



**Bisil Plast Limited**

28<sup>TH</sup>  
ANNUAL REPORT  
2013-14  
[CIN : L1711GJ1986PLC009009]



# Bisil Plast Limited

[CIN: L17119GJ1986PLC009009]

## 28<sup>TH</sup> ANNUAL REPORT 2013-14

<b>BOARD OF DIRECTORS</b>	<b>:</b>	<b>Mr. Amrish V. Pandya</b> <b>Ms. Ritaben S. Shah</b> <b>Mr. Sanjay V. Karkare</b> <b>Mr. Sanjay S. Shah</b>	Director Director Director Managing Director
<b>BANKERS</b>	<b>:</b>	ICICI Bank Limited Ambawadi, Ahmedabad.	
<b>AUDITORS</b>	<b>:</b>	<b>M/s. Shah &amp; Dalal,</b> Chartered Accountants, Ahmedabad.	
<b>COMPANY LAW CONSULTANTS</b>	<b>:</b>	<b>M/s. Kashyap R. Mehta &amp; Associates,</b> Company Secretaries, Ahmedabad	
<b>REGISTERED OFFICE</b>	<b>:</b>	406, Silver Oaks Commercial Complex, Opp. Arun Society, Paldi, Ahmedabad - 380 007.	
<b>FACTORY</b>	<b>:</b>	2410/11, GIDC Industrial Estate, Chhatral (N.Guj.). Tal:Kalo, Dist:Mehsana.	
<b>REGISTRAR AND SHARE TRANSFER AGENTS</b>	<b>:</b>	M/s. Link Intime (India) Private Limited Unit No 303, 3rd floor Shoppers Plaza V, Opp. Municipal Market, Behind Shoppers Plaza II, Off C. G. Road, , Ahmedabad – 380 009.	

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## NOTICE

**NOTICE** is hereby given that the **28<sup>TH</sup> ANNUAL GENERAL MEETING** of the members of **BISIL PLAST LIMITED** will be held as scheduled below:

Date : 23<sup>rd</sup> September, 2014  
Day : Tuesday  
Time : 10.00 A. M.  
Place : The Registered Office of the Company at:  
406, Silver Oaks Commercial Complex, Opp. Arun Society, Paldi, Ahmedabad - 380 007.

to transact the following business :

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt Audited Statement of Profit and Loss for the year ended 31<sup>st</sup> March, 2014 and the Balance Sheet as on that date alongwith Directors' Report and Auditors' Report thereon.
2. To appoint a Director in place of Ms. Rita S. Shah (DIN – 01509180), who retires by rotation in terms of Section 152(6) of the Companies Act, 2014 and, being eligible, offers herself for re appointment.
3. To appoint Statutory Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.

### **SPECIAL BUSINESS:**

4. 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 Sections 149, 150 and 152 read with Schedule IV of the Companies Act, 2013 and the Companies (Appointment and Qualifications 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, Mr. Amrish V. Pandya (DIN – 01509180), an Independent Director of the Company, who was appointed as a Director liable to retire by rotation 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 the Director, be and is hereby appointed as an Independent Director of the Company to hold office for a period of 5 (five) consecutive years for a term from the conclusion of this 28<sup>th</sup> Annual General Meeting upto the conclusion of the 33<sup>rd</sup> Annual General Meeting to be held in the calendar year 2019.”

5. 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 Sections 149, 150 and 152 read with Schedule IV of the Companies Act, 2013 and the Companies (Appointment and Qualifications 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, Mr. Sanjay V. Karkare, an Independent Director of the Company, who was appointed as a Director liable to retire by rotation 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 the Director, be and is hereby appointed as an Independent Director of the Company to hold office for a period of 5 (five) consecutive years for a term from the conclusion of this 28<sup>th</sup> Annual General Meeting up to the conclusion of the 33<sup>rd</sup> Annual General Meeting to be held in the calendar year 2019.”

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

“RESOLVED THAT in supersession of the ordinary resolution passed at the 27<sup>th</sup> Annual General Meeting of the Company held on 25<sup>th</sup> September, 2013 and pursuant to provisions of section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the Company be and is hereby accorded to the Board of Directors of the Company to borrow monies for the purpose of business of the Company from any Bank, Financial Institution or any person, such sum or sums of monies as they may deem necessary, notwithstanding the fact that the monies so borrowed and the monies borrowed from time to time apart from temporary loans obtained by the Company exceed the aggregate of the paid up capital of the Company and its free reserves i.e. reserves not set apart for any specific purpose, provided that the total outstanding amount of such borrowings shall not exceed Rs. 100 Crores (Rupees One Hundred Crores only) over and above the aggregate of the paid up capital of the Company and its free reserves at any time.”

