

FILATEX
INDIA
LIMITED

TWENTY FIFTH
ANNUAL REPORT
2014-15



Board of Directors

Mr. Madhu Sudhan Bhageria

Vice Chairman & Managing Director

DIN: 00021934

Mr. Purrshottam Bhaggeria

Joint Managing Director

DIN: 00017938

Mr. Madhav Bhageria

Joint Managing Director

DIN: 00021953

Mr. Ashok Chauhan

Wholetime Director

DIN: 00253049

Mr. B.B. Tandon

Independent Director

DIN: 00740511

Mr. S.C. Parija

Independent Director

DIN: 00363608

Mr. S.P. Setia

Independent Director

DIN: 00255049

Mrs. Pallavi Joshi Bakhru

Independent Director

DIN: 01526618

Company Secretary

Mr. Raman Kumar Jha

Bankers

Union Bank of India

Punjab National Bank

Oriental Bank of Commerce

State Bank of India

Auditors

Amod Agrawal & Associates

D-58, East of Kailash

New Delhi - 110 025

Registered Office

S. No. 274, Demni Road,

Dadra - 396 193

(U.T. of Dadra & Nagar Haveli)

Ph: 260-2668343/8510

Fax: 0260-2668344

Email: fildadra@filatex.com

Website: filatex.com

CIN: L17119DN1990PLC000091

Corporate Office

BHAGERIA HOUSE

43, Community Centre,

New Friends Colony,

New Delhi - 110 025

Works

S. No. 274, Demni Road,

Dadra - 396 193

(U.T. of Dadra & Nagar Haveli)

A-2, Extension,

Phase - II (Noida)

Distt. Gautam Budh Nagar - 201 304 (U.P.)

Plot No. D-2/6, Jolva Village

PCPIR, Dahej-2 Industrial Estate

GIDC, Distt. Bharuch

Gujarat - 392 130

Registrar & Share Transfer Agents

MCS Transfer Agent Limited

F-65, Okhla Industrial Area,

Phase-I, New Delhi- 110020

Tel : 011-41406148

Fax : 011-41709881

Email: admin@mcsdel.com

Contents

Profile of Directors	2
Notice	5
Directors' Report	12
Report on Corporate Governance	20
Auditors' Report	49
Balance Sheet	54
Statement of Profit & Loss	55
Cash Flow Statement	56
Notes	58



Profile of Directors



Madhu Sudhan Bhageria

Vice Chairman & Managing Director (Promoter)

- Gold medallist Commerce graduate from the reputed Shri Ram College of Commerce, Delhi University
- Rich 26 years experience in Polyester Industry
- Director in various other Companies
- President of PTA Users Association
- Chairman of Company's CSR Committee and Member of Audit Committee and Nomination & Remuneration Committee



Purrshottam Bhaggeria

Joint Managing Director (Promoter)

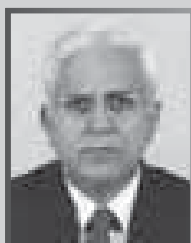
- M.B.A., S.C. Johnson Graduates School of Management, Cornell University, USA – 1985, Major: Finance, Graduated with Distinction
- Honorary Consul of the Republic of Moldova in the Republic of India since 2011
- Treasurer, Hony. Consular Corps Diplomatique (HCCD) – India since November 2012 (An All India Body of all the Honorary Consuls in India)
- Member of PHD Chamber of Commerce and FICCI
- Member of many prestigious clubs in Delhi & NCR:- Delhi Golf Club, Friends Club, Noida Golf Club, Siri Fort Sports Complex
- Director in various other Companies and member of Company's Stakeholders Relationship Committee and CSR Committee.



