



# **KUMAKA INDUSTRIES LIMITED**

(Formerly known as Ashok Organic Industries Limited)

**CIN : L99999MH1973PLC016315**

**40<sup>th</sup>**  
**Annual Report**  
**2013-2014**

**KUMAKA INDUSTRIES LIMITED**

**(Established on 13/02/1973)**

**KUMAKA INDUSTRIES LIMITED**  
**(Formerly known as Ashok Organic Industries Limited)**  
**CIN : L99999MH1973PLC016315**

**40<sup>th</sup> Annual Report**  
**Year - 2013-14**

**Board of Directors:**

Shri Pankaj M. Kadakia	-	Chairman
Dr. Niranjana Pandya	-	Non Executive Independent Director
Shri Shyam P Kadakia	-	Managing Director
Dr. Dhananjay Panchal	-	Non Executive Independent Director
Dr. Shailesh R Modi	-	Non Executive Independent Director

**Auditors:**

M/s. Bhatt Thakker & Co.  
Chartered Accountants,  
Vadodara.

**Registered Office:**

209, 2nd Floor, Marine Chambers,  
43, New Marine Lines, Churchgate  
Mumbai-400 020

**Corporate Office:**

5th Floor, Ram Krishna Chambers,  
B.P.C.Road, Vadodara-390005  
Tel. No. : 0265-2330019; Fax No. : 0265-2333884  
Website: kumakaindustries.com  
E-mail : info@kumakaindustries.com

**Registrar and Transfer Agent:**

**Link Intime India Pvt. Ltd.**

B-102 & 103, Shangrilla Complex, First Floor,  
Opp. HDFC Bank, Near Radhakrishna Char Rasta,  
Akota, Vadodara-390020.  
Tel. No. : 0265-2356573/6794; Fax No. : 0265-2356791  
Email: alpesh.gandhi@linkintime.co.in

## KUMAKA INDUSTRIES LIMITED

### NOTICE

Notice is hereby given that the 40<sup>th</sup> Annual General Meeting of the Members of **Kumaka Industries Limited** will be held on Tuesday, 30<sup>th</sup> September, 2014 at 3.00 p.m. at 2<sup>nd</sup> Floor, Kilachand Conference Room, Indian Merchant Chamber, Churchgate, Mumbai -400 020, to transact the following business :

#### Ordinary Business :

**Item No. 1.** To receive, consider and adopt the Financial Statement of year ended 31<sup>st</sup> March, 2014 including statement of Profit and Loss account for the year ended 31<sup>st</sup> March, 2014 and Balance Sheet as of that date together and reports of the Directors and Auditors thereon.

**Item No. 2.** 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 139 of the Companies Act, 2013 and the Rules made thereunder, M/s. Manoj Majmudar & Co., Chartered Accountants, Vadodara, bearing ICAI Firm Registration No.105884W, be and are hereby appointed as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the 6<sup>th</sup> Annual General Meeting held thereafter, subject to ratification by the members annually, at such remuneration as may be fixed by the Board of Directors of the Company, in place of M/s. Bhatt Thakker & Co., Vadodara"

#### Special Business :

**Item No. 3.** To appoint Mr. Pankaj Kadakia (DIN: 00166339) as a Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution.

"RESOLVED that Mr. Pankaj Manilal Kadakia (holding DIN 00166339), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 12<sup>th</sup> July, 2014, in terms of Section 161(1) of the Companies Act, 2013 and Article 134 of the Articles of Association of the Company and whose term of office expires at the 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 a Director of the Company whose period of office shall be liable to determination by retirement of directors by rotation."

**Item No. 4.** To appoint Dr. Niranjana Maneklal Pandya (DIN : 00385689) as an Independent Director and in this regard 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. Niranjana Maneklal Pandya (DIN: 00385689) who was appointed as a Director liable to retire by rotation and whose term expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 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 5 ( Five ) consecutive years for a term up to the conclusion of the 45<sup>th</sup> Annual General Meeting of the Company in the calendar year 2019."

