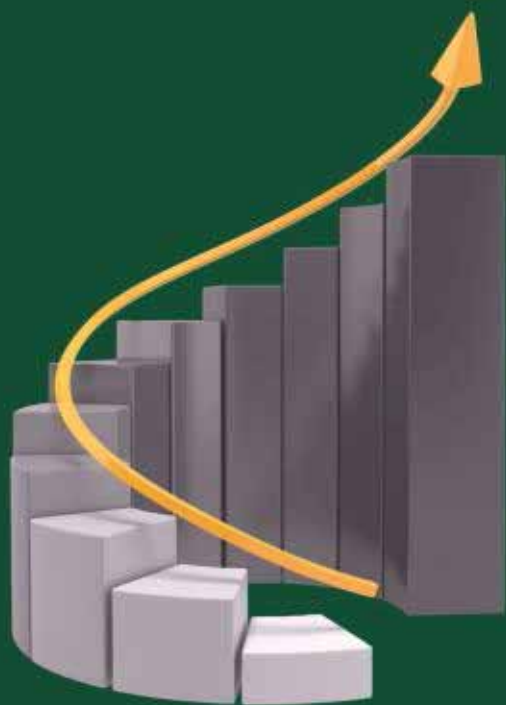


# Annual Report

2013-14



# CERA

**CERA Sanitaryware Limited**

WHERE **GROWTH** HAS BECOME A HABIT.....

# CERA

better expressed as...



**Board of Directors**

Shri Vikram Somany	- Chairman and Managing Director
Shri Sajan Kumar Pasari	
Dr. K. N. Maiti	
Shri Ashok Chhajed	
Shri Lalit Kumar Bohania	
Shri Govindbhai P. Patel	
Smt. Deepshikha Khaitan	
Shri Atul Sanghvi	- Executive Director

**Bankers**

State Bank of India

**Auditors**

M/s. H. V. Vasa & Co.,  
Chartered Accountants,  
B-2, "Usha Kiran", Opp. Khanpur Gate,  
Ahmedabad - 380 001.

**Registered Office**

9, GIDC Industrial Estate, Kadi-382 715, Dist. Mehsana, Gujarat, India.  
www.cera-india.com; Phone : (02764) 242329, 262619, 262638; Fax : (02764) 242465;  
E-mail : kadi@cera-india.com; CIN : L26910GJ1998PLC034400

**Marketing Office**

"Madhusudan House", Opp. Navrangpura Telephone Exchange, Ahmedabad - 380 006.

**Works**

- 1) Sanitaryware and Faucetware Plants :  
9, GIDC Industrial Estate, Kadi-382 715, Dist. Mehsana, Gujarat.
- 2) Wind Farms :
  - a) Vill. Lamba & Patelka, Tal. Kalyanpur, Dist. Jamnagar, Gujarat.
  - b) Vill. & Tal. Kalyanpur, Dist. Jamnagar, Gujarat.
  - c) Vill. Kadoli, Tal. Abdasa, Dist. Kutchh, Gujarat.
  - d) Vill. Jivapar (Anandpar), Tal. Chotila, Dist. Surendranagar, Gujarat.
  - e) Vill. Mota Gunda, Tal. Bhanwad, Dist. Jamnagar, Gujarat.

**Registrar & Share Transfer Agent**

MCS Limited,  
101, Shatdal Complex, 1st Floor,  
Opp. Bata Show Room, Ashram Road,  
Ahmedabad - 380 009.

**President & Company Secretary**

Narendra N. Patel

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**Annual General Meeting at 11.00 a.m. on Friday,  
the 22nd day of August, 2014 at the Registered Office.**

## NOTICE

Notice is hereby given that the Sixteenth Annual General Meeting of the Members of **CERA SANITARYWARE LIMITED** will be held at 11.00 a.m. on Friday, the 22<sup>nd</sup> day of August, 2014 at the Registered Office of the Company at 9, GIDC Industrial Estate, Kadi – 382 715, Dist. Mehsana, to transact the following business:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the financial statements of the Company for the year ended 31<sup>st</sup> March, 2014 including statement of Audited Profit and Loss for the year ended 31<sup>st</sup> March, 2014 and Balance Sheet as at that date and the Directors' and Auditors' Reports thereon.
2. To declare dividend on Equity Shares.
3. To appoint a director in place of Dr. K. N. Maiti, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint 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**

