VHCL Industries Ltd.

ISO 9001,14001,18001

23rd ANNUAL REPORT

2013-2014

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VHCL INDUSTRIES LIMITED

BOARD OF DIRECTORS

Mr. Pankaj H. Valia	-	**Chairman and Managing Director**
Mr. Harshadrai Bosmia	-	**Director**
Mr. Mandar Subhash Palav	-	**Director**
Mr. Ashish S. Pandare	-	**Director**
Mr. Nimesh S. Joshi	-	**Director (up to 03/12/2013)**
Mr. Pradeep Soni	-	**Company Secretary and Compliance Officer (up to 14/02/2014)**
AUDITORS	:	**M/s. Rakesh Agrawal & Associates (Chartered Accountants)**
BANKERS	:	**State Bank of India Central Bank of India**
REGISTERED OFFICE	:	**Survey No. 285, Gala No. II, Main Khanvel Kherdi Road, Village Kherdi, Silvasa 396230, U.T. of Dadra & Nagar Haveli.**
CORPORATE OFFICE	:	**601/602, Casabalnca, Plot No. 130, CTS - 3A/5 Gulmohar Cross Road No. 10, Juhu, Vile Parle (W), Mumbai - 400 049.**
REGISTRARS & TRANSFER AGENTS	:	**LINK INTIME INDIA PRIVATE LIMITED Unit: VHCL Industries Limited C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai - 400 078. Ph.: 022-25963838 / 25946970 Fax : 022-25946969 Email : rnt.helpdesk@linkintime.co.in**

VHCL INDUSTRIES LIMITED
(CIN No.: L27200DN1991PLC000449)
Regd. Off.: Survey No. 285, Gala No. II,
Main Khanvel Kherdi Road,
Village Kherdi, Silvasa-396230,
U.T. of Dadra & Nagar Haveli.
E-mail - cs@vhcl.co.in • Web: www.vhcl.co.in

NOTICE

Notice is hereby given that the **Twenty Third Annual General Meeting (AGM)** of the Members of **VHCL Industries Limited** will be held on **Tuesday, the 30th day of September, 2014 at 11.00 A.M. at** Hill View Resort, Village Chauda, Near Khanvel Garden, Silvasa 396230, U.T. of Dadra & Nagar Havelli to to transact the following business:

Ordinary Business :

1. To review, consider and adopt the Audited Balance Sheet as at March 31, 2014 and Statement of Profit and Loss for the year ended on that date together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a director in place of Mr. Harshadrai Bosmia (holding DIN 00032750), who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a director in place of Mr. Ashish s. Pandare (holding DIN 03363874), who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint M/s. Rakesh R. Agarwal & Associates, Chartered Accountants (M. No.100223) as a Statutory Auditor of the Company.

Special Business :

5. **To consider and if thought to 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. Harshadrai Bosmia (holding DIN 00032750), 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 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 three consecutive years for a term up to 31st March, 2017."

6. **To consider and if thought to 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. Mandar S. Palav (holding DIN 03249718), 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 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 three consecutive years for a term up to 31st March, 2017."

7. **To consider and if thought to 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. Ashish S. Pandare (holding DIN 03363874), 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 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 three consecutive years for a term up to 31st March, 2017."

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

"RESOLVED THAT in supersession of resolution passed under Section 293(1)(d) of the Companies Act, 1956 and subject to the provisions of Section 180(1)(c), 180(2) and other applicable provisions and Rules, if any, of the Companies Act, 2013, any amendments/enactments/re-enactments thereof, consent of the Company be hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board" and which term shall be deemed to include any duly authorised committee(s) thereof, for the time being exercising the powers conferred by the Board by this resolution) for borrowing from time to time and in any manner, any sum or sums of money upon such terms and conditions and with or without security as the Board may in its absolute discretion think fit, notwithstanding that the money to be borrowed together with the money already borrowed by the Company will exceed the aggregate of its paid-up share capital and free reserves, apart from the temporary loans obtained or to be obtained from time to time from the Company's Bankers/Lenders in the ordinary course of business, provided however that the sums so borrowed and remaining outstanding on account of principal amount shall not, at any time, exceed Rs.500 Crores/- (Rupees Five Hundred Crores only)."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take such actions and steps, including delegation of authority, as may be necessary and to settle all matters arising out of and incidental thereto; and to sign and to execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution."

