

**AUNDE India Limited**

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**19<sup>th</sup> ANNUAL REPORT  
2015 - 2016**

**AUNDE India Limited****19TH ANNUAL REPORT FOR THE YEAR ENDED 31ST MARCH 2016**

1. Date of Annual General Meeting : Tuesday, 6th September, 2016
2. Time and Venue : 11.30 a.m. at Plot No. 146  
Waghdhara Village Road  
Dadra – 396 193  
UT of Dadra & Nagar Haveli
3. Book Closure : Tuesday, 30th August, 2016 to  
Tuesday, 6th September, 2016  
(both days inclusive)

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**Mr. Ajay Anand**  
Managing Director

**Mr. Rolf Konigs**

**Mr. Kapil Sethi**

**Mr. R.J. Avadhani**  
(Resigned w.e.f. 12.08.2015)

**Mrs. Gurinder Kaur Kalsi**  
(Appointed w.e.f. 12.08.2015)

**Mr. Bheemanna Chikkerur**  
(Appointed w.e.f. 21.12.2015)

**Company Secretary**  
**Ms. Jovita Reema Mathias**

**Statutory Auditors**  
M/s. Majibail & Co.  
Chartered Accountants

**Secretarial Auditors**  
M/s. Sanjay Dholakia & Associates  
Company Secretaries

**Advocates & Solicitors**  
M/s. Vikram Philip & Associates

**Bankers**  
The Saraswat Co-operative Bank Ltd.

**REGISTERED OFFICE :**

Plot No. 146, Waghdhara Village Road,  
Dadra – 396193  
Union Territory of Dadra & Nagar Haveli.  
Ph: 0260 2668539  
Fax: 0260 2668501  
Email: [investors@aundeindia.com](mailto:investors@aundeindia.com)  
Website: [www.aundeindia.com](http://www.aundeindia.com)

**CORPORATE OFFICE :**

102, Shiv Smriti Chambers,  
49-A, Dr. Annie Besant Road,  
Worli, Mumbai – 400 018  
Ph: 022 4351 4444  
Fax: 022 2493 6811

**Registrar & Share Transfer Agent**  
Sharex Dynamic (India) Pvt. Ltd.  
Unit-1, Luthra Industrial Premises,  
Andheri – Kurla Road, Safed Pool,  
Andheri (East), Mumbai – 400 072.  
Phone: 022 2851 5606 / 5644  
Website: [www.sharexindia.com](http://www.sharexindia.com)  
Email: [sharexindia@vsnl.com](mailto:sharexindia@vsnl.com)

**BOARD COMMITTEES**

<b>Audit Committee</b>	
Mr. Kapil Sethi	Chairman
Mr. Ajay Anand	Member
Mrs. Gurinder Kaur Kalsi	Member

<b>Stakeholders Relationship Committee</b>	
Mr. Kapil Sethi	Chairman
Mr. Ajay Anand	Member
Mrs. Gurinder Kaur Kalsi	Member

<b>Nomination and Remuneration Committee</b>	
Mr. Kapil Sethi	Chairman
Mr. Rolf Konigs	Member
Mrs. Gurinder Kaur Kalsi	Member

**Investors Queries and Grievances  
shall be addressed to:**

102, Shiv Smriti Chambers,  
49-A, Dr. Annie Besant Road,  
Worli, Mumbai – 400 018  
Ph: 022 4351 4444  
Fax: 022 2493 6811  
Email: [investors@aundeindia.com](mailto:investors@aundeindia.com)



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### NOTICE

NOTICE is hereby given that the **19th Annual General Meeting** of the Members of **AUNDE INDIA LIMITED** will be held on Tuesday, 6th September, 2016 at 11.30 a.m. at Plot No. 146, Waghdhara Village Road, Dadra – 396 193, Union Territory of Dadra & Nagar Haveli, to transact the following business:

#### ORDINARY BUSINESS:

**1. Adoption of Financial Statements**

To receive, consider and adopt the Audited Financial Statements for the year ended 31st March, 2016, together with the Report of Directors' and Auditors' thereon.

**"RESOLVED THAT** the Financial Statements of the Company including Audited Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss of the Company for the year ended as on that date together with the Auditors' Report and Directors' Report thereon be and are hereby received, considered and adopted."

**2. Appointment of a Director**

To appoint a Director in place of Mr. Rolf Konigs, (holding DIN : 06500166), who retires by rotation and being eligible offers himself for re-appointment.

