

INVENTING A BRIGHTER FUTURE

CERA

CERA Sanitaryware Limited



CE

CLASSY Admirably Skillful
and Graceful

EXQUISITE Pleasing Through
Beauty and Perfection



RA

RADIANT Emitting Light and
Glowing Brightly

AWESOME Inspiring Feelings of
Wonder and Awe

Board of Directors

Shri Vikram Somany	- Chairman and Managing Director
Smt. Deepshikha Khaitan	- Vice Chairperson (Non-Executive)
Shri Sajan Kumar Pasari	
Dr. K. N. Maiti	
Shri Lalit Kumar Bohania	
Shri Govindbhai P. Patel	
Shri J. K. Taparia	
Shri Atul Sanghvi	- Executive Director

Bankers

State Bank of India

Auditors

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, 243000; Fax : (02764) 242465
E-mail : kadi@cera-india.com; CIN : L26910GJ1998PLC034400

Sales & 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. Kutch, Gujarat.
 - d) Vill. Jivapar (Anandpar), Tal. Chotila, Dist. Surendranagar, Gujarat.
 - e) Vill. Mota Gunda, Tal. Bhanwad, Dist. Devbhumi Dwarka, Gujarat.
 - f) Vill. Navagam, Tal. Bhanwad, Dist. Devbhumi Dwarka, Gujarat.

Registrar & Share Transfer Agent

MCS Share Transfer Agent Limited,
201, Shatdal Complex, 2nd Floor, Opp. Bata Show Room, Ashram Road, Ahmedabad - 380 009.

President & Company Secretary

Narendra N. Patel

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**Annual General Meeting at 11.30 a.m. on Thursday,
the 27th day of July, 2017 at the Registered Office.**

NOTICE

Notice is hereby given that the 19th Annual General Meeting of the Members of CERA SANITARYWARE LIMITED will be held at 11.30 a.m. on Thursday, the 27th day of July, 2017 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 Standalone and Consolidated financial statements of the Company for the year ended 31st March, 2017 including statement of Audited Profit and Loss and Cashflow Statement for the year ended 31st March, 2017, 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 Shri Atul Sanghvi (holding DIN – 00045903), who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint Statutory Auditors and fix their remuneration.

“RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions of the Companies Act, 2013, read with Companies (Audit and Auditors) Rules, 2014, as amended from time to time, and pursuant to the recommendation made by the Audit Committee to the Board, N.M. Nagari & Co., Chartered Accountants (Firm Registration No. 106792W), Ahmedabad, be and are hereby appointed as the Statutory Auditors of the Company, in place of retiring auditors H.V. Vasa & Co, Chartered Accountants (Firm Registration No. 131054W), to hold office for a term of five consecutive years from the conclusion of this 19th Annual General Meeting, until the conclusion of the 24th Annual General Meeting of the Company, subject to ratification by members every year, as applicable, at such remuneration and out of pocket expenses, as may be decided by the Board of Directors of the Company.

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 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 ended March 31, 2018, be paid the remuneration of ₹ 75,000/- 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.”

6. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an ordinary resolution:

“RESOLVED that Shri Jugal Kishore Taparia (holding DIN

07509049), who was appointed as an Additional Director of the Company by the Board of Directors w.e.f. 29.07.2016 in terms of 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 amendment(s), modification(s), replacement(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 31st March 2022.”

7. To consider and, if thought fit, to pass with or without modification(s), 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 amendment(s), modification(s), replacement(s) or re-enactment thereof for the time being in force for the re-appointment of and for the remuneration payable to Shri Atul Sanghvi (holding DIN 00045903) as “Executive Director” of the Company for a period of Three (3) years w.e.f. 01.04.2017 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 amendment(s), modification(s), replacement(s) or re-enactment thereof for the time being in force, if any to the extent with necessary approvals.

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 amendment(s), modification(s), replacement(s) or re-enactment thereof for the time being in force, if any to the extent with necessary approvals.