5. To consider and if thought fit, to pass with or without modification(s) the following resolution as an ordinary resolution:  
 "RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Shri Ashok Chhajed (holding DIN 00116844) Director of the Company who retires by rotation at this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company (who will not retire by rotation) to hold office for five consecutive years for a term up to 31<sup>st</sup> March, 2019."
6. To consider and if thought fit, to pass with or without modification(s) the following resolution as an ordinary resolution.  
 "RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Shri Sajan Kumar Pasari (DIN 00370738) Director of the Company whose period of office is liable to determination by retirement of Directors by rotation 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 an Independent Director of the Company (who will not retire by rotation) to hold office for five consecutive years for a term up to 31<sup>st</sup> March 2019."
7. To consider and if thought fit, to pass with or without modification(s) the following resolution as an ordinary resolution.  
 "RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Shri Govindbhai P. Patel (DIN 03156041) Director of the Company whose period of office is liable to determination by

retirement of Directors by rotation 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 an Independent Director of the Company (who will not retire by rotation) to hold office for five consecutive years for a term up to 31<sup>st</sup> March 2019."

8. To consider and if thought fit, to pass with or without modification(s) the following resolution as an ordinary resolution.  
 "RESOLVED that Shri Lalit Kumar Bohania (holding Din 00235869), who was appointed as an Additional Director of the Company by the Board of Directors w.e.f. 11.07.2013 in terms of Section 260 of the Companies Act, 1956 (corresponding to section 161 of the Companies Act, 2013) and Article 137 of the Articles of Association of the Company and whose term of office expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company (who will not retire by rotation) pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 to hold office for five consecutive years for a term up to 31<sup>st</sup> March 2019."
9. To consider and, if thought fit, to pass with or without modification the following resolution as an ordinary resolution.  
 RESOLVED THAT Smt. Deepshikha Khaitan (DIN 03365068) appointed as an Additional Director of the Company by Board of Directors w.e.f. 29.03.2014 u/s 260 of the Companies Act, 1956 (Section 161 of the Companies Act, 2013) and Article 137 of the Articles of Association of the Company and who ceases to hold the office at this Annual General Meeting and in respect of whom the Company has received notice in writing proposing her candidature for the office of the director be and is hereby appointed as director of the Company, who will be liable to retire by rotation.
10. To consider and, if thought fit, to pass with or without modification the following resolution as an ordinary resolution.  
 RESOLVED THAT Shri Atul Sanghvi (DIN 00045903) appointed as an Additional Director of the Company by Board of Directors w.e.f. 01.04.2014 u/s 260 of the Companies Act, 1956 (Section 161 of the Companies Act, 2013) and Article 137 of the Articles of Association of the Company and who ceases to hold the office at this Annual General Meeting and in respect of whom the Company has received notice in writing proposing his candidature for the office of the director be and is hereby appointed as director of the Company, who will be liable to retire by rotation.
11. To consider and, if thought fit, to pass with or without modification the following resolution as a special resolution.  
 RESOLVED THAT approval of the members be and is hereby accorded in terms of Sections 196, 197, 198, 203, Schedule V and any other applicable provisions of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) for the appointment of and for the remuneration payable to Shri Atul Sanghvi (DIN 00045903) as Executive Director of the Company for a period of Three (3) years w.e.f. 01.04.2014 in terms of agreement entered into by the Board of Directors of the Company with Shri Atul Sanghvi.

RESOLVED FURTHER THAT Shri Atul Sanghvi, Executive Director will be liable to retire by rotation.

RESOLVED FURTHER THAT the Executive Director is also entitled to the benefits as per the rules of the Company, which the other executives/ employees of the Company are entitled to.

RESOLVED FURTHER THAT total remuneration payable to Shri Atul Sanghvi shall not exceed 5% of the net profit of the Company and total remuneration payable to all the working directors shall not exceed 10% of the net profit of the Company in any financial year, calculated in accordance with the provisions of Sections 196, 197, 198, 203, Schedule V 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).

RESOLVED FURTHER THAT in the event of absence or inadequacy of profit in any financial year during the tenure of his appointment, total remuneration payable shall not exceed the maximum limit prescribed under Schedule V of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), if and to the extent with necessary approvals.

