



**ANNUAL REPORT 2016 -2017**



## CORPORATE INFORMATION

### BOARD OF DIRECTORS

Mr. Deepak Mitra	: Chairman (Independent Director)
Mr. Rahul Katyal	: Managing Director
Mr. Rohit Katyal	: Executive Director & Chief Financial Officer
Mr. Subir Malhotra	: Executive Director
Mr. K V Murthy	: Independent Director
Ms. Rupa Rajul Vora	: Independent Director
Mr. Sumeet Singh Nindrajog	: Nominee Director
Mr. Siddharth Parekh	: Nominee Director

### COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. Sai Kedar Katkar

### REGISTERED & CORPORATE OFFICE:

605-607, Shrikant Chambers,  
Phase – I, 6th Floor, Adjacent to R K Studios,  
Sion-Trombay Road,  
Mumbai – 400071, Maharashtra, India  
Tel: +91-22- 71733717, Fax: +91-22- 71733733  
Website: [www.capacite.in](http://www.capacite.in)  
Email: [compliance@capacite.in](mailto:compliance@capacite.in)  
CIN : U45400MH2012PLC234318

### STATUTORY AUDITORS

M/s. SRBC & CO. LLP, Chartered Accountants

### LENDERS

Corporation Bank  
State Bank of India  
Union Bank of India  
Dena Bank  
Ratnakar Bank Limited  
Punjab National Bank

### REGISTRAR & TRANSFER AGENT

Karvy Computershare Pvt. Ltd.  
Karvy Selenium Tower B, Plot 31-32,  
Gachibowli Financial District, Nanakramguda,  
Hyderabad 500 032  
Telangana, India

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## MESSAGE FROM THE MANAGING DIRECTOR



**Rahul Katyal**  
Managing Director

Dear Shareholder,

India's construction industry is expected to log materially faster growth, fuelled by spends in road, irrigation, rail and urban infrastructure projects over 2016-17 to 2020-21. Total spending in the period is expected to be in the range of ₹ 23-24 trillion, translating into a CAGR of 10-12%, way faster than a 2-4% rate observed between 2012-13 and 2014-15, when an economic slowdown and attendant sluggish demand had stalled India's investment cycle. Over the next five years, infrastructure projects will provide the maximum construction opportunity at almost 92% of overall construction spend, owing to the central government's continued focus on roads, urban infrastructure and railways. Conversely, spend on industrial projects is expected to be lower as companies dealing in metals, petrochemicals, and cement slow expansion plans amid low utilisation levels and muted demand. (Source: CRISIL Research)

### **KEY DRIVERS OF CONSTRUCTION INDUSTRY:**

#### **Affordable Housing**

While RBI defines the segment based on the overall ticket size and the size of the home loan, MHUPA defines the segment based on the area of apartments. As per the RBI, affordable housing is defined as houses of values up to ₹ 6.5 million located in the six major cities namely Mumbai, New Delhi, Chennai, Kolkata, Bengaluru and Hyderabad and houses of values upto ₹ 5 million located in cities other than the above six major cities. On the other hand, MHUPA defines affordable housing as houses having carpet area of 21-27 sq. m. for EWS or carpet area of 28-60 sq. m. for LIG and having a price range of a maximum of 5 times the annual income of the household.

#### **PRADHAN MANTRI AWAS YOJANA- HOUSING FOR ALL BY 2022**

Housing for All by 2022, also known as the Pradhan Mantri Awas Yojana ("PMAY"), was launched on 25th June, 2015 in New Delhi. It envisages the construction of about two crore houses in the country from 2015 to 2022, for the homeless and for people belonging to the economically weaker section ("EWS") and low-income group ("LIG") categories.

The scheme will be implemented in three phases:

Phase 1 – April 2015 to March 2017 to cover 100 cities selected from states/urban territories

Phase 2 – April 2017 to March 2019, to cover additional 200 cities

Phase 3 – April 2019 to March 2022, to cover all other remaining cities

#### **SMART CITIES MISSION**

In June 2015, MoUD laid down the operational guidelines for formulation, approval and execution of projects under the Smart Cities Mission. The mission aims at driving economic growth and improving the quality of life of people by enabling local area development and harnessing technology. The core infrastructure elements in a smart city would include adequate water supply, assured electricity, sanitation, efficient public transport, affordable housing, robust IT connectivity and digitisation, etc. The mission will cover 100 cities (distributed 55 among states and union territories) over five years (2015-16 to 2019-20). Central assistance for the mission will be used only for infrastructure projects that have larger public benefit.