**Item No. 5.** To appoint Dr. Dhananjay Ichharam Panchal (DIN: 02988364) as an Independent Director and in this regard 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. Dhananjay Ichharam Panchal (DIN: 02988364) who was appointed as a Director liable to retire by rotation and whose term expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 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 5 (Five) consecutive years for a term up to the conclusion of the 45<sup>th</sup> Annual General Meeting of the Company in the calendar year 2019."

**Item No. 6.** To appoint Dr. Shailesh Ramanlal Modi (DIN: 06457903) as an Independent Director and in this regard 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. Shailesh Ramanlal Modi (DIN: 06457903) who was appointed as a Director liable to retire by rotation and whose term expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 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 5 (Five) consecutive years for a term up to the conclusion of the 45<sup>th</sup> Annual General Meeting of the Company in the calendar year 2019."

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**Item No. 7**    **To Increase in Borrowing limits of the Company.**

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 all the resolutions passed under Section 293(1) (d) of the Companies Act, 1956 and pursuant to Section 180(1)(c) and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to the Board of Directors to borrow moneys in excess of the aggregate of the paid up share capital and free reserves of the Company, provided that the total amount borrowed and outstanding at any point of time, apart from temporary loans obtained/to be obtained from the Company’s Bankers in the ordinary course of business, shall not be in excess of Rs.100 Crores (Rupees One Hundred Crores) over and above the aggregate of the paid up share capital and free reserves of the Company.”

“RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board be and is hereby authorized to do all such acts, deeds and things as it may in its absolute discretion may deem fit, necessary, proper or desirable and to settle any question, difficulty, doubt that may arise in respect of the borrowing(s) aforesaid and further to do all such acts, deeds and things and to execute all documents and writings as may be necessary, proper, desirable or expedient to give effect to this resolution.”

**Item No. 8.**    **To Create Charges on the assets of the Company.**

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 all the resolutions passed under Section 293(1) (a) of the Companies Act, 1956 and pursuant to the provisions of Section 180(1)(a) of the Companies Act 2013 and all other applicable provisions if any, 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, the consent of the members be and is hereby accorded to the Board of Directors of the Company for mortgaging / charging all or any of the immovable and movable properties of the Company both present and future and the whole or substantially the whole of the undertaking or the undertakings of the Company on such terms and conditions, as may be agreed to between the Board and Lender(s) to secure the loans / borrowings obtained or as may be obtained, which may exceed the paid-up capital and free reserves in the ordinary course of business but not exceeding Rs.100 Crores (Rupees One Hundred Crores) at any one time.”

“RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board be and is hereby authorized to do all such acts, deeds and things as it may in its absolute discretion may deem fit, necessary, proper or desirable and to settle any question, difficulty, doubt that may arise in respect of the borrowing(s) aforesaid and further to do all such acts, deeds and things and to execute all documents and writings as may be necessary, proper, desirable or expedient to give effect to this resolution.”

**Item No. 9.**    **To make any loans or investments and to give any guarantees or to provide security.**

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

“RESOLVED THAT pursuant to Section 186 of the Companies Act, 2013, and other applicable provisions, if any, of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof for the time being in force), the consent of the members be and is hereby accorded to the Board of Directors to make any loans or investments and to give any guarantees or to provide security in connection with a loan made by any other person to, or to any other person by, a body corporate as the Board of Directors may think fit, for an amount not exceeding Rs.100 Crores (Rupees One Hundred Crores), at a one time, as detailed in the attached explanatory statement, notwithstanding that such investments, outstanding loans given or to be given and guarantees and security provided are in excess of the limits prescribed under Section 186(2) of Companies Act, 2013 as in their absolute discretion deem beneficial and in the interest of the Company.”

“RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board of Directors of the Company, be and is hereby authorised to take all such actions and to give all such directions as may be necessary or desirable and also to settle any question or difficulty that may arise in regard to the proposed investments or loans made or guarantees given or securities to be provided and further to do all such acts, deeds, matters and things and to execute all such deeds, documents and writings as may be necessary, desirable or expedient in connection therewith.”