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

“RESOLVED THAT in supersession of the Ordinary Resolution passed at the 27<sup>th</sup> Annual General Meeting of the Company held on 25<sup>th</sup> September, 2013, the consent of the Company be and is hereby accorded under Section 179



and Section 180(1)(a) and other applicable provisions of the Companies Act, 2013, to the creation by the Board of Directors on behalf of the Company of such mortgages, charges, hypothecations and floating charges in such form and such manner as may be agreed to between the Board of Directors and the Company's lenders on all or any of the movable & immovable properties of the Company both present and future of every nature and kind whatsoever and the undertaking of the Company in certain events, to secure term loans/ working capital facilities/External Commercial Borrowings/ Debentures/ any other form of finance etc. not exceeding Rs. 100 Crores (Rupees One Hundred Crores only) at any one point of time from Financial Institutions/Banks and other agencies/ parties/person with interest thereon, commitment charges, liquidated damages, charges, expenses and other monies, such mortgages and/or charges already created or to be created in future by the Company in such manner as may be thought expedient by the Board of Directors."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to finalize the documents for creating the aforesaid mortgages and/or charges and to do all such acts, things and matters as may be necessary for giving effect to the above resolution."

8. 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 188, 196, 197, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, the Company do hereby accord its approval to the appointment of Mr. Sanjay S. Shah as Managing Director of the Company, not liable to retire by rotation, for a period of 5 years with effect from 29<sup>th</sup> July, 2014 to 28<sup>th</sup> July, 2019 on the terms and conditions (which have been approved by Nomination and Remuneration Committee) as set out in the Explanatory Statement under Section II of Part II of Schedule V of the Companies Act, 2013."

**Registered Office :**

406, Silver Oaks Commercial Complex,  
Opp. Arun Society, Paldi,  
Ahmedabad-380 007.

Date :29<sup>th</sup> July, 2014

**By Order of the Board,**

**Amrish V. Pandya**  
Director

**NOTES:**

1. The Explanatory Statement, pursuant to provisions of section 102 of the Companies Act, 2013 and rules made thereunder, in respect of the business under Item Nos. 4 to 8 of the Notice is annexed hereto.
2. The Register of Members and Share Transfer Books will remain closed from 12<sup>th</sup> September, 2014 to 23<sup>rd</sup> September, 2014 (both days inclusive) for the purpose of Annual General Meeting.
3. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF, ON A POLL ONLY AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING 50 (FIFTY) AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PER CENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY.

The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxy form submitted on behalf of the Companies, Societies, etc. must be supported by an appropriate resolution / authority, as applicable.

4. 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. The Directors have furnished the requisite declarations for their appointment / re-appointment.
5. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their DPs with whom they are maintaining their demat accounts and members holding shares in physical form to the Company / RTA.
6. The members are requested to intimate to the Company, queries, if any, at least 10 days before the date of the meeting to enable the management to keep the required information available at the meeting.
7. Pursuant to Section 72 of the Companies Act, 2013, shareholders holding shares in physical form may file nomination in the prescribed Form SH-13 and for cancellation / variation in nomination in the prescribed Form SH-14 with the Company's Registrar and Transfer Agent. In respect of shares held in electronic / demat form, the nomination form may be filed with the respective Depository Participant.

8. The members are requested to bring duly filled attendance slip alongwith their copy of Annual Report at the Meeting.
9. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours on all working days between 11.00 A.M. and 1.00 P.M. except Sundays, up to and including the date of the Annual General Meeting of the Company.

#### 10. VOTING THROUGH ELECTRONIC MEANS

- A. In accordance with provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 the business proposed for the ensuing Annual General Meeting, may be transacted through electronic voting system and the Company is providing facility for voting by electronic means ("e-voting") to its members.
- B. The Company has engaged the services of National Securities Depository Limited ("NSDL") to provide e-voting facilities and for security and enabling the members to cast their vote in a secure manner.
- C. It may be noted that this e-voting facility is optional. The e-voting facility will be available at the link <https://www.evoting.nsdl.com> during the following voting period.

