



APAR INDUSTRIES LTD.

## POWERING AHEAD!

56 YEARS OF POWERFUL PERFORMANCE  
"TOMORROW'S PROGRESS TODAY"

Apar Industries Limited | Annual Report 2013-14



**Forward-looking statement**

In this Annual Report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with

any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

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# Corporate Information

## Board of Directors

Dr. N. D. Desai	<i>Chairman</i>
Dr. N. K. Thingalaya	
Mr. F. B. Virani	
Mr. Kushal N. Desai	<i>Managing Director</i>
Mr. C. N. Desai	<i>Joint Managing Director</i>
Mr. H. N. Shah	<i>Upto the close of business hours on 30th May, 2014</i>
Mr. Rajesh Sehgal	
Mr. Sanjiv Maheshwari	<i>Upto 29th May, 2014</i>
Mr. Suyash Saraogi	<i>Additional Director w.e.f. 30th May, 2014</i>
Ms. Nina Kapasi	<i>Additional Director w.e.f. 30th May, 2014</i>

## Audit Committee

Mr. H. N. Shah	<i>Chairman, upto the close of business hours on 30th May, 2014</i>
Dr. N. K. Thingalaya	<i>Chairman, w.e.f. 30th May, 2014</i>
Mr. F. B. Virani	
Mr. Rajesh Sehgal	
Mr. Kushal N. Desai	<i>w.e.f. 30th May, 2014</i>
Mr. Suyash Saraogi	<i>w.e.f. 30th May, 2014</i>
Ms. Nina Kapasi	<i>w.e.f. 30th May, 2014</i>

## Auditors

M/s. Sharp & Tannan  
Chartered Accountants,  
Mumbai.

## Chief Financial Officer

Mr. V. C. Diwadkar

## Company Secretary

Mr. Sanjaya Kunder

## Bankers

- Union Bank of India
- Syndicate Bank
- ING-Vysya Bank Ltd.
- IDBI Bank Limited
- ICICI Bank Ltd.
- State Bank of India
- Standard Chartered Bank
- Indian Bank
- Bank of Baroda
- Axis Bank Ltd.
- Credit Agricole – Corporate & Investment Bank

## Registered Office

301, Panorama Complex, R. C. Dutt Road,  
Vadodara – 390 007 (Gujarat).  
Tel : (+ +91) (0265) 2339906, 2331935  
Fax : (+ +91) (0265) 2330309  
E-mail : com\_sec@apar.com • Website : www.apar.com  
CIN : L91110GJ1989PLC012802

## Corporate Office

Apar House, Bldg. No. 5, Corporate Park,  
Sion – Trombay Road, Chembur, Mumbai – 400 071.  
Tel : (+ +91) (022) 25263400, 67800400  
Fax : (+ +91) (022) 25246326  
E-mail : corporate@apar.com • Website : www.apar.com

## Registrar & Share Transfer Agent

M/s. MCS Share Transfer Agent Limited  
Neelam Apartment, 88, Sampatrao Colony, Chhapan Bhog,  
Alkapuri, Vadodara – 390 007 (Gujarat).  
Tel : (+ +91) (0265) 2339397, 2350490  
Fax : (+ +91) (0265) 2341639  
E-mail : mcsltdbaroda@yahoo.com • Website : www.mcsdel.com



# Financial Highlights for last five years (Consolidated)

(₹ in crores)