**Item No. 10.**    **To alter Articles of Association of the Company and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution.**

“RESOLVED THAT pursuant to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013, (including any amendment thereto or re-enactment thereof), the Articles of Association of the Company be and is hereby altered by adding sub article (ii) of ( c ) of the existing regulation 102 as under;

102 (c)(ii).        The Board may decide that the Managing Director / Whole time Director shall also hold the office of Chairman of the Company .”

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"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company, be and is hereby authorised to take all such steps and actions and to all give directions as it may in its absolute discretion deem necessary for and on behalf of the Company."

Date: 12-07-2014

For and on behalf of the Board of Directors,

Place: Vadodara.

Pankaj Kadakia

Chairman

### NOTES :

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE "MEETING") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the Meeting.**

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
3. Brief resume of Directors including those proposed to be appointed / re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships /chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.
4. 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.
5. Members are requested to:
  - (a) Bring their copy of the Annual Report and Attendance Slip with them at the Annual General Meeting.
  - (b) Quote their Regd. Folio Number/DP and Client ID Nos. in all their correspondence with the Company or its Registrar and Share Transfer Agent.
6. 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.
7. Annual Report and AGM Notice is available at the website of the Company at [www.kumakaindustries.com](http://www.kumakaindustries.com) in the Investor Relations section.
8. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, the 20<sup>th</sup> September, 2014 to Tuesday, the 30<sup>th</sup> September, 2014 (both days inclusive) for the purpose of Annual General Meeting.
9. 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.
10. Members desirous of obtaining any information in respect of Accounts of the Company are requested to send their queries in writing to the company at its Registered Office so as to reach at least seven days before the date of the meeting.
11. Pursuant to SEBI circular, it is mandatory to quote PAN for transfer/transmission of shares in physical form. Therefore, the transferee(s)/ legal heirs are required to furnish a copy of their PAN to the Registrars and Transfer agents, M/s. Link Intime India Pvt. Ltd.
12. Electronic copy of the Notice of the 40th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip, Proxy Form and Ballot Form is being sent to all the members whose e-mail IDs are registered with the Company / Depository Participant(s) for communication purpose unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the notice of the 40th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting alongwith Attendance Slip, Proxy Form and Ballot Form is being sent in the permitted mode.
13. Voting through electronic means:

The Company is pleased to offer e-voting facility to all its members to enable them to cast their vote electronically in terms of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and Clause 35B of the Listing Agreement (including any statutory modification or re-enactment thereof for the time being in force). Accordingly, a member may exercise his vote by electronic means and the Company may pass any resolution by electronic voting system in accordance with the above provisions.

The instructions for e-voting are as under:

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### SECTION A - E-VOTING PROCESS –