**Commencement of e-voting: From Tuesday, the 16<sup>th</sup> September, 2014 at 10.00 a.m. (IST)**

**End of e-voting: Thursday, the 18<sup>th</sup> September, 2014 at 06.00 p.m. (IST)**

E-voting shall not be allowed beyond 6.00 p.m. (IST) of 18<sup>th</sup> September, 2014. During the e-voting period, Shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut off date may cast their vote electronically. The cut off date for the limited purpose of e-voting is 8<sup>th</sup> August, 2014.

- D. The login ID and password for e-voting along with process, manner and instructions for e-voting is being sent to the members who have not registered their e-mail IDs with the Company along with physical copy of the notice.
- E. Those members who have registered their e-mail IDs with the Company / their respective Depository Participants are being forwarded the login ID and password for e-voting along with process, manner and instructions by e-mail.
- F. The Company has, in compliance with Rule 20 of the (Management and Administration) Rules, 2014, appointed **Mr. Kashyap R. Mehta, Proprietor, M/s. Kashyap R. Mehta & Associates, Company Secretaries, Ahmedabad as Scrutinizer** (as consented by them to be appointed as scrutinizer) for conducting the electronic Process in a fair and transparent manner.
- G. Electronic voting, processes, terms and conditions of Voting and general guidelines for shareholders participating through e-voting:

Shareholders may also refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads Section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) in addition to the following information.

**a. E-voting schedule for shareholders:**

- |  |   |
|--|---|
| 1. Business may be transacted by electronic voting;  | All Resolutions mentioned in the notice may be transacted by means of electronic voting within the time specified below.  |
| 2. The date of completion of sending of notices  | The notice dispatch will be completed 25 days prior to the date of Annual General Meeting.  |
| 3. The date and time of commencement of voting through electronic means;   | Tuesday, the 16 <sup>th</sup> September, 2014 at 10.00 a.m. (IST)   |
| 4. The date and time of end of voting through electronic means;  | Thursday, the 18 <sup>th</sup> September, 2014 at 06.00 p.m. (IST)  |
| 5. No voting after closing date & time of electronic voting  | E-Voting shall not be allowed beyond 6.00 p.m. (IST) on 18 <sup>th</sup> September, 2014  |
| 6. Website address on which the notice is displayed  | <a href="http://www.evoting.nsdl.com">www.evoting.nsdl.com</a>  |
| 7. Contact details of the Company and Share Registrar & Transfer Agent of the Company, responsible to address the grievances connected with the electronic voting; | <p><b>Company:</b> – Bisil Plast Limited<br/> Email: <a href="mailto:bisilplast@yahoo.com">bisilplast@yahoo.com</a></p> <p><b>Share Registrar</b> – M/s. Link Intime India Private Limited<br/> Email: :- <a href="mailto:Santosh.jaiswal@linkintime.co.in">Santosh.jaiswal@linkintime.co.in</a><br/> Contact No.: (022) 2596 3838<br/> Fax.: (022) 2594 6969</p> |



- b. The Company has tied up with NSDL for e-voting on resolutions and accordingly, the NSDL and our Share Registrar– M/s. Link Intime India Private Limited shall arrange for providing the information on shareholders login ID and create a facility for generating password and for keeping security and casting of vote in a secure manner;
- c. In case of any queries or issues regarding e-voting, shareholder may refer the frequently asked questions (FAQs) for Shareholders and e-voting user manual for shareholders available at the Downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or write email to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- d. If shareholder has already registered with NSDL for e-voting, then shareholder can use his/her existing user ID and password / PIN for casting his / her vote.
- e. A member may exercise his right to vote at any general meeting by electronic means in accordance with the provisions of these rules.
- f. The Resolution(s) and the Explanatory Statement(s) setting out the material facts and the reasons thereof are given hereunder for your consideration and necessary action.
- g. If a Shareholder has voted through e-voting facility, he is not allowed to vote in person at the ensuing general meeting of the company. If a Shareholder votes through e-voting facility and also votes at the meeting, the votes cast through e-voting shall only be considered.
- h. In case of Members who are entitled to vote but have not exercised their right to vote by electronic means, the Chairman of the Company may order a poll on his own motion in terms of Section 109 of the Companies Act, 2013 for the businesses specified in the accompanying Notice. For abundant clarity, in the event of poll, please note that the Members who have exercised their right to vote by electronic means shall not be eligible to vote by way of poll at the Meeting.
- i. The further instructions on e-voting are as under:
  - (i) The Notice of the 28<sup>th</sup> AGM of the Company inter alia indicating the process and manner of e-voting process along with printed Attendance Slip, Ballot form and Proxy Form is being dispatched to all the Members. Initial password is provided as below in the cover letter at the end of the attendance slip.

