



JASCH INDUSTRIES LIMITED

**28th ANNUAL REPORT
2013 - 2014**



JASCH INDUSTRIES LIMITED

(CIN : L24302HR1985PLC022758)

28TH ANNUAL REPORT 2013-2014

Inside this Report

This Annual Report is also available online at www.jaschindustries.com

Statutory Reports

04	Notice of Annual General Meeting
14	Corporate Governance Report
19	Directors' Report
21	Management Discussion and Analysis Report
24	Auditors' Certificate on Corporate Governance

Standalone Financial Statements

25	Independent Auditors' Report on Financial Statements
28	Balance Sheet
29	Statement of Profit and Loss
30	Cash Flow Statement
31	Significant Accounting Policies
33	Notes on Financial Statements

Consolidated Financial Statements

43	Independent Auditors' Report on Consolidated Financial Statements
44	Consolidated Balance Sheet
45	Consolidated Statement of Profit and Loss
46	Consolidated Cash Flow Statement
47	Significant Accounting Policies on Consolidated Accounts
48	Notes on Consolidated Financial Statements

Annual General Meeting

Date : September 29, 2014 at 10 A.M.

Venue : Registered Office of the Company

JASCH INDUSTRIES LTD.

(CIN : L24302HR1985PLC022758)

[An ISO 9001:2008 Company]

28TH ANNUAL REPORT 2013-2014

BOARD OF DIRECTORS

J.K. GARG	CHAIRMAN & MANAGING DIRECTOR
MANISH GARG	WHOLE TIME DIRECTOR
RAMNIK GARG	WHOLE TIME DIRECTOR
NAVNEET GARG	WHOLE TIME DIRECTOR
KAMLESH GARG (MS)	DIRECTOR
S.K. KHANDELWAL (DR.)	DIRECTOR
K.C. VARSHNEY (DR.)	DIRECTOR
KULDEEP SINGAL	DIRECTOR
K.L. KHETARPAUL	DIRECTOR
O.P. GARG*	EXECUTIVE DIRECTOR
ASHOK MITTAL (DR.)*	DIRECTOR
NARESH KUMAR, IRS (RETD)@	DIRECTOR

*ceased to be Director w.e.f. 30-04-2014 @appointed Independent Additional Director w.e.f. 31-05-2014

VICE PRESIDENT & COMPANY SECRETARY

S. K. VERMA

CHIEF FINANCIAL OFFICER

M. PALIWAL

AUDITORS

Arora & Choudhary Associates
Chartered Accountants
(Registration No. 003870N)
8/28, W.E.A Abdul Aziz Road,
Karol Bagh, New Delhi 110 005.

BANKERS

HDFC BANK
ATLAS ROAD, MODEL TOWN, SONIPAT
STATE BANK OF INDIA
OVERSEAS BRANCH, JANPATH, NEW DELHI

REGISTRARS

Alankit Assignments Ltd.
(Unit : Jasch Industries Ltd)
2E/21, Jhandewalan Extn., New Delhi – 110 055

REGISTERED OFFICE AND WORKS

43/5, BAHALGARH ROAD,
P. O. BAHALGARH,
DISTT. SONIPAT 131 021 (HARYANA)

CORPORATE OFFICE

502, BLOCK C, NDM-2,
NETAJI SUBHASH PLACE, PITAMPURA, DELHI – 110 034

NOTICE OF 28th ANNUAL GENERAL MEETING

To

The Members,

NOTICE is hereby given that the 28th Annual General Meeting of Members of JASCH INDUSTRIES LIMITED will be held on Monday, the 29th September, 2014 at 10:00 AM at Registered Office of the Company at 43/5, Bahalgarh Road, P.O. Bahalgarh, Distt. Sonipat-131021, Haryana, to transact the following business :

ORDINARY BUSINESS :

ITEM NO. 1 : To receive, consider and adopt the audited Profit and Loss Account for the year ended 31st March, 2014, the Balance Sheet as at that date and the Reports of the Directors and the Auditors thereon.

ITEM NO. 2 : To appoint a Director in place of Shri Navneet Garg (DIN 00176350) who retires by rotation, and being eligible, offers himself for re-appointment as non-independent director.