- Step 1: Open your web browser during the voting period and log on to the e-Voting Website: [www.evotingindia.com](http://www.evotingindia.com).
- Step 2: Click on "Shareholders" to cast your vote(s)
- Step 3: Select the Electronic Voting Sequence Number (EVSN) i.e. "**140825061**" along with "COMPANY NAME" i.e. "**Kumaka Industries Limited**" from the drop down menu and click on "SUBMIT".
- Step 4 : Please enter User ID –
- For account holders in CDSL :- Your 16 digits beneficiary ID
  - For account holders in NSDL :- Your 8 Character DP ID followed by 8 Digits Client ID
  - Members holding shares in Physical Form should enter Folio Number registered with the Company.
- Step 5: Enter the Image Verification as displayed and Click on Login
- Step 6: 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.
- Step 7: If you are a first time user follow the steps given below:
- 7.1 Enter your 10 digit alpha-numeric PAN issued by Income Tax Department.  
For members who have not updated their PAN with the Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field. In case the folio 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 folio number 100 then enter RA00000100 in the PAN field.
  - 7.2 Enter the Date of Birth (DOB) recorded in the demat account or registered with the Company for the demat account in DD/MM/YYYY format#
  - 7.3 Enter your Dividend Bank details (Account Number) recorded in the demat account or registered with the Company for the demat account#  
# Any one of the details i.e. DOB or Dividend Bank details should be entered for logging into the account. If Dividend Bank details and Date of Birth are not recorded with the Depository or Company please enter the number of shares held by you as on the cut off date (record date) i.e. 29<sup>th</sup> August, 2014 in the Bank details field.
- Step 8: After entering these details appropriately, click on "SUBMIT" tab.
- Step 9: First time user holding shares in Demat form will now reach Password Generation menu wherein they are required to create their login password in the password field. Kindly note that this password can also be used by the Demat holders for voting for resolution 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.  
If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password and enter the details as prompted by the system.  
Members holding shares in physical form will then directly reach the Company selection screen.
- Step 10 : Click on the EVSN of the Company i.e. **140825061** to vote.
- Step 11 : On the voting page, you will see Resolution description and against the same the option 'YES/NO' for voting. Select the relevant option as desired YES or NO and click on submit.
- Step 12 : Click on the Resolution File Link if you wish to view the Notice.
- Step 13 : 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.
- Step 14 : Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

### SECTION B - COMMENCEMENT OF E-VOTING PERIOD AND OTHER E-VOTING INSTRUCTIONS

- The e-Voting period commences on 24<sup>th</sup> September, 2014 (9.00 a.m.) and ends on 26<sup>th</sup> 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 cut off date (record date) of 29<sup>th</sup> August, 2014 may cast their vote electronically. The e-Voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- The voting rights of shareholders shall be in proportion to their shares of the Paid Up Equity Share Capital of the Company.
- CS Jayesh Vyas, Practising Company Secretary (Membership No.: FCS 5072; CP No: 1790) (Address: 1-B, Sarabhai Colony, Gotri Road, Near General Hospital, Vadodara – 390 021, Gujarat India) has been appointed as the Scrutinizer to scrutinize the e-Voting process.

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- iv. The Scrutinizer shall, within a period not exceeding three (3) working days from the conclusion of thee-voting period, unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any and submit forth with to the Chairman of the Company.
- v. The Results shall be declared on the date of AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.kumakaindustries.com](http://www.kumakaindustries.com) and on the website of CDSL <https://www.evotingindia.co.in> within two days of the passing of the resolutions at the AGM of the Company and communicated to the BSE Limited, where the shares of the Company are listed.
- vi. The resolutions shall be deemed to be passed on the date of the Annual General Meeting, subject to receipt of sufficient votes.
- vii. For Members holding shares in physical form, the password and default number can be used only for e-Voting on the resolutions given in the notice.
- viii. Institutional Shareholders (i.e. other than individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates, link their account which they wish to vote on and then cast their vote. They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com). They should also upload a scanned copy of the Board Resolution / Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the vote.
- ix. You can also update your mobile number and E-mail ID in the user profile details of the folio which may be used for sending communication(s) regarding CDSL e-Voting system in future. The same may be used in case the Member forgets the password and the same needs to be reset.
- x. 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).

### Contact Details

**Company :** KUMAKA INDUSTRIES LIMITED  
Regd. Office: 209, 2nd Floor, Marine Chambers  
43, New Marine Lines, Churchgate, Mumbai -400 020.  
Telephone : 0265- 2330019  
Tel. Fax : 0265-2333884  
E-mail : [info@kumakaindustries.com](mailto:info@kumakaindustries.com)  
CIN : L99999MH1973PLC016315  
Website : [kumakaindustries.com](http://kumakaindustries.com)

**Registrar and Transfer Agent :** Link Intime India Private Limited  
B-102 & 103, Shangrilla Complex, First Floor,  
Opp. HDFC Bank, Near Radhakrishna Char Rasta,  
Akota, Vadodara-390020.  
Tel. No. : 0265-2356573/6794; Fax No. : 0265-2356791  
Email: [alpesh.gandhi@linkintime.co.in](mailto:alpesh.gandhi@linkintime.co.in)

**e-Voting Agency :** Central Depository Services (India) Limited  
E-mail ID: [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)

**Scrutinizer :** CS Jayesh Vyas,  
Practicing Company Secretary  
E-mail ID: [cs.jayeshvyas@hotmail.com](mailto:cs.jayeshvyas@hotmail.com)  
Phone: 09376212649

### IMPORTANT COMMUNICATION TO MEMBERS

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice / documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register their e-mail addresses with the Company.

