



## Process Engineering Systems

Annual Report 2013-2014

**AXTEL INDUSTRIES LIMITED****TWENTY SECOND ANNUAL REPORT 2013-2014**

BOARD OF DIRECTORS	:	Shri Kirit Kumar Pathak, Chairman Shri Ajay Naishad Desai, Executive Director Shri Ajay Nalin Parikh, Executive Director Shri Hardip Singh Bubber, Independent Director Shri Ajit Singh Bubber, Independent Director Shri Ameet Nalin Parikh, Director Shri Sandeep Lalwani, Independent Director Shri Neeraj Pathak, Alternate Director (to Shri Kirit Kumar Pathak)
AUDITORS	:	V. K. SHASTRI & CO., Chartered Accountants, Baroda
BANKERS	:	Bank of Baroda, Halol
REGISTERED OFFICE & WORKS	:	Plot No. 43 / 1, Village Nurpura, P.O. Baska, Taluka HALOL - 389 350, Dist: Panchmahals, Gujarat. Tel : [02676] 247900 Fax : [02676] 247125
Corporate Identification number(CIN)	:	L91110GJ1991PLC016185
E-mail address	:	info@axtelindia.com
website	:	<a href="http://www.axtelindia.com">www.axtelindia.com</a>

## NOTICE

NOTICE is hereby given that the twenty second annual general meeting of the members of AXTEL INDUSTRIES LIMITED will be held at 11.00 a.m. on Monday, the 29<sup>th</sup> September, 2014 at the Registered Office of the Company situated at Plot No. 43/1, Village Narpura, P.O. Baska, Tal. Halol – 389 350, Dist. Panchmahals, Gujarat to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Balance Sheet as at 31<sup>st</sup> March, 2014 and the Profit & Loss Account of the Company for the year ended on that day together with the Directors' and Auditors' Reports thereon.
2. To appoint a Director in place of Shri Ajit Singh Bubber, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Shri Hardip Singh Bubber, who retires by rotation and being eligible offers himself for re-appointment.
4. To Reappoint the Auditors of the Company and fix their remuneration.

**SPECIAL BUSINESS :**

5. To consider and if thought fit, to pass with or without modification, the following resolution as Ordinary Resolution:

RESOLVED THAT pursuant to the provisions of section 149, 150, 152 and any other provisions applicable, if any, of the Companies Act, 2013 and the rules made thereunder read with schedule IV of the Companies Act, 2013 Shri Sandeep Lalwani who retires by rotation at the ensuing 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 Independent Director of the Company to hold office for five consecutive years upto 31<sup>st</sup> March, 2019.

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

"RESOLVED that pursuant to section 197, 200 and other provisions applicable, if any and schedule V of the Companies Act, 2013 and subject to approval of central govt. or any other authority required, if any, consent of the members of the company is accorded to increase remuneration of Shri Ajay Naishad Desai, Executive Director of the Company with effect from the 1<sup>st</sup> April, 2014 within the limits prescribed hereunder from time to time:

**[i] Salary:**

Not exceeding Rs.7,00,000 (Rupees Seven Lac Only) per month [including perquisites and other allowance, if any]

**[ii] Perquisites and other allowances:**

Perquisites and other allowances shall also be allowed in addition to salary. However, total managerial remuneration by way of salary, perquisites and other allowances shall not exceed the overall limit of Rs.84,00,000 (Rupees Eighty Four Lac Only) per annum.

**[iii] Contribution to provident fund, superannuation fund and annuity fund will not be included in the computation of the ceiling on managerial remuneration to the extent these either singly or put together are not taxable under the Income-Tax Act. Gratuity payable should not exceed half a month's salary for each completed year of service.****[iv] Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.****[v] Provision of car with driver for use on Company's business and telephone at residence will not be considered as perquisites/remuneration. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the individual appointee concerned.**

RESOLVED FURTHER THAT where in any financial year, during the currency of tenure of Shri Ajay Naishad Desai as Executive Director, the Company has no profit or its profits are inadequate, it may pay him minimum remuneration by way of salary, perquisites and allowances not exceeding the limits specified above from 1<sup>st</sup> April, 2014 to 28<sup>th</sup> February, 2017

7. To consider and if thought fit, to pass with or without modification, the following resolutions as Special Resolutions:

"RESOLVED that pursuant to section 197, 200 and other provisions applicable, if any and schedule V of the Companies Act, 2013 and subject to approval of central govt. or any other authority required, if any, consent of the members of the company is accorded to increase remuneration of Shri Ajay Nalin Parikh, Executive Director of the Company with effect from the 1<sup>st</sup> April, 2014 within the limits prescribed hereunder from time to time:

**[i] Salary:**

Not exceeding Rs.7,00,000 (Rupees Seven Lac Only) per month [including perquisites and other allowance, if any]

**[ii] Perquisites and other allowances:**

Perquisites and other allowances shall also be allowed in addition to salary. However, total managerial remuneration by way of salary, perquisites and other allowances shall not exceed the overall limit of Rs.84,00,000 (Rupees Eighty Four Lac Only) per annum.

- (iii) Contribution to provident fund, superannuation fund and annuity fund will not be included in the computation of the ceiling on managerial remuneration to the extent these either singly or put together are not taxable under the Income-Tax Act. Gratuity payable should not exceed half a month's salary for each completed year of service.
- (iv) Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.
- (v) Provision of car with driver for use on Company's business and telephone at residence will not be considered as perquisites/remuneration. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the individual appointee concerned.

"RESOLVED FURTHER THAT, where in any financial year, during the currency of tenure of Shri Ajay Parikh as Executive Director, the Company has no profit or its profits are inadequate, it may pay him minimum remuneration by way of salary, perquisites and allowances not exceeding the limits specified above for a period of three years i.e. from 1<sup>st</sup> April, 2014 to 31<sup>st</sup> March, 2017.

8. To consider and if thought fit, to pass with or without modification, the following resolutions as Special Resolutions:

RESOLVED pursuant to section 180(1)(c) and other provisions applicable, if any, of the Companies Act, 2013 that the Board of Directors of the Company be and is hereby authorized to borrow money from bank, financial institutions, other companies / persons as may be required from time to time on such terms and conditions as may be considered suitable by the Board of Directors not exceeding Rs.30 crore (Rupees Thirty Crore only) notwithstanding that the money to be borrowed together with moneys already borrowed by the Company ( apart from temporary loans obtained from the company's banker in the ordinary course of business) may exceed the aggregate of the paid up capital of the Company and free reserves.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do and execute all such acts, deeds and things as may be necessary for giving effect to the above resolution.

9. To consider and if thought fit, to pass with or without modification, the following resolutions as Special Resolutions:

RESOLVED that consent of the Company be and is hereby accorded pursuant to section 180(a) and other provisions applicable, if any, of the Companies Act, 2013 to the Board of Directors of the Company to mortgage and or charge all the immovable and movable properties where so ever situate, present and future of the Company as security with the bank, financial institutions, other companies as may be required to avail loans, various fund base and / or non-fund base credit facilities not exceeding Rs.30 crore (Rupees Thirty Crore only).

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do and execute all such acts, deeds and things as may be necessary for giving effect to the above resolution.

By the Order of the Board of Directors

Dated : 11.08.2014

Place : Registered Office :

Plot No.43/1, Village: Narpura,

P.O. Baska, Tal. Halol - 389 350

Dist. Panchmahals, Gujarat

Ajay Naishad Desai  
Executive Director

#### NOTES:

- [1] A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL ONLY TO VOTE INSTEAD OF HIM. SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING. A PROXY FORM IS SENT HERewith.

A person can act as proxy on behalf of members not exceeding 50 (fifty) and holding in the aggregate not more than 10 (ten) percent of the total share capital of the Company.

Proxy submitted on behalf of the companies, Societies etc. must be supported by an appropriate resolution/ authority as applicable.