RESOLVED FURTHER THAT Shri Atul Sanghvi, Executive Director appointed herein above shall be appointed as an "Occupier" of the Company as defined under Section 2 of the Factories Act.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to alter and / or vary the terms and conditions of the said appointment and / or agreement in such a manner as it deem fit in terms of Sections 196, 197, 198, 203 read with Schedule V 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).

12. To consider and, if thought fit, to pass with or without modification the following resolution as a special resolution.

RESOLVED THAT approval of the members be and is hereby accorded in terms of Sections 196, 197, 198, 203, Schedule V and any other applicable provisions of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) for the re-appointment of and for the remuneration payable to Shri Vikram Somany (DIN 00048827) as Chairman and Managing Director of the Company for a period of three years w.e.f. 01.07.2014 in terms of agreement entered into by the Board of Directors of the Company with Shri Vikram Somany.

RESOLVED FURTHER THAT Shri Vikram Somany, Chairman and Managing Director will not be liable to retire by rotation.

RESOLVED FURTHER THAT the Chairman and Managing Director is also entitled to the benefits as per the rules of the Company, which the other executives/ employees of the Company are entitled to.

RESOLVED FURTHER THAT total remuneration payable to Shri Vikram Somany shall not exceed 5% of the net profit of the Company and total remuneration payable to all the working directors shall not exceed 10% of the net profit of the company in any financial year, calculated in accordance with the provisions of Sections 196, 197, 198, 203, Schedule V 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).

RESOLVED FURTHER THAT in the event of absence or inadequacy of profit in any financial year during the tenure of his appointment, total remuneration payable shall not exceed the maximum limit prescribed under Schedule V of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), if and to the extent with necessary approvals.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to alter and / or vary the terms and conditions of the said appointment and / or agreement in such a manner as it deem fit, in terms of Sections 196, 197, 198, 203 read with Schedule V 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).

13. 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 Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), K. G. Goyal & Co., Cost Accountants appointed as Cost Auditors by the Board of Directors of the Company, as per the recommendation of Audit Committee to conduct the audit of the cost records of the Company for the financial year ending March 31, 2015, be paid the remuneration of ₹ 25,000/- p.a. plus out of pocket expenses and service tax, if any.

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

Regd. Office :  
9, GIDC Industrial Estate,  
Kadi – 382 715  
12<sup>th</sup> June, 2014

By Order of the Board of Directors

**Narendra N. Patel**  
President & Company Secretary

## NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT PROXY TO ATTEND AND VOTE INSTEAD OF HIM SELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. A person can act as proxy on behalf of members not exceeding fifty and holding in aggregate not more than ten percent of total share capital of the company.
2. Members are requested to notify immediately the change of address, if any, to the Company or M/s. MCS Limited, Registrar and Share Transfer Agent.
3. The Register of Members and Share transfer book of the Company will remain closed from 15.08.2014 to 22.08.2014 (both days inclusive).

