



EURO CERAMICS LTD.

12th ANNUAL REPORT

2013-14

Vitrified Tiles • Agglomerated Marble • Sanitaryware • Wall Tiles

Corporate Information

BOARD OF DIRECTORS

- 1. Mr. Nenshi L. Shah**
Chairman & Managing Director
- 2. Mr. Mahendra V. Modi**
Independent Director
- 3. Mr. Amit Nandu**
Independent Director
(w.e.f. January 24, 2014)
- 4. Mr. Karan Rajput**
Independent Director
(w.e.f. January 24, 2014)
- 5. Mr. Pratik K. Shah**
Whole-time Director
(w.e.f. June 01, 2014)
- 6. Mr. Talakshi L. Nandu**
Whole-time Director
(Upto April 24, 2013)
- 7. Mr. Kumar P. Shah**
Whole-time Director
(Upto April 24, 2013)
- 8. Mr. Amit G. Shah**
Independent Director
(Upto April 24, 2013)
- 9. Mr. Anil M. Mandevia**
Independent Director
(Upto January 23, 2014)
- 10. Mr. Ajit Nalvaya**
Independent Director
(Upto January 23, 2014)
- 11. Mr. Paresh K. Shah**
Whole-time Director
(Upto March 27, 2014)

Auditors

M/s. Deepak Maru & Co.
Chartered Accountants

Chief Financial Officer

Mr. Paresh K. Shah
(w.e.f. June 01, 2014)

General Manager- Accounts and Finance

Mr. Chandresh Rambhia

Vice President

Mr. Viral Nandu

Bankers

State Bank of India
The Cosmos Co-op. Bank Ltd.
ICICI Bank Limited
Bank of India
Indusind Bank

Registered Office

208, Sangam Arcade,
Vallabhbhai Road, Opp. Railway Station,
Vile Parle (West),
Mumbai – 400 056

Factory

Survey No. 510,511,
512,517/1,
Bhachau Dudhai Road,
Bhachau (Kutch)
Gujarat – 370 140

Registrar & Share Transfer Agent

M/s. Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound,
L.B.S Marg, Bhandup (West),
Mumbai – 400 078

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NOTICE

Notice is hereby given that the 12th Annual General Meeting of the members of Euro Ceramics Limited will be held on Tuesday, the 30th day of September 2014 at 10.00 a.m. at Gomantak Seva Sangh, 72/A Mahant Road Extension, Vile Parle (East), Mumbai - 400 057 to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2014 and the Statement of Profit & Loss for the year ended on that date together with the Reports of Board of the Directors' and Auditors' thereon.
2. To appoint a Director in place of Mr. Nenshi L. Shah (DIN: 00006223), Managing Director, who retires by rotation and being eligible, offers himself for re-appointment.
3. To re-appoint M/s. Deepak Maru & Co., Chartered Accountants (FRN: 115678W), Mumbai as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting upto the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

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

"RESOLVED THAT Mr. Karan Rajput (DIN: 06791043), who was appointed as an Additional Director of the Company w.e.f. January 24, 2014 pursuant to the provisions of Section 260 and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and in accordance with the provisions of Articles of Association of the Company and as per the provisions of Section 161 of the Companies Act, 2013 holds office as such upto the date of ensuing Annual General Meeting of the Company and in respect of whom the Company has received a notice in writing alongwith requisite deposit from a member as required under Section 160 of the Companies Act, 2013 signifying his intention to propose his candidature for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office as such upto March 31, 2019 under Sections 149 and 152 of the Companies Act, 2013, who shall not be liable to retire by rotation."

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

"RESOLVED THAT Mr. Amit Nandu (DIN: 06791050), who was appointed as an Additional Director of the Company w.e.f. January 24, 2014 pursuant to the provisions of Section

260 and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and in accordance with the provisions of Articles of Association of the Company and as per the provisions of Section 161 of the Companies Act, 2013 holds office as such upto the date of ensuing Annual General Meeting of the Company and in respect of whom the Company has received a notice in writing alongwith requisite deposit from a member as required under Section 160 of the Companies Act, 2013 signifying his intention to propose his candidature for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office as such upto March 31, 2019 under Sections 149 and 152 of the Companies Act, 2013, who shall not be liable to retire by rotation."