## KUMAKA INDUSTRIES LIMITED

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

The following Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

#### **Item No. 2 :**

This explanatory statement is provided though strictly not required as per Section 102 of the Act.

Bhatt Thakker & Co. (Firm's Registration No. 124010), Chartered Accountants, Vadodara were appointed as the statutory auditors of the Company for financial year 2013-14 at the Annual General Meeting (AGM) of the Company held on 27th August, 2013.

The Company has received Special Notice dated 12th July, 2014, in terms of Section 115 of the Companies act, 2013 from a Shareholder signifying his intention to move at the ensuing Annual General Meeting of the Company, a resolution to be an Ordinary Resolution for appointment of M/s. Manoj Majmudar & Co., Chartered Accountant, Vadodara as the Statutory Auditor in place of retiring Auditor M/s. Bhatt Thakker & Co., Chartered Accountant, Vadodara, pursuant to Section 140 of Companies Act, 2013.

The Company has also received a certificate from M/s. Manoj Majmudar & Co., Chartered Accountants, stating their eligibility for appointment as statutory auditors of the Company.

Members are requested to consider the business and appoint /reappoint the Chartered Accountants as the Statutory Auditors of the Company, for a period of five years, to hold office from the conclusion of this AGM till the conclusion of the 45th AGM of the Company to be held in the year 2019, subject to ratification of their appointment at every AGM.

The Board commends the Resolution at Item No. 2 for approval by the Members.

None of the Directors or Key Managerial Personnel or their respective relatives are concerned or interested in the Resolution at Item No. 2 of the Notice.

#### **Item No. 3 :**

The Board of Directors of the Company appointed, pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company, Mr. Pankaj Manilal Kadakia as an Additional Director of the Company with effect from July 12, 2014.

In terms of the provisions of Section 161(1) of the Act, Mr. Pankaj Manilal Kadakia would hold office up to the date of the ensuing Annual General Meeting.

The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mr. Pankaj Manilal Kadakia for the office of Director of the Company.

Mr. Pankaj Manilal Kadakia is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

Mr. Pankaj Manilal Kadakia possesses appropriate skills, experience and knowledge; *inter alia*, in the field of Industrial and Corporate Management.

Brief resume of Mr. Pankaj Manilal Kadakia, nature of his expertise in specific functional areas and names of companies in which he holds directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors *inter-se* as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.

Keeping in view his vast expertise and knowledge, it will be in the interest of the Company that Mr. Pankaj Manilal Kadakia is appointed as a Director.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchange.

Save and except Mr. Pankaj Manilal Kadakia and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors except Mr. Shyam Kadakia / his relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 3 of the Notice.

The Board commends the Ordinary Resolution set out at Item No. 3 of the Notice for approval by the shareholders.

#### **Item Nos. 4, 5 & 6 :**

It is proposed to appoint Dr. Niranjana Maneklal Pandya, Dr. Dhananjay Ichharam Panchal and Dr. Shailesh Ramanlal Modi 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 45<sup>th</sup> Annual General Meeting of the Company in the calendar year 2019.

Dr. Niranjana Maneklal Pandya, Dr. Dhananjay Ichharam Panchal and Dr. Shailesh Ramanlal Modi are not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as Directors.

