

**ALBERT DAVID LIMITED**  
**ANNUAL REPORT**  
2015 - 2016



<b>DIRECTORS</b>	:	Sri A. K. Kothari <i>Chairman &amp; Managing Director</i> Smt. P. D. Kothari Sri H. Kampani Sri R. Singhi Dr. A. K. Bhattacharya Dr. K. Lahiri Sri A. Sarkar Sri K. P. Mundhra <i>Executive Director (Upto 30th June 2016)</i> Sri H. P. Kabra <i>Executive Director (From 1st July 2016)</i>
<b>MANAGEMENT TEAM</b>	:	Sri Manish Sharma <i>President (Marketing &amp; Sales)</i> Sri S. C. Shah <i>Vice President (Finance) &amp; C.F.O.</i> Dr. M. K. Maheshwari <i>Vice President (Personnel &amp; Legal Affairs)</i> Dr. D. P. Ghosh <i>Corporate Head - Technical &amp; Scientific Development</i> Sri P. K. Jain <i>Vice President (Works), Kolkata</i> Dr. G. P. Srivastava <i>Vice President (Technical), Kolkata</i> Sri M. K. Rathi <i>Vice President (Works cum Factory Manager), Ghaziabad</i> Sri D. Chitlangia <i>Associate Vice President (Commercial), Ghaziabad</i> Sri V. K. Chaudhary <i>General Manager (Technical), Mandideep</i>
<b>COMPANY SECRETARY</b>	:	Dr. Indrajit Dhar <i>Associate Vice President (Accounts &amp; Taxation) Cum-Company Secretary</i>
<b>AUDITORS</b>	:	G. Basu & Co. Chartered Accountants
<b>BANKER</b>	:	State Bank of India
<b>REGISTRAR &amp; SHARE TRANSFER AGENT</b>	:	Maheshwari Datamatics Pvt. Ltd. 6, Mangoe Lane, 2nd Floor, Kolkata-700 001
<b>REGISTERED OFFICE</b>	:	ALBERT DAVID LIMITED (CIN : L51109WB1938PLC009490) 15, Chittaranjan Avenue, Kolkata - 700072 Tel : 033-2212-9700, 9637, 9592, Fax : 033-2225-8714 Email : adidavid@dataone.in, Website : www.albertdavidindia.com
<b>WORKS</b>	:	5/11, D. Gupta Lane Kolkata - 700 050 B-12/13, Meerut Road Industrial Area Ghaziabad - 201 003 (U.P.) Plot No. 207 New Industrial Area No. 2 Mandideep - 462 046 Dist. Raisen (M.P.)

## Contents

	Page No.
Notice	03
Directors' Report	16
Management Discussion and Analysis	47
Report on Corporate Governance	49
Ten Year Financial Highlights	64
Auditor's Report to the Shareholders	65
Balance Sheet	72
Profit & Loss Statement	73
Cash Flow Statement	74
Notes forming Part of the Financial Statements	76

**ALBERT DAVID LIMITED**

(CIN : L51109WB1938PLC009490)

Registered Office : 15, Chittaranjan Avenue, Kolkata - 700072

Tel : 033-2212-9700, 9637, 9592, Fax : 033-2225-8714

Email : adidavid@dataone.in

Website : www.albertdavidindia.com

## Notice

### TO THE MEMBERS

**NOTICE** is hereby given that the SEVENTY-SEVENTH Annual General Meeting of the Shareholders of the Company will be held at **Science City, Mini Auditorium, J B S Haldane Avenue, Kolkata – 700046** on **Wednesday, the 14<sup>th</sup> September, 2016 at 11.00 a.m.** to transact the following business :

#### AS ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statement of the Company for the year ended 31st March, 2016 and the Report of the Board of Directors and the Auditors thereon.
2. To confirm the payment of interim dividend for the financial year 2015-2016.
3. To appoint a Director in place of Mrs. Prabhawati Devi Kothari (DIN : 00051860), who retires by rotation and being eligible, offer herself for re-appointment.
4. **To ratify the appointment of Statutory Auditors of the Company, and to fix their remuneration and to pass the following resolution as an ordinary resolution thereof :**

**RESOLVED** that pursuant to Section 139, 142 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, pursuant to the recommendations of the Audit Committee of the Board of Directors and pursuant to the resolution passed by the members at the AGM held on 7th August, 2014, the appointment of M/s. G. Basu & Co., Chartered Accountants (Registration No.301174E) as the Statutory Auditors of the Company to hold office till the conclusion of AGM to be held in the year 2017 be and is hereby ratified and that the Board of Directors be and is hereby authorised to fix the remuneration payable to them for the financial year ending March 31, 2017 as may be recommended by the Audit Committee in consultation with the Auditors.