Particulars	2013-14	2012-13	2011-12	2010-11	2009-10
<b>PROFIT AND LOSS ACCOUNT DATA :-</b>					
Sales (Net of Excise)	4,633	4,651	3,595	3,033	2,236
% of Growth	(0)	29	19	36	(15)
Exports	1,555	1,413	1,025	744	624
Materials, Operating and other costs	4,269	4,282	3,332	2,775	2,090
Employee cost	67	57	48	40	32
Depreciation	27	24	22	21	19
Interest and Discounting charges*	145	135	116	45	33
Profit before tax, exceptional & Extraordinary Items	129	155	79	154	102
% of Growth	(16)	97	(49)	51	-
Taxation	39	40	3	58	22
Profit after tax (PAT)	90	115	76	96	79
Exceptional items	1	5	2	-	1
Extraordinary Items - net of tax	-	-	-	-	60
Minority interest	(0)	(1)	(1)	(1)	7
Balance of Profit	89	109	73	95	24
% of Growth	(19)	50	(23)	290	-
<b>BALANCE SHEET DATA:-</b>					
Share Capital	38	38	38	32	32
Reserves & Surplus	658	588	485	319	252
Net worth	696	626	523	351	283
Minority interest	2	2	1	1	0
Loan Funds	314	135	210	136	162
Deferred Tax (Net)	22	10	13	9	7
<b>Total Liabilities</b>	<b>1,034</b>	<b>773</b>	<b>747</b>	<b>497</b>	<b>454</b>
Gross Block	541	436	355	328	309
Net Block	356	288	207	184	181
Investments including Goodwill on Consolidation	21	21	0	0	0
Net Current assets	657	464	540	312	271
Miscellaneous Expenditure (to the extent not written off or adjusted)	-	-	-	-	-
<b>Total Assets</b>	<b>1,034</b>	<b>773</b>	<b>747</b>	<b>497</b>	<b>454</b>
<b>KEY RATIOS:-</b>					
PAT to Sales (%)	1.91	2.35	2.03	3.14	1.09
Return on Net Worth (%)	13.54	19.86	17.15	30.03	30.57
Asset Turns (Revenue to total Assets)	1.76	2.06	1.91	2.05	1.55
Return on Capital Employed (%) **	30.43	38.10	31.23	41.75	24.65
Debt to Equity Ratio	0.13	0.08	0.13	0.21	0.36
Earning per Equity Share (Basic) ₹	23.30	28.45	19.15	29.48	7.56
Rate of dividend % p.a.	52.50%	52.50%	40%	60%	50%
Book value per Equity Share ₹	180.72	162.62	136.03	108.68	87.63
Share Price as on 31st March (BSE)	144.70	108.45	161.85	214.90	197.50

\* Interest and Discounting charges for FY 2010-11, FY 2011-12, FY 2012-13 and FY 2013-14 includes Bank charges for borrowing and applicable net gain/loss on foreign currency transaction and translation

\*\* Excluding extraordinary items



# NOTICE

NOTICE is hereby given that the **TWENTY FIFTH** Annual General Meeting of the Equity Shareholders of **APAR INDUSTRIES LIMITED** will be held in the Conference Room, Gujarat Employers' Organisation (GEO), Trident Complex, D-Wing 34-35, 3rd Floor, Opposite Geri, Race Course, Vadodara – 390 007 (Gujarat) on Friday, August 1, 2014 at 2.00 P.M. to transact the following business:

## Ordinary Business:

1. To receive, consider and adopt the audited financial statements including consolidated financial statements comprising the Balance Sheet as at March 31, 2014 and the Statement of Profit and Loss and cash flow for the year ended on that date together with Reports of Directors and Auditors thereon.
2. To declare dividend on the Equity Shares of the Company.
3. To appoint a Director in place of Dr. N. D. Desai (DIN – 00005285), who offers to retire by rotation and being eligible, offers himself for reappointment.
4. To appoint Auditors of the Company and to fix their remuneration.

## Special Business

5. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:  
**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Dr. N. K. Thingalaya (holding DIN 00019226), Director of the Company who was appointed as director liable to retire by rotation and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years upto the conclusion of 30th Annual General Meeting of the Company in the calendar year 2019."
6. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), and Clause 49 of the Listing Agreement, Shri F. B. Virani (holding DIN 00062278), Director of the Company who was appointed as Director liable to retire by rotation and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years up to the conclusion of 30th Annual General Meeting of the Company in the calendar year 2019."

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

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), and Clause 49 of the Listing Agreement, Shri Suyash Saraogi (holding DIN 00727967), who was appointed as an Additional Director by the Board of Directors pursuant to Section 161 of the Companies Act, 2013 and Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years up to the conclusion of 30th Annual General Meeting of the Company in the calendar year 2019."

