



HINDUSTAN FOODS LIMITED

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29th Annual Report 2013-14

HINDUSTAN FOODS LIMITED

29th Annual Report 2013-14 (Financial Period is from 1st October, 2013 to 31st March, 2014)

Directors:

Mr. Shrinivas V. Dempo	<i>Chairman</i>
Mr. Soiru V. Dempo	<i>Additional Director</i>
Dr. A. B. Prasad	<i>Director</i>
Adv. Sudin M. Usgaonkar	<i>Director</i>
Mr. Ashok N. Manjrekar	<i>Director</i>
Mr. Ganesh T. Argekar	<i>Executive Director (w.e.f. 19th May, 2014)</i>

General Manager (Corporate Affairs)

Mr. G. K. S. Kerkar

Registered Office :

Dempo House,
Campal, Panaji,
Goa. 403001.

Website:

www.hflgoa.com

Investor Email Id:

hflinvestorrelations@dempos.com

Works:

Usgao, Ponda,
Goa. 403407.

Auditors:

R. Sundararaman & Co.
Chartered Accountants,
No.30/2, Indira Colony,
Ashok Nagar,
Chennai - 600 083.

Registrars & Transfer Agents:

Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (West),
Mumbai - 400078.

Bankers:

Bank of Maharashtra

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NOTICE

Notice is hereby given that the Twenty-Ninth Annual General Meeting of the Members of **Hindustan Foods Limited** ('the Company') will be held at the Registered Office of the Company at **Dempo House, Campal, Panaji, Goa 403001, on Saturday, the 27th of September, 2014 at 10:30 a.m.** to transact the following business.

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet of the Company as at 31st March, 2014 and Profit and Loss Account and Cash Flow Statement for the financial period comprising 6 months period ended on that date as also the reports of the Directors and Auditors thereon.
2. To appoint M/s. R. Sundararaman & Co., Chartered Accountants, (Firm Registration No. 004219S), as Statutory Auditors of the Company under Section 139 of the Companies Act, 2013 to hold office for a period of three years from the conclusion of this Annual General Meeting and to authorize the Board of Directors of the Company to fix the remuneration of the Auditors.

SPECIAL BUSINESS:

3. To appoint Dr. Asht Bhujra Prasad (holding DIN 00817902), as an Independent Director and in this regard to consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution** :

"RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Dr. Asht Bhujra Prasad (holding DIN 00817902), 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 under Section 160 of the Companies Act, 2013, from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years up to the fifth consecutive AGM of the Company to be held in the year 2019, not liable to retire by rotation".

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

"RESOLVED that Mr. Soiru V. Dempo (holding DIN 00206062) who was appointed by the Board of Directors as an Additional Director under Section 161(1) of the Companies Act, 2013 and who vacates his office at this Annual General Meeting and in respect of whom a notice in writing pursuant to Section 160 of the Companies Act, 2013 has been received in the prescribed manner, be and is hereby appointed as a Director of the Company liable to retire by rotation"

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

"RESOLVED that Mr. Ganesh Tukaram Argekar (holding DIN 0685379) who was appointed by the Board of Directors as an Additional Director under Section 161(1) of the Companies Act, 2013 and who vacates his office at this Annual General Meeting and in respect of whom a notice in writing pursuant to Section 160 of the Companies Act, 2013 has been received in the prescribed manner, be and is hereby appointed as a Director of the Company liable to retire by rotation"

6. To consider and if thought fit, to pass, with or without modifications, the following resolution as an **Ordinary Resolution**:

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"RESOLVED that, pursuant to Section 196, 203 and other applicable provisions of the Companies Act, 2013 read with the Rules made thereunder, the Company be and hereby approves the appointment of Mr. Ganesh Tukaram Argekar (holding DIN 06865379) as Whole-Time Director of the Company, designated as "Executive Director" for a period of 3 years effective from 19th May, 2014 to 18th May, 2017, without any remuneration."

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

"RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Adv. Sudin M. Usgaonkar (holding DIN 00326964), Director of the Company whose period of office is liable to determination by retirement of directors by rotation and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years up to the fifth consecutive AGM of the Company to be held in the year 2019, not 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 Sections 149, 150, 152 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 IV to the Companies Act, 2013, Mr. Ashok N. Manjrekar (holding DIN 00496542), Director of the Company whose period of office is liable to determination by retirement of directors by rotation and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years up to the fifth consecutive AGM of the Company to be held in the year 2019, not liable to retire by rotation."

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

"RESOLVED that in supersession of the Ordinary Resolution adopted at the Extra Ordinary General Meeting of the Company held on 27th March, 1996 and pursuant to Section 180(1)(c) 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), the consent of the Company be and is hereby accorded to the Board of Directors to borrow moneys in excess of the aggregate of the paid up share capital and free reserves of the Company, provided that the total amount borrowed and outstanding at any point of time, apart from temporary loans obtained/to be obtained from the Company's Bankers in the ordinary course of business, shall not be in excess of Rs. 25 crore (Rupees Twenty Five crore) over and above the aggregate of the paid up share capital and free reserves of the Company."

