



**K.C.P. SUGAR AND INDUSTRIES
CORPORATION LIMITED**

CIN: L15421TN1995PLC033198

Twenty Fourth Annual Report
2018 - 2019

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BOARD OF DIRECTORS as on 29.05.2019**WHOLETIME DIRECTORS:**

	DIN	
Shri.Vinod R. Sethi	00106598	Executive Chairman
Smt.Irmgard Velagapudi	00091370	Managing Director
Smt. Kiran Velagapudi	00091466	Executive Director

NON-WHOLETIME DIRECTORS:

Dr.Vithal Rajan	00021571	Independent Director
Shri.M.S.V.M.Rao	00432640	Independent Director
Shri.Prathap K. Moturi	00020630	Independent Director
Shri K.R.Adivarahan	00019844	Independent Director

Board Committees

Audit Committee	Nomination & Remuneration Committee	Stakeholders Relationship Committee	C S R Committee
Chairman Shri.M.S.V.M.Rao	Chairman Dr. Vithal Rajan	Chairman Shri.K.R.Adivarahan	Chairperson Smt.Irmgard Velagapudi M.Rao
Members Shri. Vinod R. Sethi Dr.Vithal Rajan Shri.Prathap K.Moturi Shri K.R.Adivarahan	Members Shri. Vinod R. Sethi Shri.K.R.Adivarahan	Members Smt.Irmgard Velagapudi M.Rao, Smt.V.Kiran Rao,	Members Shri.Vinod R.Sethi Shri.M.S.V.M.Rao Shri.K.R.Adivarahan

Chief Financial Officer

Shri.R. Ganesan

Company Secretary & Compliance Officer

Shri.S.Chidambaram, B.Sc.,ACMA, ACS,

Auditors

M/s. Suri & Siva (FRN. 004284S)

Chartered Accountants

C-8, 3rd Floor, Shanti Apartments, New No.18,
1st Cross Street, TTK Road
Alwarpet, Chennai 600018**Cost Auditor**

M/s. SRR & Associates, (Reg. No. 000992)

Cost Accountants,
No.20, Valluvar Street, 2nd Floor,
Thiru Nagar, Jafferkhanpet, Chennai 600083.**Secretarial Auditors**

M/s. V.Mahesh & Associates - CP No. 2473

Company Secretaries
No.39/19, III floor, Aspen Court , 6th Main Road,
R.A. Puram - Chennai 600028**Internal Auditor**Mr.S.Manisekaran
Chartered Accountant,
'Venkatesam', No.20/22, Ramanujam Street,
Nungambakkam, Chennai 600034.**Bankers**State Bank of India
ICICI Bank Ltd
Axis Bank Ltd
HDFC Bank Ltd**Registered & Corporate Office**"Ramakrishna Buildings"
239, Anna Salai, Chennai - 600 006.
Telephone: 044-28555171-76 / E-mail: finance@kcpsugar.com
Website: www.kcpsugar.com**Plant Locations:**

- Vuyyuru, Krishna Dist, Andhra Pradesh 521 165**
Sugar, Industrial Chemicals, Incidental Co-generation Power,
Biotech, CO₂, Calcium Lactate Divisions.
- Lakshmipuram, Krishna Dist, Andhra Pradesh 521 131**
Sugar, Incidental Co-generation Power.

Registrars to Deposits

Being handled In-House at the Registered Office of the Company.

Registrars & Share Transfer Agent & Depository RegistrarsM/s Integrated Registry Management Services Private Limited
2nd Floor, "Kences Towers", No.1,Ramakrishna Street,
North Usman Road, T.Nagar, Chennai - 600 017.
Ph: 28140801 to 28140803 Fax: 28142479
Email : corpserv@integratedindia.in

Website: www.integratedindia.in

FINANCIAL HIGHLIGHTS

Rs. in Lakhs – except Ratios

Particulars	Year Ended									
	31.03.2019	31.03.2018	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011	31.03.2010
Share Capital	1133.85	1133.85	1133.85	1133.85	1133.85	1133.85	1133.85	1133.85	1133.85	1133.85
Reserves and Surplus	25290.02	24372.21	24769.55	20818.26	20283.62	22427.96	20789.08	18239.51	16519.46	15925.95
Net Worth	26423.87	25506.06	25903.40	21952.11	21417.47	23561.81	21922.93	19373.36	17653.31	17059.80
Fixed Assets (Net)	9171.14	9384.20	10135.12	9879.55	10713.37	11318.80	11713.94	12243.89	13102.44	13698.22
Gross Income	33060.10	38771.27	46290.34	39917.43	41645.59	35716.56	43460.93	34760.85	22109.35	26306.43
Gross Profit / (Loss)	5247.23	1600.03	9035.27	2587.97	(1301.80)	4892.66	7215.30	4892.15	2924.04	4813.10
Depreciation	827.38	894.06	918.32	1025.50	1031.07	1109.40	1087.40	1082.87	1095.44	1062.54
Finance Cost	1863.78	1440.73	1128.40	684.45	421.38	455.47	567.58	*634.16	*500.57	319.62
Profit / (Loss) before Tax	2556.07	(734.76)	6988.55	878.02	(2754.25)	3327.79	5560.32	3175.12	1328.03	3430.94
Profit / (Loss) after Tax	1019.94	836.53	5488.75	875.81	(1617.00)	2766.45	3876.13	2642.50	1183.23	2374.37
Other Comprehensive Income	34.57	(5.66)	(1.72)	Indian Accounting Standards (Ind As) was adopted for the first time from the F.Y.2017-18.						
Total Comprehensive Income	1054.51	830.87	5487.03							
Earnings per Share (Rs.)	0.90	0.73	4.84	0.77	(1.43)	2.44	3.42	2.33	1.04	2.09
Cash Earnings per Share (Rs.)	1.63	1.52	5.65	1.68	(0.52)	3.42	4.38	3.29	2.01	3.03
Book Value per Share (Rs.)	23.30	22.50	21.08	19.36	19.01	20.78	19.33	17.09	15.57	15.05
Dividends on Equity %	10.00	10.00	90.00	25.00	10.00	85.00	100.00	70.00	45.00	75.00
Long term Debt Equity Ratio (excluding working capital borrowings)	0.16	0.16	0.19	0.21	0.26	0.21	0.09	0.26	0.26	0.25

* Finance cost in FY 2012-13, 2011-12 & 2010-11 consists Interest and other borrowing costs as per Revised Sch.VI. Rest of the Financial Years, it represents only Interest.