#### AS SPECIAL BUSINESS

5. **To consider and if thought fit, to pass with or without modification(s), the following resolutions as Special Resolutions :**

**RESOLVED** that pursuant to the provisions of section 196, 197 and 203 read with Schedule-V and other applicable provisions of the Companies Act, 2013 and the rules made thereunder and subject to such sanctions and approvals as may be necessary, the Company hereby approves and accords its consent to the re-appointment of Mr. Arun Kumar Kothari (DIN : 00051900), as Chairman & Managing Director of the Company, not liable to retire by rotation for a period of one year with effect from 1st April, 2016 to 31st March, 2017, on the terms and conditions including remuneration, perquisites and benefits as set out in the Explanatory Statement attached to this notice and contained in the Agreement dated 26th April, 2016 entered into by and between the Company and Mr. Arun Kumar Kothari which agreement be and is also hereby approved.

**RESOLVED FURTHER** that notwithstanding the above, in the event of any loss or inadequacy of profit in the financial year of the Company during the tenure of Mr. A. K. Kothari, Chairman & Managing Director, the remuneration payable to him shall be paid as minimum remuneration not exceeding the limits prescribed in Section-II, Part-II of Schedule-V of the Companies Act, 2013 or such other limits as may be prescribed by the Central Government from time to time as minimum remuneration.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the aforesaid resolution, the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in the said regard.

6. **To consider and if thought fit, to pass with or without modification(s), the following resolutions as Special Resolutions :**

**RESOLVED** that pursuant to the provisions of 196, 197 and 203 read with Schedule-V and other applicable provisions of the Companies Act, 2013 and subject to such sanctions and approvals as may be necessary, the Company hereby approves and accords its consent to the re-appointment of Mr. Kamal Prasad Mundhra, (DIN : 00649025), as Wholetime Director of the Company designated as Executive Director, not liable to retire by rotation for a period from 1st April, 2016 upto 30th June, 2016, on the terms and conditions including pro-rata remuneration, perquisites and benefits for the period from 1st April, 2016 to 30th June, 2016 as set out in the Explanatory Statement attached to this notice and contained in the Agreement dated 26th April, 2016 entered into by and between the Company and Mr. Kamal Prasad Mundhra which agreement be and is also hereby approved.

**RESOLVED FURTHER** that pursuant to Section 196(3)(a) of the Companies Act, 2013, approval of the Company be and is hereby accorded for the continuation of holding of office of Whole-time Director by Mr. K P Mundhra, who has attained the age of seventy years on 17th November, 2014, as a Whole-time Director, designated as Executive Director of the Company, upto 30th June, 2016.

**RESOLVED FURTHER** that notwithstanding the above, in the event of any loss or inadequacy of profit in the financial year of the Company during the tenure of Mr. K. P. Mundhra, Executive Director, the remuneration payable to him shall be paid as minimum remuneration not exceeding the limits prescribed in Part-II Section-II, of Schedule-V of the Companies Act, 2013 or such other limits as may be prescribed by the Central Government from time to time as minimum remuneration.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the aforesaid resolution, the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in the said regard.

7. **AS AN ORDINARY RESOLUTION**

**To consider and if thought fit, to pass with or without modification, the following resolution as Special Resolution :**

**RESOLVED THAT** pursuant to the provisions of Section 149 and other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Hari Prasad Kabra (DIN: 00385240), appointed as an Additional Director of the Company pursuant to the provisions of Section 161 of the Companies Act, 2013 and the Articles of Association of the Company with effect from 1st July 2016 and who holds office up to the date of this Annual General Meeting, and being eligible, offer himself for appointment and in respect of whom the Company has received a notice in writing from a member, pursuant to the provisions of Section 160 of the Companies Act, 2013 proposing the candidature of Mr. Kabra for the office of Director, be and is hereby appointed as a Director of the Company.

