



**20th ANNUAL REPORT
2016-2017**



20th Annual Report 2016-2017

AUNDE INDIA LIMITED

20th ANNUAL REPORT FOR THE PERIOD ENDED 31st MARCH, 2017

1. Date of Annual General Meeting : 27th, September, 2017
2. Time and Venue : 10.30 a.m. Conference Room,
Aunde India Limited
Plot No. 146
Waghdhara Village Road
Dadra – 396 193
UT of Dadra & Nagar Haveli
3. Book Closure : Thursday, 21st September, 2017
to Wednesday, 27th September, 2017
(both days inclusive)

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AUNDE India Limited

BOARD OF DIRECTORS AND MANAGEMENT TEAM

Mr. Ajay Anand	Managing Director
Mr. Rolf Konigs	Non-Executive Director
Mr. Bheemanna Chikkerur	Non-Executive Director
Mr. Viswanathan Sivakumar	Chief Financial Officer (Appointed w.e.f. 15.07.2016)
Mr. Akram Sati	Company Secretary (Appointed w.e.f. 22.02.2017)
Ms. Jovita Reema Mathias	Company Secretary (Resigned w.e.f. 17.01.2017)

INDEPENDENT DIRECTORS

Mr. Vinit Rathod	(Appointed w.e.f. 09.09.2016)
Ms. Shweta Jain	(Appointed w.e.f. 09.09.2016)
Mr. Manan Shah	(Appointed w.e.f. 13.02.2017)
Mr. Kapil Sethi	(Resigned w.e.f. 09.09.2016)
Mrs. Gurinder Kaur Kalsi	(Resigned w.e.f. 01.02.2017)

BANKER

The Saraswat Co-operative Bank Ltd.

ADVOCATES & SOLICITORS

M/s. Vikram Philip & Associates.

STATUTORY AUDITORS

M/s. Majibail & Co
Chartered Accountants, Mumbai.

SECRETARIAL AUDITORS

M/s. Sanjay Dholakia & Associates
Practicing Company Secretary

BOARD COMMITTEES

Audit Committee

Mr. Vinit Rathod *Chairman*
Mr. Ajay Anand *Member*
Mr. Manan Shah *Member*

Nomination & Remuneration Committee

Mr. Vinit Rathod *Chairman*
Mr. Manan Shah *Member*
Mr. Bheemanna C. *Member*

Stakeholders Relationship Committee

Mr. Vinit Rathod *Chairman*
Mr. Bheemanna C *Member*
Mr. Ajay Anand *Member*

REGISTERED OFFICE

Plot No. 146,
Waghdhara Village Road,
Dadra – 396193
Union Territory of Dadra & Nagar Haveli.
Phone: 0260 6632600

CORPORATE OFFICE

63-64, Mittal court,
C Wing, Nariman Point,
Mumbai – 400 021
Phone : 022 6242 1313 /
4351 4444
Fax : 022 2287 2637
Email: investors@aundeindia.com
Website: www.aundeindia.com

REGISTRAR & TRANSFER AGENTS

Sharex Dynamic (India) Pvt. Ltd.
Unit-1, Luthra Ind. Premises,
Andheri – Kurla Road,
Safed Pool,
Andheri (East),
Mumbai – 400 072.
Phone: 022 2851 5606 / 5644
Website: www.sharexindia.com
Email: sharexindia@vsnl.com



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NOTICE

NOTICE is hereby given that the **20th Annual General Meeting** of the Members of **AUNDE INDIA LIMITED** will be held on Wednesday, 27th September, 2017 at 10.30 AM. at Conference Room, Aunde India Limited, Plot No. 146, Waghdhara Village Road, Dadra – 396 193, Union Territory of Dadra & Nagar Haveli, to transact the following business:

ORDINARY BUSINESS:

No.1 - Adoption of Financial Statements

To receive, consider and adopt the Audited Financial Statements for the period ended 31st March, 2017, 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, 2017, 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.”

No.2 – Appointment of a Director

To appoint a Director in place of Mr. Bheemanna B. Chikkerur (holding DIN: 07371496), who retires by rotation and has expressed his unwillingness to continue as Director of the Company and vacates his office from conclusion of this Annual General Meeting.