EVEN (E Voting Event Number)	USER ID	PASSWORD/PIN
1	12345678	12345678
  - (ii) NSDL shall also be sending the User-ID and Password to those members whose shareholding is in the dematerialized format and whose email addresses is registered with the Company/Depository Participants(s). For members who have not registered their email address, can use the details as provided above.
  - (iii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com>
  - (iv) Click on Shareholder – Login
  - (v) Put user ID and password as initial password noted in step (i) above. Click Login.
  - (vi) Password change menu appears. Change the password with new password of your choice with minimum 8 digits/ characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
  - (vii) Home page of e-voting opens. Click on e-Voting: Active Voting Cycles.
  - (viii) Select “EVEN” of Bisil Plast Limited
  - (ix) Now you are ready for e-Voting as Cast Vote page opens
  - (x) Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm” when prompted.
  - (xi) Upon confirmation, the message “Vote cast successfully” will be displayed
  - (xii) Once you have voted on the resolution, you will not be allowed to modify your vote
  - (xiii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are 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- [kashyaprmehta@hotmail.com](mailto:kashyaprmehta@hotmail.com), [bisilplast@yahoo.com](mailto:bisilplast@yahoo.com), with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- j. If you are already registered with NSDL for e-voting then you can use your existing user ID and password for casting your vote.
- k. During the e-voting period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 8<sup>th</sup> August, 2014, may cast their vote electronically. Please note that the e-voting module shall be disabled by NSDL for voting after the closing time and date of e

voting. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

- I. The voting rights of Shareholders shall be in proportion to their shares of the paid up equity share capital of the Company.
- m. Shareholders of the Company, holding shares in any form viz. physical form or demat, as on the cut-off date and not casting their vote electronically, may only cast their vote at the Annual General Meeting.
- n. The Scrutinizer shall within a period of not exceeding three (3) working days from the conclusion of the e-Voting period unlock the votes in the presence of atleast 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, forthwith to the Chairman of the Company.
- o. The results of the voting (e-voting and physical voting) will be announced within 48 hours of the conclusion of 28<sup>th</sup> Annual General Meeting to be held on 23<sup>rd</sup> September, 2014.

#### **ANNEXURE TO THE NOTICE**

#### **EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 IN RESPECT OF SPECIAL BUSINESSES MENTIONED IN THE NOTICE OF 28<sup>TH</sup> ANNUAL GENERAL MEETING DATED 29<sup>TH</sup> JULY, 2014.**

##### **In respect of Item No. 4:**

Mr. Amrish V. Pandya is an Independent Director on the Board of the Company. He was appointed on the Board at its meeting held on 24<sup>th</sup> December, 2008.

Mr. Amrish V. Pandya was appointed as a Director liable to retire by rotation. In terms of section 149 and other applicable provisions of the Companies Act, 2013 (hereinafter referred to as the Act), which are made applicable from April 1, 2014, Mr. Amrish V. Pandya being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term up to the conclusion of the 33<sup>rd</sup> Annual General Meeting in the calendar year 2019. A notice has been received from a member along with deposit of requisite amount under section 160 of the Act proposing Mr. Amrish V. Pandya as a candidate for the office of Director of the Company.

Mr. Amrish V. Pandya is not disqualified from being appointed as Director in terms of section 164 of the Act and has given his consent to act as Director. Section 149 of the Act, inter alia, stipulates the criteria of independence should a Company propose to appoint an Independent Director on its Board. As per the provisions of the said section, an Independent Director can hold office for a term up to five consecutive years on the Board of a Company and he shall not be included in determining the total number of Directors liable to retire by rotation.