4. The Board of Directors has recommended a dividend of 5.00 (100%) per fully paid equity share of ₹ 5/- each for the year ended 31.03.2014.
5. Members / Proxies should bring the attendance slip sent herewith duly filled in for attending the meeting.
6. Members are requested to send their queries at least ten days before the date of the meeting so that the information can be made available at the meeting.
7. Explanatory Statement pursuant to provisions of Section 102 of the Companies Act, 2013 is annexed hereto.
8. Pursuant to the provisions of Section 205A and 205C of the Companies Act, 1956, the Company has transferred the unpaid or unclaimed dividends up to the financial year 2005-06 to the Investor Education and Protection Fund (the IEPF) established by the Central Government. Members who have not encashed their dividend warrants for the financial year 2006-07 onwards are advised to write to the Company immediately claiming dividends declared by the Company.
9. 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 Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or to the registrar.
10. Shareholders holding shares in Electronic Form may note that their bank account details as furnished by their depositories to the Company will be printed on their dividend warrants as per the applicable regulations of the depositories and the Company will not entertain any direct request from such shareholders for deletion of / change in such bank details. Shareholders who wish to change such bank account details are, therefore, requested to advise their Depository Participants about such change, with complete details of bank account.
11. Electronic copy of the Annual Report for 2013-14 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 and physical copy of Annual report 2013-14, who have not registered their email address. Members who have not registered their email address are requested to get your email address registered with the Company / Depository Participants and update the same, if required.
12. All the documents, if any, referred to in this notice and explanatory statement are available for inspection of the members at the registered office of the Company on any working day except Saturday, between 10:00 a.m. to 1:00 p.m. up to the conclusion of this meeting.
13. Voting through electronic means
  - I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules 2014, the Company is pleased to provide members facility to exercise their right to vote at the 16<sup>th</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL):  
The instructions for e-voting are as under:
    - A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participant(s)]:
      - (i) Open email and open PDF file viz; "CERA e-Voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for e-voting. Please note that the password is an initial password.
      - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
      - (iii) Click on Shareholder – Login
      - (iv) Put user ID and password as initial password / PIN noted in step (i) above. Click Login
      - (v) Password change menu appears. Change the password/PIN 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.
      - (vi) Home page of e-voting opens. Click on e-Voting: Active Voting Cycles.
      - (vii) Select "EVEN" of Cera Sanitaryware Limited.
      - (viii) Now you are ready for e-voting as Cast Vote Page opens.
      - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
      - (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
      - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
      - (xii) 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 to [cera.scrutiniser@gmail.com](mailto:cera.scrutiniser@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
    - B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participant(s) or requesting physical copy]:
      - (i) Initial password will be provided separately:  
EVEN (E Voting Event Number) USER ID  
PASSWORD/PIN
      - (ii) Please follow all steps from Sl. No. (ii) to Sl. No.(xii) above, to cast vote.
  - II. In case of any queries, you 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).
  - III. If you are already registered with NSDL for e-voting then you can use your existing user ID and password/PIN for casting your vote.
  - IV. As the voting would be through electronic means, the members who do not have access to e-voting, may requisite a Physical Ballot Form from the Company. You are required to fill in the ballot form and enclose it in a sealed envelope and send it to the Scrutinizer. Unsigned, incomplete or incorrectly ticked forms shall be rejected. The ballot must be received by the Scrutinizer on or before

18<sup>th</sup> August, 2014 (6.00 pm). The Scrutinizers decision on the validity of the forms will be final. Members are required to vote only through the electronic system or through ballot only and in no other form. In the event a member casts his votes through both the processes, the votes in the electronic system would be considered and the ballot vote would be ignored.

- V. 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).
- VI. The e-voting period commences on 16<sup>th</sup> August, 2014 (10.00 am) and ends on 18<sup>th</sup> August, 2014 (6.00 pm). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 12<sup>th</sup> July, 2014 may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

- VII. The e-voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 12<sup>th</sup> July, 2014.
- VIII. Shri Umesh Parikh, partner of Parikh Dave & Associates, Companies Secretaries, (Membership No.FCS:4152) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- IX. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- X. The Results will be declared at the AGM of the Company on 22.08.2014. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.cera-india.com](http://www.cera-india.com) and on the website of NSDL within two(2) days of the AGM of the Company and communicated to the NSE and BSE Limited.

**14. MEMBERS HOLDING EQUITY SHARES IN ELECTRONIC FORM AND PROXIES THEREOF, ARE REQUESTED TO BRING THEIR DPID AND CLIENT ID FOR IDENTIFICATION.**

15. Brief resume of directors, who are proposed to be appointed / re-appointed at this meeting are given below:

Name of Director	Shri Ashok Chhajed	Dr. K. N. Maiti	Shri Govindbhai P. Patel	Smt. Deepshikha Khaitan
Date of Birth	20.09.1960	23.09.1946	01.08.1933	17.03.1975
Date of Appointment	30.07.2008	24.05.2008	16.07.2010	29.03.2014
Expertise in Specific Functional Areas	Financial Management	Ceramic Scientist	Labour Matters and Administration	Legal Matters and Management
List of other Directorships	—	—	—	Capital Publishing Pvt. Ltd.
Chairman / Member of the Committees of the Board of other Companies	—	—	—	—
Shareholding in the Company	600	—	—	39,116
Name of Director	Shri Atul Sanghvi	Shri Vikram Somany	Shri Lalit Kumar Bohania	Shri Sajan Kumar Pasari
Date of Birth	16.05.1962	26.08.1949	16.02.1963	21.02.1947
Date of Appointment	01.04.2014	27.11.2001	11.07.2013	15.06.2004
Expertise in Specific Functional Areas	Marketing and Commercial	Industrialist	Accounts & Finance	Businessman
List of other Directorships	Goodluck Ceramics Pvt. Ltd. Madhusudan Cybernetic Pvt. Ltd.	Asopalav Plantations Pvt. Ltd.	Motex Traders Pvt. Ltd. Ankush Steel Co. Pvt. Ltd. GDS Nirman Pvt. Ltd. Sangeeta Plywood Pvt. Ltd. Parmeshwar Properties Pvt. Ltd. Manobal Properties Pvt. Ltd. Sunny Nirman Pvt. Ltd. Damini Vinimay Pvt. Ltd. Samarpan Developers Pvt. Ltd. Gokul Heights Pvt. Ltd. Indraprastha Agencies Pvt. Ltd. Kamaldhan Enclave Pvt. Ltd. Manikarn Owners Association	Regent Estates Ltd. Pegasus Infra Estates Pvt. Ltd. Assam Roofing Ltd. India Automobiles (1960) Ltd. The Chemong Tea Co. Ltd. West Wing Estates Pvt. Ltd. Arcus Estates Pvt. Ltd. I A Builders Pvt. Ltd. I A Property Developers Pvt. Ltd.
Chairman / Member of the Committees of the Board of other Companies	—	—	—	—
Shareholding in the Company	—	10,41,953	—	2,45,140