Madhav Bhageria

Joint Managing Director (Promoter)

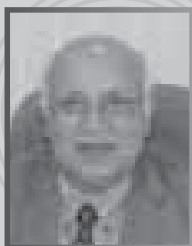
- Commerce graduate from Hindu College, Delhi University
- Looks after plant operations and marketing functions of the Company based at Surat & Mumbai.
- Promoter Director of Tapti Valley Education Foundation which is an International School in Surat.
- Directors in various other Companies and Member of Company's CSR Committee



Ashok Chauhan

Wholetime Director

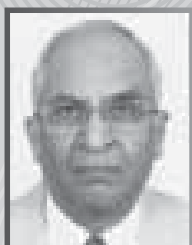
- B.E. (Mech) and Master Degree in Business Administration.
- Awarded Gold Medal for the best student of the College of 1968-1973 batch & received Best Sportsman Award in college
- Vast experience in Marketing, Project Management, General and overall Operation, Corporate Planning, Risk Evaluation & Business Investment Strategies
- 43 years of experience in diverse industry segments like Pulp & Paper, Chemicals, Engineering, Consultancy, Polyester Film, Hydro Power Plants, Solar/Renewable Energy, Real Estate Development & Constructions etc.

**S. P. Setia***(Independent Director)*

- Textile Technologist year of graduation 1962.
- Rich experience in textile industry and providing consultancy to textile industry since 1982
- Chairman of Company's Stakeholders Relationship Committee
- Member of Company's Audit Committee and Nomination & Remuneration Committee
- Directors in various other Companies

**S. C. Parija***(Independent Director)*

- Masters Degree in Political Science from Allahabad University and a MSc in Fiscal Studies from University of Bath (U.K)
- Executive Member of International Fiscal Association, India
- Served as a Chairman of Income-Tax Settlement Commission and as Chief of Administration and Finance of All India Institute of Medical Sciences.
- 38 years of services with the Government of India and served as the Director of Income-tax Investigation, Chief Commissioner of Income-tax and Director General of Income-tax Investigation.
- Chairman of Company's Audit Committee and Nomination & Remuneration Committee
- Member of Company's Stakeholders Relationship Committee
- Independent Director of Board of ARSS Infra Projects Ltd. and Chairman of Audit Committee and Nomination & Remuneration Committee thereof

**B. B. Tandon***(Independent Director)*

- Retd. IAS Officer and former Chief Election Commissioner of India
- M.A. (PG in Economics) and LLB from the University of Delhi. CAIIB (Associate Certificate of the Indian Institute of Bankers)
- Served as Secretary to the Government of India in various key Ministries / Departments
- Secretary to the Govt. Of Himachal Pradesh in various key Departments like Industry, Power, Mining etc. and as Chairman of the Himachal Pradesh Electricity Board
- Served as Member of the Securities & Exchange Board of India as Special Invitee.
- Independent Director in various other renowned Companies
- Member of Company's Audit Committee, CSR Committee and Nomination & Remuneration Committee

**Pallavi Joshi Bakhru***(Independent Director)*

- Has more than 25 years of post-qualification experience in the field of taxation. Her area of expertise includes inbound and outbound structuring advisory (including regulatory compliance) for both Indian and Overseas Investors.
- She is a fellow member of the Institute of Chartered Accountants of India
- She is a member of The International Fiscal Association – (India Branch)
- She is a Charter Member with TIE – Delhi Chapter.
- Member of Company's Audit Committee, CSR Committee and Nomination & Remuneration Committee

Filatex India Limited





NOTICE

NOTICE is hereby given that the Twenty Fifth Annual General Meeting of the Members of FILATEX INDIA LIMITED will be held on Wednesday, 30th September, 2015 at 9.30 AM at the Registered Office of the Company at SURVEY NO.274, DEMNI ROAD, DADRA, (U.T. OF DADRA & NAGAR HAVELI)- 396 193 to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet of the Company as at March 31, 2015 and the Statement of Profit & Loss for the year ended on that date and the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Madhav Bhageria (DIN:00021953), who retires by rotation, and being eligible, offers himself for re-appointment.
3. To ratify the appointment of M/s Amod Agrawal & Associates, Chartered Accountants (Firm Registration No.005780N), as approved by the Members at the 24th Annual General Meeting as Auditors of the Company to hold office until the conclusion of the Twenty Seventh AGM of the Company and to fix their remuneration for the financial year ended 31st March, 2016.