The Company has received a declaration from Mr. Amrish V. Pandya that he meets with criteria of independence as prescribed both under section 149(6) of the Act and clause 49 of the Listing Agreement. Mr. Amrish V. Pandya possesses appropriate skills and experience in the field of Medicine. Brief resume of Mr. Amrish V. Pandya, nature of his expertise in specific functional areas and names of the Companies in which he holds directorships and memberships / chairmanships of the Board/Committees, shareholding and relationship between Directors inter se, as stipulated under clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.

In the opinion of the Board, Mr. Amrish V. Pandya fulfills the conditions specified in the Act and rules made thereunder for his appointment as an Independent Director of the Company.

Keeping in view of his vast experience and knowledge, the Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Amrish V. Pandya as an Independent Director.

Save and except Mr. Amrish V. Pandya, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at item No. 4.

This explanatory statement may also be regarded as a disclosure under clause 49 of the Listing Agreement with the Stock Exchanges.

##### **In respect of Item No. 5:**

Mr. Sanjay V. Karkare is an Independent Director on the Board of the Company. He was appointed on the Board at its meeting held on 28<sup>th</sup> March, 2003.

Mr. Sanjay V. Karkare was appointed as a Director liable to retire by rotation. In terms of section 149 and other applicable provisions of the Companies Act, 2013 (hereinafter referred to as the Act), which are made applicable from April 1, 2014, Mr. Sanjay V. Karkare being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term up to the conclusion of the 33<sup>rd</sup> Annual General Meeting in the calendar year



2019. A notice has been received from a member along with deposit of requisite amount under section 160 of the Act proposing Mr. Sanjay V. Karkare as a candidate for the office of Director of the Company.

Mr. Sanjay V. Karkare is not disqualified from being appointed as Director in terms of section 164 of the Act and has given his consent to act as Director. Section 149 of the Act, inter alia, stipulates the criteria of independence should a Company propose to appoint an Independent Director on its Board. As per the provisions of the said section, an Independent Director can hold office for a term up to five consecutive years on the Board of a Company and he shall not be included in determining the total number of Directors liable to retire by rotation.

The Company has received a declaration from Mr. Sanjay V. Karkare that he meets with criteria of independence as prescribed both under section 149(6) of the Act and clause 49 of the Listing Agreement. Mr. Sanjay V. Karkare possesses appropriate skills and experience in the field of Medicine. Brief resume of Mr. Sanjay V. Karkare, nature of his expertise in specific functional areas and names of the Companies in which he holds directorships and memberships / chairmanships of the Board/Committees, shareholding and relationship between Directors inter se, as stipulated under clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.

In the opinion of the Board, Mr. Sanjay V. Karkare fulfills the conditions specified in the Act and rules made thereunder for his appointment as an Independent Director of the Company.

Keeping in view of his vast experience and knowledge, the Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Sanjay V. Karkare as an Independent Director.

Save and except Mr. Sanjay V. Karkare, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at item No. 5.

This explanatory statement may also be regarded as a disclosure under clause 49 of the Listing Agreement with the Stock Exchanges.

**In respect of Item No. 6:**

The members of the Company at 27<sup>th</sup> Annual General Meeting held on 25<sup>th</sup> September, 2013 approved by way of an Ordinary Resolution under section 293(1)(d) of the Companies Act, 1956 for borrowing over and above the aggregate of the paid-up share capital and free reserves of the Company provided that the total amount of such borrowings together with the amount already borrowed and outstanding at any point of time shall not be in excess of Rs.25 Crores (Rupees Twenty Five Crores only), of aggregate of the paid-up share capital and free reserves of the Company.

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, etc. in the ordinary course of business, except with the approval of the Company accorded by a Special Resolution.

The Company borrows funds from the Banks and Financial Institutions for its business and considering the growth of the business, the Board is of the opinion that the Company may require to borrow additional funds for both organic and inorganic growth. In view of the requirements of the increased borrowings and to comply with the requirements of section 180(1)(c) or other applicable provisions of the Companies Act, 2013, the members of the Company shall pass a Special Resolution as set out at item No. 6 of the Notice, to enable the Board of Directors to borrow in excess of the aggregate of the paid-up share capital and free reserves of the Company. Approval of the members is being sought to borrow the money up to Rs.100 Crores (Rupees One Hundred Crores only) in excess of the aggregate of the paid-up share capital and free reserves of the Company.

None of the Directors or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out in the item No. 6.