**Explanatory Statement pursuant to provisions of section 102 the Companies Act, 2013.****Item No. 5**

Shri Ashok Chhajed is a Non Executive Independent Director of the Company. He joined the Board of Directors of the Company in July, 2008. Shri Ashok Chhajed is the Chairman of the Audit Committee and a member of Remuneration Committee of the Board of Directors of the Company. He is commerce graduate and fellow member of The Institute of Chartered Accountants of India. He is a renowned practicing Chartered Accountant of Ahmedabad for more than 20 years. Presently he is not a Director in any other Company. Apart from holding 600 Equity Shares in the Company he does not hold by himself or by any other person any interest in the Company.

Shri Ashok Chhajed, retires by rotation at the ensuing Annual General Meeting under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Shri Ashok Chhajed being eligible and offering himself for reappointment, is proposed to be appointed as an Independent Director for five consecutive years for a term up to 31<sup>st</sup> March, 2019. A notice has been received from a member proposing Shri Ashok Chhajed being appointed as Director of the Company.

In the opinion of the Board Shri Ashok Chhajed fulfils the conditions specified in the Companies Act, 2013 and rules made there under for his appointment as an Independent Director of the Company and is independent of the management.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to receive the services of Shri Ashok Chhajed as an Independent Director. Accordingly, the Board recommends the resolution for appointment of Shri Ashok Chhajed as an Independent Director for passing by the members of the Company.

Except Shri Ashok Chhajed, none of your Directors or key Managerial Personnel of the Company or their relatives are concerned or interested in the resolution as per the item No. 5 of the notice. This explanatory statement may also be regarded as a disclosure under clause 49 of the listing agreement with the Stock Exchanges.

**Item No. 6**

Shri Sajan Kumar Pasari is a Non Executive Independent Director of the Company. He joined the Board of Directors of the Company in June, 2004. Shri Sajan Kumar Pasari is the member of the Audit Committee and Remuneration Committee of the Board of Directors of the Company. He is an Associates in Arts and Major in Business Administration from USA. He is a seasoned businessman having rich experience in managing the business affairs for more than 40 years. He is actively involved with the real estate business. He is a Director in other nine public and private limited companies. He holds 2,45,140 Equity Shares in the Company.

Shri Sajan Kumar Pasari is a director, whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Shri Sajan Kumar Pasari 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 31<sup>st</sup> March, 2019. A notice has been received from a member proposing, Shri Sajan Kumar Pasari being appointed as Director of the Company.

In the opinion of the Board, Shri Sajan Kumar Pasari fulfils the conditions specified in the Companies Act, 2013 and rules made there under for his appointment as an Independent Director of the Company and is independent of the management.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail the services of Shri Sajan Kumar Pasari as an Independent Director. Accordingly, the Board recommends the resolution for appointment of Shri Sajan Kumar Pasari as an Independent Director for passing by the members of the Company.

Except Shri Sajan Kumar Pasari, none of your Directors or key Managerial Personnel of the Company or their relatives are concerned or interested in the resolution as per the item No. 6 of the notice. This explanatory statement may also be regarded as a disclosure under clause 49 of the listing agreement with the Stock Exchanges.