- [2] Members should notify change in the address, if any, specifying full address in block letters with pin code of the post office.
- [3] Members seeking further information on the accounts or any other matter contained in the notice are requested to write to the Company at least 7 days before the meeting, so that relevant information can be kept ready at the meeting.
- [4] The register of members and share transfer book will remain closed from Tuesday, the 23<sup>rd</sup> September, 2014 to Monday, the 29<sup>th</sup> September, 2014 [both days inclusive].
- [5] Members attending the meeting are requested to bring their copy of the Annual Report.
- [6] Voting through electronic means : E-voting : The Company is pleased to provide E-voting facility through Central Depository Services (India) Limited (CDSL) as an alternative for all the members of the Company to enable them to cast their votes electronically. The instructions for E-voting are attached herewith.
- [7] Explanatory statement setting out all material facts concerning the special business u/s 102 of the Companies Act, 2013 is annexed hereto :



**Explanatory statement in respect of the special business u/s 102 of the Companies Act, 2013****Item No.5**

Shri Sandeep Lalwani is Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company on 8<sup>th</sup> November, 2011. He is member of Audit Committee and Nomination & Remuneration Committee of the Company. He is Chartered Accountant with accounting, finance and audit background and has varied and rich experience of over 24 years. Apart from his experience in the field of accounting, finance and audit, he has been associated with other companies.

Shri Sandeep Lalwani retires by rotation at the ensuing annual general meeting under the erstwhile applicable provisions of the Companies Act, 1956. Pursuant to section 149 and any other applicable provisions of the Companies Act, 2013 Shri Sandeep Lalwani being eligible for appointment, is proposed to be appointed as an Independent Director of the Company for five consecutive years for a term upto 31<sup>st</sup> March, 2019. A notice has been received from a member proposing Shri Sandeep Lalwani as an Independent Director of the Company.

In the opinion of the Board Shri Sandeep Lalwani fulfils the conditions specified in the Companies Act, 2013 and Rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. A copy of the draft letter for appointment of Shri Sandeep Lalwani as an independent director setting out the terms and conditions would be available for inspection by members at the registered office of the company during normal business hours on any working day excluding Saturday and Sunday.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to appoint him as Independent Director of your company. Your Board recommends his appointment as Independent Director of your Company.

No Director, Key Managerial Personnel or their relatives, except Shri Sandeep Lalwani is directly or indirectly concerned or interested in the above resolution.

This statement may also be regarded as a disclosure under Clause 49 of the listing agreement with the Stock Exchange.

**Item No.6**

Shri Ajay Naishad Desai was re-appointed as Executive Director of the Company for a period of five years w.e.f. 01<sup>st</sup> March, 2012 as per special resolutions passed by the members of the Company at the annual general meeting of the Company held on 19<sup>th</sup> September, 2011. Subsequently his remuneration was increased to Rs.6,25,000 per month with effect from 1<sup>st</sup> November, 2011 by passing special resolutions at the extra ordinary general meeting held on 8<sup>th</sup> November, 2011 and necessary application to the Central Government was made for approval to increase his remuneration. The Central Government has given its approval for a total remuneration of Rs.75,00,000 ( Rupees Seventy Five Lac only) per annum for a period of three years with effect from 1<sup>st</sup> March, 2012 to 28<sup>th</sup> February, 2015 as per letter dated 29<sup>th</sup> November, 2013.

He is looking after the marketing and administration department of the Company. Looking to the responsibilities shouldered by Shri Ajay Naishad Desai, remuneration committee of the Company has recommended to increase his remuneration from Rs.6,25,000 per month to Rs.7,00,000 per month with effect from 1<sup>st</sup> April, 2014.

The information required as per clause iv of proviso of section II of part II of schedule V of the Companies Act, 2013 is furnished hereunder:

**I. General Information:**

1. **Nature of Industry :** Engineering industry manufacturing food processing plant, machinery and equipment and dairy machinery since 1993.
2. **Financial Performance :** The Company's net profit after taxation is Rs.276.39 lacs for the year ended 31<sup>st</sup> March, 2014
3. **Export Performance:** The Company has made export of Rs.215.68 lacs during the year ended 31<sup>st</sup> March, 2014.

**II. Information about Shri Ajay Naishad Desai, Appointee :**

1. **Back Ground Details:** He is a 1st Class graduate in Electrical Engineering. He possesses over 30 years of wide and rich experience in the field of process and equipment design for food and pharmaceutical industries.
2. **Past remuneration :** He is paid remuneration of Rs.2,50,000 per month. He has been sanctioned remuneration of Rs.6,25,000 per month with effect from 1<sup>st</sup> March, 2012 by the Central Government.
3. **Recognition or awards :** Nil
4. **Job profile and his suitability:**
  - Graduated from The Maharaja Sayajirao University at Vadodara in the year 1981 as an Electrical Engineer and having scored a first class.
  - 1981-83: Worked as a marketing and sales engineer with M/s Finex Sieves Pvt. Ltd., who were at that time a leading company for supply of knowhow and equipment for sieving and straining applications in food, pharmaceutical, chemical, paint, paper and other industries. Shri Ajai Naishad Desai was instrumental in increasing the turnover of the company manifold, which was achieved in a very short period.