No.3 – Appointment of Auditor

To appoint the Auditors in place of the existing Auditors (who are not eligible to be re-appointed due to expiry of the maximum permissible tenure as the Auditors of the Company) to pass the following Resolution, as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the recommendations of the Audit Committee of the Board of Directors of the Company and in terms of the provisions of Sections 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 including amendment(s), statutory modification(s) or re-enactment(s) thereof for the time being in force, M/s. Thakur Vaidyanath Aiyar & Co., Chartered Accountants, Mumbai (Firm Rgn. No. 000038N), be and are hereby appointed as the Statutory Auditors of the Company, in place of the retiring Auditors, M/s. Majibail & Co. Chartered Accountants (ICAI Firm Registration No. 105870W), to hold office from the conclusion of this Annual General Meeting until the conclusion of the Twenty Fifth Annual General Meeting of the Company to be held in the year 2022, subject to ratification of their appointment by the Members of the Company, at every Annual General Meeting.

RESOLVED FURTHER THAT the Audit Committee of the Board of Directors of the Company be and is hereby authorized to determine the remuneration and reimbursement of out of pocket expenses, as may be payable to the Auditors.”

SPECIAL BUSINESS:

No. 4 – Appointment of Mr. Vinit Rathod as an Independent Director

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 (“Act”) and the Rules made there under read with Schedule IV to the Act, (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Vinit Rathod (holding DIN: 07589863), who was appointed as an Additional (Independent) Director of the Company by the Board of Directors at its meeting held on 9th September, 2016 and whose term of office expires at this Annual General Meeting (‘AGM’) and in respect of whom the Company has received a Notice in writing from a Member alongwith the deposit of the requisite amount under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years commencing from 9th September, 2016 and to hold office until the 25th Annual General Meeting of the Company.”

No. 5 – Appointment of Ms. Shweta Jain as an Independent Director

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 (“Act”) and the Rules made there under read with Schedule IV to the Act, (including any statutory modification(s) or re-enactment thereof for the time being in force), Ms. Shweta Jain (holding DIN: 07589768), who was appointed as an

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Additional (Independent) Director of the Company by the Board of Directors at its meeting held on 9th September, 2016 and whose term of office expires at this Annual General Meeting ('AGM') and in respect of whom the Company has received a Notice in writing from a Member alongwith the deposit of the requisite amount under Section 160 of the Companies Act, 2013 proposing her candidature for the office of Director and who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Act, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years commencing from 9th September, 2016 and to hold office until the 25th Annual General Meeting of the Company."

No. 6 – Appointment of Mr. Manan Shah as an Independent Director

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 ("Act") and the Rules made there under read with Schedule IV to the Act, (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Manan Shah (holding DIN: 07589737), who was appointed as an Additional (Independent) Director of the Company by the Board of Directors at its meeting held on 13th February, 2017 and whose term of office expires at this Annual General Meeting ('AGM') and in respect of whom the Company has received a Notice in writing from a Member alongwith the deposit of the requisite amount under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years commencing from 13th February, 2017 and to hold office until the 25th Annual General Meeting of the Company."

No. 7 – Approval to Related Party Transactions

To Consider and if, thought fit, to pass with or without modification, 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 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. having its Registered office at Survey No. 380/1, Khanvel Silvassa Road, Dapada – 396230, Union Territory of Dadra & Nagar Haveli,, a "Related Party" as defined under Section 2(76) of the Companies Act, 2013 and Regulation 2 (1) (zb) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in financial year 2016-17 and 2017-18"

No. 8 - To adopt new Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013

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

"RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification (s) or re-enactment thereof, for the time being in force), the draft regulations contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company;

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

No. 9 – Right to convert Loan into Equity Shares

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

"RESOLVED THAT pursuant to the provisions of Section 62(3) and all other applicable provisions of the Companies Act, 2013 (including any statutory modification (s) or re-enactment thereof, for the time being in force) and subject to all such approvals, permissions or sanctions as may be necessary and subject to such condition(s) and modification(s) as may be prescribed and agreed by the Board of Director of the Company (hereinafter referred to as "the Board", which expression shall be deemed to include any committee duly constituted / to be constituted by the Board to exercise its powers, including the powers conferred by this Resolution), the Consent of the Company be and is hereby accorded to the Board in respect of Financial assistance extended by the Financial Institution(s) / Bank(s)/ Other lenders including but not limited to Associate companies, Promoters & Promoter Group of the Company and Inter Corporate Loans at its option may be able to convert the outstanding facility, interest thereon and other outstanding amount into fully paid-up Ordinary Equity Shares of the



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Company upon such terms and conditions as may be deemed appropriate by the Board and at a price to be determined in accordance with the provisions of the Companies Act, 2013 and other applicable laws/ Regulations in force at the time of such Conversion.