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

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014





(including any statutory modification(s) or re-enactment thereof for the time being in force), and Clause 49 of the Listing Agreement, Smt. Nina Kapasi (holding DIN 02856816), who was appointed as an Additional Director by the Board of Directors pursuant to Section 161 of the Companies Act, 2013 and Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years up to the conclusion of 30th Annual General Meeting of the Company in the calendar year 2019."

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

**"RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), Shri T. M. Rath, the Cost Auditor, 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 31st March, 2015, be paid the remuneration as set out in the annexure to the Notice convening this Meeting.

**FURTHER RESOLVED 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."

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

**"RESOLVED THAT** in supersession of the Ordinary Resolution passed at the 23rd Annual General Meeting of the Members of the Company held on 9th November, 2012 under Section 293(1) (d) of the Companies Act, 1956 and pursuant to the provisions of Section 180(1)(c) and all other applicable provisions if any, of the Companies Act, 2013 or any other law for the time being in force (including any statutory modification or amendment thereto or re-enactment thereof for the time being in force) and in terms of Articles of Association of the Company consent of the Company be and is hereby accorded to the Board of Directors of the Company ("the Board") for borrowing in Indian Rupees and/or foreign currencies for the purposes of business

of the Company from time to time, any sum or sums of money, on such security and on such terms and conditions as the Board may deem fit, notwithstanding that the money to be borrowed together with the monies already borrowed by the Company (apart from temporary loans including working capital facilities obtained or to be obtained from the Company's bankers in the ordinary course of business) including rupee equivalent of foreign currency loans (such rupee equivalent being calculated at the exchange rate prevailing as on the date of the relevant foreign currency agreement) may exceed, at any time, the aggregate of the paid-up capital and free reserves of the Company, that is to say, reserves not set apart for any specific purpose, provided however, the total amount so borrowed in excess of the aggregate of the paid-up capital of the Company and its free reserves shall not at any time, exceed the sum of ₹500 crores (Rupees Five Hundred Crores only)."

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

**"RESOLVED THAT** in supersession of the Ordinary Resolution passed at the 17th Annual General Meeting held on 10th August, 2006 under Section 293(1)(a) of the Companies Act, 1956 and pursuant to the provisions of Section 180(1)(a) and all other applicable provisions if any, of the Companies Act, 2013 or any other law for time being in force (including any statutory modification or amendment thereto or re-enactment thereof for the time being in force) and in terms of Articles of Association of the Company, consent of the Company be and is hereby accorded to the Board of Directors of the Company for creating mortgages, charges and hypothecations in addition to the existing mortgages, charges and hypothecations created by the Company, as may be necessary on all or such of the assets/properties of the Company both present and future, in such manner as the Board may decide, together with power to take over the management of the Company in certain events, to or in favour of the Indian or foreign Financial Institutions, Investment Institutions and their subsidiaries, banks, mutual funds, trusts and other corporate bodies, (hereinafter referred to as the "lending agencies"), Trustees for the holders of debentures/bonds and/or other instruments which may be issued on private placement basis or otherwise, to secure rupee term loans/foreign currency loans, financial assistance/facilities, debentures, bonds and other instruments together with interest thereon at the agreed rates, further interest, liquidated damages, premium on pre-payment or on redemption,



costs, charges, expenses and all other monies payable by the Company to the trustees under the trust deed and to the lending agencies under their respective agreements/loan agreements/debenture trust deeds to be entered into by the Company in respect of the said borrowings from time to time.

**FURTHER RESOLVED THAT** the Board of Directors of the Company be and is hereby authorised to finalise with the lending agencies/trustees, the documents for creating the aforesaid mortgages, charges, and/or hypothecations and to accept any modifications to, or to modify, alter or vary, the

terms and conditions of the aforesaid documents and to do all such acts, deeds and things and to execute all such documents from time to time as may be necessary for giving effect to the above Resolution."

**Registered Office:**

301, Panorama Complex,  
R. C. Dutt Road, Vadodara 390 007.

**By order of the Board,  
For Apar Industries Limited**

Place : Mumbai

Date : May 30, 2014

**Sanjaya Kunder**  
*Company Secretary*

## NOTES:

1. A member entitled to attend and vote is also entitled to appoint a proxy or proxies to attend and, on a poll, to vote instead of himself/herself. Such a proxy need not be a member of the Company. The proxy form duly completed and signed should be deposited at the Company's registered office not less than 48 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.