**Item No. 7**

Shri Govindbhai P. Patel is a Non Executive Independent Director of the Company. He joined the Board of Directors of the Company in July, 2010. Shri Govindbhai P. Patel is a member of the Audit Committee, shareholders'/ investors' grievance committee, remuneration committee and share transfer committee of the Board of Directors of the Company. He is B.Sc. with Chemistry as principle subject. He is having to his credit rich experience of more than 40 years including 21 years as Company Secretary in Madhusudan Industries Limited. He has a vast experience in dealing in labour matters, factory affairs, legal and commercial matters and administration of public limited Company. He held various positions up to the level of factory manager in Madhusudan Industries Limited. He is not a Director in any other Company.

He does not hold by himself or by any other person any Shares in the Company.

Shri Govindbhai P. Patel, is a director whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Shri Govindbhai P. Patel, 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 31<sup>st</sup> March, 2019. A notice has been received from a member proposing Shri Govindbhai P. Patel being appointed as Director of the Company.

In the opinion of the Board Shri Govindbhai P. Patel fulfils the conditions specified in the Companies Act, 2013 and rules made there under for his appointment as an Independent Director of the Company and is independent of the management.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail the services of Shri Govindbhai P. Patel as an Independent Director. Accordingly the Board recommends the resolution for appointment of Shri Govindbhai P. Patel as an Independent Director for passing by the members of the Company.

Except Shri Govindbhai P. Patel, none of your Directors or key Managerial Personnel of the Company or their relatives are concerned or interested in the resolution as per the item No. 7 of the notice. This explanatory statement may also be regarded as a disclosure under clause 49 of the listing agreement with the Stock Exchanges.

**Item No. 8**

The Board of Directors at their meeting held on 11.07.2013 has appointed Shri Lalit Kumar Bohania as an additional Director of the Company w.e.f. 11.07.2013 u/s 260 of the erstwhile provisions of the Companies Act, 1956 (section 161 of the Companies Act, 2013) and Article 137 of the Articles of Association of the Company. He is a member of the Audit committee and remuneration committee of the Board of Directors of the Company. He is graduate in Commerce and fellow member of The Institute of Chartered Accountants of India. He is having to his credit experience of more than 27 years in

areas of accounts, finance, taxation, corporate finance etc. He is associated with many companies, operating in different areas. He is a director in 12 private limited companies. He is a reputed practicing Chartered Accountant of Kolkata.

He does not hold by himself or by other persons any shares in the Company.

As per the provisions of the Section 260 of the Companies Act, 1956 (Section 161 of the Companies Act, 2013) read with Article 137 of the Articles of Association of the Company, he will hold office till this Annual General Meeting. However, being eligible and offering himself for reappointment, is proposed to be appointed as an Independent Director for five consecutive years for a term up to 31<sup>st</sup> March, 2019 in terms of Section 149 and other applicable provisions of the Companies Act, 2013. A notice has been received from a member proposing Shri Lalit Kumar Bohania being appointed as Director of the Company.

In the opinion of the Board, Shri Lalit Kumar Bohania fulfils the conditions specified in the Companies Act, 2013 and rules made there under for his appointment as an Independent Director of the Company and is independent of the management.

The Board considers that appointment of Shri Lalit Kumar Bohania would be of immense benefit to the Company and it is desirable to continue to receive the services of Shri Lalit Kumar Bohania as an Independent Director. Accordingly, the Board recommends the resolution for appointment of Shri Lalit Kumar Bohania as an Independent Director for passing by the members of the Company.

Except Shri Lalit Kumar Bohania, none of your Directors or key Managerial Personnel of the Company or their relatives are concerned or interested in the resolution as per item No. 8 of the notice. This Explanatory Statement may also be regarded as a disclosure under clause 49 of the listing agreement with the Stock Exchanges.

#### Item No. 9

The Board of Directors at their meeting held on 29.03.2014 has appointed Smt. Deepshikha Khaitan as an additional director w.e.f. 29.03.2014 u/s. 260 of the Companies Act, 1956 (Section 161 of the Companies Act, 2013). As per the provisions of the said section, she will hold office till this Annual General Meeting. However, being eligible for re-appointment she offers herself for the same. The Company has also received a notice from a member proposing Smt. Deepshikha Khaitan being appointed as director of the Company. It is in the interest of the Company to have the benefit of the services of Smt. Deepshikha Khaitan, as director, who is expert in legal and management fields.