8. **AS SPECIAL RESOLUTIONS**

**To consider and if thought fit, to pass with or without modification(s), the following resolution as Special Resolutions :**

**RESOLVED** that pursuant to provisions of section 196, 197 and 203 of the Companies Act, 2013 and subject to such sanction and approvals as may be necessary, the Company hereby approves the appointment of Mr. Hari Prasad Kabra (DIN 00385240) as Wholetime Director of the Company designated as Executive Director, for the period from 1st July, 2016 to 31st March, 2018 on the terms and conditions including remuneration, perquisites and benefits as set out in Explanatory Statement attached to this Notice and contained in the Agreement dated 1st July, 2016 entered into by and between the Company and Mr. Hari Prasad Kabra which agreement be and is also hereby approved.

**RESOLVED FURTHER** that in the event of any loss or inadequacy of profit in any financial year of the Company during the tenure of Mr. Hari Prasad Kabra, Executive Director, the remuneration payable to him shall be paid as minimum remuneration not exceeding the limits prescribed in Section-II, Part-II of Schedule-V of the Companies Act, 2013 or such other limits as may be prescribed by the Central Government from time to time as minimum remuneration.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the aforesaid resolution, the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in the said regard.

9. **To consider and if thought fit, to pass with or without modification(s), the following resolution as Ordinary Resolutions :**

**RESOLVED** that pursuant to the provisions of Section 148(3) 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 Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2017, be paid the remuneration as set out in the Explanatory Statement annexed to the Notice convening this meeting.

**RESOLVED FURTHER** that the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

Registered Office :  
15, Chittaranjan Avenue  
Kolkata - 700 072

By Order of the Board  
For **ALBERT DAVID LIMITED**

CIN : L51109WB1938PLC009490  
Dated : 4th July, 2016

**INDRAJIT DHAR**  
Associate Vice President (Accounts & Taxation)  
Cum-Company Secretary

## NOTES :

1. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 in relation to the Special Business is annexed hereto and forms part of this Notice.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. MEMBERS/PROXIES/ AUTHORISED REPRESENTATIVES SHOULD BRING THE DULY FILLED ATTENDANCE SLIP ENCLOSED HERewith TO ATTEND THE MEETING. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF MEETING.  
A PERSON CAN ACT AS A PROXY ON BEHALF OF NOT EXCEEDING FIFTY (50) MEMBERS AND HOLDING IN AGGREGATE NOT MORE THAN TEN (10) PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY.
3. Pursuant to the provision of section 91 of the Companies Act, 2013, the Register of Beneficial Owners, Register of Members and Share Transfer Books of the Company shall remain closed from Tuesday the 6th September, 2016 to Thursday the 8th September, 2016 both days inclusive, for the purpose of AGM.
4. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified true copy of the board resolution authorising their representative to attend and vote on their behalf at the Meeting.
5. 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.
6. Members holding shares in physical form are requested to notify immediately changes, if any, in their registered address, bank details, mandate, nomination, power of attorney and email address, to Company's Registrar & Share Transfer Agent, at the below-mentioned address quoting their Folio Numbers :-

M/s. Maheshwari Datamatics Pvt. Ltd.  
6, Mangoe Lane, 2nd Floor, Kolkata - 700 001  
Tel. No. # (033) 2243-5809/2243-5029  
Fax No. # (033) 2248-4787  
E-Mail Id # mdpldc@yahoo.com

In case shares are held in electronic form, these information should be passed on directly to their respective Depository Participant (DP).

7. Pursuant to the provisions of Section 123 and 124 of the Companies Act, 2013, the Company has transferred the unpaid or unclaimed dividends upto the year ended 31st March, 2008 to the account of Investor Education and Protection Fund established by the Central Government.

Pursuant to the provisions of the 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 8th September, 2015 (date of last Annual General Meeting) on the website of the Company ([www.albertdavidindia.com](http://www.albertdavidindia.com)) as also on the Ministry of Corporate Affairs website.