The Company has received notices in writing from members along with the deposit of requisite amount under Section 160 of the Act proposing the candidatures of each of Dr. Niranjana Maneklal Pandya, Dr. Dhananjay Ichharam Panchal and Dr. Shailesh Ramanlal Modi for the office of Directors of the Company. The Company has also received declarations from Dr. Niranjana Maneklal Pandya, Dr. Dhananjay Ichharam Panchal and Dr. Shailesh Ramanlal Modi that they meet with the criteria of independence as prescribed both under sub-section (6) of Section



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149 of the Act and under Clause 49 of the Listing Agreement. In the opinion of the Board, Dr. Niranjana Maneklal Pandya, Dr. Dhananjay Ichharam Panchal and Dr. Shailesh Ramanlal Modi fulfill the conditions for appointment as Independent Directors as specified in the Act and the Listing Agreement. Dr. Niranjana Maneklal Pandya, Dr. Dhananjay Ichharam Panchal and Dr. Shailesh Ramanlal Modi are independent of the management.

Brief resume of Dr. Niranjana Maneklal Pandya, Dr. Dhananjay Ichharam Panchal and Dr. Shailesh Ramanlal Modi, nature of their expertise in specific functional areas and names of companies in which they hold Directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchange, are annexed to the notice Copy of the draft letters for respective appointments of Dr. Niranjana Maneklal Pandya, Dr. Dhananjay Ichharam Panchal and Dr. Shailesh Ramanlal Modi as Independent Directors setting out the terms and conditions are available for inspection by members at the Registered Office of the Company.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock.

Dr. Niranjana Maneklal Pandya, Dr. Dhananjay Ichharam Panchal and Dr. Shailesh Ramanlal Modi are interested in the resolutions set out respectively at Item Nos. 4, 5 & 6 of the Notice with regard to their respective appointments. The relatives of Dr. Niranjana Maneklal Pandya, Dr. Dhananjay Ichharam Panchal and Dr. Shailesh Ramanlal Modi may be deemed to be interested in the resolutions set out respectively at Item Nos. 4, 5 & 6 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors of the Company are, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board commends the Ordinary Resolutions set out at Item Nos. 4, 5 & 6 of the Notice for approval by the shareholders.

### **Item No. 7 :**

Section 180(1)(c) of the Companies Act, 2013 effective from 12<sup>th</sup> September, 2013 requires that the Board of Directors shall not borrow money in excess of the company's paid up share capital and free reserves, apart from temporary loans obtained from the Company's bankers in the ordinary course of business, except with the consent of the Company accorded by way of a Special Resolution.

It is, therefore, necessary for the members to pass a Special Resolution under Section 180(1)(c) and other applicable provisions of the Companies Act, 2013, as set out at Item No. 7 of the Notice, to enable to the Board of Directors to borrow money in excess of the aggregate of the paid up share capital and free reserves of the Company. Approval of members is being sought to borrow money upto Rs.100 Crores (Rupees One Hundred Crores), in excess of the aggregate of the paid up share capital and free reserves of the Company.

None of the Directors, Key Managerial Persons of the Company and their relatives is concerned or interested in the above resolution.

### **Item No. 8 :**

For creation of security through mortgage or pledge or hypothecation or otherwise or through combination for securing the limits as may be sanctioned by the lenders, for the loans to be sanctioned by any one or more Company's bankers and /or by any one or more persons, firms, bodies corporate, or financial institutions or banks, the Company would be required to secure all or any of the movable and immovable properties of the Company present and future. Section 180(1)(a) of the Companies Act, 2013, provides that the Board of Directors of a Company shall not, without the consent of members in General Meeting, sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company, Pursuant to the provisions of Section 180(1)(a) of the Companies Act 2013 and all other applicable provisions if any, 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, the consent of the members is hereby proposed to be accorded to the Board of Directors of the Company for mortgaging / charging all or any of the immovable and movable properties of the Company both present and future and the whole or substantially the whole of the undertaking or the undertakings of the Company on such terms and conditions, as may be agreed to between the Board and Lender(s) to secure the loans / borrowings obtained or as may be obtained, which may exceed the paid-up capital and free reserves in the ordinary course of business but not exceeding Rs.100 Crores (Rupees One Hundred Crores), at any one time.