ITEM NO. 3 : Re-appointment of Auditors : To consider and, if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

"RESOLVED THAT the retiring auditors, M/s Arora & Choudhary Associates, Chartered Accountants, (Firm Registration No. 003870N) being eligible for reappointment, be and are hereby re-appointed as auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting, on a remuneration of such sum as may be fixed by the Board of Directors / any Committee of the Board of Directors, plus service tax and reimbursement of out of pocket expenses, as may be incurred in the performance of their duties."

SPECIAL BUSINESS :

ITEM NO. 4 : Appointment of Independent Director : 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 161 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modifications or enactments thereof for the time being in force), Shri Naresh Kumar (DIN 06884903), who was appointed as an Additional Director by the Board in its Meeting held on 31-05-2014 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 non-executive Independent Director of the Company, for a period beginning with the conclusion of this Annual General Meeting and ending with the conclusion of the fifth Annual General Meeting held hereafter, whose period of office shall not be liable to determination by retirement of directors by rotation."

AGENDA ITEM NO. 5 : Variation in remuneration/terms of appointment of Managing Director : To consider and, if thought fit, to pass with or without modifications, the following resolution as Special Resolution :

"RESOLVED THAT pursuant to provisions of Section 196, 197, Schedule V and all other applicable provisions of Companies Act, 2013 and Rules made thereunder; consent of the Company be and is hereby accorded to the payment of a fixed remuneration of Rs. 2,00,000 per month to Shri JaiKishan Garg, Chairman & Managing Director (DIN 00596709) from 01-04-2014 to 30-04-2016 (being the remaining period of his present term of office as Managing Director) along with other benefits and on the terms and conditions as are set out in the attached explanatory statement , which forms part of this Resolution (or as may be varied by the Annual General Meeting and acceptable to him)"

ITEM NO. 6 : Variation in remuneration/terms of appointment of Whole Time Director : To consider and, if thought fit, to pass with or without modifications, the following resolution as Special Resolution :

"RESOLVED THAT pursuant to provisions of Section 196, 197, Schedule V and all other applicable provisions of Companies Act, 2013 and Rules made thereunder; consent of the Company be and is hereby accorded to the payment of a fixed remuneration of Rs. 1,50,000 per month to Shri Ramnik Garg, Whole Time Director (DIN 00188843) from 01-04-2014 to 30-06-2016 (being the remaining period of his present term of office as whole time director) along with other benefits and on the terms and conditions as are set out in the attached explanatory statement , which forms part of this Resolution (or as may be varied by the Annual General Meeting and acceptable him)"

NOTICE OF 28th ANNUAL GENERAL MEETING

ITEM NO. 7 : Variation in remuneration/terms of appointment of Whole Time Director : To consider and, if thought fit, to pass with or without modifications, the following resolution as Special Resolution :

"RESOLVED THAT pursuant to provisions of Section 196, 197, Schedule V and all other applicable provisions of Companies Act, 2013 and Rules made thereunder; consent of the Company be and is hereby accorded to the payment of a fixed remuneration of Rs. 1,50,000 per month Shri Manish Garg, Whole Time Director (DIN 00188959) from 01-04-2014 to 31-03-2017 (being a period of initial three years out of the remaining period of his present term of office as whole time director expiring on 28-07-17) along with other benefits and on the terms and conditions as are set out in the attached explanatory statement , which forms part of this Resolution (or as may be varied by the Annual General Meeting and acceptable to him)"

ITEM NO. 8 : Variation in remuneration/terms of appointment of Whole Time Director : To consider and, if thought fit, to pass with or without modifications, the following resolution as Special Resolution :

"RESOLVED THAT pursuant to provisions of Section 196, 197, Schedule V and all other applicable provisions of Companies Act, 2013 and Rules made thereunder; consent of the Company be and is hereby accorded to the payment of a fixed remuneration of Rs. 1,50,000 per month Shri Navneet Garg, Whole Time Director (DIN 00176350) from 01-04-2014 to 30-04-2016 (being the remaining period of his present term of office as whole time director) along with other benefits and on the term and conditions as are set out in the attached explanatory statement , which forms part of this Resolution (or as may be varied by the Annual General Meeting)"