SPECIAL BUSINESS

4. To consider and, if thought fit, to pass the following Resolution as an **ORDINARY RESOLUTION:-**
“RESOLVED THAT Shri B.B. Tandon (DIN: 00740511), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 13th February, 2015, in terms of Section 161(1) of the Companies Act, 2013 and Article 143 of the Articles of Association of the Company and whose term of office expires at this Annual General Meeting and pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules made thereunder, read with Schedule IV to the Act, in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director and who has also submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and eligible for appointment, be and is hereby appointed as an Independent Director of the Company for a period of five years from the date of his appointment”.
5. To consider and, if thought fit, to pass the following Resolution as a **SPECIAL RESOLUTION:-**
RESOLVED FURTHER THAT Shri Ashok Chauhan (DIN: 00253049), who was reappointed as Wholetime Director of the Company by the Board of Directors with effect from 12th February, 2015, pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 and subject to such other approvals as may be necessary in this regard, consent of the Members of the Company be and is hereby accorded to the reappointment and payment of remuneration to Shri Ashok Chauhan (DIN: 00253049) as Wholetime Director of the Company for a further period of two years w.e.f. 12.02.2015 on the following terms and conditions:
 1. Remuneration not exceeding Rs. 36,00,000/- (Rupees Thirty Six Lacs) per annum on cost to company basis as may be determined between the Vice Chairman & Managing Director of the Company and Shri Ashok Chauhan.
 2. Reimbursement of actual travelling and out of pocket expenses incurred in the course of the company's business and mobile phone as per the rules of the company.
 3. Entitlement to privilege leave with full pay and casual leave benefits as per the rules of the company.
 4. No sitting fee shall be payable for attending the meeting of the Board of Directors and Committees thereof.
 5. Notice Period: Three months.RESOLVED FURTHER THAT the consent of the Members of the Company be and is hereby accorded that in the event of loss or inadequacy of profits in any financial year during the tenure, Shri Ashok Chauhan shall be entitled to receive remuneration including perquisites/benefits mentioned above as minimum remuneration in accordance with and subject to the applicable provisions of schedule V of the Companies Act, 2013 including any statutory modification(s) or re-enactment thereof.
RESOLVED FURTHER THAT Shri Madhu Sudhan Bhageria, Vice Chairman & Managing Director of the Company and Mr. Raman Kumar Jha, Company Secretary be and are hereby severally authorized to do all such acts, deeds, and things as may be necessary, proper or expedient for the purpose of giving effect to this resolution and for the matters connected therewith or incidental thereto.”
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 Section 148 of the Companies Act, 2013 and rules made thereunder and other applicable provisions, if any, of the Companies Act, 2013, the payment of Remuneration of Rs. 50,000 plus service tax and out of pocket expense to M/s Bahadur Murao & Co., a firm of Cost Auditors, (Firm Registration No. 000008), who were appointed by the Board of Directors in their Meeting held on 04th May 2015, for conducting the audit of cost records of the Company for the financial year ending 31st March 2016, be and is hereby approved and ratified”.



7. Approval of the Filatex Employee Stock Options Scheme 2015 and Issue of securities

To consider and, if thought fit, to pass the following Resolution as a **SPECIAL RESOLUTION:-**