2. Members are requested to bring their attendance slip along with their copy of the Annual Report to the Meeting.
3. Members are requested to note that the Company's Equity Shares are under compulsory demat trading for all investors, as per the provisions of the SEBI circular dated May 29, 2000. Members are, therefore, requested to dematerialise their shareholding to avoid inconvenience.
4. The register of members and share transfer books for the Equity Shares of the Company shall remain closed from Saturday, 26th July, 2014 to Friday, 1st August, 2014, both days inclusive.
5. Members desirous of obtaining information/details about the accounts are requested to write to the Company at least one week before the Meeting, so that proper information can be made available at the time of Meeting.

6. Members holding shares in electronic form may note that bank particulars registered against their depository accounts will be used by the Company for payment of dividend. The Company or its Registrar and Transfer Agents, M/s. MCS Share Transfer Agent Ltd. (MCS) cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates among others. Such changes are to be advised only to the Depository Participant of the members with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company/MCS.
7. The brief details of Directors seeking appointment/reappointment at the ensuing Annual General Meeting, nature of their expertise in specific functional areas as required in terms of Clause 49 of the Listing Agreement of the Stock Exchanges are also annexed hereto and forming part of the Notice.
8. 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.
9. Relevant documents referred to in the accompanying Notice are open for inspection at the registered office of the Company during office hours on all working days except Sundays between 11.00 A.M. and 4.00 P.M. up to the date of the ensuing Annual General Meeting and at the Meeting, during the Meeting hours.
10. Corporate members intending to send their authorised representative(s) to attend the meeting are requested to send a certified copy of the Board Resolution authorising





their representative(s) to attend and vote on their behalf at the Meeting.

11. Pursuant to the provisions of Section 205A of the Companies Act, 1956, the amounts of dividend remaining unpaid or unclaimed for a period of seven years from the date of its transfer to the unpaid dividend accounts of the Company are required to be transferred to the Investor Education and Protection Fund (IEPF) set up by the Government of India and, thereafter, no payments shall be made by the Company or by the IEPF in respect of any such amounts. The amount of unpaid/unclaimed final dividend up to the financial year ended March 31, 2006 and the interim dividend for 2006-07 on Equity Shares paid on 20.11.2006 have been transferred to IEPF. The unpaid/unclaimed dividend amount of Equity Shares of the Company paid on 21.08.2007 (Final dividend – 2006-07) and 19.11.2007 (Interim dividend – 2007-08) are due for transfer to the said fund in the months of October, 2014 and January, 2015 respectively. Members who have not yet encashed their warrant(s) are requested to make their claims to the Company without any delay.

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 August, 2013 (date of last Annual General Meeting) on the website of the Company ([www.apar.com](http://www.apar.com)), as also on the website of the IEPF viz. ([www.iepf.gov.in](http://www.iepf.gov.in))

12. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the 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/Registrar & Share Transfer Agent.
13. Members may avail of the nomination facility as provided under Section 72 of the Companies Act, 2013.
14. (a) As stated in Para No. 7(d) of the Directors' Report, the Company has not attached the Annual Accounts, Reports and other Statements pursuant to Section 212 (1) of the Companies Act, 1956, in respect of – (a) Petroleum Specialities Pte. Ltd., Singapore (PSPL), wholly-owned subsidiary (WOS) of the Company;

(b) Quantum Apar Speciality Oils Pty. Ltd., Australia, subsidiary of PSPL, and (c) Apar ChemateK Lubricants Ltd. subsidiary of the Company with the Annual Report of the Company for the financial year ended March 31, 2014 in accordance with the general circular issued by the Ministry of Corporate Affairs, Government of India (MCA) vide circular no. 2/2011 Dtd. 8th February, 2011. The Company has fulfilled all the conditions of the said circular in the Annual Report attached herewith.

- (b) A statement showing information in aggregate of the said subsidiary companies in compliance with the aforesaid general circular of Ministry of Corporate Affairs has been attached with the financial statements and forms a part of this Annual Report.