RESOLVED FURTHER THAT Shri Atul Sanghvi, Executive Director appointed herein above shall continue 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 including the maximum remuneration payable to the Executive Director 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 amendment(s), modification(s), replacement(s) or re-enactment thereof for the time being in force, if any to the extent with necessary approvals.

8. 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 amendment(s), modification(s), replacement(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 (holding DIN 00048827) as "Chairman and Managing Director" of the Company for a period of Five (5) years w.e.f. 01.07.2017 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 amendment(s), modification(s), replacement(s) or re-enactment thereof for the time being in force, if any to the extent with necessary approvals.

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 amendment(s), modification(s), replacement(s) or re-enactment thereof for the time being in force, if any 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 including the maximum remuneration payable to the Chairman and Managing Director, 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 amendment(s), modification(s), replacement(s) or re-enactment thereof for the time being in force, if any to the extent with necessary approvals.

9. 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 197,198 and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder including any amendment(s), modification(s), replacement(s) or re-enactment thereof for the time being in force, a sum not exceeding 1% p.a. of the net profits of the Company calculated in accordance with the provisions of Sections 198 of the Companies, Act 2013 and rules made thereunder, be paid to and distributed among the directors not in whole time employment of the Company in such manner, as the Board of Directors may from time to time determine and in default equally in each financial year of the company for a period of 5 years, commencing from 1st April, 2018 upto 31st March, 2023.

RESOLVED FURTHER THAT the Board of Directors 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
4th May, 2017
CIN : L26910GJ1998PLC034400

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 HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in aggregate not more than ten percent (10%) of total share capital of the company.
2. Members are requested to notify immediately the change of address, if any, to the Company or MCS Share Transfer Agent Limited, Registrar and Share Transfer Agent.
3. The Register of Members and Share transfer book of the Company will remain closed from 12th July, 2017 to 19th July, 2017 (both days inclusive).
4. The Board of Directors has recommended a dividend of Rs. 12/- (240%) per fully paid equity share of Rs. 5/- each for the year ended 31.03.2017.
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. Statement pursuant to provisions of Section 102 of the Companies Act, 2013 is annexed hereto.
8. The Company has transferred the unpaid or unclaimed dividends up to the financial year 2008-09 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 2009-10 onwards are advised to write to the Company immediately claiming dividends declared by the Company.

9. Pursuant to the provisions of Section 124, 125 of the Companies Act, 2013 and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 notified by the Ministry of Corporate Affairs and its amendment made from time to time, Company has issued Newspaper advertisement on 1st December, 2016 and Company has send individual notices to the shareholders on 29th November, 2016 for transfer of all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more, such shareholders' shares would be transferred to the Investor Education and Protection Fund (IEPF). Shareholders are requested to note that shares transferred to IEPF, including all benefits accruing on such shares, if any can be claimed back from the IEPF Authority after following the procedure prescribed under the said rules.
10. 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.
11. 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.
12. Annual Report 2016-17 along with notice of the AGM, Attendance Slip, Proxy Form and process instructions and the manner of conducting E-voting is being sent electronically to all the members whose email IDs are registered with the Company / Depository Participant(s). For members who request for a hard copy and for those who have not registered their email address, physical copies of Annual Report are being sent through the permitted mode. Members who have not registered their email address are requested to get their email address registered with the Company / Depository Participants and update the same, if required.
13. 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.
14. Voting through electronic means
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 19th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL). The members shall refer to the detailed procedures on e-voting attached herewith.
15. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com
16. Members are required to vote only through the electronic system or through ballot at Annual General Meeting 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.
17. The remote e-voting period commences on 24th July, 2017 (10:00 am) and ends on 26th July, 2017 (5:00 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 20th July, 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
18. 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 20th July, 2017.
19. A member may participate in the Annual General Meeting even after exercising his right to vote through e-voting, but shall not be allowed to vote again.
20. 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 and voting process at AGM in a fair and transparent manner.
21. The scrutinizer shall, immediately after the conclusion of voting at the Annual General Meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the company and make, not later than three days of conclusion of the meeting, 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.
22. The Results will be declared on receipt of Scrutinizer's Report. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.cera-india.com and on the website of CDSL immediately and communicated to the NSE and BSE.
23. Shri Narendra N. Patel, Compliance Officer of the Company, "Madhusadan House", Opp. Navrangpura Telephone Exchange, Ahmedabad - 380 006, shall be responsible for addressing all the grievances in relation to this Annual General Meeting including e-voting. His contact details are **E-mail:** hemal.sadiwala@cera-india.com, **Phone No.** 079-26449781.
24. **MEMBERS HOLDING EQUITY SHARES IN ELECTRONIC FORM AND PROXIES THEREOF, ARE REQUESTED TO BRING THEIR DP ID AND CLIENT ID FOR IDENTIFICATION.**