“RESOLVED THAT pursuant to the provisions of Section 42, 62 and all other applicable provisions, if any, of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof), the enabling provisions of the Memorandum and Articles of Association of the Company, the Listing Agreements entered into by the Company with the Stock Exchanges, SEBI (Share Based Employee Benefits) Regulations, 2014 (as amended upto date) and other prevailing statutory guidelines in that behalf (hereinafter together referred to as “the Extant Guidelines”) and subject to all necessary consents, permissions and approvals and/or sanctions from all appropriate authorities, if required, and subject to such conditions and modifications as may be prescribed or imposed by appropriate authorities and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include Nomination and Remuneration Committee), consent of the Members of Company be and is hereby accorded to the Board to introduce and implement proposed “Filatex Employee Stock Options Scheme 2015” (hereinafter referred to as “Filatex ESOS 2015”) and to grant, offer and issue to the present and future eligible employees of the Company, who are in permanent employment of the Company including Directors of the Company whether Wholtime Directors or not except Independent Directors and Promoter Directors or a person who belongs to the promoter group and Directors who directly or indirectly holds more than 10% of the issued capital, and whether working in India or outside India as selected on the basis of criteria prescribed by the Board in accordance with the SEBI Regulations (collectively referred as the “Eligible Employees”), options exercisable by employees to subscribe to such number of equity shares of the Company not exceeding 16,00,000 (Sixteen Lakhs Only) Equity Shares of Rs.10/- each (or such other adjusted figure for any bonus, stock splits or consolidations or other reorganization of the capital structure of the Company as may be applicable from time to time), in one or more tranches, at such price and on such terms and conditions as may be fixed or determined by the Board in accordance with the Scheme, the provisions of the law or regulations issued by the relevant authority, as may be prevailing at that time.

RESOLVED FURTHER THAT the Board be and is hereby authorized to decide upon and bring into effect the Filatex ESOS 2015 on such terms and conditions as contained in the relevant explanatory statement in the notice and to suspend, withdraw or revive the Filatex ESOS 2015.

RESOLVED FURTHER THAT such Equity Shares, upon allotment, shall rank pari-pasu in all respects with the then existing Equity Shares of the Company.

RESOLVED FURTHER THAT the Board may, at its discretion, or in order to comply with any applicable rules, regulations or guidelines, add, amend or put restrictions or any other conditions as it may deem fit.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board be and is hereby authorized to determine terms and conditions of issue of the Securities and do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary for such purpose and with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in this regard without requiring to secure any further consent or approval of the Shareholders of the Company”.

8. Approval of extending benefits of Filatex Employee Stock Options Scheme 2015 to the employees of holding/subsidiary/associate company(ies)

To consider and, if thought fit, to pass the following Resolution as a **SPECIAL RESOLUTION:-**

“RESOLVED THAT pursuant to the provisions of Section 42, 62 and all other applicable provisions, if any, of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof), the enabling provisions of the Memorandum and Articles of Association of the Company, the Listing Agreements entered into by the Company with the Stock Exchanges, SEBI (Share Based Employee Benefits) Regulations, 2014 (as amended upto date) and other prevailing statutory guidelines in that behalf (hereinafter together referred to as “the Extant Guidelines”) and subject to all necessary consents, permissions and approvals and/or sanctions from all appropriate authorities, if required, and subject to such conditions and modifications as may be prescribed or imposed by appropriate authorities and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include Nomination and Remuneration Committee), consent of the Members of Company be and is hereby accorded to the Board to extend the benefits of Filatex ESOS 2015 proposed in Resolution Number 7 in this notice to the present and future employees (whether Wholtime Directors or not) of its holding/subsidiary/associate company(ies) unless they are prohibited from participating in the Filatex ESOS 2015 under any law or regulations for the time being in force, on such terms and conditions as may be decided by the Board.

RESOLVED FURTHER THAT the Board be and is hereby authorized to decide upon and bring into effect the Filatex ESOS 2015 on such terms and conditions as contained in the relevant explanatory statement in the notice and to suspend, withdraw or revive the Filatex ESOS 2015.

RESOLVED FURTHER THAT such Equity Shares, upon allotment, shall rank pari-pasu in all respects with the then existing Equity Shares of the Company.

RESOLVED FURTHER THAT the Board may, at its discretion, or in order to comply with any applicable rules, regulations or guidelines, add, amend or put restrictions or any other conditions as it may deem fit.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board be and is hereby authorized to determine terms and conditions of issue of the Securities and do all such acts, deeds, matters and things as it may,



in its absolute discretion, deem necessary for such purpose and with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in this regard without requiring to secure any further consent or approval of the Shareholders of the Company”.