RESOLVED FURTHER THAT on receipt of the notice of conversion, the Board be and is hereby authorized to do all such acts, deeds and things as the Board may deem necessary and shall allot and issue the requisite number of fully paid up Ordinary Equity Shares of the Company.

RESOLVED FURTHER THAT the Ordinary Equity Shares to be so allotted and issued to the lenders pursuant to its existing right of conversion shall rank pari-passu in all aspect with the then existing Equity Shares in the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred by this Resolution to any Director or Directors or to any Committee of Directors or any other executive(s) or Officer(s) of the Company to give effect to the aforesaid Resolution."

BY ORDER OF THE BOARD OF DIRECTORS
For **AUNDE India Limited**

Date: 31st August, 2017

Place: Mumbai

Akram Sati
Company Secretary

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 ten percent of the total share capital of the Company. 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 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. 4 to 6 of the Notice, are also annexed.
4. The Register of member and the Share Transfer Books of the Company will remain closed from Thursday, 21st September, 2017 to Wednesday, 27th September, 2017 (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 Wednesday, 20th September, 2017 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. 20th September, 2017, 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 20th Annual General Meeting of the Company inter alia indicating the process and manner of e-Voting along with Attendance Slip and Proxy Form

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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.

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 the Audited Accounts for the financial period ended 31st March 2017, 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 the 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 Sunday, 24th September, 2017 (9:00 am) and ends on Tuesday, 26th September, 2017 (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, Wednesday, 20th September, 2017, 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 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.



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- 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.
- 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 Sunday, 24th September, 2017 till Tuesday, 26th September, 2017, 5.00 pm.
- m. E-Voting shall not be allowed beyond 5.00 pm on 26th September, 2017.
- 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 with a copy marked to 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 or call on toll free no: 1800-222-990.

For Members whose e-mail address is not registered:

- a. Initial password is provided separately in the Annual report posted for the AGM: EVEN (e-voting Event Number) USER ID PASSWORD/PIN
 - b. Please follow all steps from Sl. No. 11(iv) (b) to Sl. No. (o) above, to cast vote.
 - c. 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.
 - d. 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).
 - e. 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, 20th September, 2017.
 - f. 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, 20th September 2017 (cut-off date), may obtain the login ID and password by sending a request at 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 or contact NSDL at the following toll free no.: 1800-222-990.
 - g. A Member may participate in the AGM even after exercising his right to vote through e-voting but shall not be allowed to vote again at the AGM.
 - h. 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 only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
 - i. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.
12. The route map showing directions to reach the venue of the Twentieth AGM is annexed.
13. In compliance with the provisions of Section 108 of the Act and the Rules framed thereunder, as amended from time to time, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the

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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.

14. 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 9 of the Notice for point No. 11 as mentioned hereinabove and to comply with the provisions of Section 108 of the Companies Act, 2013.
15. 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.
16. 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.
17. 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.
18. 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 provided under Explanatory statement:

Name	Mr. Vinit Rathod	Ms. Shweta Jain	Mr. Manan Shah
Date of Birth	24/11/1988	04/06/1988	01/11/1991
Qualification	Chartered Accountant	Chartered Accountant	Chartered Accountant
Nature of Expertise	In Field of managing business, finance, taxation and legal matters	Internal audit, internal financial controls & policies, global financial reporting standards	Managing business in the packaging industry
Experience	More than 8 years	More than 8 years	More than 4 years
Name of Other Public Companies in which holds Directorship	Faze Three Limited	Faze Three Limited	Faze Three Limited
Name of Other Companies of which holds Chairmanship / Membership	Faze Three Limited - Chairman of Audit Committee & Stakeholders Relationship Committee	-	Faze Three Limited - Member of Audit Committee & Stakeholders Relationship Committee
Shareholding in Aunde India Limited	Nil	Nil	Nil

BY ORDER OF THE BOARD OF DIRECTORS
For **AUNDE India Limited**

Date: 31st August, 2017
Place: Mumbai

Akram Sati
Company Secretary



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Explanatory Statement

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

No. 4, 5 & 6 – Appointment of Independent Director

Pursuant to provisions of Section 161 of Companies Act, 2013, the Board of Director of the Company at their meeting held on 9th September, 2016 appointed Mr. Vinit Rathod and Ms. Shweta Jain as Additional & Independent Director and Mr. Manan Shah as Additional & Independent Director on 13th February, 2017.