25. Brief resume of directors, who are proposed to be appointed / re-appointed at this Annual General Meeting are given below:

Name of Director	Shri Jugal Kishore Taparia	Shri Atul Sanghvi	Shri Vikram Somany
Date of Birth	11.03.1948	16.05.1962	26.08.1949
Date of Appointment	29.07.2016	01.04.2014	27.11.2001
Brief Resume and Nature of expertise in specific functional areas	Finance and Accounts	Marketing and Commercial	Industrialist
List of other Directorships	Anjani Tiles Limited	Indian Council of Sanitaryware Manufactures Anjani Tiles Limited	Asopalav Plantations Pvt Ltd
Chairman / Member of the Committees of the Board of other Companies	-	-	-
Disclosure of relationship between Director InterSe	Not Related to any Director at any time	Not Related to any Director at any time	Smt. Deepshikha Khaitan, Director is a daughter of Shri Vikram Somany.
Shareholding in the Company	-	18	1045847

Statement pursuant to provisions of Section 102 the Companies Act, 2013.

Item No. 4

H.V. Vasa & Co., Chartered Accountants were appointed as Auditors at 18th Annual General Meeting ('AGM') held on 29th July, 2016 to hold the office of the Auditors up to the conclusion of the 19th Annual General Meeting and hence, they would retire at the conclusion of this AGM.

As per second proviso to Section 139(2) of the Companies Act, 2013 ('the Act'), a transition period of three years from the commencement of the Act is provided to appoint a new auditor when the existing Auditor's firm has completed terms of Five consecutive years. Accordingly, the existing Auditors H.V. Vasa & Co. has completed term of five consecutive years and as per the said requirements of the Act, N.M. Nagri & Co, Chartered Accountants are proposed to be appointed as auditors from the conclusion of 19th AGM till the conclusion of the 24th AGM (AGM of Financial year 2021-22), subject to ratification by members every year, as may be applicable.

N.M. Nagri & Co, Chartered Accountants, have consented to the said appointment and confirmed that their appointment, if made, would be within the limits specified under Section 141(3)(g) of the Act. They have further confirmed that they are not disqualified to be appointed as statutory auditors in terms of the provisions of the proviso to Section 139(1) and Section 141(3) of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014.

The Board of Directors recommends the ordinary resolution as per item No. 4 of the accompanying notice for approval of the members of the Company.

None of the Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise in the resolution as per item No. 4 of the notice.

Item No. 5

The Board on the recommendation of the Audit Committee has approved the appointment and remuneration of the Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending March 31, 2018.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at item No. 5 of the notice for ratification of the remuneration payable to the Cost Auditors for the financial year ended March 31, 2018.

The Board of Directors recommends the ordinary resolution as per item No. 5 of the accompanying notice for approval of the members of the Company.

None of the Directors or Key Managerial Personnel of the company or their relatives are concerned or interested financially or otherwise in the said resolution as per item no.5 of the Notice.