ITEM NO. 9 : To rescind earlier resolution relating to sitting fee : To consider and, if thought fit, to pass with or without modifications, the following resolution as Special Resolution :

"RESOLVED THAT the Special Resolution passed at the Annual General Meeting of the Company held on 28th September, 2007 relating to sitting fee of directors, be and is hereby rescinded and the Board of Directors of the Company be and is hereby authorized to pay to non-executive Directors of the Company a sitting fee upto the extent permitted under law in force from time to time."

ITEM NO. 10 : To amend Articles of Association of the Company : To consider and, if thought fit, to pass with or without modifications, the following resolution as Special Resolution :

"RESOLVED THAT the existing Article 1 of Articles of Association of the Company be and is hereby substituted with the following Article :

"1. The Regulations contained in Table A in the First Schedule of the Companies Act, 1956, or in the Schedule of any previous or subsequent Companies Act, shall not apply to the Company, but, subject to exercise of any statutory powers of the Company to repeal, alter or add to its regulations by Special Resolution (or in any other manner as may be prescribed by law which may be in force at the relevant time), be such as are contained in these Articles and the same shall be observed by the management of the Company and its Members and their representatives."

"RESOLVED FURTHER THAT in Article 2 of Articles of Association of the Company (being the part marked "INTERPRETATION"), the following words : "The Act" means the Companies Act, 1956 or any other Act being in force" be and are hereby substituted with the following words :

"The Act" means the Companies Act, 2013 or any other Act relating Companies which may be in force from time to time and Rules/notifications/government orders issued thereunder."

"RESOLVED FURTHER THAT words "the Companies Act, 1956" and words/numbers making any reference to any Sections, sub-Sections or clauses of the Companies Act, 1956, occurring wherever else in the Articles of Association of the Company, be and are hereby deleted and in their place, the words "the Act" be and is hereby inserted."

"RESOLVED FURTHER THAT the following new clause (4) be and is hereby inserted after the existing clause (3) of Article 146 of Articles of Association of the Company :

"(4) Subject to provisions of the Act, the Managing Director shall have substantial powers of management of affairs of the company."

"RESOLVED FURTHER THAT the following new clause (5) be and is hereby inserted after clause (4) (as inserted above) of Article 146 of Articles of Association of the Company :

"(5) The Managing Director of the Company may also be appointed or re-appointed as the Chairman of the Company. Conversely, the Chairman of the Company may also be appointed as Managing Director of the Company."

NOTICE OF 28th ANNUAL GENERAL MEETING

ITEM NO. 11 : To grant consent to charge/mortgage : To consider and, if thought fit, to pass with or without modifications, the following resolution as Special Resolution :

"RESOLVED THAT pursuant to Section 180(1)(a) and other applicable provisions of the Companies Act, 2013 and 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 (hereinafter called the "Board") which term shall be deemed to include any Committee thereof, which the Board may have constituted or may hereinafter constitute to exercise its powers including the powers conferred by this resolution and the power to delegate such authority to any person or person(s) to mortgage and/or charge any of its movable and/or immovable properties, wherever situated both present and future or to 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 undertaking(s) and to create a mortgage and/or charge, on such terms and conditions at such time(s) and in such form and manner, and with such ranking as to priority as the Board in its absolute discretion thinks fit on the whole or substantially the whole of the Company's any one or more of the undertakings or all of the undertakings of the Company in favour of any bank(s) or body/bodies corporate or person(s), whether shareholders of the Company or not, together with interest, cost, charges and expenses thereon for an amount not exceeding Rs. 50 crores (Rupees Fifty crores) over and above the aggregate of the paid up share capital and free reserves of the Company."

"RESOLVED FURTHER THAT the securities to be created by the Company aforesaid may rank prior/pari passu/subservient with/to the mortgages and/or charges already created or to be created by the Company as may be agreed to between the concerned parties."