**"RESOLVED THAT** Mr. Rolf Konigs (holding DIN: 06500166), who retires by rotation and being eligible, offers himself for re-appointment, be and is hereby re-appointed as Director of the Company."

**3. Appointment of Auditors**

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, 142 and other applicable provisions, if any, of the Companies Act, 2013 (**"the Act"**) and The Companies (Audit and Auditors) Rules, 2014, (**"the Rules"**), (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), M/s. Majibail & Co., Chartered Accountants, Mumbai having ICAI Firm Registration No. 105870W, who have offered themselves for re-appointment and have confirmed their eligibility to be appointed as Auditors, in terms of provisions of Section 141 of the Act, and Rule 4 of the Rules, be and are hereby re-appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the 20th Annual General Meeting and audit the accounts of the Company for the Financial Year 2016-17 at such remuneration as may be mutually agreed between the Board of Directors and the Auditors."

#### SPECIAL BUSINESS :

**4. Appointment of a Director**

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

**"RESOLVED THAT** Mr. Bheemanna B. Chikkerur (holding DIN: 07371496), who was appointed as an Additional Director of the Company by the Board of Directors at their meeting held on 21st December, 2015, pursuant to provisions of Section 152 and 161(1) and other applicable provisions of the Companies Act, 2013 and the rules framed thereunder as amended from time to time, 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 Director of the Company and shall be liable to retire by rotation."

**5. Approval of Remuneration Payable to Mr. Ajay Anand, Managing Director**

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

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198 of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or enactment(s) thereof for the time being in force) read with section II of Part II of Schedule V and other applicable provisions, if any, of the



Companies Act, 2013, on the recommendation of the Board and the Nomination and Remuneration Committee, and subject to such other necessary approval(s), consent(s) or permission(s), as may be required, the consent of the Members of the Company be and is hereby accorded to pay remuneration as set out in the statement annexed hereto as minimum remuneration, to Mr. Ajay Anand (DIN: 00373248), Managing Director in case of no profits or inadequacy of profits in any financial year for next three financial years commencing from April 1, 2016 (unexpired term of his office).

**“RESOLVED FURTHER THAT** pursuant to the provisions of Section 196, 197, 198 and the Rules framed thereunder, read together with Schedule V and other applicable provisions, if any of the said Act, and on the recommendation of the Board and the Nomination and Remuneration Committee, Members of the Company do hereby ratify and confirm the remuneration of ₹ 45,00,000/- paid to Mr. Ajay Anand for the financial year ended 31st March, 2016 in absence of adequate profits for the financial year ended 31st March, 2015.

**6. Approval to Increase Borrowing Powers of the Company and Creation of Charge/Providing of Security.**

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 earlier resolution(s) passed by the shareholders in this respect, the consent of Company from time to time as deemed by it to be requisite and proper for the business of the Company from anyone or more of the Company's bankers and/or from anyone or more other banks, persons, firms, companies/bodies corporate, financial institutions, institutional investor(s), mutual funds, insurance companies, pension funds and or any entity/entities or authority/authorities, whether in India or abroad, and whether by way of cash credit, advance or deposits, loans, issue of debentures, commercial papers, long/short term loans, suppliers' credit securities instruments such as floating rate notes, fixed rate notes, syndicated loans, commercial borrowing from the private sector window of multilateral financial institutions, either in rupees and/or in such other foreign currencies as may be permitted by law from time to time, and/or any other instruments/securities or otherwise and whether unsecured or secured by mortgage, charge, hypothecation or lien or pledge of the Company's assets, licenses and properties, whether immovable or movable and all or any of the undertaking of the Company, provided that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the bankers of the Company in the ordinary course of business) shall not exceed ₹ 150,00,00,000/- (Rupees One Hundred and Fifty Crores Only) notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company will or may exceed the aggregate of its paid share capital and free reserves.

**RESOLVED FURTHER THAT** the consent of the Company be and is hereby accorded, in terms of Section 180(1)(a) and all other applicable provisions, if any, of the Companies Act, 2013 to the Board of Directors of the Company to create charge / provide security for the sum borrowed on such terms and conditions and in such form and manner and with such ranking as to priority, as the Board in its absolute discretion thinks fit, on the assets of the Company, as may be agreed to between the Company and the Lenders so as to secure the borrowings by the Company, together with interest costs, charges, expenses and all other monies payable by the Company to the concerned Lenders / Institutions, under the respective arrangements entered into / to be entered by the Company and/or Board.