Item No. 6

The Board of Directors at its meeting held on 29th July, 2016 has appointed Shri Jugal Kishore Taparia as Additional Director (Independent) of the Company w.e.f. 29th July, 2016 under section 161 of the Companies Act, 2013 and Article 137 of the Articles of Association of the Company. He is commerce graduate, Chartered Accountant and fellow member of the Institute of Chartered Accountant of India. He is having rich experience of more than 25 years in the field of Finance, Accounts and Administration.

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

According to the provisions of Section 161 of the Companies Act, 2013, he will hold office as an Additional Director only up to the date of this Annual General Meeting. As required under Section 160 of the Companies Act, 2013, notice has been received from a member signifying his intention to propose the appointment of Shri Jugal Kishore Taparia as a Director along with the deposit of requisite amount.

In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Shri Jugal Kishore Taparia 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 31st March, 2022.

In the opinion of the Board, Shri Jugal Kishore Taparia fulfills the conditions specified in the Companies Act, 2013, rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for appointment as Independent Director of the Company. He is independent of the management of the Company.

The Board considers that his experience and expertise would be of immense benefit to the Board and the Company and it is desirable

to continue to avail the services of Shri Jugal Kishore Taparia as an Independent Director. Accordingly, the Board recommends the ordinary resolution as per item no. 6 of the accompanying notice for appointment of Shri Jugal Kishore Taparia as an Independent Director for passing by the members of the Company.

The disclosure under Regulation 36 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 is provided in the Notes to this Notice.

Except Shri Jugal Kishore Taparia, none of your Directors or key Managerial Personnel of the Company or their relatives are concerned or interested financially or otherwise in the resolution as per the item No. 6 of the notice.

Item No. 7

Shri Atul Sanghvi was appointed as Executive Director of the Company for a period of three years w.e.f. 1.04.2014. His term came to an end on 31.03.2017. Upon recommendation of the Nomination and Remuneration Committee, Shri Atul Sanghvi has been re-appointed as Executive Director of the Company for a further period of three (3) years w.e.f. 01.04.2017, by the Board of Directors at their meeting held on 07.02.2017 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 16.02.2017 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 will continue 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. 01.04.2017.
2. **Remuneration**

- i) Basic Salary: In the range of ` 3,80,000/- - ` 6,00,000/- per month, w.e.f. 01.04.2017.
- 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 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.
- 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 : 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(s), modification(s), replacement(s) or re-enactment 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(s), modification(s), replacement(s) or re-enactment 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 or 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 this Annual General Meeting.

Appointment of Shri Atul Sanghvi as Executive Director and remuneration payable to him is approved by the Nomination and Remuneration Committee by a resolution at the meeting held on 07.02.2017.

The Board of Directors recommends the Special resolution as per item No. 7 of the accompanying notice for approval of 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 financially or otherwise in the said resolution as per item No. 7 of notice. The disclosure under Regulation 36 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 is provided at Notes to this Notice.

This explanatory statement also be regarded as a disclosure under any other Acts, Rules and Regulations.

Item No. 8

Shri Vikram Somany was appointed as Chairman and Managing Director of the Company for a period of three years with effect from 01.07.2014. His term comes to an end on 30.06.2017.

Upon recommendation of Nomination and Remuneration Committee, Shri Vikram Somany has been re-appointed as Managing Director and designated as Chairman and Managing Director of the Company for a period of Five (5) years with effect from 01.07.2017 by the Board of Directors at their meeting held on 4th May, 2017, 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 functions subject to the superintendence, direction and control of the Board of Directors of the Company. The Company has entered into an agreement on 6th May, 2017 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:** Five (5) years w.e.f. 01.07.2017.

2. **Remuneration**

- I) **Basic Salary:** In the range of ` 16,00,000/- - ` 35,00,000/- per month w.e.f. 01.07.2017. The next increment of salary will be due w.e.f. 01.04.2018.