**In respect of Item No. 7:**

Section 180(1)(a) of the Companies Act, 2013 effective from 12<sup>th</sup> September, 2013 requires that the Board of Directors shall not sell, lease or otherwise dispose of the whole or substantially whole of the undertaking of the company. In view of the resolution relating to borrowing powers stated in Item No. 7, the Company may have to create further charges/ mortgages in favour of the lenders. Therefore, a resolution enabling the Directors to create charges/mortgages on the movable/immovable properties of the Company to the extent of Rs. Rs.100 Crores (Rupees One Hundred Crores only) at any point of time is proposed.

Since the invocation of security / mortgage by the lender may be regarded as a disposal of the undertaking by the Company in favour of the Institutions / Banks, it is necessary for the members to pass a special resolution under Section 180(1)(a) of the Companies Act, 2013 before creation of the said charges / mortgages.

It is, therefore, necessary for the members to pass a Special Resolution under Section 180(1)(a) and other applicable provisions of the Companies Act, 2013, as set out at Item No.7 of this Notice, to enable to the Board of Directors to create charges/mortgages to secure the borrowings as mentioned in Item No. 7.



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None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 7.

### In respect of Item No. 8:

Shareholders may recall that Mr. Sanjay S. Shah was appointed as Director of the Company w.e.f. 9<sup>th</sup> May, 2012. The Board of Directors, on the recommendation of Nomination and Remuneration Committee, in their meeting held on 29<sup>th</sup> July, 2014 has elevated Mr. Sanjay S. Shah as Managing Director for a period of 5 years i.e. from 29<sup>th</sup> July, 2014 to 28<sup>th</sup> July, 2019.

The major terms and conditions are as under:

#### I. PERIOD:

For a period of 5 years from 29<sup>th</sup> July, 2014 to 28<sup>th</sup> July, 2019

#### II. REMUNERATION:

The Managing Director will not be entitled for any remuneration

#### III. The Managing Director shall be entitled to reimbursement of expenses incurred by him in connection with the business of the Company.

#### IV. The Managing Director shall not, so long as he functions as such, become interested or otherwise concerned directly or through his wife and/or minor children in any selling agency of the Company without the prior approval of the Central Government.

#### V. DUTIES:

Subject to the superintendence, direction and control of the Board of Directors of the Company, the Managing Director Shall be entrusted with substantial powers of management and also such other duties and responsibilities as may be entrusted to him by the Board of Directors from time to time. The headquarter of the Managing Director shall be at Ahmedabad or at such place as the Board of Directors may decided from time to time.

#### VI. TERMINATION:

The Managing Director may be removed from his office for gross negligence, breach of duty or trust if a Special Resolution to that effect is passed by the Company in its General Meeting. The Managing Director may resign from his office by giving 90 days' notice to the Company.

As per the provisions of Sections 188,196, 197, 203 and all other applicable provisions, if any, of the Companies Act, 2013, it is advisable to make appointment of Mr. Sanjay S. Shah as Managing Director of the Company by passing Special Resolution.

The following is the details of interest of Directors/ Key Managerial Personnel/ Relative of Director/ Relative of Key Managerial Personnel:

Sr. No	Category	Name of Interested Director / KMP	Financial Interest	Non- Financial Interest
1.	Director	Mr. Sanjay S. Shah	Relates to his elevation as Managing Director, he may be deemed to be concerned or interested in the business	
2.	Key Managerial Personnel	-	-	
3.	Relative of Director	Ms. Rita S. Shah	Relates to appointment of Mr. Sanjay S. Shah as Managing Director, who is relative and, therefore, she may be deemed to be concerned or interested in the business	
4.	Relative of Key Managerial Personnel	-	-	

As elevation of Mr. Sanjay S. Shah as Managing Director is without payment of any remuneration, no other information is required to be given under Section II of Part II of Schedule V of the Companies Act, 2013 with Notice annexed hereto.

Draft Agreement of the appointment is open for inspection at the Registered Office of the Company between 11.00 a.m. to 1.00 p.m. on any working day prior to the date of the meeting.

The above proposals are in the interest of the Company and the Directors recommend the Resolution Nos. 4 to 8 (both inclusive) of this Notice for consent and approval by the Members.

#### Registered Office :

406, Silver Oaks Commercial Complex,  
Opp. Arun Society, Paldi,  
Ahmedabad-380 007.  
Date :29<sup>th</sup> July, 2014

By Order of the Board,

Amrish V. Pandya  
Director