15. The Annual Report of the Company, circulated to the Members of the Company, will be made available on the Company's website at [www.apar.com](http://www.apar.com).
16. The Company has already initiated/ implemented the "Green Initiative" during the year 2010-11, as per the circular numbers 17/2011 dated April 21, 2011 and 18/2011 dated April 29, 2011 issued by the Ministry of Corporate Affairs (MCA) to enable electronic delivery of notices/documents and Annual Reports to the shareholders. The e-mail addresses as made available in your respective Depository Participant (DP) accounts and downloaded from NSDL/CDSL will be deemed to be your e-mail address for serving notices/documents including those covered under Section 136 read with Section 20 of the Companies Act, 2013.

The Notice of AGM and the copies of audited financial statements, Directors' Report, Auditors' Report among others shall also be displayed on the Company's website at [www.apar.com](http://www.apar.com) and the other requirements of the aforesaid MCA circular shall be duly complied with. Members holding shares in electronic mode are, therefore, requested to ensure to keep their email addresses updated with the Depository Participants. Members holding shares in physical mode are also requested to update their e-mail addresses by sending an e-mail to [investorservices@apar.com](mailto:investorservices@apar.com) quoting their registered ledger folio number. Shareholders can register their email address, by sending an e-mail at [investorservices@apar.com](mailto:investorservices@apar.com) quoting their Folio No. /DP ID – Client ID in order to facilitate the Company to serve the documents through the electronic mode.



## ANNEXURE TO NOTICE

### EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

#### ITEM NOS. 5 and 6:

Dr. N. K. Thingalaya and Shri F. B. Virani are Independent Directors of the Company and have held the position as such for more than 5 (five) years.

It is proposed to appoint Dr. Thingalaya and Shri Virani as Independent Directors under Section 149 of the Act and Clause 49 of the Listing Agreement to hold office for 5 (five) consecutive years for a term up to the conclusion of the 30th Annual General Meeting of the Company in the calendar year 2019.

Dr. Thingalaya and Shri Virani are not disqualified from being appointed as a Director in terms of Section 164 of the Act and have given their consent to act as Directors. The Company has received declarations from them that they satisfy the criteria of independence as prescribed both under Section 149 (6) of the Act and under Clause 49 of the Listing Agreement.

The Company has received notices in writing from members along with the deposit of requisite amount under Section 160 of the Act proposing candidature of each of Dr. Thingalaya and Shri Virani for the office of Directors of the Company.

Dr. N. K. Thingalaya holds a doctoral degree in Economics from the University of Bombay. He has served at various senior managerial positions at Syndicate Bank and retired as Chairman & Managing Director of the bank with 31 years of rich experience in the country's banking sector. He has also served as a consultant to the World Bank on a research project titled "Innovation in banking" and was also appointed by the RBI as the Chairman of the Working Group for Restructuring Regional Rural Banks.

Shri F. B. Virani is a B.E. – Chemical Engineering from Department of Chemical Technologies, University of Bombay. He did his M.S. – Chemical Engineering from the Stevens Institute of Technology, Hoboken, New Jersey, USA. He did his M.B.A. from Rutgers, the State University of New Jersey, USA. He has 42 years of corporate sector experience, both private and public sectors, in the areas of chemical/petrochemical and energy businesses. He has vast experience in handling chemical projects for GILC, IPCL and a number of American companies. He was instrumental in pioneering infrastructural development for gas distribution network for the Gujarat Gas Company Limited during his tenure as a Managing Director there for 10 years.

Name of the companies in which they hold directorship and

membership/chairmanship of board, committees, shareholding and relationship between directors inter se as stipulated under Clause 49 of the Listing Agreement with Stock Exchanges are provided in a statement annexed to this notice forming part of the Annual Report.

In the opinion of the Board, Dr. Thingalaya and Shri Virani fulfil the conditions specified in the Companies Act, 2013 and rules made thereunder for their appointment as Independent Directors of the Company and are independent of the management. Copy of the draft letter for their appointment as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the registered office of the Company during normal business hours on any working day, excluding Saturday.