ITEM NO. 12 : To grant consent to borrow : To consider and, if thought fit, to pass with or without modifications, the following resolution as Special Resolution :

"RESOLVED THAT pursuant to Section 180(1)(c) and other applicable provisions of the Companies Act, 2013 (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 of the Company 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. 50 crores (Rupees Fifty Crores) over and above the aggregate of the paid up share capital and free reserves of the Company."

By Order of the Board of Directors
For JASCH INDUSTRIES LTD

Place : Sonipat
Date : 26th July, 2014

S.K. VERMA
COMPANY SECRETARY

IMPORTANT

RESOLUTIONS MENTIONED AT ITEM NOS. 11 AND 12 WILL BE
PASSED ONLY THROUGH POSTAL BALLOT AND e-VOTING.

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. 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. 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 cannot act as a proxy for any other person of shareholder.
3. 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.
4. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto, also contains the information/statement referred to in para (iv) of second proviso of para (B) of Section II of Schedule V of Companies Act, 2013 is annexed and forms part of the notice.
5. The Register of Members and Share Transfer Books of the Company will remain closed from 01st Sept. to 10th Sept. 2014 (both days inclusive) in connection with the Annual General Meeting and for the purpose of payment of dividend, if approved by the Members.
6. 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 Registrar and Transfer Agent/the Company.
7. Under Section 124 of the Companies Act, 2013, the amount of dividend remaining unpaid or unclaimed for a period of seven years is required to be transferred, along with relevant shares, to the Investor Education and Protection Fund (IEPF), constituted by the Central Government. Those shareholders in respect of whose shares dividend for the year 2010-11 still remains unpaid, are called upon to claim it from the company at the earliest.
8. Details under Clause 49 of the Listing Agreement with the Stock Exchanges in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, form part of the notice. The Directors have furnished the requisite declarations for their appointment/re appointment.
9. Electronic copy of the Annual Report 2014 is being sent to the members whose email Ids are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a physical copy of the same. For members who have not registered their email address, physical copies of the Annual Report 2014 is being sent in the permitted mode. Positive consent letter is attached to the Notice to the Members for giving consent to receive documents in electronic mode.
10. Electronic copy of the Notice of the this Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance slip and Proxy Form is being sent to the members whose email Ids are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a physical copy of the same. For members who have not registered their email address, physical copies of the Notice of this Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance slip and Proxy Form is being sent in the permitted mode.
11. Members may also note that the Notice of this Annual General Meeting and the Annual Report 2014 will also be available on the Company's website www.jaschindustries.com for download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's email id: skverma@jasch.biz.
12. 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 (9:30 am to 5:00 pm) on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company.
13. Voting through electronic means:

Pursuant to Clause 35B of Listing Agreement read with Section 108 of the Companies Act, 2013 & Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provided its members the facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic Means. The business may be transacted through e-voting Services provided by Central Depository Services Limited (CDSL). Instructions for E-voting are as follows. Please read the entire instructions carefully before exercising e-vote. The Notice of the Annual General Meeting and full Annual Report containing procedure for e-voting are also available at the website of the Company at www.jaschindustries.com.

INSTRUCTIONS FOR E-VOTING

- A (i) Open your web browser during the voting period mentioned below and log on the e-voting website www.evotingindia.com.
(ii) Click on "Shareholder" tab.
(iii) Select the Electronic Voting Sequence Number - "EVSN" along with "Jasch Industries Ltd." from the drop down menu and click on "SUBMIT".

(iv) **USER ID, PASSWORD & IMAGE VERIFICATION :**

USER ID : Enter Your User ID as follows :

For CDSL : 16 digits beneficiary ID,

For NSDL : 8 Character DP ID followed by 8 Digits Client ID

For Members holding shares in Physical Form : Folio Number

PASSWORD : Now enter your Password as follows :

PAN	<p>If you have recorded your PAN No. with your Depository Participant or with the Company, please enter your 10 digit alpha numeric PAN issued by Income Tax Department (applicable for both demat shareholders as well as physical shareholders). If you have not recorded your PAN No. with your Depository Participant or with the Company, please make a sequence of ten digits as described below and enter the same in the PAN field :</p> <ul style="list-style-type: none"> - In case of Members holding shares in demat form, please take the first two letters of your first name (in capital letters) followed by your 8-digit (including zeros) NSDL/CDSL Client ID. For example, if your name is Ramesh Kumar and your Client ID with NSDL is 00073142, then you should enter RA00073142 (total 10 digit) in the PAN field. - In case of Members holding shares in physical form, take the first two letters of your first name followed by your Folio Number followed by so many 0 (zeros), as to make it a total of ten-digit sequence. For example, if your name is Ramesh Kumar and your Folio No. is 142, then you should enter RA14200000 (total 10 digit) 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.