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, 152 and 160 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Mr. Mahendra Modi (DIN: 05155549), Independent Director of the Company, who retires by rotation at the Annual General Meeting and in respect of whom the Company has received a notice in writing alongwith requisite deposit from a member as required under Section 160 of the Companies Act, 2013 signifying his intention to propose his candidature for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office as such upto March 31, 2019, who shall not be liable to retire by rotation."

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

"RESOLVED THAT Mr. Pratik Shah (DIN: 01049516) who was appointed as an Additional Director of the Company w.e.f. June 1, 2014 pursuant to the provisions of Section 152 and 161 and all other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and in accordance with the provisions of Articles of Association

of the Company, holds office as such upto the date of ensuing Annual General Meeting of the Company and in respect of whom the Company has received a notice in writing along with the required deposit from a member as required under Section 160 of the Companies Act, 2013 signifying his intention to propose his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company, who shall be liable to retire by rotation.”

8. 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 196, 197, 198, 203 and Schedule V and all other applicable provisions, if any, of the Companies Act 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the appointment of Mr. Pratik Shah (DIN: 01049516) as a Whole-time Director of the Company for a period of 3 (three) years w.e.f. June 1, 2014 be and is hereby approved and shall not withdraw any remuneration for the services rendered to the Company, with the liberty to the Board of Directors of the Company to pay him remuneration in future, subject to the limits provided in schedule V to the Companies Act, 2013.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary to give effect to the above resolution.”

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

“**RESOLVED THAT** pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with Companies (Meeting of Board and its Powers) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the Articles of Association of the Company and subject to such approvals, sanctions and consents (hereinafter referred to as the “Approvals”) as may be required from such authorities and institutions or bodies and such conditions as may be prescribed by any of them while granting such approval, which may be agreed to, in its sole discretion, by the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee(s) constituted/to be constituted by the Board to exercise its powers including powers conferred by this resolution and/or be duly authorized persons thereof for the time being exercising the powers conferred on the Board by this resolution), consent of the members of the Company be and is hereby accorded to the Board to borrow in any manner from time to time any sum or sums of moneys at its discretion on such terms and conditions as the Board may deem fit, notwithstanding that

the moneys to be borrowed by the Company together with the moneys already borrowed or to be borrowed (apart from temporary loans and other credit facilities obtained or to be obtained from the Company's bankers in the ordinary course of its business), whether secured or unsecured, will or may exceed the aggregate of the paid up capital and free reserves that is to say, reserves not set apart for any specific purpose, provided that the maximum amount of money so borrowed and outstanding at any one time shall not exceed the sum of ₹ 1000 Crores (Rupees One Thousand Crores only).

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts and deeds as may be required to give effect to the above resolution from time to time.”

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

“**RESOLVED THAT** pursuant to the provisions of Section 180(1)(a) and all other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Meeting of Board and its Powers) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the Articles of Association of the Company, consent of members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee(s) constituted/to be constituted by the Board to exercise its powers including powers conferred by this resolution and/or be duly authorized persons thereof for the time being exercising the powers conferred on the Board by this resolution) to mortgage and/or to create charge in any manner, on all or any of the immoveable and/or moveable assets including outstanding monies, receivables, claims, bills, documents, contracts, engagements, securities, investments and rights of the Company both present and future of the Company for securing any loan obtained or as may be obtained from any Bank or any Consortium of Banks or Financial Institutions or funds or any person or body(ies) together with interest, cost, charges, expenses and any other money(ies) payable by the Company or to create charge to secure any loan taken by other entities/bodies corporate, on such terms and conditions as the Board may deem fit in the interest of the Company provided that the total amount at any point of time so secured/mortgaged, shall not exceed the limit as approved under Section 180(1)(c) of the Companies Act, 2013.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be required to give effect to the above resolution from time to time.”