Unclaimed dividend for the year ended 31st March, 2009 shall be transferred to the account of Central Government during the year. Members who have not yet encashed their dividend warrant(s) for the financial year ended 31st March, 2009, 31st March, 2010, 31st March 2011, 31st March, 2012, 31st March, 2013, 31st March, 2014, 31st March, 2015 and 31st March, 2016 (Interim Dividend) are requested to make their claims to the Company.

8. 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 details to the Company/RTA for registration of transmission/transposition, deletion of name etc.

9. Voting through electronic means :

Pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 as amended from time to time, the Company is pleased to provide its members the facility of 'remote e-voting' (e-voting from a place other than venue of the AGM) to exercise their right to vote at the 77th Annual General Meeting (AGM). The business may be transacted through e-voting services rendered by Central Depository Services (India) Limited (CDSL).

The facility for voting through ballot/polling papers shall also be made available at the venue of the 77th AGM and the members attending the meeting who have not cast their votes by remote e-voting shall be able to vote at the meeting through ballot/polling paper.

The members who have already cast their vote through remote e-voting may attend the meeting but shall not be entitled to cast their vote again at the AGM.

The Company has appointed Mr. K. C. Dhanuka, Practicing Company Secretary as the Scrutiniser for conducting the remote e-voting and the voting process at the AGM in a fair and transparent manner.

The instructions to members for voting electronically are as under :-

- (i) The voting period begins on Sunday the 11th September, 2016 at 10.00 am and ends on Tuesday the 13th September, 2016 at 5.00 pm. During this period shareholders of the Company, holding shares either in physical form or in dematerialised form as on the cut-off date i.e. Wednesday, 7th September, 2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting after 5.00 pm on 10th September, 2016.
- (ii) Members holding shares in physical or in demat form as on 7th September, 2016 shall only be eligible for e-voting.
- (iii) The shareholders should log on to the e-voting website, [www.evotingindia.com](http://www.evotingindia.com)
- (iv) Click on "Shareholders" tab.
- (v) 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.
- (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](http://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 :

	<b>For Members holding shares in Demat Form and Physical Form</b>
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <p>▢ 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.</p>

	For Members holding shares in Demat Form and Physical Form
	<p>□ 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.</p>
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format <b>OR</b>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <p>□ If both the details are not recorded with the depository or company, please enter the member id/folio no. in the Dividend Bank details field as mentioned in instruction (iii)</p>

- (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 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 Albert David Limited.
- (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 or cast the vote again.**
- (xvii) You can also take out 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 & enter the details as prompted by the system.
- (xix) **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](http://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](mailto: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](mailto: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 scrutiniser to verify the same.



- (xx) **Voting rights shall be reckoned on the paid-up value of shares registered in the name of the member/beneficial owner (in case of electronic shareholding) as on the cut-off date i.e., Wednesday the 7th September, 2016.**
  - (xxi) **A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date i.e. Wednesday the 7th September, 2016 only, shall be entitled to avail the facility of remote e-voting/ballot paper.**
  - (xxii) 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](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com). Member may also write to the Company Secretary at the email ID : [id@adlindia.in](mailto:id@adlindia.in)
10. The Notice of the 77th AGM and instructions for 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 documents are being sent by the permitted mode.
  11. Members may also note that the Notice of the 77th AGM and the Annual Report 2015-2016 will be available on the Company's website [www.albertdavidindia.com](http://www.albertdavidindia.com). The physical copies of the documents will also be available at the Company's registered office for inspection during normal business hours on working days. Members who require communication in physical form in addition to e-communication, or have any other queries, may write to us at [adidavid@dataone.in](mailto:adidavid@dataone.in)
  12. Additional information, pursuant to Regulation 36(3) of SEBI (LODR), 2015, in respect of the directors seeking appointment/re-appointment at the AGM is furnished as annexure to the Notice. The Directors have furnished consent/declaration for their appointment/re-appointment as required under the Companies Act, 2013 and the Rules thereunder.
  13. As per the provisions of the Act, the facility for making/varying/cancelling nomination is available to individuals holding shares in the Company. Nominations can be made in **Form-SH.13** and any variation/cancellation thereof can be made by giving notice in **Form SH.14**, prescribed under the Companies (Share Capital and Debentures) Rules, 2014 for the purpose. The Forms can be obtained from the **Company's website [www.albertdavidindia.com](http://www.albertdavidindia.com), RTA or from the Website of the Ministry of Corporate Affairs at [www.mca.gov.in](http://www.mca.gov.in)**
  14. The Ministry of Corporate Affairs, Government of India has introduced a 'Green Initiative in the Corporate Governance' by allowing paperless compliances by the companies for service of documents to their members through electronic mode, which will be in compliance with Section 20 of the Companies Act, 2013.  
  