As of December 2016, the government has announced 60 cities under the scheme for development of which 13 cities are to be developed on fast track basis. Implementation to start from fiscal 2017, investments worth ₹ 760 billion are lined up in the first 33 smart cities. Construction based activities to consume major share of funding. Projects like real estate development, roads, water supply and sanitation are the major parts of development in these cities.

#### **SLUM REHABILITATION**

The Slum Rehabilitation Act, 1995 was passed by the government of the Indian state Maharashtra to protect the rights of slum dwellers and promote the development of slum areas. Slum rehabilitation projects are classified into (i) in-situ slum redevelopment projects, (ii) in-situ slum upgradation projects and (iii) slum resettlement projects. Slum redevelopment and upgradation projects involve redevelopment or improvement of existing slum areas by providing proper access, dwelling units, open spaces and other basic services to the slum dwellers on land on which the slum exists. Resettlement projects, involve relocation and settlement of slum dwellers from the existing slums to alternative sites with provision of dwelling space, basic civic and infrastructural services.



**IMPLEMENTATION OF REAL ESTATE (REGULATION & DEVELOPMENT) ACT, 2016 (“RERD ACT “)**

Your Company believes that the implementation of the RERD Act will have far reaching consequences on the construction industry in India, including the Residential building segment. Some of the key impacts that we believe will arise from the implementation of the RERD Act include:

- reduction in risks arising due to delays in obtaining clearances during the construction phase as under the RERD Act, statutory clearances for a project are required to be in place prior to commencement of construction;
- increase in the speed and security of payments due to us on account of the mandatory deposit of 70% of the proceeds of a construction project in an escrow account
- emphasis on timely delivery of construction services;
- emphasis on demand for quality and durability of construction.

**HIGHLIGHTS OF FY 2017**

During the year, your Company focussed on consolidating business strengths and improving internal efficiencies, your Company delivered yet another year of consistent performance for the period under review. The Company's Income from Operations for FY 2016-17 stood at ₹ 1157.04 crore against ₹ 851.43 crore recorded in the previous year, recording a growth of 35.90 % as compared to previous Financial Year. The Company's EBITDA stood at ₹ 166.89 crore in FY 2016-17 compared to ₹ 115.55 crore recorded in FY 2015-16. This constitutes a growth of 44.43%. The increase in EBITDA was driven by optimising the utilisation of resources. The PAT for FY 2016-17 grew to ₹ 696 Million compared to ₹ 434 Million recorded in the previous year, this constitutes a growth of 60.36%.

**FUND INFUSION :**

A sum of ₹ 60 Crores has been invested in the Company as Private Investment during FY17, to meet the growth capital requirement. This fund infusion has further enabled in strengthening of your Company's financial position and helped us to end the year with a debt: equity ratio of about 1: 0.51.

**DIVIDEND:**

The Company declared and paid interim dividend of ₹ 0.50 (5%) per Equity share of Face Value of ₹ 10 each and ₹ 3.50 (5%) per Preference share of Face Value of ₹ 20 each during the year under review

**STRONG ORDER BOOK**

Our Order book has grown from ₹ 2,896 crore as on March 31, 2016 to ₹ 4,336 crore as on March 31, 2017, with projects spread across major cities in India, including the MMR, NCR, Pune, Hyderabad, Bengaluru, Chennai and Kochi.

**GOING PUBLIC:**

It gives me pleasure to announce that your Company has filed its Draft Red Herring Prospectus with SEBI. Your Company plans to raise about ₹ 400 crore, through initial public offer of equity. The objects of the issue include utilisation of IPO proceeds for funding working capital to the extent of ₹ 250 crore, purchase of capital assets to the extent of about ₹ 50 crore , and balance for general corporate purposes and issue expenses.