- 1985-86: Together with others he formed a partnership company, Aro-Grad Engineering and set up a workshop to manufacture equipment for food and dairy industries. The first customer of Aro-Grad Engineering was Amul Dairy followed by the National Dairy & Development Board. Shri Ajai Naishad Desai worked closely with eminent personalities such as Dr.Verghese Kurien, Dr.V.H.Shah and others to develop various dairy and food equipment as import substitutes for many large dairies all over India. During this period he gained rich experience in the design, development, manufacture and use of GMP equipment for the dairy, food and pharmaceutical sectors.
- 1986-93: Promoted Age Technologies Pvt. Ltd. which was a larger version of Aro-Grad Engineering. This company continued the activities of Aro-Grad Engineering, with a substantially increased manufacturing facility. Age Technologies successfully commissioned various equipment and plants for dairies, food, animal feed and other similar industries. Many of these were import substitutes, eliminating the need for importing similar equipment from advanced countries.
- 1992-till date, as Executive Director – Sales with Axtel Industries Ltd. since its inception. Due to Mr.Desai's efforts Axtel today is the preferred supplier to Indian and MNC food processing companies such as Kraft Foods, Nestle, Cadbury, GlaxoSmithKline, Heinz, ITC, Unilever and several others in India and abroad. Axtel, under the leadership of Mr. Ajay Desai, has over the last 19 years designed processes/systems equivalent to the best in class. Axtel is represented in Western Europe by M/s AnuTec GmbH, Switzerland. Axtel also works very closely with M/s Wenger Inc., U.S.A. for Food and Feed Extrusion Systems and M/s Merk Process, Germany for Vacuum Drying Technologies.
- Shri Ajai Naishad Desai is also the Treasurer for the Heritage Trust in Vadodara, an NGO involved in the conservation of heritage sites and promotion of heritage awareness. Heritage Trust, Vadodara has been the driving force in winning a World Heritage status for Champaner, Gujarat.

5. **Remuneration proposed :** Rs.7,00,000 per month with effect from 1<sup>st</sup> April,2014.

6. **Comparative remuneration profile with respect to industry, size of the company, profile of the position and person:** Figure with respect to industry is not available. However, proposed remuneration payable to Shri Ajay Naishad Desai is low comparing his efforts and responsibility as Executive Director of the Company.

7. **Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel:** Shri Ajay Naishad Desai has no pecuniary relationship directly or indirectly with the Company as managerial personnel except remuneration as Executive Director drawn by him and dividend on equity shares, declared if any, by the Company for his shareholding in the Company

### III. Other information:

1. **Reasons for inadequate profit:** Due to recessionary trend prevailing in India and abroad the Company could not procure more orders and as a result sales and profit could not be increased as expected.

2. **Steps taken or proposed to be taken for improvement:** The Company has expanded its production capacity by expansion of its existing factory shed and installed more machineries to cope with the rise in orders from the clients.

3. **Expected increase in productivity and profits in measurable terms:** As Company is manufacturing tailor made plants / machinery it is very difficult to give expected production and profits in measurable terms.

### IV. Disclosures:

Other disclosures have been mentioned in the Board of Directors' report under the heading "Corporate Governance" attached to the annual report.

The Board of Directors recommends the resolution for the approval of the members.

No Director, Key Managerial Personnel or their relatives, except Shri Ajay Naishad Desai for drawing his remuneration and Shri Kiritkumar Pathak, Director being a relative of Shri Ajay Naishad Desai is directly or indirectly concerned or interested in the above resolution except to the extent of his shareholding (including his relatives), if any, in the Company.

This explanatory statement together with the accompanying notice may also be considered as an abstract of terms and conditions of the contract for the appointment of Shri Ajay Naishad Desai as Executive Director.