By Order of the Board of Directors
For FILATEX INDIA LIMITED

PLACE : NEW DELHI
DATE : 13TH AUGUST, 2015

RAMAN KUMAR JHA
COMPANY SECRETARY

REGISTERED OFFICE:

Survey No.274, Demni Road, Dadra-396 193
(U.T. of Dadra & Nagar Haveli)
Phone no. 260-2668343/8510
Fax No.260-2668344
Email: fildadra@filatex.com
Website: filatex.com
CIN: L17119DN1990PLC000091

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE AT THE MEETING INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM DULY COMPLETED AND SIGNED SHOULD REACH AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE SCHEDULED TIME OF THE MEETING. The blank proxy form is enclosed. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company.
2. Explanatory statement pursuant to Section 102 of the Companies Act, 2013 in respect of Special Business under item No. 4 to 8 of the Notice is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company shall remain closed from 19th September, 2015 to 30th September, 2015 (both days inclusive) for ensuing Annual General Meeting.
4. Members/Proxies should bring the attendance slip sent herewith duly filled in for attending the Meeting.
5. Members are requested to bring their copies of the Annual Report at the Annual General Meeting.
6. Members are requested to notify:
 - A) change of address, if any, with Pin Code, quoting reference of their folio number, to the Company.
 - B) members who are holding shares in Demat Mode are requested to notify any change in their address to their respective Depository Participant.
7. Members seeking any information with regard to Accounts are requested to write to the Company at least ten days in advance so as to enable the Company to keep the information ready.
8. Members who have not yet encashed dividend for the financial year 2009-10, 2010-11 and 2011-12 are requested to write to the Company Secretary of the Company.
9. All Documents referred to in the Notice and Explanatory Statement are open for inspection by the members at the Registered Office of the Company on any working day during office hours from 10.00 A.M. to 1.00 P.M. upto the date of the Meeting.
10. As a part of Green initiative in the Corporate Governance, the Ministry of Corporate Affairs (MCA) vide its circulars dated 21st and 29th April, 2011, permitted service of documents through electronic mode in place of physical mode to all the shareholders. Your Company is also keenly desiring to participate in such initiative and request all the shareholders **to update their email Ids with their Depositories (NSDL & CDSL) or send their email IDs alongwith DP ID/Client ID to the Company to enable your Company to serve all future communication through email.** Keeping in view of the aforesaid initiative of MCA, your Company shall send the Annual Report, to its Members in electronics form, to the email address provided by them.
11. **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 and as amended from time to time and listing agreement, the Company is pleased to provide members facility to exercise their right to vote at the 25th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM (“remote e-voting”) will be provided by National Securities Depository Limited (NSDL):

The facility for voting through polling paper shall be made available at the AGM to the members attending the meeting, who have not cast their vote by remote e-voting, to enable them to exercise their right at the meeting.



The members, who have cast their vote by remote e-voting prior to the AGM, may also attend the AGM but shall not be entitled to cast their vote again.

The remote e-voting period commences on 27th September 2015 (9:00 am) and ends on 29th September, 2015 (5:00 pm). During this period members of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date of 23rd September, 2015 may cast their vote by remote e-voting.

The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

- I. The process and manner for remote e-voting are as under:
 - A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/ Depository Participants(s)] :
 - i. Open email and open PDF file viz; "FIL remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
 - ii. Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
 - iii. Click on Shareholder - Login
 - iv. Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
 - v. Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - vi. Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
 - vii. Select "EVEN" of Filatex India Limited.
 - viii. Now you are ready for remote e-voting as Cast Vote page opens.
 - ix. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - x. Upon confirmation, the message "Vote cast successfully" will be displayed.
 - xi. Once you have voted on the resolution, you will not be allowed to modify your vote.
 - xii. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to primekoss@gmail.com/shares@filatex.com with a copy marked to evoting@nsdl.co.in.
 - B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy] :
 - i. Initial password is provided as below/at the bottom of the Attendance Slip for the AGM :