**RESOLVED FURTHER THAT** the Securities to be created by the Company for its borrowing as aforesaid may rank with the security already created in the form of mortgage and / or charges already created or to be created in future by the Company as may be agreed to between the Board and concerned parties.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this Resolution, the Board or any committee or person(s) authorised by the Board, be and is / are hereby authorised to finalise, settle and execute such documents / deeds / writings / papers / agreements as may be required and to do all acts, deeds, matters and things as may in their/ his absolute discretion deem necessary, proper or desirable and to settle any question(s), difficulty(ies) or doubt(s) that may arise in regard to creating security(ies) as aforesaid or other considered to be in the best interest of the Company.”



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### 7. Approval of Related Party Transactions

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

**“RESOLVED THAT** pursuant to provisions of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 188 of the Companies Act, 2013 and rules made thereunder as amended from time to time, approval of the Members be and is hereby accorded to the Material Related Party Transactions entered into and proposed to be entered into and carried out in ordinary course of business and at arm's length price with Faze Three Ltd., a “Related Party” as defined under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Accounting Standard 18, for the financial year 2016-17.

**RESOLVED FURTHER THAT** the consent be and is hereby accorded for existing Material Related Party Transactions between the Company and Faze Three Limited as per the details mentioned under Item No. 7 of the Explanatory Statement annexed to this Notice.”

#### Notes:

1. Member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a Member of the Company. The instrument appointing the proxy, in order to be effective, must be deposited at the Company's Registered Office, duly completed and signed, not less than 48 hours before the commencement of the AGM. Proxies submitted on behalf of limited companies, societies etc., must be supported by appropriate resolutions / authority, as applicable.  
  
A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. A member holding more than 10% 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 of the Company.
2. Corporate Members intending to send their authorized representatives to attend the meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company a certified copy of the relevant Board resolution together with the specimen signatures of their authorized representatives to attend and vote on their behalf at the meeting.
3. Explanatory statement pursuant to Section 102 of the Companies Act, 2013, in respect of Special Business is annexed hereto. The relevant details as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), of the person seeking appointment / re-appointment as Director under Item No. 2 and Item No. 4 of the Notice, are also annexed.
4. The Register of Member and the Share Transfer Books of the Company will remain closed from Tuesday, 30th August, 2016 to Tuesday, 6th September, 2016 (both days inclusive).
5. Members, Proxies and Authorised Representatives are requested to bring to the meeting, the Attendance Slip enclosed herewith, duly completed and signed, mentioning therein details of their DP ID and Client ID / Folio No.
6. In accordance with Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015, the Company has fixed 29th August, 2016 as the “cut-off date” to determine the eligibility to vote by electronic means or in the general meeting. A person whose name is recorded in the Register of Members or in the register of beneficial owners maintained by the Depositories as on the cut-off date, i.e. 29th August, 2016, shall be entitled to avail the facility of remote e-voting or voting in the general meeting.
7. Members may be aware that the Companies Act, 2013, permits service of the Notice of the Annual General Meeting through electronic mode. Electronic copy of the Annual Report including Notice of the 19th Annual General Meeting of the Company inter alia indicating the process and manner of e-Voting along with Attendance Slip and Proxy Form is being sent to all the Members whose email IDs are registered with the Company/ Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same.



In order to receive copies of Annual Reports and other communication through e-mail, Members are requested to register their e-mail addresses with the Company by sending an e-mail to [investors@aundeindia.com](mailto:investors@aundeindia.com). The Ministry of Corporate Affairs has taken a "Green Initiative in the corporate governance" by allowing paperless compliances by companies and has issued circulars stating that the 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 measures, Members who have not registered their e-mail address are requested to register their e-mail address in respect of electronic holdings with the Depository through their concerned Depository Participants.

8. In case of joint holders attending the AGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.

Members are requested:

- i. To write to the Company at least 7 days before the date of the meeting, in case they desire any information as regards to the Audited Accounts for the financial year ended 31st March 2016, so as to enable the Company to keep the information ready.
  - ii. To bring their copy of Attendance slip and their photo identity proof at the Annual General Meeting.
  - iii. To inform to the Registrar & Transfer Agent (R&TA) of the Company immediately, about any change in their address, where the shares are held in electronic form, such change is to be informed to the Depository Participant (DP) and not to the Company/ R&TA. To quote Registered Folio No. or DP ID/Client ID No. in all their correspondence.
  - iv. To approach the R&TA of the Company for consolidation of folios.
  - v. To avail Nomination facility by filing in and forwarding the nomination form to the R&TA, if not already done.
  - vi. To send all share transfer lodgments (physical mode)/ correspondence to the R&TA of the Company, Sharex Dynamic (India) Pvt. Ltd. Unit-1, Luthra Industrial Premises, Andheri – Kurla Road, Safed Pool, Andheri (East), Mumbai – 400 072 upto the date of book closure.
9. The Company has listed its shares on the BSE Limited. The listing fees till date have been paid.
10. All the documents referred to in the Notice are open for inspection at the Registered Office of the Company between 11:00 a.m. to 3:00 p.m. on all working days except Saturdays, Sundays and Public Holidays until the date of the Annual General Meeting or any adjournment(s) thereof.
11. i. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by NSDL, on all the resolutions set forth in this Notice. The instructions for e-voting are given herein below. Resolution(s) passed by Members through e-voting is/are deemed to have been passed as if they have been passed at the AGM.
- ii. The facility for voting through ballot paper shall be made available at the AGM and the Members attending the meeting who have not cast their vote by e-voting shall be able to exercise their right at the meeting through ballot paper.
- iii. The Members who have cast their vote by e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- iv. The e-voting period commences on Saturday, 3rd September, 2016 (9:00 am) and ends on Monday, 5th September, 2016 (5:00 pm). During this period, Members' of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date, Monday, 29th August, 2016, may cast their vote by e-voting. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.

For Members receiving e-mail on their registered email ids from NSDL:

- a. Open the attached PDF file "e-Voting.pdf" giving your Client ID (in case you are holding shares in demat





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mode) or Folio No. (in case you are holding shares in physical mode) as password, which contains your "User ID" and "Password for e-voting". Please note that the password is an initial password.

- b. Launch internet browser by typing the URL <https://www.evoting.nsdl.com>
- c. Click on "Shareholder-Login".
- d. If you are already registered with NSDL for e-voting, then you can use your existing user ID and password for casting your vote.
- e. If you are logging in for the first time, please enter the User ID and password provided in the PDF file attached with the e-mail as initial password. The Password Change Menu will appear on your screen. Change to a new password of your choice, making sure that it contains a minimum of 8 digits or characters or a combination of both. Please take utmost care to keep your password confidential.
- f. Home page of "e-Voting" opens. Click on e-Voting: Active Voting Cycles.
- g. Select "EVEN" (E-voting Event Number) of AUNDE INDIA LIMITED which is 104516.
- h. Now you are ready for "e-Voting" as "Cast Vote" page opens.
- i. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm", when prompted.
- j. Upon confirmation, the message "Vote cast successfully" will be displayed.
- k. Kindly note that vote once casted cannot be modified.
- l. Members can cast their vote online from 9.00 am on Saturday, 3rd September, 2016 till Monday, 5th September, 2016, 5.00 pm.
- m. E-Voting shall not be allowed beyond 5.00 pm on 5th September, 2016.
- n. Institutional shareholders (i.e., other than Individuals, HUF, NRI etc.) are also required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority Letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail : [sanjayrd65@gmail.com](mailto:sanjayrd65@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- o. In case of any queries, you may refer the Frequently Asked Questions (FAQs) and e-voting user manual for shareholders available at the Downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no: 1800-222-990.
- p. 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 future communication(s).
- q. Voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date, 29th August 2016.
- r. Any person, who acquires shares of the Company and become Member of the Company after dispatch of the notice and holding shares as of the date, 29th August 2016 (cut-off date), may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or Issuer/RTA. However, if you are already registered with NSDL for remote e-voting, you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990.

**For Members whose e-mail address is not registered:**

1. Initial password is provided separately in the Annual report posted for the AGM: EVEN (e-voting Event Number)      USER ID      PASSWORD
  2. Please follow all steps from Sl. No. 11 (iv) (b) to Sl. No. (o) above, to cast vote.
  3. If you are already registered with NSDL for remote e-voting, you can use your existing user ID and password/PIN for casting your vote.
12. The route map showing directions to reach the venue of the 19th AGM is annexed hereto.
13. The Company has appointed Mr. Sanjay Dholakia, Practising Company Secretary (Membership No. FCS-2655 and CP No.1798) as the Scrutinizer to count the votes cast in favour or against the resolutions





proposed from item No. 1 to 7 of the Notice for point No. 11 as mentioned hereinabove and to comply with the provisions of Section 108 of the Companies Act, 2013.

14. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of Scrutinizer, by use of "Ballot Paper" for all those Members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
15. The Scrutinizer shall, after the conclusion of voting at the Annual General Meeting, first count the votes cast at the meeting and thereafter unblock the votes cast through ballot paper in the presence of at least two witnesses, not in the employment of the Company, and shall make, not later than three days of the conclusion of the AGM, a consolidated Scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
16. The results declared, along with the report of the Scrutinizer, shall be placed on the website of the Company and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.
17. A brief resume of Directors proposed to be appointed/re-appointed at this Annual General Meeting pursuant to Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements), 2015 is as follows:

Name	Mr. Rolf Konigs	Mr. Bheemanna B. Chikkerur
Date of Birth	19/08/1941	27/03/1956
Qualification	Business Graduate	Inter CA
Nature of Expertise	Mr. Rolf Konigs is a Executive Head of AUNDE Achter & Ebels GmbH, Germany (JV Partners). AUNDE Germany is a leading supplier of fabrics to all major automobile manufacturers like Audi, BMW Group, GM Group, Fiat, Ford etc. Mr. Rolf Konigs possess expert skills in the field of Automotive and Technical Fabrics and Textiles.	Mr. Bheemanna B. Chikkerur has expertise in the field of Accounts, Finance and Administration
Experience	More than 4 decades in Automotive and Technical Fabrics and Textiles.	More than 8 years of experience in Accounts, Finance and Administration
Name of other Public Companies in which holds Directorship	None	Faze Three Limited
Name of other Companies in Committees of which holds Membership/ Chairmanship	None	None
Shareholding in AUNDE INDIA LIMITED	Nil	Nil

Date: 26th July, 2016  
Place: Mumbai

By Order of the Board of Directors  
**Jovita Reema Mathias**  
DGM-Legal & Company Secretary



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### Explanatory Statement

(Pursuant to Section 102 of the Companies Act, 2013)

#### Item No. 4

The Board of Directors at their Meeting held on 21st December, 2015 appointed Mr. Bheemanna B. Chikkerur as an Additional Director of the Company. Mr. Bheemanna B. Chikkerur has passed Intermediate examination of Chartered Accountant and has wide knowledge of accounts, administration. He has more than 8 years of experience in textile industry. The Board is of the opinion that the association of Mr. Bheemanna B. Chikkerur would be of immense benefit to the Company. Members are requested to approve the appointment of Mr. Bheemanna B. Chikkerur as a Non-Executive Director of the Company.

None of the Directors / KMPs of the Company and their respective relatives is in anyway concerned or interested in the said resolution, except for Mr. Bheemanna B. Chikkerur.

#### Item No. 5

The Members at their Annual General Meeting held on 20th December 2014 had by way of Special Resolutions approved the appointment of Mr. Ajay Anand as Managing Director of the Company for a period of 5 years commencing 1st April 2014 on terms and conditions, including remuneration payable to the Managing Director.

The terms of appointment of the Managing Director, inter alia, provide for payment of Salary with the authority to the Board or a Committee thereof to fix the salary and annual increments, which would be effective April 1, every year, based on merit and taking into account the Company's performance, incentive remuneration based on certain performance criteria, benefits, perquisites and allowances as per the policy of the Company as may be determined by the Board from time to time.

In case of no profits or inadequacy of profits in any Financial Year, the terms of appointment of Managing Director provide for payment of Minimum Remuneration during the currency of his tenure as per details mentioned herein below, subject to the approval of the members.

Remuneration:

- a. Salary: ₹ 3,75,000/- per month with an annual increase of ₹ 25,000, subject to a maximum of ₹ 5,00,000/-;
- b. Provident Fund: To the extent not taxable under the Income Tax Act, 1961;
- c. Gratuity & Leaves as per the rules of the Company.

Pursuant to the provisions of Section 197 read together with Schedule V of the Act, in respect of the payment of managerial remuneration in case of no profits or inadequacy of profits as calculated under Section 198 of the Act, the Company may pay such remuneration upto the ceiling limits as specified in Section II of Part II of Schedule V and the Members' approval by way of a special resolution has been passed for payment of remuneration for a period not exceeding 3 years. Any remuneration paid/to be paid to the Managing Director in excess of the prescribed limits shall be subject to the approval of the Central Government.

Taking into consideration the above and the terms of appointment and remuneration (including minimum remuneration) agreed with Mr. Ajay Anand, it is proposed to obtain Members approval by way of Special Resolutions, as stated hereinabove, for:

1. payment of minimum remuneration, where the Company has no profits or its profits are inadequate, to Mr. Ajay Anand during the three financial years commencing from April 1, 2016.
2. ratification of remuneration paid to Mr. Ajay Anand for financial year 2015-2016.

The Board and the Nomination and Remuneration Committee of the Board at their respective meetings held