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

“RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the new set of Articles of Association, be and is hereby approved and adopted as new Articles of Association of the Company in the place and exclusion of the existing Articles of Association of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to take all such steps and actions for the purposes of making all such filings and registrations as may be required in relation to the aforesaid

amendment to the Articles of Association and further to do all such acts, deeds, matters and things as may be deemed necessary to give effect to this resolution.”

By Order of the Board of Directors

Nenshi L. Shah
Chairman & Managing Director

Place: Mumbai
Date: August 14, 2014

Registered Office:
208, Sangam Arcade,
Vallabhbai Road,
Opp. Railway Station,
Vile Parle (West),
Mumbai - 400 056

NOTES:

- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE, IN CASE OF POLL ONLY, ON HIS/HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXIES, IN ORDER TO BE VALID, SHOULD BE DULY COMPLETED, STAMPED AND SIGNED AND MUST BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.** A person can act on behalf of member or members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights provided that a member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or member.
- Corporate Members are requested to send duly certified copy of the Board Resolution passed pursuant to Section 113 of the Companies Act, 2013, authorizing their representative to attend and vote at the Annual General Meeting (including through evoting).
- The Statement pursuant to Section 102 of the Companies Act, 2013, in respect of special business is annexed hereto and forms part of this Notice.
- Brief resume of Directors proposed to be appointed / re-appointed at the ensuing Annual General Meeting in terms of Clause 49 of the Listing Agreement is annexed to the Notice.
- The Register of Directors' Shareholding maintained under Section 170 and the Register of Contracts or Arrangement in which Directors are interested under Section 189 of the Companies Act, 2013 are open for inspection at the Registered Office of the Company during the office hours on all working days, between 11.00 a.m. and 1.00 p.m. upto the date of the Annual General Meeting and will be open for inspection during the Annual General Meeting also.
- Register of Members and Share Transfer Books of the Company will remain close from Wednesday, September 24, 2014 to Tuesday, September 30, 2014 (both days inclusive).
- Pursuant to Section 72 of the Companies Act, 2013 read with Rule 19(1) of the Rules made thereunder, permits Nomination by the members of the Company in the prescribed Form SH-13. Members are requested to avail this facility.
- Members/Proxy holders are requested to bring their attendance slip duly signed and copy of the Annual Report to attend the meeting.
- Members are requested to send to the Company their queries, if any, on accounts and operations of the Company at least 10 days before the Meeting to enable the Company to provide the required information.
- Members holding shares in physical form are requested to notify immediately any change in their address or bank mandates to the Company / Registrar & Share Transfer Agent (RTA) quoting their Folio Number and Bank Account Details alongwith self-attested document proofs. Members holding shares in the electronic form may update such details with their respective Depository Participants.
- Members are requested to quote their Ledger Folio Number / DP ID / Client ID in all their future correspondence with the Company.
- Members holding shares in identical order of names in one or more than one folio are requested to write to the

Company / RTA enclosing their Share Certificates to enable the Company to consolidate their holdings in one folio to facilitate better services.

13. Members are requested to bring their original photo ID (like PAN Card, Aadhar Card, Voting Card, etc, having photo identity) while attending the meeting.
14. The Securities and Exchange Board of India has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are therefore requested to submit their respective PAN details to their respective Depository Participants with whom they have their demat account(s). Members holding shares in physical form can submit their PAN details to the Registrar & Share Transfer Agent of the Company – M/s. Link Intime India Private Limited.
15. Non-Resident Indian Members are requested to inform immediately of any change in their residential status on return to India for permanent settlement, particulars of their bank account maintained in India with complete name, branch, account type, account no. and address of the Bank with PIN Code No, if not furnished earlier.
16. To comply with the provision of Section 88 of the Companies Act, 2013 read with Rule 3 of the Companies (Management and Administration) Rule 2014, the Company is required to update its database by incorporating some additional details of the members in its records.

You are thus requested to kindly submit your e-mail ID and other details vide the e-mail updation form attached in this Annual Report. The same could be done by filling up and signing at the appropriate place in the said form and returning the same by post.

The e-mail ID provided shall be updated subject to successful verification of your signatures as per record available with the RTA of the Company.