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

"RESOLVED THAT in supersession of resolution passed under Section 293(1)(a) of the Companies Act, 1956 by Shareholders through Postal Ballot on October 18, 2013, consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee(s) thereof) under Section 180(1)(a) and other applicable provisions and Rules, if any, of the Companies Act, 2013, (including any amendment thereto or enactment/re-enactment thereof), to sell, lease or otherwise dispose of whole or substantially the whole of undertaking of the Company or where the Company owns more than one undertaking, of the whole or substantially the whole of any such undertakings or create such charges, mortgages, hypothecations and pledges in addition to the existing charges, mortgages, hypothecations and pledges created by the Company, on such movable and immovable properties, both present and future, and in such manner as the Board may deem fit, together with power to take over the management and concern of the Company in certain events, in favour of the Banks/Financial Institutions/NBFCs/Lenders, other investing agencies and trustees for the holders of debentures/bonds and/or other securities/instruments to secure rupee/foreign currency loans and/or the issue of any securities/debentures whether partly/fully convertible or non-convertible and/or securities linked to ordinary shares and/or rupee/foreign currency convertible bonds/securities and/or bonds/securities with detachable share warrants and any other form of loan/borrowing of whatever nature or by whatever name (hereinafter collectively referred to as "Loans") provided that the total amount of Loans together with interest thereon, additional interest, compound interest, liquidated damages, commitment charges, premium on pre-payment or on redemption, costs, charges, expenses and all other monies payable by the Company in respect of the said Loans, for which such charges, mortgages or hypothecations are created, shall not, at any time exceed the limit of Rs.500 Crores/- (Rupees Five Hundred Crores only)."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take such actions and steps, including delegation of authority, as may be necessary and to settle all matters arising out of and incidental thereto; and to sign and to execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution."

10. To consider and, if thought fit, to give assent / dissent, to the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 186 of the Companies Act, 2013 and any other applicable provisions of the Companies Act, 2013 and rules made there under (including any statutory modification thereof for the time being in force and as may be enacted from time to time), subject to such approvals, consents, sanctions and permissions, as may be necessary, and the Articles of Association of the Company and all other provisions of applicable laws, consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall include any Committee constituted by the Board or any person(s) authorized by the Board to exercise the powers conferred on the Board by this Resolution), to give loans to any subsidiary companies (including overseas subsidiaries) and / or give any guarantee or provide security in connection with a loan to any subsidiary company(ies) (including overseas subsidiaries) and / or acquire by way of subscription, purchase or otherwise, the securities of any subsidiary company(ies) (including overseas subsidiaries) upto an aggregate sum mentioned herein below

Sr. No.	Company	Investment Not Exceeding
1.	In/to the various companies or other persons/entities incorporated Outside India.	Up to 400% of Net Worth of the Company as per the latest Audited Balance Sheet or upto the limits as permissible by Reserve Bank of India, whichever is lower.
2.	In/to the various companies incorporated in India including Wholly Owned Subsidiaries or other persons/entities.	Up to Rs. 50 Crores

Notwithstanding that the aggregate of the loans or guarantees or securities so far given or to be given and/ or securities so far acquired or to be acquired by the Company may collectively exceed the limits prescribed under Section 186 of the Companies Act, 2013."

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of the Company be and is hereby authorised to take from time to time all decisions and such steps as may be necessary for giving loans, guarantees or providing securities or for making such investments and to execute such documents, deeds, writings, papers and/or agreements as may be required and do all such acts, deeds, matters and things, as it may in its absolute discretion, deem fit, necessary or appropriate."

11. To consider and, if thought fit, to give assent / dissent, to the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to Section 94 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, the Registers and Returns required to be maintained by the Company under Section 88 and 92 of the Companies Act, 2013, may be maintained at the Company's Corporate Office at 601/602, Casabalnca, Plot No. 130, CTS – 3A/5, Gulmohar Cross Road No. 10, Juhu,Vile Parle (W), Mumbai – 400 049, with effect from 1st October, 2014."