As per the provisions of Section 161(1) of the Act, Mr. Vinit Rathod, Ms. Shweta Jain and Mr. Manan Shah holds office of Additional Director only up to the date of this Annual General Meeting of the Company, and are eligible for appointment as Director. The Company has received a notice under Section 160(1) of the Act proposing their candidature for the office of Director of the Company, along with the requisite deposit.

Further, the provisions of the Companies Act, 2013 with respect to appointment and tenure of the Independent Directors requires every Public Company fulfilling the prescribed criteria as laid down in Rule 4 of Companies (Appointment and Qualification of Directors) Rules, 2014 to appoint an Independent Director on its Board. In terms of provisions of Sections 149, 150, 152, Schedule IV of the Companies Act, 2013, read with Companies (Appointment and Qualification of Directors) Rules, 2014, the Board of Directors of the Company had appointed (subject to approval of the members at Annual General Meeting), Mr. Vinit Rathod, Ms. Shweta Jain and Mr. Manan Shah as an Independent Directors of the Company within the meaning of Section 2(47) read with Section 149(6) of the Companies Act, 2013 and Regulation 17(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for term of 5 consecutive years and to hold office till 25th AGM. Mr. Vinit Rathod, Ms. Shweta Jain and Mr. Manan Shah have given declaration to Board that they meet the criteria of Independence as provided under Section 149 (6) of the Companies Act, 2013. Each Director fulfills conditions as specified in the Act and rules framed thereunder for appointment as an Independent Director and they are Independent of Management. In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of these Directors is now being placed before the members for their approval.

A brief profile of the Independent Directors to be appointed is given below;

Mr. Vinit Rathod is a Chartered Accountant and has sound exposure of Taxation and Finance. He has previously worked with Deutsche Bank, Nishith Desai & Associates, etc. He is currently engaged in his business of manufacturing of wholesale made-up jewelries. He has a strong background in managing business, finance, taxation and legal matters. He shall provide valuable insights and perspectives to the Board for deliberation on complex financial matters.

Ms. Shweta Jain is a Chartered Accountant. She started her professional career & also currently working with Deloitte India & Canada. She has worked across Global Transaction Advisory services, Corporate Assurance & Audit engagements at Deloitte. She will provide valued insights in the areas of internal audit, internal financial controls & policies, global financial reporting standards and evaluation strategic options. The Board expects that the association of Ms. Jain on Board would be beneficial to the company

Mr. Manan Shah is a Chartered Accountant and has a comprehensive experience in business management. He is currently managing in business of manufacturing in the packaging industry. His association with the company would help the company to learn industry & manufacturing best practices.

None of the Directors or Key Managerial Personnel of the Company except Directors being appointed is concerned or interested in the Resolution. The Board recommends the passing of the Resolution set out in the Notice convening the Meeting. Members are requested to approve the appointment of Mr. Vinit Rathod, Ms. Shweta Jain & Mr. Manan Shah as Independent Director on the Board of the Company.

No. 7 – Approval to Related Party Transactions

M/s. Faze Three Limited is a Public Limited Company and Listed on BSE, having its Registered Office and manufacturing facilities at Dadra. The Company is into manufacturing of Home Textile Products like Bathmats, Rugs, Floor Coverings, Blankets, Cushions, Cushion Covers etc.

Faze Three Limited and Aunde India Limited have entered into an exclusive manufacturing and processing agreement under which Aunde India is entitled to use Faze Three's dyeing unit at Vapi for dyeing its Automotive Fabrics as per the laid down standards. The agreement also lays down terms for dealing with other units of Faze Three in case of any specific requirement of capacity or technology sharing.