17. The Notice of the 12th Annual General Meeting and instructions for e-voting, along with the Attendance slip, Assent/ Dissent Form and Proxy Form, are being sent by courier.

18. Voting through electronic means:

Pursuant to provisions of Section 108 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014 and Clause 35B of the Listing Agreement, the Company is pleased to offer e-voting facility to the members to cast their votes electronically on all resolutions set forth in the Notice convening the 12th Annual General Meeting to be held on Tuesday, September 30, 2014 at 10.00 a.m. The Company has engaged the services of Central Depository Services Limited (CDSL) to provide the e-voting facility. It is hereby clarified that it is not mandatory for a member to vote using the e-voting facility, and a member may avail of the facility at his/her/its discretion, subject to compliance with the instructions prescribed below:

The e-voting facility is available at the link www.evotingindia.com

(A) Procedure/ Instructions for e-voting are as under:

- Open your web browser during the voting period and log on to the e-voting website www.evotingindia.com
- Click on “Shareholders” to cast your votes.
 - Now Enter your User ID
 - For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
- Members holding shares in Physical Form should enter Folio Number registered with the Company.
- Next enter the Image Verification as displayed and Click on Login.
- 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.
- If you are a first time user follow the steps given below:

For Members Holding Shares in Demat Form and Physical Form	
PAN#	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company / Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field. • In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the Members DP ID / Client ID / Folio Number in the Dividend Bank details field.

- After entering these details appropriately, click on “SUBMIT” tab.
- Members holding shares in physical form will then reach directly the Company selection screen. However,

members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- Click on the EVSN for **Euro Ceramics Limited** on which you choose to vote.
- On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page. If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system. Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporate.
- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
- After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

These details and instructions form an integral part of the Notice for the Annual General Meeting to be held on Tuesday, September 30, 2014.

(B) General:

- In case of any queries regarding e-voting you may refer to the 'user manual for shareholders to cast their votes' available at www.evotingindia.com under 'HELP'.
- If you are already registered with CDSL for e-voting then you can use your existing user ID and password for casting your vote.
- The e-voting period commences on Monday, September 22, 2014 (9.00 a.m.) and ends on Wednesday, September 24, 2014 (6.00 p.m.). During the e-voting period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of August 22, 2014, may cast their votes electronically. Once the vote on a resolution is cast by the shareholder, he shall not be allowed to change it subsequently.
- The voting rights of the 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 August 22, 2014.
- CS Manish L. Ghia, Partner, M/s. Manish Ghia & Associates, Practicing Company Secretaries, Mumbai has been appointed as Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- The Scrutinizer shall within a period of not exceeding three working days from the conclusion of the e-voting period unblock the votes in the presence of at least two witnesses not in 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.
- The Results shall be declared on or after the AGM of the Company. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website www.eurovitified.com and on the website of CDSL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the Stock Exchange where the shares of the Company are listed.

**Details of Directors seeking appointment / re-appointment at the ensuing Annual General Meeting
(in pursuance of Clause 49(V)(G) of the Listing Agreement):**

Particulars	Mr. Pratik Shah	Mr. Karan Rajput	Mr. Amit Nandu	Mr. Mahendra Modi
Date of Birth	October 17, 1981	August 31, 1986	October 12, 1984	November 26, 1964
Nationality	Indian	Indian	Indian	Indian
Date of appointment on the Board	June 1, 2014	January 24, 2014	January 24, 2014	February 14, 2012
Designation	Whole-time Director	Independent Director	Independent Director	Independent Director
Qualifications	B.COM	B.COM	SSC	B.COM, CA
Expertise in functional area	Experience of more than 10 years in Marketing	Experience of more than 8 years in Accounts & Finance	Experience of more than 12 years in Manufacturing sector	Chartered Accountant
Number of shares held in the Company as on March 31, 2014	1,61,060	Nil	Nil	Nil
List of Directorships held in other Companies as on March 31, 2014	<ul style="list-style-type: none"> • Euro Merchandise (India) Limited • Euro Glass Private Limited • Subhnen Sanitaryware Private Limited • Indian council of ceramic tiles and sanitaryware 	Nil	Nil	Nil
Chairman/Member of the Committees of other Companies in which he is a Director as on March 31, 2014	Nil	Nil	Nil	Nil
Relationship with existing Directors of the company	Son-in-law of Mr. Nenshi L. Shah	Nil	Nil	Nil

STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**Item Nos. 4 & 5:**

Mr. Karan Rajput and Mr. Amit Nandu were appointed as Additional Directors of the Company w.e.f. January 24, 2014. Pursuant to the provisions of Section 161 of the Companies Act, 2013 Mr. Karan Rajput and Mr. Amit Nandu hold office as such upto the date of this Annual General Meeting. The Company has received notices in writing alongwith requisite deposit from a member under Section 160 of the Companies Act, 2013 proposing their candidature for the office of Directors.

In terms of provisions of Section 149 and 152 of the Companies Act, 2013 which become effective from April 1, 2014, an Independent Director of a Company can be appointed for a term of 5 consecutive years and shall not be liable to retire by rotation. Accordingly, it is proposed to appoint Mr. Karan Rajput and Mr. Amit Nandu as Independent Directors of the Company to hold office as such for a period upto March 31, 2019, who shall not be liable to retire by rotation.

Mr. Karan Rajput and Mr. Amit Nandu have given the requisite declarations pursuant to Section 149(7) of the Companies Act, 2013, to the effect that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013.

In the opinion of the Board, Mr. Karan Rajput and Mr. Amit Nandu, proposed to be appointed as Independent Directors fulfill the conditions specified in the Act and the rules made thereunder and are independent of the management.

Brief Resume of the Independent Directors proposed to be appointed as stipulated under the Clause 49 of Listing Agreement with BSE Limited and National Stock Exchange of India Limited are given in the annexure to the Notice.

The Board recommends the Ordinary Resolutions as set out at item Nos. 4 & 5 of the Notice for your approval.

Except, Mr. Karan Rajput and Mr. Amit Nandu, none of the Directors, Key Managerial Personal of your Company or relatives of Directors / Key Managerial Personnel are concerned or interested in the said resolutions.

Item No. 6:

Mr. Mahendra Modi was appointed as an Independent Director of the Company on February 14, 2012. His office is liable to retire by rotation at Annual General Meetings of the Company as per terms of his appointment.

In terms of provisions of Section 149 and 152 of the Companies Act, 2013, which become effective from April 1, 2014, an Independent Director of a Company can be appointed for a term of 5 consecutive years and shall not be liable to retire by rotation.

To comply with the above provisions, it is proposed to appoint Mr. Mahendra Modi as Independent Director of the Company to hold office as such for a period up to March 31, 2019 who shall not be liable to retire by rotation.

Mr. Mahendra Modi has given the requisite declarations pursuant to Section 149(7) of the Companies Act, 2013, to the effect that he

meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013. The Company has also received a notice in writing alongwith requisite deposit from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director.

In the opinion of the Board, Mr. Mahendra Modi, proposed to be appointed as Independent Director fulfills the conditions specified in the Act and the rules made thereunder and is independent of the management.

The Board recommends the Ordinary Resolution as set out at item No. 6 of the Notice for your approval.

Except, Mr. Mahendra Modi, none of the Directors, Key Managerial Personal of your Company or relatives of Directors / Key Managerial Personnel are concerned or interested in the said resolution.

Item Nos. 7 & 8:

Mr. Pratik Shah was appointed as an Additional Director of the Company w.e.f. June 1, 2014. He holds a Bachelors' degree in Commerce from University of Mumbai. He was working as a Vice President - Marketing of the Company since 2009 and has experience of more than 10 years in marketing field.

Pursuant to the provisions of Section 161 of the Companies Act, 2013, Mr. Pratik Shah holds office as such upto the date of this Annual General Meeting. The Company has received a notice alongwith the requisite deposit from a member under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Director.