For and on Behalf of the Board
Sd/-
Pankaj H. Valia
Managing Director

Date : 30th May, 2014
Place : Mumbai

IMPORTANT NOTES:

1. The Register of Members and the Share Transfer books of the Company will remain closed from **Wednesday, 24th September, 2014 to Tuesday, 30th September, 2014** (both days inclusive) for annual closing.
2. 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.
3. 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.
4. 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, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.
5. Electronic copy of the Annual Report for 2014 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2014 is being sent in the permitted mode.
6. Electronic copy of the Notice of the 23rd 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 all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 23rd 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.
7. Members may also note that the Notice of the 23rd Annual General Meeting and the Annual Report for 2014 will also be available on the Company's website www.vhcl.co.in for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in UT of Dadra and Nagar Haveli 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: cs@vhcl.co.in
8. Voting through electronic means (E-Voting):

I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 23rd Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services Limited (CDSL) :

The instructions for e-voting are as under:

In case of members receiving e-mail:

(i) Log on to the e-voting website www.evotingindia.com

(ii) Click on "Shareholders" tab.

(iii) Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"

(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.

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

	For Members holding shares in Demat Form and Physical Form
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • 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. • 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 the relevant <Company Name> 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.

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to https://www.evotingindia.co.in and register themselves as Corporates.
- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
- After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

(A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.

(B) 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.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.

9. The e-voting period commences on Thursday, 25th September, 2014 (9:00 am) and ends on Friday, 26th September, 2014 (6:00 pm). 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 28th August, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

10. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 28th August, 2014.

11. Ms. Palak Desai, Practicing Company Secretary has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

12. 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.

13. The Results shall be declared on or after the AGM of the Company. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website www.vhcl.co.in 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 BSE Limited.

14. 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 (9.00 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.

For and on Behalf of the Board

Sd/-

Pankaj H. Valia

Managing Director

Date : 30th May, 2014

Place : Mumbai

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

Item No.5

Mr. Harshadrai Bosmia (holding DIN 00032750) is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in November, 2011. Mr. Harshadrai Bosmia is Chairman of the Nomination and Remuneration Committee and member of Audit Committee and the Share Transfer & Shareholders' / Investors' Grievance Committee of the Board of Directors of the Company. He is Commerce Graduate from recognized University. He is expertise in Accounts, taxation and finance area.

Mr. Harshadrai Bosmia held directorship in one private limited company. He does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

Mr. Harshadrai Bosmia retires by rotation at the ensuing Annual General Meeting under the erstwhile applicable provisions of Companies Act, 1956. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. Harshadrai Bosmia being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for three consecutive years for a term upto 31st March, 2017. In the opinion of the Board, Mr. Harshadrai Bosmia 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.

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

Except Mr. Harshadrai Bosmia, 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. 5.

This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

Item No.6

Mr. Mandar S. Palav (holding DIN 03249718) is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in November, 2010. Mr. Mandar S. Palav is Chairman of the Audit Committee and Share Transfer & Shareholders' / Investors' Grievance Committee and member of Nomination and Remuneration Committee of the Board of Directors of the Company. He is Commerce graduate and associate member of the Institute of Company Secretaries of India. He is expertise in compliances and secretarial area.

Mr. Mandar S. Palav is held directorship in two other companies (excluding private companies) and held membership of the committee of board of directors in another 1(one) Company in India. He does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

Mr. Mandar S. Palav retires by rotation at the ensuing Annual General Meeting under the erstwhile applicable provisions of Companies Act, 1956. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. Mandar S. Palav being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for three consecutive years for a term upto 31st March, 2017. In the opinion of the Board, Mr. Mandar S. Palav 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.

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

Except Mr. Mandar S. Palav, 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. 6.

This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

Item No.7

Mr. Ashish S. Pandare (holding DIN 03363874) is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in June, 2011. Mr. Ashish S. Pandare is