Your Board recommends the resolution as per item no. 9 of the notice for passing by the members of the Company.

Except, Smt. Deepshikha Khaitan and Shri Vikram Somany, none of your directors or Key Managerial Personnel of the Company or their relatives are concerned or interested in the said resolution as per item No. 9 of notice. Smt. Deepshikha Khaitan is daughter of Shri Vikram Somany, Chairman and Managing Director. This Explanatory Statement may also be regarded as a disclosure under clause 49 of the listing agreement with the stock exchanges.

#### Item No. 10

The Board of Directors at their meeting held on 29.03.2014 has appointed Shri Atul Sanghvi as an additional director w.e.f. 01.04.2014 u/s. 260 of the Companies Act, 1956 (section 161 of the Companies Act, 2013). As per the provisions of the said section, he will hold office till this Annual General Meeting. However, being eligible for appointment he offers himself for the same. The Company has also received a notice from a member proposing Shri Atul Sanghvi being appointed as director of the Company. It is in the interest of the

Company to have the benefit of the services of Shri Atul Sanghvi as director who is expert in marketing and commercial fields.

Your Board recommends the resolution as per item no. 10 of the notice for passing by the members of the Company.

Except, Shri Atul Sanghvi, none of your directors or Key Managerial Personnel of the Company or their relatives are concerned or interested in the said resolution as per item No. 10 of notice. This Explanatory Statement may also be regarded as a disclosure under clause 49 of the listing agreement with the stock exchanges.

#### Item No. 11

Shri Atul Sanghvi has been appointed as Executive Director of the Company for a period of three (3) years w.e.f. 01.04.2014, by the Board of Directors at their meeting held on 29.03.2014 subject to the approval of members of the Company at the general meeting. Shri Atul Sanghvi, designated as Executive Director, shall discharge duties and functions as specified in the agreement executed with him subject to the superintendence, direction and control of the Board of Directors and / or Chairman and Managing Director of the Company. The Company has entered into an agreement on 10.04.2014 with Shri Atul Sanghvi for his appointment as Executive Director.

Shri Atul Sanghvi, Executive Director shall be liable to retire by rotation.

However, Shri Atul Sanghvi shall not exercise the powers as Executive Director, which are required to be exercised by the company in general meeting and / or by Board of Directors.

Shri Atul Sanghvi, Executive Director appointed herein above shall be appointed as an "Occupier" of the Company as defined under Section 2 of the Factories Act.

The principle terms and conditions of appointment of Shri Atul Sanghvi, Executive Director are as follows:

1. **Period of Appointment:** Three (3) years w.e.f. 01.04.2014.
2. **Remuneration**
  - i) Salary: In the range of ` 2,50,000/- to ` 4,50,000/- per month, w.e.f. 01.04.2014.
  - ii) Perquisites:
 

**Category – A**

    - a) Accommodation: Free furnished housing accommodation and / or house rent allowance as per rules of the Company.
    - b) Medical benefit: Medical reimbursement including Medclaim for self and family subject to one month's salary in a year or three months' salary over a period of three years.
    - c) Leave Travel Concession: For self and family once in a year to and fro any place in India in accordance with the Rules of the company.
    - d) Club Fees: Annual fee of one club. This, however, will not include admission and life membership fee.
    - e) Insurance: Personal Accident Insurance of an amount annual premium of which does not exceed ` 6,000/-
    - f) Bonus: As per rules of the Company as applicable to other executives/employees of the Company.
    - g) Special Allowance: As may be decided by Board of Directors and / or the Chairman and Managing Director.
    - h) Performance Incentive: As may be decided by Board of Directors and/or Chairman and Managing Director.

**Category - B**

- a) Contribution to Provident Fund or Annuity Fund: As per the rules of the Company as applicable to other executives / employees of the Company.
- b) Gratuity: Gratuity payable in accordance with the Company's scheme thereof as applicable to other executives / employees of the Company.

**Category – C**

- a) Free telephone facility at residence and a mobile telephone. Personal long distance calls on telephone will be billed by the Company to the appointee.
- b) Free use of Car with driver for company's work only. The use of car for private purpose shall be billed by the Company to the appointee.

**Others:**

- a) Executive Director is also entitled to the benefits as per the rules of the Company, which the other executives / employees of the Company are entitled to.
- b) He will not be entitled to Sitting Fee for attending the meetings of the Board of Directors or Committee(s) thereof.