10. To ratify the appointment of Cost Auditors for the year 2014-15. In this connection, 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 the Companies (Audit and Auditors) Rules, 2014, the remuneration of Rs.40,000/- (Rupees Forty Thousand only) plus service tax and out of pocket expenses for the Financial Year ending March 31, 2015 as approved by the Board of Directors of the Company, to be paid to Mr. Dilip M. Vengurlekar, Cost Accountant, Panaji-Goa, having Membership no. 5824 and Firm Registration no. 100623 for the conduct of the cost audit of the Company's Food Processing manufacturing unit at Usgao, be and is hereby ratified and confirmed."

Notes:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY.** A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company.

The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.

2. The Explanatory Statement setting out all material facts as required Section 102 of the Companies Act, 2013 in respect of the special business is annexed hereto.
3. Details under Clause 49 of the Listing Agreement with the Stock Exchange in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting (AGM), forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.
4. The Register of Members and Share Transfer Books of the Company will be closed from **Tuesday, the 23rd September, 2014 to Saturday, the 27th September, 2014** (both days inclusive).
5. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
6. The 29th Annual Report 2013-14 and the Notice of the 29th AGM is placed on the website of the Company viz. www.hflgoa.com and also on the website of CDSL viz. www.cdslindia.com

7. **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 Clause 35B of the Listing Agreement with the stock exchange, the Company is pleased to provide members facility to exercise their right to vote at the 29th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL):

The instructions for members for voting electronically are as under:-

- (i) The voting period begins on Saturday, September 20, 2014 and ends on Monday, September 22, 2014. During this 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 15, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Log on to the e-voting website www.evotingindia.com
- (iii) Click on "Shareholders" tab.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

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(vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN*	<ul style="list-style-type: none"> Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) 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 number of shares held by you as on the cut off date in the Dividend Bank details field.

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) 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.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for "HINDUSTAN FOODS LIMITED" on which you choose to vote.
- (xii) 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.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) 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.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

- (xvii) 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.
- (xviii) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for 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.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.
8. In case of those Members, who do not have access to e-voting facility, they can use the assent/dissent form sent herewith or can be downloaded from our website www.hflgoa.com and convey their assent/dissent to each one of the items of business to be transacted at the ensuing AGM and **send the form to reach Mr. Sadashiv V. Shet, Scrutinizer appointed by the Company at the registered office of the Company on or before September 22, 2014 (5.00 pm).**
 9. Members can choose only one of the two options, namely e-voting or voting through physical assent/dissent form. In case the votes are casted through both the formats, then votes casted through e-voting shall stand cancelled and those votes casted through physical assent/dissent form would be considered, subject to the assent/dissent form being found to be valid.
 10. The Results of e-voting, physical assent / dissent and poll, if any, shall be aggregated and declared on or after the AGM of the Company by the Chairman or by any other person duly authorised in this regard. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.hflgoa.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 Bombay Stock Exchange Limited.
 11. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours on all working days, up to and including the date of the AGM.

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM 3

Dr. Asht Bhujia Prasad is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in January, 2002. Dr. Prasad is a member of the Share Transfer, Investors' Grievance and Stakeholders Relationship Committee of the Board of Directors of the Company.

Dr. Prasad is a Chemical Engineer with Masters from IIT, Bombay and Ph.D. in Chemical Engineering. He has extensive experience in the operation and management of process industries and project engineering.

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Dr. Prasad is a Director in Goa Carbon Ltd., Dempo Global Corporation Pte. Ltd. and Goa Medical Research Pvt. Ltd.; the Member of the Share Transfer, Investors' Grievance and Stakeholders Relationship Committee of Goa Carbon Ltd.

Dr. Prasad holds 500 equity shares in the Company, which works out to 0.01% of the total capital of the Company.

Dr. Prasad retires by rotation at the ensuing Annual General Meeting under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Dr. Prasad being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years up to the fifth consecutive AGM of the Company to be held in the year 2019, not liable to retire by rotation. A notice has been received from a member proposing Dr. Prasad as a candidate for the office of Director of the Company.

In the opinion of the Board, Dr. Prasad fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Dr. Prasad as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Dr. Prasad as an Independent Director.

Accordingly, the Board recommends the resolution in relation to appointment of Dr. Prasad as an Independent Director, for the approval by the shareholders of the Company.

Except Dr. Prasad, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item no. 3. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

ITEM 4

In order to adhere to the new provisions of the Companies Act, 2013, Mr. Soiru V. Dempo resigned as Executive Director of the Company with effect from May 19, 2014. Accordingly, the Board of Directors of the Company at their meeting held on May 19, 2014 appointed Mr. Soiru V. Dempo as Additional Director of the Company pursuant to section 161(1) of the Companies Act, 2013 ('the Act') in the category of Non-Executive Non-Independent Director. As an Additional Director, Mr. Soiru V. Dempo will hold office only upto the date of this Annual General Meeting. The Company has received requisite notice from a member under Section 160 of the Act, proposing the candidature of Mr. Dempo to the office of Director.