### Item No.7

Shri Ajay Nalin Parikh was re-appointed as Executive Director of the Company for a period of five years w.e.f. 01<sup>st</sup> August, 2013 as per special resolutions passed by the members of the Company at the annual general meeting of the Company held on 31<sup>st</sup> July,2013. His remuneration was increased to Rs.6,25,000 per month with effect from 1<sup>st</sup> November,2011 by passing special resolutions at the extra ordinary general meeting held on 8<sup>th</sup> November,2011 and necessary application to the Central Government was made for approval to increase his remuneration and approval is expected within short period.

He is looking after the design and production departments of the Company. Looking to the responsibilities shouldered by Shri Ajay Nalin Parikh, remuneration committee of the Company has recommended to increase his remuneration from Rs.6,25,000 per month to Rs.7,00,000 per month with effect from 1<sup>st</sup> April,2014.

The information required as per clause iv of proviso of section II of part II of schedule V of the Companies Act, 2013 is furnished hereunder:

**I. General Information:**

1. **Nature of Industry :** Engineering industry manufacturing food processing plant, machinery and equipment and dairy machinery since 1993.
2. **Financial Performance :** The Company's net profit after taxation is Rs.276.39 lacs for the year ended 31<sup>st</sup> March, 2014
3. **Export Performance:** The Company has made export of Rs.215.68 lacs during the year ended 31<sup>st</sup> March, 2014.

**II. Information about Shri Ajay Nalin Parikh, Appointee :**

1. **Back Ground Details:** He is a Bachelor of Engg. (Mechanical) with distinction from The Maharaja Sayajirao University at Vadodara in the year 1980. He possesses over 30 years of experience in the field of design, engineering and manufacturing of high quality process equipment and plant for the food and pharmaceutical industries.
2. **Past remuneration :** He is paid remuneration of Rs. 2,50,000 per month and application to increase his remuneration to Rs.6,25,000 per month with effect from 1<sup>st</sup> November, 2011 to the Central Government was made for approval.
3. **Recognition or awards :** Nil
4. **Job profile and his suitability:**

Shri Ajay Nalin Parikh is a Bachelor of Engg. (Mechanical) with distinction from The Maharaja Sayajirao University at Vadodara in the year 1980. He possesses over 30 years of experience in the field of design, engineering and manufacturing of high quality process equipment and plant for the food and pharmaceutical industries. A brief overview of his career profile is as follows:

- 1980-82 worked as a Design Engineer with M/s Vulcan Engineers Pvt. Ltd., Mumbai, who are engaged in providing complete heat treatment plant and furnaces for large steel manufacturers and for wheel and axle plants of the Indian Railways. As a design engineer, he was responsible for heat and mass transfer calculations, machine and equipment design, structural design, P & IDs and plant drawings and leading a team of draftsmen to produce detailed manufacturing drawings.
- 1982-84 worked as Design Engineer for Finex Sieves Pvt. Ltd. at Vadodara, manufacturing rotary and gyratory sieving and straining equipment for the food, pharmaceutical and chemical industries.
- 1984-85 He ventured out on his own and was partner in a company called Wynsales. Wynsales represented various engineering goods manufacturing companies for sales in the State of Gujarat. Here he was responsible in selling material handling equipment, non-destructive testing equipment and other engineered equipment.
- 1985-86 He formed another company, Aro-Grad Engineering and set up a workshop to manufacture equipment for the food and dairy industry. The first customer of Aro-Grad Engineering was Amul Dairy followed by the National Dairy & Development Board. Mr. Parikh worked closely with eminent personalities such as Dr. V. H. Vyas, Dr. Kurien and others to develop various dairy and food equipment as import substitutes for many large dairies all over India. During this period he gained rich experience in the design, development, manufacture and use of GMP equipment for the dairy, food and pharmaceutical sectors.
- 1986-92 Promoted and managed Age Technologies Pvt. Ltd. which continued the activities of Aro-Grad Engineering with a much larger manufacturing facility at Vadodara. Age Technologies successfully commissioned various cattle feed, dairy and powder handling plant and equipment. Many of these substituted the need for importing such equipment from Europe and other developed countries.
- 1992-till date, as Executive Director with Axtel Industries Ltd. since its inception. He was involved in setting up the company, its manufacturing facilities and subsequent expansion of the same. During his tenure Shri Ajay Nalin Parikh has to his credit the development of a very large range of equipment, plant and machinery, most of which are import substitutes. Axtel today has a state-of-the-art manufacturing facility and is the preferred supplier to many multi-national and large FMCG and food processing companies in India and abroad. Axtel, under the leadership of Shri Ajay Nalin Parikh, has over the last 20 years developed and manufacture these equipment equivalent to the best in class that are made in the developed nations. Various innovative ideas have also been applied for indigenization and cost reduction. All of these have been completely developed in-house without any foreign collaboration. Axtel exports these equipment and machinery to Europe, Middle East, Far East and our neighbouring countries to the various food manufacturing companies there.