**WAY FORWARD:**

Looking at the huge potential in Construction Industry, your Company intends to

- Expand in the mass housing segment
- Expand our presence in cities with high growth potential
- Undertake projects on a design – build basis
- Increase our focus on and execute greater number of projects on a lock-and-key basis
- Bid for, and undertake, projects in the public sector
- Capitalise on changes in the construction industry that will arise on account of the implementation of the RERD Act

I am confident that your Company would continue to grow further in the year ahead, with your support and cooperation. I express my gratitude towards customers and business associates for their relentless support. I also take this opportunity to place on record sincere appreciation for the co-operation and assistance the Company has received from Banks and various Government Departments. I also place my sincere appreciation for the dedication, commitment and hard-work put in by our employees at all levels and look forward to receive their trust, support and encouragement as we head for another challenging & exciting year. We sincerely thank all our shareholders for their continued belief in us.

**Rahul Katyal**  
Managing Director

## NOTICE

**NOTICE IS HEREBY GIVEN THAT** the fifth Annual General Meeting of CAPACIT'E INFRAPROJECTS LIMITED will be held at registered office of the Company at 605-607, Shrikant Chambers, Phase – I, 6<sup>th</sup> Floor, Adjacent to R K Studios, Sion- Trombay Road, Mumbai – 400 071 on 30<sup>th</sup> day of June 2017 at 10:00 AM. to transact the following business:

### **ORDINARY BUSINESS:**

1) **To receive, consider, approve and adopt:**

- a. the Audited Financial Statements of the Company for the financial year ended March 31, 2017, together with the Reports of the Board of Directors and the Auditors thereon; and
- b. the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2017, together with the Report of the Auditors thereon.

2) To appoint a Director in place of Mr. Subir Malhotra (DIN: 05190208), who retires by rotation and being eligible offers himself for re-appointment;

3) To ratify the appointment of Statutory Auditor and Fix their remuneration and if thought to fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to provisions of Section 139 and Section 142 other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and pursuant to the recommendation of Audit Committee of the Board of Directors and pursuant to resolution passed by members at Annual General Meeting held on September 30, 2016, the appointment of M/s. SRBC & CO. LLP, Chartered Accountants (Firm Regn. No: 324982E) as auditors of the Company, to hold office till the conclusion of the 9th (Ninth) Annual General Meeting to be held in calendar year 2021, be and is hereby ratified and that the Board of Directors be and is hereby authorized to fix the remuneration payable to them for the Financial Year ending March 31, 2018 as may be determined by the Audit Committee in consultation with the auditors, in connection with statutory audit and charges in respect of services rendered by them, if any, in any other capacity.”

### **SPECIAL BUSINESS:**

4) **Re-appointment of Mr. Rahul Katyal (DIN 00253046), as Managing Director of the Company.**

**Consider and if thought fit, to pass with or without modification, the following resolution as SPECIAL RESOLUTION:**

**“RESOLVED THAT** pursuant to recommendation of the Board and subject to the provisions of Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule- V of the Companies Act, 2013 and Article 89(3) of Articles of Association of the Company, approval of the

members of the Company be and is hereby accorded to the re-appointment of Mr. Rahul Katyal (DIN 00253046), as Managing Director of the Company with effect from September 4, 2017 to September 3, 2022, subject to the payment of salary, commission and perquisites (hereinafter referred to as “remuneration”), upon the terms and conditions as may be approved with authority to the Board of Directors to alter and vary the terms and conditions of the said re-appointment and / or agreement in such manner as may be agreed to between the Board of Directors and Mr. Rahul Katyal.

**RESOLVED FURTHER THAT** the remuneration payable to Mr. Rahul Katyal., shall not exceed the overall ceiling of the total managerial remuneration as provided under Section 197 of the Companies Act, 2013 or such other limits as may be prescribed from time to time.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors or Director(s) to give effect to the aforesaid resolution.

5) **Revision in remuneration of Mr. Rahul Katyal, Managing Director of the Company**

To consider and if thought fit, to pass with or without modification, the following resolution as a Ordinary Resolution:

**“RESOLVED THAT** pursuant to the recommendation of Nomination and Remuneration Committee and approval of the Board and subject to the provisions of section 196, 197, 198 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule - V of the Companies Act, 2013, approval of the members of the Company be and is hereby accorded for increase in remuneration of Mr. Rahul Katyal, Managing Director of the Company, with effect from April 1, 2017 on the terms and conditions as detailed in the letter of appointment, which is hereby approved and sanctioned with authority to the Board of Directors to alter and vary the terms and conditions of the said increase in remuneration as may be decided by the Board.”

**“RESOLVED FURTHER THAT** the remuneration payable to Mr. Rahul Katyal, Managing Director shall not exceed the overall ceiling of the total managerial remuneration as provided under Section 197 of the Companies Act, 2013 or such other limits as may be prescribed from time to time.”