In view of the above, the Company has communicated in the earlier year through Annual Report to its members requesting them to register their designated email ID with the Company/RTA. However, members who are desirous of obtaining physical copy of the Notices, Postal Ballots, Annual Reports and other documents may forward their written request to the Company/RTA for the same.
  15. Members seeking any information or clarifications on the Annual Report are requested to send in written queries to the company at least one week before the date of the meeting. This would enable the Company to compile the information and provide replies at the meeting.
  16. The shares of the Company are under compulsory demat list of the SEBI w.e.f. 1st October, 2000. The trading in equity shares can be only in demat form. In case you do not hold shares in demat form, you may do so by opening an account with depository participant and complete dematerialisation formalities.
  17. Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered Office of the company on all working days, except Saturdays, during business hours up to the date of the Meeting.
  18. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of contracts or arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013 will be available for inspection at the AGM.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013****Item No.5**

Mr. A K Kothari was re-appointed as Chairman & Managing Director of the Company for a period from 1st April, 2014 to 31st March, 2016 which was approved by the Shareholders in the meeting held on 7th August, 2014.

In view of excellent contribution made by Mr. Kothari towards the growth of the Company, the Board of Directors, at its meeting held on 28th March, 2016 have re-appointed him as the Chairman & Managing Director for a period of one year with effect from 1st April, 2016 to 31st March, 2017, subject to the approval of shareholders of the Company, on the remuneration as recommended by the Nomination & Remuneration Committee and on the terms and conditions as per Agreement dated 26th April, 2016 executed between the Company and Mr. A K Kothari. The terms of remuneration of Mr. A K Kothari are in accordance with Schedule V of the Companies Act, 2013.

An abstract of the remuneration payable to him as Chairman & Managing Director of the Company under the Agreement is given below :-

**REMUNERATION :**

- i) Salary : Rs.6,05,000/- (Rupees Six Lacs Five Thousand only) per month for the period from 1st April, 2016 to 31st March, 2017.
- ii) Perquisites : Apart from salary Mr. A K Kothari will also be entitled to the perquisites classified into the following three parts viz. Part A, B and C.

**PART-A**

- i) Housing — The Company shall provide rent-free furnished accommodation. In case no accommodation is provided by the Company, the Chairman & Managing Director shall be entitled to House Rent Allowance limited to 8% of his salary.
- ii) Medical Reimbursement and Leave Travel Concession : The Chairman & Managing Director shall be reimbursed to the extent of 10% of the salary towards expenses incurred for self and family for Medical Expenses and Leave Travel anywhere in India.
- iii) Fee of Clubs : Upto a maximum of two clubs. This will not include any admission or life membership fees.
- iv) Personal Accident Insurance/Life Insurance : Premium not exceeding Rs.25,000/- per annum.
- v) Ex-Gratia/Bonus : In accordance with the Rules of the Company.

**PART-B**

- i) Company's contribution to Provident Fund as per Rules of the Company.
- ii) Gratuity on retirement at the rate of half month's salary for each completed year of service subject to the ceiling as provided in law.
- iii) Leave with full pay : Encashment of leave will be permitted as per Rule of the Company.

**PART-C**

- i) Use of Car for Company's business. Any use of car for private purpose will be valued and charged as per Income Tax Rules, 1962.
- ii) Free telephone facility at residence.

In case of no profits or inadequate profits in the financial year, remuneration and perquisites shall be subject to overall limits as prescribed under Section-II of Part II of Schedule V of the Companies Act, 2013.

The Chairman & Managing Director, so long as he functions as such, shall not be paid any sitting fees for attending meetings of the Board of Directors or Committee thereof.

The agreement sets out the mutual rights and obligations of the Company and the Chairman & Managing Director and details of powers and duties of the later and can be terminated by either party by giving three month's notice in writing to the other.