- (v) After entering these details, click on "SUBMIT".
(vi) Members holding shares in Physical form will be redirected to the voting screen.
(vii) Members holding shares in Demat form will now reach Password Change menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of atleast on upper case (A Z), one lower case (a-z), one numeric value (0-9) and a special character. Kindly note that this password is also to be used by the Demat holders for voting resolutions(s) of any other company on which they are eligible to vote, provided that the other company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person.
(viii) You can update your mobile number and e-mail ID in the user profile details of the folio which may be used for sending communications(s) regarding CDSL e-voting system in future.
(ix) Members holding shares in Demat form and had logged on to www.evotingindia.com and casted your vote earlier for EVSN of any other company, must use their existing login id and password.
(x) For Members holding shares in Physical form, the password and default number can be used only for e-voting on the resolution contained in the Notice.
(xi) On the voting page, you will see Resolution with its description and against the same the option 'YES/NO' for voting. Enter the number of shares (which represents number of votes) under YES/NO or alternatively you may partially enter and number in YES and partially in No, but the total number in YES and NO taken together should not exceed your total shareholding, otherwise your vote will not be counted.
(xii) Click on the Resolution File Link if you wish to view the entire Notice.
(xiii) 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.
(xiv) Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.
(xv) Institutional members (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 at contact@vipulbhardwaj.com with a copy marked to helpdesk.evoting@cdslindia.com.
(xvi) In case you have any queries or issues regarding e-voting, please contact helpdesk.evoting@cdslindia.com or skverma@jasch.biz

INSTRUCTIONS FOR E-VOTING CONTD....

- B. The e-voting facility will be available during the following voting period :
- | | | |
|--------------------------|---|-------------------------------------|
| Commencement of e-voting | : | From 10.00 a.m. (IST) on 24-09-2014 |
| End of e-voting | : | From 10.00 a.m. (IST) on 25-09-2014 |
- The cut-off date (i.e. the record date) for the purpose of e-voting is 22-08-2014
- C. During E-voting period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date may cast their vote electronically.
- D. The voting rights of shareholders shall be in proportion to their shares in the paid up equity share capital of the Company as on the cut-off date mentioned overleaf.
- E. Shri Vipul Bhardwaj (Membership No. 30834), independent practicing Cost Accountant has been appointed as the Scrutinizer to scrutinize the e - voting process in a fair and transparent manner.
- F. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the 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.
- G. The result shall be declared on or after the AGM of the Company. The result declared along with the Scrutinizer's Report shall be placed on the Company's website www.jaschindustries.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 Exchanges.

ANNEXURE TO NOTICE

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

ITEM NO. 4 : APPOINTMENT OF SHRI NARESH KUMAR AS DIRECTOR

Shri Naresh Kumar is a 64 years' old Science Graduate. Prior to his retirement as Deputy Commissioner (Dept of Central Excise, Customs & Service Tax) he belonged to the elite Indian Revenue Service. He has vast experience in indirect taxation and administration. He has confirmed to the Board about his independence and adherence to Code of Conduct for Directors. On the recommendations of the Nomination & Remuneration Committee, the Board of Directors of the Company, in their Meeting held on 31-05-2014, appointed him Additional Director (non-executive, independent). In accordance with law, he holds office only upto this Annual General Meeting.

As reported by him, he does not hold any shares in the Company and is not a Director in any other Company. The directors feel that his appointment will be of immense help to the Company and recommends his appointment for a period of five years, as proposed in the Resolution.