**“RESOLVED FURTHER THAT** no sitting fees will be paid to Mr. Rahul Katyal, Managing Director for attending meetings of the Board of Directors or any committee thereof.”

**“RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board of Directors of the company(hereinafter referred to as the ‘Board’ which term shall be deemed to include any duly authorized Committee thereof, for the time being exercising the powers conferred on the Board by this Resolution) be authorized to do all such

acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, proper or desirable and to settle any questions, difficulties or doubts that may arise in this regard.”

6) **Revision in remuneration of Mr. Rohit Katyal (DIN: 00252944), as Executive Director of the Company.**

To consider and if thought fit, to pass with or without modification, the following resolution as a Ordinary Resolution:

**“RESOLVED THAT** pursuant to the recommendation of Nomination and Remuneration Committee and approval of the Board and subject to the provisions of section 196, 197, 198 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule - V of the Companies Act, 2013, approval of the members of the Company be and is hereby accorded for increase in remuneration of Mr. Rohit Katyal (DIN: 00252944), Executive Director and CFO of the Company, with effect from April 1, 2017 on the terms and conditions as detailed in the letter of appointment, which is hereby approved and sanctioned with authority to the Board of Directors to alter and vary the terms and conditions of the said increase in remuneration as may be decided by the Board.”

**“RESOLVED FURTHER THAT** the remuneration payable to Mr. Rohit Katyal, Executive Director and CFO of the Company shall not exceed the overall ceiling of the total managerial remuneration as provided under Section 197 of the Companies Act, 2013 or such other limits as may be prescribed from time to time.”

**“RESOLVED FURTHER THAT** no sitting fees will be paid to Mr. Rohit Katyal, Executive Director and CFO of the Company for attending meetings of the Board of Directors or any committee thereof.”

**“RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board of Directors of the company(hereinafter referred to as the ‘Board’ which term shall be deemed to include any duly authorized Committee thereof, for the time being exercising the powers conferred on the Board by this Resolution) be authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, proper or desirable and to settle any questions, difficulties or doubts that may arise in this regard.”

7) **Revision in remuneration of Mr. Subir Malhotra (DIN: 05190208 ), as Executive Director of the Company.**

To consider and if thought fit, to pass with or without modification, the following resolution as a Ordinary Resolution:

**“RESOLVED THAT** pursuant to the recommendation of Nomination and Remuneration Committee and approval of the Board and subject to the provisions of section 196, 197, 198 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule - V of the Companies Act, 2013, subject to shareholders approval, consent of the Board be and is hereby accorded for increase in remuneration of Mr. Subir Malhotra (DIN: 05190208), Executive Director of the Company, with effect from April 1, 2017 on the terms and conditions as detailed in the letter of appointment, which is hereby approved and sanctioned with authority to the Board of Directors to alter

and vary the terms and conditions of the said increase in remuneration as may be decided by the Board.”

**“RESOLVED FURTHER THAT** the remuneration payable to Mr. Subir Malhotra, Executive Director of the Company shall not exceed the overall ceiling of the total managerial remuneration as provided under Section 197 of the Companies Act, 2013 or such other limits as may be prescribed from time to time.”

**“RESOLVED FURTHER THAT** no sitting fees will be paid to Mr. Subir Malhotra, Executive Director of the Company for attending meetings of the Board of Directors or any committee thereof.”

**“RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board of Directors of the company(hereinafter referred to as the ‘Board’ which term shall be deemed to include any duly authorized Committee thereof, for the time being exercising the powers conferred on the Board by this Resolution) be authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, proper or desirable and to settle any questions, difficulties or doubts that may arise in this regard.”

8) **Ratification of Appointment of Cost Auditor**

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

**“RESOLVED THAT** pursuant to provisions of Section 148; read with Companies (Cost Audit Records) Rules, 2014 and all other applicable provisions of the Companies Act, 2013, (including any statutory modification(s) or re-enactment of the Act and/ or the Rules for the time being in force) and subject to approval of the shareholders, M/s. Y. R. Doshi & Associates, Cost Accountants, be and are hereby appointed as Cost Auditor for the Financial year 2017-18 to carry out the audit of cost accounts of the Company on such remuneration as may be approved by the Board of Directors.