5. **Remuneration proposed :** Rs.7,00,000 per month with effect from 1<sup>st</sup> April, 2014.
6. **Comparative remuneration profile with respect to industry, size of the company, profile of the position and person:** Figure with respect to industry is not available. However, proposed remuneration payable to Shri Ajay Nalin Parikh is low comparing his efforts and responsibility as Executive Director of the Company.



7. **Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel:** Shri Ajay Nalin Parikh has no pecuniary relationship directly or indirectly with the Company as managerial personnel except remuneration as Executive Director drawn by him and dividend on equity shares, declared if any, by the Company for his shareholding in the Company

**III. Other information:**

8. **Reasons for inadequate profit:** Due to recessionary trend prevailing in India and abroad the Company could not procure more orders and as a result sale and profit could not be increased as expected
9. **Steps taken or proposed to be taken for improvement:** The Company has expanded its production capacity by expansion of its existing factory shed and installed more machineries to cope with the rise in orders from the clients.
10. **Expected increase in productivity and profits in measurable terms:** As Company is manufacturing tailor made plants / machinery it is very difficult to give expected production and profits in measurable terms.

**V. Disclosures:**

Other disclosures have been mentioned in the Board of Directors' report under the heading "Corporate Governance" attached to the annual report.

The Board of Directors recommends the resolution for the approval of the members.

No Director, Key Managerial Personnel or their relatives, except Shri Ajay Nalin Parikh for drawing his remuneration and Shri Ameet Nalin Parikh, Director being a relative of Shri Ajay Nalin Parikh is directly or indirectly concerned or interested in the above resolution except to the extent of his shareholding (including his relatives), if any, in the Company.

This explanatory statement together with the accompanying notice may also be considered as an abstract of terms and conditions of the contract for the appointment of Shri Ajay Nalin Parikh as Executive Director.

**Item No.8**

As per section 180(c) of the Companies Act, 2013 the Company can not borrow moneys in excess of its paid up capital and free reserves apart from temporary loans obtained from the company's banker in the ordinary course of business except with the consent of the members of the Company in general meeting by special resolution. Your Company intends to expand its business and will require more fund by way of loan from the bank, financial institutions, other companies/ persons. Since total loan of Rs.30 crore (Rupees Thirty Crores only) will exceed the aforesaid limit, prior approval by means of special resolution passed at the general meeting is necessary.

Your Board recommends the above special resolution.

No Directors and any key managerial persons are directly or indirectly interested or concerned in the above resolutions.

**Item No. 9**

Your Company requires to mortgage/ charge its immovable and movable properties as security to avail various credit facilities from the bank, financial institutions, other companies/ persons from time to time. As per section 180(a) of the Companies Act, 2013 the Company can not mortgage/ charge its immovable and movable properties except with the consent of the members of the Company in general meeting by special resolution.

Your Board recommends the above special resolution.

No Directors and any key managerial persons are directly or indirectly interested or concerned in the above resolutions.

