andheri (East), Mumbai – 400 072 or to the Company's email address i.e. investor@tilind.com.

Kindly note that if you still wish to receive all the above mentioned communications/documents in physical form, please inform our RTA in writing at Bigshare Services Pvt. Ltd., E-2/3, Ansa Industrial Estate, Sakivihar Road, Sakinaka, Andheri (East), Mumbai – 400 072 or to the Company's email address i.e. investor@tilind.com.

We at "Tilaknagar Industries Ltd." appreciate the "Green Initiative" taken by MCA and trust you would help in achieving 100% paperless compliance.