EVEN (E Voting Event Number)	USER ID	PASSWORD/PIN
-------------------------------------	----------------	---------------------
 - ii. Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
- II. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990
- III. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/ PIN for casting your vote.
- IV. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- V. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 23rd September, 2015.
- VI. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 23rd September, 2015 may obtain the login ID and password by sending a request at evoting@nsdl.co.in or admin@mcsdel.com.
 However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.
- VII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- VIII. Mr. K.O.Siddiqui, Practising Company Secretary has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.



- IX. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of Ballot Paper for all those members who are present at the AGM, but have not cast their votes by availing the remote e-voting facility.
- X. The Scrutinizer shall after the conclusion of voting at the meeting, will first count the votes cast at the meeting and 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 shall make, not later than three days of the conclusion of the AGM, 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 and declare the result of the voting forthwith.
- XI. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to stock exchanges.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No.4

Shri B.B.Tandon was co-opted as Additional Director of the Company on 13.02.2015 in terms of Section 161(1) of the Companies Act, 2013 and Article 143 of the Articles of Association of the Company and whose term of office expires at this Annual General Meeting.

Based on the declaration received from Shri B.B.Tandon in terms of Section 149 (7) of the Companies Act, 2013, the Board is of the opinion that Shri B.B.Tandon, fulfills the criteria of being appointed as Independent Director as stipulated in Section 149 (6) of the Companies Act, 2013 and other applicable provisions of Companies Act, 2013 and Rules made thereunder and is also independent of the management.

Notice under Section 160 of the Companies Act, 2013 has been received from a member of the Company signifying his intention to propose the candidature of Shri B.B.Tandon to the office of Independent Director of the Company.

The Details(s) of the aforesaid appointee have been set out in the Report on Corporate Governance annexed with the Directors' Report.

The Board of Directors consider that the continuance of Shri B.B.Tandon on the Board will be beneficial to the Company and recommend passing of the Ordinary Resolution at Item No. 4 of his appointment for your approval.

Except Shri B.B.Tandon, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested in this resolution.

Item No. 5

The Board, on the recommendation of Nomination & Remuneration Committee, in their meeting held on 13th February, 2015 reappointed Shri Ashok Chauhan as Wholetime Director on the terms and conditions and remuneration as stated in the resolutions for a further period of two years w.e.f. 12.02.2015.

In the event of loss or inadequacy of profits in any financial year, he shall be eligible to receive the said remuneration alongwith perquisites/benefits as minimum remuneration in accordance with Schedule V of the Companies Act, 2013 including any statutory modification(s) or re-enactment thereof.

The details(s) of the aforesaid appointee have been set out in the Report on Corporate Governance annexed with the Directors' Report.

Your Directors recommend passing of the Resolutions at Item No. 5 as SPECIAL RESOLUTIONS.

Except Shri Ashok Chauhan, none of the Directors of the Company Key Managerial Personnel of the Company and their relatives are deemed to be concerned or interested in this resolution.

Item No. 6

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 31st March 2016. In accordance with the provisions of Section 148 of the Companies Act, 2013, and rules made thereunder, the remuneration payable to the Cost Auditors has to be ratified by the members of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 6 for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March 2016.

Your Directors recommend passing of the Resolutions at Item No. 6 as an ORDINARY RESOLUTION.

None of the Directors of the Company, Key Managerial Personnel of the Company and their relatives are deemed to be concerned or interested in this resolution.

Item No. 7 & 8

The human resource plays a vital role in growth and success of a Company. As a step towards substituting pure financial benefits with ownership and to enable employees to participate in the enhancement of shareholders value, the Company proposes to provide stock options to the employees. Stock option shall serve as a tool of aligning interests of employees with those of shareholders and the Company and enable the Company to attain growth in an environment that increasingly demands global competitiveness. This will also help Company in attracting, motivating and retaining the best talent.