Mr. Pratik Shah is also appointed as a Whole-Time Director of the Company for a period of 3 (three) years w.e.f June 1, 2014. Mr. Pratik Shah satisfies the conditions as given under Section 196 (3) and Part I of Schedule V of the Companies Act, 2013 and is not disqualified from being appointed as a Director under Section 164 of the Act. He will not withdraw any remuneration from the Company.

Brief resume of Mr. Pratik Shah, Whole-Time Director, proposed to be appointed as stipulated under the Clause 49 of Listing Agreement with BSE Limited and National Stock Exchange of India Limited are given in the annexure to the Notice.

The Board recommends the Ordinary Resolutions as set out at item Nos. 7 & 8 of the Notice for your approval.

Except, Mr. Pratik Shah and Mr. Nenshi L. Shah, none of the Directors, Key Managerial Personal of your Company or relatives of Directors / Key Managerial Personnel are concerned or interested in the said resolutions.

Item Nos. 9 & 10:

In order to meet the future requirements of funds, which may arise on account of the plans/programs/business, the Company may require further loans/borrowings from time to time from financial institutions, banks and other entities. As per provisions of Section 180(1)(c) of the Companies Act, 2013, a company cannot take loan exceeding aggregate of its paid-up share capital and free reserves, apart from temporary loans obtained from the

company's bankers in the ordinary course of business, unless approved by its members by passing special resolution.

Further to secure such borrowings, the Company may be required to create charge/mortgage/hypothecation on all or any of its movable and immovable assets, both present and future as and when required from time to time. As per provision of Section 180(1)(a) of Companies Act, 2013 a company cannot sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the company or where the company owns more than one undertaking, of the whole or substantially the whole of any such undertakings, unless approved by its members by passing special resolution.

In terms of the provisions of Section 180(1)(c) & 180(1)(a) of the Companies Act, 2013, the Company needs to take approval of members of the Company for increasing the borrowing powers and authority to create charge / mortgage on the assets of the Company to secure the money(ies) borrowed from financial institutions, banks and others financial entities from time to time. Hence it is proposed to take your approval for a limit upto ₹ 1000 Crores.

Earlier, the members of the Company had passed ordinary resolution at the Annual General Meeting held on September 28, 2007 under Section 293(1)(a) and Section 293(1)(d) of the Companies Act, 1956, in this respect, which are valid upto September 11, 2014.

The Board recommends the Special Resolutions as set out at item nos. 9 & 10 of the Notice for your approval.

None of the Directors, Key Managerial Personnel of your Company or relatives of Directors/ Key Managerial Personnel are concerned or interested in the said resolutions.

Item No. 11:

The existing Articles of Association ("AoA") are based on the Companies Act, 1956 and several regulations in the existing AoA contain references to specific Sections of the Companies Act, 1956 and with the enforcement of the Companies Act, 2013, various provisions of the Companies Act, 1956 have become ineffective and

in view of the same the Article of Association of the Company need to be re-aligned as per the provisions of the new Act.

The Board of Directors at its meeting held on August 14, 2014 decided to incorporate / substitute / alter certain provisions as per the latest amendments of the Companies Act, 2013. As this would result in a number of changes in the existing Articles of Association of the Company, it was desirable to adopt new set of AoA in place of and in exclusion to the existing AoA of the Company.

In terms of Section 14 of the Companies Act, 2013, the consent of the Members by way of Special Resolution is required for adoption of new set of Articles of Association of the Company.

A copy of the proposed set of new AoA of the Company would be available for inspection at the Registered Office of the Company during the office hours on all working days, between 11.00 a.m. and 1.00 p.m. up to the date of the Annual General Meeting and during the Annual General Meeting.

The Board recommends the Special Resolution as set out in Item No. 11 of the Notice for your approval.

None of the Directors, Key Managerial Personnel of your Company or relatives of Directors/ Key Managerial Personnel are concerned or interested in the said resolution.

By Order of the Board of Directors

Place: Mumbai
Date: August 14, 2014

Nenshi L. Shah
Chairman & Managing Director

Registered Office:
208, Sangam Arcade,
Vallabhghai Road,
Opp. Railway Station,
Vile Parle (West),
Mumbai – 400 056