Except Dr. Thingalaya and Shri Virani, being appointees, none of the Directors and key managerial personnel of the Company and their relatives is concerned or interested, financially or otherwise, about the resolutions set out at item nos. 5 and 6. This explanatory statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

The Board considers that their continued association would be of immense benefit to the Company and it is desirable to continue to avail their services as Independent Directors. Accordingly, the Board recommends the Ordinary Resolutions set out at item nos. 5 and 6 for the approval of the shareholders of the Company.

#### ITEM NOS. 7 and 8:

The Board of Directors of the Company pursuant to the provisions of Section 161(1) of the Act and Articles of Association of the Company appointed Shri Suyash Saraogi and Smt. Nina Kapasi as Additional Directors of the Company with effect from 30th May, 2014 and they would hold office up to the date of the ensuing Annual General Meeting.

It is proposed to appoint Shri Saraogi and Smt. Kapasi as Independent Directors under Section 149 of the Act and Clause 49 of the Listing Agreement to hold office for 5 (five) consecutive years for a term up to the conclusion of the 30th Annual General Meeting of the Company in the calendar year 2019.

Shri Saraogi pursued two degrees concurrently and successfully completed - Bachelor of Science in Mechanical Engineering and Applied Mechanics from the University of Pennsylvania and





Bachelor of Science in Economics from the Wharton School. He was enrolled in the Jerome Fisher Programme in Management and Technology at the University of Pennsylvania, Philadelphia. He graduated Summa Cum Laude (highest honours) and won the Otto Van Wolf Award for academic excellence. He holds a senior managerial position at Reliance Industries Ltd.

Smt. Kapasi, is a Member of the Institute of Chartered Accountants of India (ICAI) and Law Graduate presently practicing on taxation, audit and managing consultancy. She is the member of core group of Bombay Chartered Accountants Society and speaker at Seminars and workshops organized by ICAI, BCAS, CITC, WIRC and other forums. She is the contributor of Articles in magazines and newspapers of professional interest and in BCA - Referencer including Economic Times, Times of India, Vyapar, Outlook Money, Dignity Dialogue, Chitrallekha.

Name of the companies in which they hold directorship and membership/chairmanship of board, committees, shareholding and relationship between directors inter se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges are provided in a statement annexed to this Notice forming part of the Annual Report.

Shri Saraogi and Smt. Kapasi are not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as a Director. The Company has received a declaration from them that they meet with the criteria of independence as prescribed both under Sub-Section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

The Company has received valid notice and requisite deposit from a member of the Company under Section 160 of the said Act, proposing their candidature for the office of Director.

In the opinion of the Board, Shri Saraogi and Smt. Kapasi fulfil the conditions specified in the Companies Act, 2013 and rules made thereunder for their appointment as an Independent Director of the Company and are independent of the management. Copy of the draft letter for appointment of Shri Saraogi and Smt. Kapasi as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the registered office of the Company during normal business hours on any working day, excluding Saturday.

In view of the above background and rich experience of Shri Saraogi and Smt. Kapasi, it will be in the interest of the Company

to continue them as Independent Directors of the Company. The Board of Directors therefore recommends the resolutions as set out at item nos. 7 and 8 of the Notice for approval of the members.

Except Shri Saraogi and Smt. Kapasi, being appointees, none of the Directors and key managerial personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolutions set out at item nos. 7 and 8 of the Notice. This explanatory statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchanges.

#### ITEM NO. 9:

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of Shri T. M. Rathie the Cost Auditor to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2015 for an amount not exceeding ₹1,20,000 for conducting audit of the cost records of oil, conductors and cable products of the Company for FY2014-15.

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.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at item no. 9 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2015.

None of Directors/key managerial personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at item no. 9 of the Notice.

The Board, therefore, commends the resolution for acceptance by the members.

#### ITEM NOS. 10 and 11:

The item nos. 10 and 11 of the Notice relates to authorising the Board of Directors of the Company to borrow monies apart from temporary loans including working capital facilities obtained or to be obtained from Company's bankers in the ordinary course of business in excess of paid-up share capital and free reserves of the Company and to mortgage/charge the moveable/immoveable properties of the Company.

In terms of provisions of Section 180(1) (c) of the Companies Act, 2013, the Board of Directors of the Company cannot, except with the consent of the Company in a general meeting,