The Board or Committee thereof, in its absolute discretion will fix within the range stated above the remuneration payable to the Executive Director depending on his performance.

However, total remuneration payable to Shri Atul Sanghvi shall not exceed 5% of the net profit of the Company and total remuneration payable to all working directors shall not exceed 10% of the net profit of the Company in any financial year, calculated in accordance with the provisions of Sections 196, 197, 198, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder or any amendment thereof from time to time. In the event of absence or inadequacy of profit in any financial year during the tenure of his appointment, total remuneration payable shall not exceed the maximum limit prescribed under Schedule V of the Companies Act, 2013 and rules made thereunder or any amendment thereof from time to time, if and to the extent with necessary approvals.

3. The terms and conditions of the said appointment and / or agreement may be altered and varied from time to time by the Board as it may, in its discretion deem fit, including the maximum remuneration payable to the Executive Director in accordance with Sections 196, 197, 198, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder or any amendments made thereafter in this regard from time to time.
4. If at any time Shri Atul Sanghvi ceases to be a Director of the Company for any cause whatsoever, he will cease to be the Executive Director.
5. If at any time Shri Atul Sanghvi ceases to be in the employment of the Company for any cause whatsoever, he will cease to be a Director and/ or Executive Director of the Company and if at anytime Shri Atul Sanghvi ceases to be a Director and/ or Executive Director for any cause whatsoever, he will cease to be in the employment of the Company.
6. Shri Atul Sanghvi, Executive Director, may resign from the service of the Company by giving three months notice in advance. Similarly, the Company has the right to terminate his service as Executive Director at any time by giving three months notice in writing or salary in lieu thereof.

A copy of agreement entered into with Shri Atul Sanghvi is open for inspection at the registered office of the company between 10.00 a.m. to 1.00 p.m. on any working day except, Saturday upto the date of ensuing Annual General Meeting.

Appointment of Shri Atul Sanghvi as Executive Director and remuneration payable to him is approved by the Remuneration Committee by a resolution at the meeting held on 27.03.2014.

Your Board recommends the resolution as per item no. 11 of the notice for passing by the members of the Company.

Except, Shri Atul Sanghvi, none of your directors or Key Managerial Personnel of the Company or their relatives are concerned or interested in the said resolution as per item No. 11 of notice. This Explanatory Statement may also be regarded as a disclosure under clause 49 of the listing agreement with the stock exchanges.

**Item No. 12**

Shri Vikram Somany was appointed as Chairman and Managing Director of the Company for a period of three years with effect from 01.07.2011. His term comes to an end on 30.06.2014.

Shri Vikram Somany has been re-appointed as Managing Director and designated as Chairman and Managing Director of the Company for a period of three years with effect from 01.07.2014 by the Board of Directors at their meeting held on 25.04.2014, subject to the approval of members of the Company at the General Meeting. Shri Vikram Somany as Chairman and Managing Director shall discharge duties and function subject to the superintendence, direction and control of the Board of Directors of the Company. The Company has entered into an agreement on 26.04.2014 with Shri Vikram Somany for his re-appointment as Chairman and Managing Director.

Shri Vikram Somany, Chairman and Managing Director will not be liable to retire by rotation.

However, Shri Vikram Somany shall not exercise the powers as Chairman and Managing Director, which are required to be exercised by the Company in general meeting and / or by Board of Directors.

The principle terms and conditions of appointment of Shri Vikram Somany as Chairman and Managing Director are as follows:

1. **Period of Appointment :** Three (3) years w.e.f. 01.07.2014.
2. **Remuneration**
  - I) **Basic Salary:** In the range of ` 10,00,000/- - ` 20,00,000/- per month w.e.f. 01.07.2014. The next increment of salary will be due w.e.f. 01.04.2015.
  - II) **Perquisites:**

**Category - A**

- a) **Accommodation:** Free furnished housing accommodation and / or house rent allowance as may be mutually agreed by both the parties.
- b) **Facilities of gas, electricity, water and furnishings:** The expenditure incurred by the company on gas, electricity, water and furnishings shall be valued as per Income-tax Rules, 1962. This shall, however, be subject to a ceiling of 10% of the salary of the appointee.
- c) **Medical benefit:** Medical benefit / Medical Allowance including medical reimbursement and Mediclaim for self and family subject to one month's salary in a year or three months' salary over a period of three years.