Except the proposed appointee, none of the Directors or key managerial personnel or their relatives has any concern or interest, financial or otherwise, in the proposed Resolution.

ITEM NOS. 5 TO 8 : PAYMENT OF REMUNERATION TO WHOLE TIME DIRECTORS

Provisions relating to payment of remuneration to whole time directors are regulated by Section 196 and 197 of the Companies Act, 2013, read with Schedule V of that Act and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Based on the effective capital of the Company (which is between the slab of Rs. 5 Crores and 100 Crores), the Company is permitted to pay a remuneration upto Rs. 84 lakhs per annum (or Rs. 7 lakhs per month) to each managerial personnel, subject to fulfillment of conditions and making disclosures as referred to therein.

As mandated by Section 178 of the Companies Act, 2013, the Board of Directors of the Company constituted a Committee called 'Nomination & Remuneration Committee' to recommend to the Board a policy relating to the remuneration for key managerial personnel (which term includes whole time directors). All the Members of the Committee are non-executive and independent directors, having no direct or indirect relation with the key managerial personnel. As required by law, the Committee ensured that the remuneration of key managerial personnel, involved a balance between fixed and incentive pay and that the level and composition of remuneration of Key Managerial Personnel was reasonable and appropriate to the performance/goals of the Company and offers sufficient attraction and motivation for their retention.

In tune with the Remuneration Policy framed as aforesaid and accordance with recommendations of the aforesaid Nominations & Remuneration Committee, the Board, in its Meeting held on 31-05-2014, revised the remuneration and terms of appointment of the Managing Director and Whole Time Directors with effect from 01st April, 2014, for the remaining term of their respective offices, subject to approval of the Board and/or and Shareholders in General Meeting. It is clarified that although the remaining term of office of Shri Manish Garg (who was re-appointed for five years) exceeds three years, the proposed special resolution in his case is being restricted to three years, by way of abundant caution, to comply with the condition of three years' contained in proviso (iii) of Section II of Part II of Schedule V of Companies Act, 2013. The proposed Special Resolutions are in accordance with provisions of Section 196, 197 and Schedule V of the Companies Act, 2013.

Since Shri Ramnik Garg, Shri Manish Garg and Shri Navneet Garg are liable to retire by rotation of Directors, the continuity of payment to them shall be subject to their re-appointment as directors, if and when due, during the period covered by payment of remuneration.

Details of other benefits, terms and conditions as referred to in the proposed Special Resolution are as under :

In addition to fixed remuneration, other benefits, terms and conditions (as referred to in the Special Resolutions under reference) applicable to these appointees are as under and the entire remuneration/benefits are well within the ceilings mentioned in Schedule V of the Companies Act, 2013 :

1. Incentive Pay @ 0.5% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013; provided that such incentive will not be less than 10% and will not be more than 25% of the aforesaid fixed pay. Incentive pay will be payable annually, after adoption of the annual accounts in the Annual General Meeting.
2. Besides incentive pay, the aforesaid appointees will not be entitled to any bonus, stock options or pension
3. Annual Increments as recommended by the Nomination & Remuneration Committee;
4. Special Allowance not exceeding six months' salary in a year, to cover housing, conveyance, medical, electricity, gas, water and other personal expenses.
5. Chauffeur driven car, subsidized health care insurance/medical, mobile phone and telephone at residence and gratuity as per law.
6. One month's paid leave during a financial year or encashment in lieu thereof.
7. Leave Travel Concession (or encashment in lieu thereof) for self and family members once during a block of four years, subject to the condition that such concession shall not exceed one month's fixed pay.
8. Severance pay calculated @ half month's pay for each completed year of service, provided that he puts in a minimum of 15 years' of continuous service in the Company from his initial appointment, any part of the year exceeding 182 days being treated as full year. This benefit will be payable only on attaining the age of superannuation or on termination of his service otherwise for misconduct.
9. Fixed Remuneration will be suitably bifurcated for tax management purposes.
10. The service is terminable by giving three months' notice in writing from either side.
11. Notwithstanding anything contained elsewhere, the total remuneration payable to the appointees shall not exceed the limits prescribed by law.