**“RESOLVED FURTHER THAT,** any of the Executive Directors and/or Company Secretary of the Company be and is hereby severally authorized to sign and submit an application in prescribed Form No. CRA-2 to the Central Government for appointment of M/s Y. R. Doshi & Associates, Cost Accountants, as Cost Auditors by the Company and to do all such acts and things as may be necessary in this regard.”

**By order of Board of Directors**

**Sai Kedar Katkar**  
Company Secretary

June 13, 2017

Mumbai

**Registered Office:**

605-607, Shrikant Chambers,  
Phase – I, 6<sup>th</sup> Floor, Adjacent to R K Studios,  
Sion-Trombay Road, Mumbai – 400071,  
Maharashtra, India

**NOTES:**

1. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the Special Businesses to be transacted at the Annual General Meeting as set out in the Notice is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON POLL, TO VOTE ON HIS/HER BEHALF. SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE ENCLOSED PROXY FORM SHOULD BE DEPOSITED AT THE REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE AGM. A PERSON SHALL NOT ACT AS A PROXY FOR MORE THAN 50 MEMBERS AND HOLDING IN THE AGGREGATE NOT MORE THAN 10% OF THE TOTAL VOTING SHARE CAPITAL OF THE COMPANY. HOWEVER, A SINGLE PERSON MAY ACT AS A PROXY FOR A MEMBER HOLDING MORE THAN 10% OF THE TOTAL VOTING SHARE CAPITAL OF THE COMPANY PROVIDED THAT SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON.**
3. For the convenience of the Members, attendance slip is enclosed elsewhere in the Annual Report. Members/Proxy Holders/Authorized Representatives are requested to fill in and affix their signatures at the space provided therein and surrender the same at the venue of the AGM. Proxy/ Authorized Representatives of a member should state on the attendance slip as 'Proxy or Authorized Representative' as the case may be.
4. Proxy-holders are requested to carry an Identity Proof at the time of attending the meeting.
5. Members are requested to bring their copy of the Annual Report to the AGM.
6. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
7. The Members holding shares in the same name or same order of names under different folios are requested to send the share certificates for consolidation of such shares to the Company.
8. The Members desirous of appointing their nominees for the shares held by them may apply in the Nomination Form (Form SH.13).
9. In case of joint holders attending the Meeting, only such a joint holder who is higher in the order of names will be entitled to vote.
10. Members are requested to send in their queries at least a week in advance to the Chief Financial Officer &/ or Company Secretary at the Registered Office of the Company to facilitate clarifications during the meeting.
11. The route map for the venue of the meeting has been given in the attendance slip.
12. Members are requested to note that as per Section 124 of the Companies Act, 2013, dividends not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account shall be transferred to the Investor Education and Protection Fund of the Government. Unclaimed Dividends, if any will be transferred to the 'Investor Education and Protection Fund' if not claimed within seven years.
13. Dividend Period: Please note that Section 124(6) of Companies Act, 2013 also provides that all shares in respect of the unclaimed dividend shall also be transferred to the IEPF. Hence, it is in the shareholders' interest to claim any uncashed dividends and for future, opt for Electronic Credit of dividend, so that dividends paid by the Company are credited to the investor's account on time.
14. Shareholders are requested to intimate immediately the change in address, if any, to the Company's Registrar and Share Transfer Agent (RTA) at Karvy Selenium Tower, Plot No. 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad, 500 032 (e-mail: [subrahmanyam.mrv@karvy.com](mailto:subrahmanyam.mrv@karvy.com)) Those who are holding their Shares in dematerialized form may notify to their Depository participants, Change / correction in their address / Bank Account particulars etc.
15. All documents referred in the notice are 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 Annual General Meeting.



## Statement in respect of the Special Business pursuant to Section 102 of the Companies Act, 2013

### Item No.4

Mr. Rahul Katyal had been appointed as Managing Director of the Company w.e.f September 4, 2012 for a period of 5 years. The term of office of Mr. Rahul Katyal as Managing Director of the Company is due to expire on September 3, 2017. The present proposal is to seek the Shareholders' approval for the re-appointment of Mr. Rahul Katyal as the Managing Director in terms of the applicable provisions of the Companies Act, 2013. The Board of Directors of the Company (the 'Board'), at its meeting held on June 13, 2017 has, subject to the approval of the Shareholders, reappointed Mr. Rahul Katyal for a further period of 5 years from September 4, 2017.