**By the Order of the Board of Directors**

Dated : 11.08.2014

Place : Registered Office :

Plot No.43/1, Village: Narpura,

P.O. Baska, Tal. Halol - 389 350

Dist. Panchmahals, Gujarat

**Ajay Naishad Desai**  
Executive Director



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

**(A) In case of members receiving e-mail:**

- i) If you are holding shares in Demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and casted your vote earlier for EVSN of any Company, then your existing login id and password are to be used.
- ii) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- iii) Click on "Shareholders" tab to cast your votes.
- iv) Now, select the Electronic Voting Sequence Number - "EVSN" along with "COMPANY NAME" from the drop down menu and click on "SUBMIT"
- v) Now, fill up the following details in the appropriate boxes:

	For Members holding shares in Demat Form	For Members holding shares in Physical Form
User ID	For NSDL: 8 Character DP ID followed by 8 Digits Client ID For CDSL: 16 digits beneficiary ID	Folio Number registered with the Company
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department when prompted by the system while e-voting (applicable for both demat shareholders as well as physical shareholders)	
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.	

\* Members who have not updated their PAN with the Company/Depository Participant are requested to use the default number: <Default Number> in the PAN field.

# Please enter any one of the details in order to login.

- vi) After entering these details appropriately, click on "SUBMIT" tab.
  - vii) Members holding shares in physical form will then reach directly the EVSN selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@ # \$ % & \*). 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. Kindly note that this changed password is to be also used by the Demat holders for voting for resolutions for the Company or any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform.
  - viii) Click on the relevant EVSN on which you choose to vote.
  - ix) 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.
  - x) Click on the "Resolutions File Link" if you wish to view the entire Resolutions.
  - xi) 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.
  - xii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (II) In case of members receiving the physical copy of Notice of AGM [for members whose e-mail IDs are not registered with the company/ depository participant(s) or requesting physical copy]:**
- (B) Please follow all steps from sl. no. (ii) to sl. no. (xii) above, to cast vote.
  - (C) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves, link their account which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution in PDF format in the system for the scrutinizer to verify the vote.
  - (D) The voting period begins on 23rd September, 2014 (9.00 a.m) and ends on 25th September, 2014 (6.00 p.m.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 22nd August, 2014 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
  - (E) 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).

**DIRECTORS' REPORT**

Dear Members,

Your Directors have pleasure in presenting the twenty second annual report together with the audited statement of accounts for the year ended 31<sup>st</sup> March, 2014.

**[1] FINANCIAL RESULTS:**

The financial results for the year are as under:

[Rupees in Lacs]

	Year Ended 31.03.2014	Year Ended 31.03.2013
Sales and other Income	4833.64	6072.50
Profit before depreciation	695.78	632.42
Less: Depreciation	279.82	131.57
Profit of the year	415.96	500.85
Less: Provision for current tax	84.87	149.02
Provision for deferred tax	54.71	13.89
Profit after taxation	276.38	337.94
Balance brought forward from previous year	1396.08	1058.14
Balance carried to balance sheet	1672.46	1396.08

**[2] DIRECTORS:**

Shri Shri Ajit Singh Bubber and Shri Hardip Singh Bubber Directors of the Company, retire by rotation at the ensuing annual general meeting and being eligible, offer themselves for reappointment.

The Company has received a notice under section 160 of the Companies Act, 2013 for the appointment of Shri Sandeep Lalwani, who retires by rotation at the ensuing annual general meeting, as Independent Director of the Company. The Board recommend to appoint him.

**[3] DIRECTORS' RESPONSIBILITY STATEMENT: Your Board states that:**

1. in the preparation of the annual accounts for the year ended 31<sup>st</sup> March, 2014, the applicable accounting standards had been followed and there had been no material departures from the said standards except mentioned in notes to the account.
2. the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2014 and of the profit of the Company for the year ended on that day.
3. the directors had taken proper and sufficient care for the maintenance of adequate accounting statement in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. the directors had prepared the annual account for the year ended 31<sup>st</sup> March, 2014 on a going concern basis.

**[4] REPORT ON CORPORATE GOVERNANCE:**

A detailed report on Corporate Governance as required under clause 49 of the listing agreement with the stock exchange has been included separately in the annual report.

**[5] AUDITORS:**

M/s. V.K. Shastri & Co., Chartered Accountants, Auditors of the Company retire at the ensuing Annual General Meeting and are eligible for reappointment.

The Company has obtained a letter of consent and also a certificate under section 139 and 141 of the Companies Act, 2013 from the Auditors to the effect that, their appointment, if made would be within the limits prescribed in the said section.

**[6] AUDITORS' REPORT:**

The observations of the Auditors are explained, wherever necessary, in an appropriate notes to the Audited Statement of Accounts.