Members are requested to consider to pass a Special Resolution under Section 180(1)(a) of the Companies Act, 2013 as proposed, authorizing the Board of Directors or its committees to mortgage / charge the properties and/or the whole or substantially the whole of the undertaking of the Company as aforesaid to the lenders. Mortgaging / charging the properties of the Company require approval of Members in the General Meeting pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013.

Your Directors recommend the above Special Resolution for your approval.

None of the Directors, Key Managerial Persons of the Company and their relatives is concerned or interested in the above resolution.

### **Item No. 9 :**

To aid the financial requirements of its Associates, Companies belong to the Group and other Bodies Corporate, the Company makes investments and gives loans to them subsidiary companies as and when needed. The Company also provides corporate guarantees on behalf of its subsidiary companies to the banks/financial institutions for the financial assistance provided by them.

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As per Section 186 of the Companies Act, 2013, a Company can give a loan to bodies corporate or give any guarantees or make investments in the securities of any other body corporate with the approval of the Board of Directors if the same is within the permissible limit of either 100% of free reserves or 60% of the paid up share capital and free reserves.

Inter-corporate loans and investments can be made above the aforesaid limits if the Company has prior approval from its members by a Special resolution.

Since the amount of investments /loans / corporate guarantees proposed to be made by the Company exceeds the prescribed limit, this permission is sought to enable the Board of Directors with powers for making further investments/ loans/ guarantees and providing securities, whenever required on need basis for an amount not exceeding Rs.100 Crores (Rupees One Hundred Crores),

Approval of shareholders of the Company, by way of Special Resolution, is sought to authorize the Board of Directors to make the following Investments/ loans/ Corporate Guarantees as may be required from time to time.

These investments, loans, guarantees and securities are made / proposed to be made out of own /surplus funds internal accruals / borrowed funds, the objective of which is optimum utilization of funds of the Company and also to achieve long term strategic and business objectives. The investments, loans, guarantees and securities will be made on terms and conditions most beneficial to the Company and at prevailing market rates.

The Directors are satisfied that this resolution would be in the interest of the Company and its members and accordingly recommend the Resolutions for your approval.

The Board recommends the Resolution for adoption.

Directors, Key Managerial Personnel and their relatives who are members of the Company, may be deemed to be concerned or interested in this Resolution to the extent of their respective shareholding in the Company.

### **Item No. 10 :**

#### **Amendment of Article No. 102(c)(ii)**

Under the first proviso to Section 203 (1) of the Companies Act, 2013, it is stated that "an individual shall not be appointed or reappointed as the Chairperson of the Company, in pursuance of the articles of the Company, as well as the managing director or Chief Executive

Officer of the Company at the same time after the date of commencement of this Act unless,—

- (a) the articles of such a Company provide otherwise; or
- (b) the Company does not carry multiple businesses:

Accordingly an enabling provision is sought to be introduced in the Articles of Association of the Company to permit the Company to appoint the same individual as Chairperson and Managing Director.

Article No. 102(c)(ii) as contained under Resolution No. 10 contains the proposed amendment which grants necessary right to the Board to appoint the same person as Chairman and Managing Director.

Pursuant to provisions of Section 14 of the Companies Act, 2013, any amendment(s) to the provisions of Articles of Association of the Company requires the approval of the members by way of Special Resolution.

The Board recommends the special resolution as set out in Resolution No. 10 of the Notice for members' approval.

None of the Directors and Key Managerial Personnel of the Company and their relatives is in any way concerned or interested in the said resolution.

The draft of the amendments to the Articles of Association of the Company will remain open for the inspection of the Members at the Registered Office of the Company on all working days except Public Holidays and Saturday and Sundays between 11.00 a.m. to 1.00 p.m. up to the date of the Annual General Meeting of the Company.

**Date: 12-07-2014**  
**Place: Vadodara.**

**For and on behalf of the Board of Directors,**

**Pankaj Kadakia**  
**Chairman**