- 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.
- d) **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.
- e) **Club Fees:** Annual fees of club subject to a maximum of two clubs. This however, will not include admission and life membership fee.
- f) **Insurance:** Personal Accident Insurance of an amount annual premium of which does not exceed Rs.10,000/-
- g) **Bonus:** As per rules of the Company as applicable to other executives/ employees of the Company.
- h) **Special Allowance:** As may be decided by the Board of Directors and/or Committee thereof.
- i) **Performance Incentive:** As may be decided by the Board of Directors and/or Committee thereof.

Category – B

Contribution to Provident Fund : As per the rules of the Company 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) 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.
- 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 Chairman and Managing Director depending on the performance of the Chairman and Managing Director, size of operations, profitability and other relevant factors.

However, 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 or any amendment(s), modification(s), replacement(s) or re-enactment thereof for the time being in force, if and to the extent with necessary approvals. 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(s), modification(s), replacement(s) or re-enactment 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 Chairman and Managing 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 Vikram Somany ceases to be a Director of the Company for any cause whatsoever, he will cease to be the Chairman and Managing Director.
5. Shri Vikram Somany, Chairman and Managing Director may resign from the service of the Company by giving three months' notice in advance.

A copy of agreement entered into with Shri Vikram Somany 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 this Annual General Meeting.

Appointment of and remuneration payable to Shri Vikram Somany is approved by the Nomination and remuneration committee by resolution at the meeting held on 4th May, 2017.

The Board of Directors recommends the Special resolution as per item No. 8 of the accompanying notice for approval of the members of the Company.

Except, Shri Vikram Somany and Smt. Deepshikha Khaitan, none of your Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested financially or otherwise in the said resolution as per item No. 8 of notice. Shri Vikram Somany is the father of Smt. Deepshikha Khaitan, Director. The disclosure under Regulation 36 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 is provided at Notes to this Notice.

This explanatory statement also be regarded as a disclosure under any other Acts, Rules and Regulations.

Item No. 9

Section 197(1) of the Companies Act, 2013, and/or Articles of Association of the Company, provides that in the case of the directors who are not in the whole-time employment of the Company, the shareholders, may by Special Resolution, authorize the payment of commission.

The role of non-whole-time Directors is significant in achieving good performance and establishment of good governance. The responsibility of the non-whole-time Directors has increased considerably over the years. In view of the dynamic changes in Company law and the corporate governance norms, there is a greater demand of non-whole time Directors in terms of time and preparation for the Board and Committee meetings. Keeping in view the requirement in terms of time and quality on the part of the

non-whole time Directors, it is necessary to remunerate them appropriately.

Considering the same, the members of the Company at their Annual General Meeting held on 12.09.2012 have approved the payment of 1% commission to the directors not in whole time employment of the Company, for a period of 5 years from 01.04.2013 to 31.03.2018. As such the same may be renewed for further period of 5 years w.e.f 01.04.2018.

Accordingly, the directors other than the Whole Time Directors be paid commission not exceeding 1% of the net profits of the Company, calculated in accordance with the provisions of Sections 198 and other applicable provisions, if any of the Companies Act, 2013 and rules made thereunder for a period of 5 years from 01.04.2018. This amount will be distributed among all or some of the non working Directors in such manner, as the Board of Directors may from time to time determine and in default equally, in each financial year.

The Board of Directors recommends the Special resolution as per item No. 9 of the accompanying notice for approval of the members of the Company.

All the Directors except Shri Atul Sanghvi or Key Managerial Personnel of the Company or their relatives, are concerned or interested financially or otherwise in the resolution as per item no. 9 of the Notice.

Regd. Office :
9, GIDC Industrial Estate,
Kadi – 382 715
4th May, 2017
CIN : L26910GJ1998PLC034400

By Order of the Board of Directors

Narendra N. Patel

President & Company Secretary

Procedure on e-voting

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 24th July, 2017 (10:00 am) and ends on 26th July, 2017 (5:00 pm). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 20th July, 2017, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.