Mr. Dempo is a Bachelor in Economics. He is an Industrialist and brings his wide experience in decision making into the Company's Board.

Mr. Dempo holds directorship and membership of the Committees of the Board of Directors of the under stated other companies in India:

- Whole time Director in V. S. Dempo Holdings Pvt. Ltd. and Managing Director in Dempo Shipbuilding and Engineering Pvt. Ltd.
- Director in Celtic Investments Pvt. Ltd, Ameya Investments Pvt. Ltd., V. S. Dempo Mining Corporation Pvt. Ltd., Dempo Travels Pvt. Ltd., Vision Dempo Hospitality and Estates Pvt. Ltd., Vishwas Media and Entertainment Pvt. Ltd. and Goa Carbon Ltd.

Member of the Share Transfer, Investors' Grievance and Stakeholders Relationship Committee of Goa Carbon Ltd.

Mr. Dempo does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

The Board of Directors commend passing of the resolution set out in item No.4 of the Notice.

Except Mr. Dempo, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item no. 4. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

ITEM 5 & 6

Consequent to the resignation of Mr. Soiru V. Dempo as Executive Director of the Company, the Board of Directors of the Company at their meeting held on May 19, 2014 appointed Mr. Ganesh Tukaram Argekar as Additional Director of the Company and as Whole-time Director, designated as Executive Director, for a period of 3 years from April 19, 2014 to April 18, 2017, subject to the approval of the Members at the ensuing Annual General Meeting.

Mr. Argekar is BSC (Chemistry) and PGDMM – IIMM.

Mr. Argekar is the Head – Supply Chain of Vanity Case Group of Companies and has about 19 years of overall work experience during which time he has held various managerial positions.

Mr. Argekar does not hold any other directorship in any company in India, other than Hindustan Foods Ltd.

Mr. Argekar does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

The Board of Directors commend passing of the resolutions set out in item No.5 & 6 of the Notice.

Except Mr. Argekar, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolutions set out at Item no. 5 & 6. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

ITEM 7

Adv. Sudin M. Usgaonkar is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in October, 2002. Adv. Usgaonkar is a Member of the Audit Committee of the Board of Directors of the Company.

Adv. Usgaonkar is B.A., LL.B and is a Senior Advocate, Bombay High Court.

Adv. Usgaonkar holds directorship of the under stated other companies in India:

- Director in Marmagoa Shipping & Stevedoring Co. Pvt. Ltd., Devashri Investments Pvt. Ltd., V. S. Dempo Mining Corporation Pvt. Ltd., Dempo Industries Pvt. Ltd. and Govind Poy Oxygen Ltd.

Adv. Usgaonkar does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

Adv. Usgaonkar is a director whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Adv. Usgaonkar being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years up to the fifth consecutive AGM of the Company to be held in the year 2019, not liable to retire by rotation. A notice has been received from a member proposing Adv. Usgaonkar as a candidate for the office of Director of the Company.

In the opinion of the Board, Adv. Usgaonkar fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Adv. Usgaonkar as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Adv. Usgaonkar as an Independent Director.

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Accordingly, the Board recommends the resolution in relation to appointment of Adv. Usgaonkar as an Independent Director, for the approval by the shareholders of the Company.

Except Adv. Usgaonkar, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item no. 7. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

ITEM 8

Mr. Ashok N. Manjrekar is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in January, 2006. Mr. Manjrekar is the Chairman of the Nomination and Remuneration Committee and a Member of the Audit Committee of the Board of Directors of the Company.

Mr. Manjrekar is M. Tech. in Food Technology from U.D.C.T., Mumbai and is a Food and Nutrition Consultant.

Mr. Manjrekar has vast experience in development of Packaging, Nutrition, Microbiology, Quality Assurance and other statutory requirements. He has in the past been associated with Glaxo and Heinz in the Food Research & Development capacities.

Mr. Manjrekar does not hold any other directorship in any company in India, other than Hindustan Foods Ltd.

Mr. Manjrekar does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

Mr. Manjrekar is a director whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mr. Manjrekar being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years up to the fifth consecutive AGM of the Company to be held in the year 2019, not liable to retire by rotation. A notice has been received from a member proposing Mr. Manjrekar as a candidate for the office of Director of the Company.

In the opinion of the Board, Mr. Manjrekar fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr. Manjrekar as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Manjrekar as an Independent Director.

Accordingly, the Board recommends the resolution in relation to appointment of Mr. Manjrekar as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. Manjrekar, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item no. 8. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

ITEM 9

The members of the Company at their Extra Ordinary General Meeting held on 27th March, 1996 approved by way of an Ordinary Resolution under Section 293(1)(d) of the erstwhile Companies Act, 1956 borrowings over and above the aggregate of paid up share capital and free reserves of the Company provided that the total amount of such borrowings together with the amounts already borrowed and outstanding at any point of time shall not be in excess of Rs. 10 crore (Rupees Ten crore).