The payment of remuneration has already been recommended by the Nomination and Remuneration Committee and Board of Directors which forms part of Item No. 5 for the proposed remuneration of Mr. Rahul Katyal.

The Board recommends the resolution set forth in Item No. 4 for the approval of the Shareholders.

Except Mr. Rahul Katyal and Mr. Rohit Katyal, who is brother of Mr. Rahul Katyal, none of the Directors and Key Managerial Personnel of the Company are concerned or interested, financially or otherwise in the above resolution.

### Item No.5

Pursuant to the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company at its meeting held on June 13, 2017, subject to approval of the shareholders, effective April 1, 2017 recommend the remuneration payable to Mr. Rahul Katyal.

The proposed terms of remuneration payable to Mr. Rahul Katyal, Managing Director are set out below:

Sr. No.	Particulars	Linked to	% / Fixed	Amount	
				Per Month	Per Annum
<b>1</b>	<b>Salary &amp; Allowances</b>				
1.1	Basic, HRA & Management Allowance	N.A.	Fixed	6,00,000	72,00,000
	<b>Gross Salary ----- (A)</b>			<b>6,00,000</b>	<b>72,00,000</b>
<b>2</b>	<b>Reimbursements</b>				
2.1	Attire Reimbursement	N.A.	Fixed	10,000	1,20,000
2.2	Children Education Allowance	N.A.	Fixed	1,00,000	12,00,000
2.3	Leave Travel Allowance	N.A.	Fixed	75,000	9,00,000
	<b>Reimbursements Total ----- (B)</b>			<b>1,85,000</b>	<b>22,20,000</b>
<b>3</b>	<b>Cost To The Company (CTC) {A+B}</b>			<b>7,85,000</b>	<b>94,20,000</b>

All other existing terms and conditions for appointment other than remuneration shall remain unchanged.

As the total remuneration of Mr. Rahul Katyal, Managing Director is within the permissible limits as per Companies Act 2013, as shown in the table, Central government approval is not required.

The Board of Directors recommends the resolution set forth in item no. 5 for the approval of shareholders of the Company.

Except Mr. Rahul Katyal and Mr. Rohit Katyal, who is brother of Mr. Rahul Katyal, none of the Directors and Key Managerial Personnel of the Company are concerned or interested, financially or otherwise in the above resolution.

### Item No. 6

The Nomination & remuneration Committee and Board of Directors at its meeting held on June 13, 2017, have recommended revision in the remuneration of Mr. Rohit Katyal. In terms of Rule 7 (2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company, is not required to obtain approval of the Central Government, Ministry of Corporate Affairs, as the remuneration proposed to be paid to its Executive Director does not exceed the limits specified under Section 196, 197 read with Schedule V and applicable rules of the Companies Act, 2013.

The proposed terms of remuneration payable to Mr. Rohit Katyal Director are set out below:

Sr. No.	Particulars	Linked to	% / Fixed	Amount	
				Per Month	Per Annum
<b>1</b>	<b>Salary &amp; Allowances</b>				
1.1	Basic, HRA & Management Allowance	N.A.	Fixed	6,00,000	72,00,000
	<b>Gross Salary ----- (A)</b>			<b>6,00,000</b>	<b>72,00,000</b>
<b>2</b>	<b>Reimbursements</b>				
2.1	Attire Reimbursement	N.A.	Fixed	10,000	1,20,000
2.2	Children Education Allowance	N.A.	Fixed	1,00,000	12,00,000
2.3	Leave Travel Allowance	N.A.	Fixed	1,00,000	12,00,000
	<b>Reimbursements Total ----- (B)</b>			<b>2,10,000</b>	<b>25,20,000</b>
<b>3</b>	<b>Cost To The Company (CTC) {A+B}</b>			<b>8,10,000</b>	<b>97,20,000</b>

All other existing terms and conditions for appointment, other than remuneration, shall remain unchanged.

As the total remuneration of Mr. Rohit Katyal, Executive Director are within the permissible limits as per the applicable provisions of the Companies Act 2013 and rules formed thereunder, as shown in the table, and thus prior approval of Central government is not required.



The Board of Directors recommends the resolution in relation to the re-appointment of Mr. Rohit Katyal, Executive Director along with remuneration, for the approval of shareholders of the Company.

Except Mr. Rohit Katyal himself and Mr. Rahul Katyal, who is brother of Mr. Rohit Katyal, none of the Director/s and Key Managerial Personnel/s of the Company are concerned or interested, financially or otherwise in the above resolution.

The Board recommends the resolution set forth in Item No. 6 for the approval of the Members.

#### Item No.7

The Nomination & remuneration Committee and Board of Directors at its meeting held on June 13, 2017, have recommended revision in the remuneration of Mr. Subir Malhotra. In terms of Rule 7 (2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company, is not required to obtain approval of the Central Government, Ministry of Corporate Affairs, as the remuneration proposed to be paid to its Executive Director exceeds the limits specified under Section 196, 197 read with Schedule V and applicable rules of the Companies Act, 2013.

The proposed terms of remuneration payable to Mr. Subir Malhotra Director are set out below:

Sr. No	Particulars	Linked to	% / Fixed	Amount	
				Per Month	Per Annum
<b>1</b>	<b>Salary &amp; Allowances</b>				
1.1	Basic, HRA & Management Allowance	N.A.	Fixed	6,33,333	76,00,000
	<b>Gross Salary ----- (A)</b>			<b>6,33,333</b>	<b>76,00,000</b>
<b>2</b>	<b>Reimbursements</b>				
2.1	Attire Reimbursement	N.A.	Fixed	10,000	1,20,000
2.2	Leave Travel Allowance	N.A.	Fixed	75,000	9,00,000
	<b>Reimbursements Total ----- (B)</b>			<b>85,000</b>	<b>10,20,000</b>
<b>3</b>	<b>Cost To The Company (CTC) {A+B}</b>			<b>7,18,333</b>	<b>86,20,000</b>

All other existing terms and conditions for appointment other than remuneration shall remain unchanged.

As the total remuneration of Mr. Subir Malhotra, Executive Director are within the permissible limits as per Companies Act 2013, as shown in the table, Central government approval is not required.

Except Mr. Subir Malhotra, none of the Directors and Key Managerial Personnel of the Company are concerned or interested, financially or otherwise in the above resolution.

The Board recommends the resolution set forth in Item No. 7 for the approval of the Members.

#### Item 8

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of the Cost Auditors M/s. Y. R. Doshi & Associates, Cost Accountants to conduct the audit of the cost records of the Company for the financial year ending March 31, 2018 at an Annual Fee mutually agreed upon.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the appointment & 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. 8 of the Notice for ratification of the appointment & remuneration payable to the Cost Auditors for the financial year 2017-18.

The proposed resolution does not relate to or affect the business interest of any other Company in which the Promoter, Director, Manager or Key Managerial Personnel have substantial interest.

**By order of Board of Directors**

**Sai Kedar Katkar**  
Company Secretary

June 13, 2017  
Mumbai

**Registered Office:**  
605-607, Shrikant Chambers,  
Phase – I, 6<sup>th</sup> Floor, Adjacent to R K Studios,  
Sion-Trombay Road, Mumbai – 400071,  
Maharashtra, India

## Details of Director seeking Re-appointment at the Annual General Meeting

<b>Name of Director</b>	Rahul Katyal
<b>Date of Birth</b>	01.03.1975
<b>Age (years)</b>	42
<b>Date of Appointment</b>	09.08.2012
<b>Qualification</b>	Holds Higher Secondary Certificate from Maharashtra State Board of Secondary and Higher Secondary Education Divisional Board
<b>Relation with other Director(Inter se)</b>	Brother of Mr. Rohit Katyal, Executive Director & Chief Financial Officer
<b>Expertise in specific functional areas</b>	He is currently focused on business development and operations of our Company
<b>Directorship held in other companies as on date</b>	1. Capacit'e Ventures Private Limited – Director 2. CIPL-PPSL Yongnam Joint Venture Constructions Private Limited – Director 3. Katyal Merchandise Private Limited – Director
<b>Chairman/ Member of the Committee of the Board of Directors of the Company</b>	1
<b>Committee positions* in other Public Companies</b>	Nil
<b>Number of shares held</b>	61,24,930 Equity Shares as on 31.03.2017

\* Committee positions of only Audit, Shareholders'/ Investors' Grievance and Nomination and Remuneration Committee included.

By order of Board of Directors

**Sai Kedar Katkar**  
Company Secretary

June 13, 2017  
Mumbai

**Registered Office:**  
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