SEASON WISE CANE CRUSHED, SUGAR BAGGED AND RECOVERY

SEASON	2018 -19	2017- 18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10
SUGAR UNIT, VUYYURU										
Cane Crushed in MTS	845855	719878	506541	898654	833277	803318	769209	871574	786393	489522
Sugar bagged in QTLS	803625	689152	473740	853870	790620	821468	778220	859940	805960	464110
Recovery (%)	9.52	9.60	9.38	9.49	9.49	10.24	10.10	9.88	10.25	9.50
SUGAR UNIT, LAKSHMIPURAM										
Cane Crushed in MTS	279940	171572	140649	284686	270236	285464	227531	281847	275222	150759
Sugar bagged in QTLS	265823	155121	114241	253263	234100	274470	206768	241447	250160	129206
Recovery (%)	9.50	9.06	8.12	8.90	8.67	9.62	9.11	8.87	9.09	8.58

K.C.P. SUGAR AND INDUSTRIES CORPORATION LIMITED

Investorservices@kcpsugar.com
www.kcpsugar.com

CIN: L15421TN1995PLC033198
"Ramakrishna Buildings"
No.239, Anna Salai
Chennai 600 006.
T: 91 44 28555171 – 176
F: 91 44 28546617

May 29, 2019

Dear Member,

You are cordially invited to attend the 24th Annual General Meeting of the members of K.C.P.Sugar and Industries Corporation Limited ("the Company") to be held on Thursday, 12th September 2019 at 10.00 AM at "Sathguru Gnanananda Hall" Narada Gana Sabha, 314, T.T.K.Road, Alwarpet, Chennai 600018.

The Notice of the meeting, containing the business to be transacted, is attached. As per section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and in pursuance of Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Company is pleased to provide its members the facility to cast their vote by electronic means on all resolutions set forth in the Notice. The instructions for e-voting are attached.

Very truly yours,

VINOD R. SETHI
DIN: 00106598
EXECUTIVE CHAIRMAN

Enclosures:

1. Notice to the 24th Annual General Meeting
2. Instruction for e-voting
3. Proxy form
4. Attendance slip.

NOTICE is hereby given that the Twenty fourth Annual General Meeting of the Members of the Company will be held at "Sathguru Gnanananda Hall" Narada Gana Sabha, 314, T.T.K.Road, Alwarpet, Chennai 600018, on Thursday, September 12, 2019 at 10.00 a.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited financial statements including audited consolidated financial statements of the Company for the financial year ended March 31, 2019 together with the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Smt.Kiran Velagapudi (DIN: 00091466), who retires by rotation, and being eligible, offers herself for reappointment.

SPECIAL BUSINESS:

4. **Reappointment of Independent Director Dr Vithal Rajan(DIN - 00021571) for the second term of five years:**

To consider and if thought fit, to reappoint Dr Vithal Rajan (DIN - 00021571), as an Independent Director, to hold office for the second term of five years from 1st April 2019 till 31.03.2024 not liable to retire by rotation during the said tenure, and to pass the following Resolution as a **Special Resolution**:

"RESOLVED THAT in accordance with the provision of section 149,150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder read with Schedule IV of the Companies Act, 2013 and Regulation 16 (1)(b) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 including any statutory modifications or re-enactments there of for the time being in force, Dr Vithal Rajan (DIN - 00021571) an Independent Director of the Company who has submitted a Declaration that he meets the criteria for independence as provided in the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 for reappointment be and is hereby reappointed as an Independent Director to hold office for a second term of five years from 1st April 2019 till 31st March 2024, not liable to retire by rotation during the said term of reappointment."

5. **Reappointment of Independent Director M S V M Rao (DIN - 00432640) for the second term of five years:**

To consider and if thought fit, to reappoint M S V M Rao (DIN - 00432640), as an Independent Director, to hold office for the second term of five years from 1st April 2019 till 31.03.2024 not liable to retire by rotation during the said tenure, and to pass the following Resolution as a **Special Resolution**:

"RESOLVED THAT in accordance with the provision of section 149,150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder read with Schedule IV of the Companies Act, 2013 and Regulation 16 (1)(b) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 including any statutory modifications or re-enactments there of for the time being in force, M S V M Rao (DIN - 00432640), an Independent Director of the Company who has submitted a Declaration that he meets the criteria for independence as provided in the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 for reappointment be and is hereby reappointed as an Independent Director to hold office for a second term of five years from 1st April 2019 till 31st March 2024, not liable to retire by rotation during the said term of reappointment."

6. **Reappointment of Independent Director Pratap K Moturi (DIN - 00020630) for the second term of five years:**

To consider and if thought fit, to reappoint Pratap K Moturi (DIN - 00020630), as an Independent Director, to hold office for the second term of five years from 1st April 2019 till 31.03.2024 not liable to retire by rotation during the said tenure, and to pass the following Resolution as a **Special Resolution**:

"RESOLVED THAT in accordance with the provision of section 149,150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder read with Schedule IV of the Companies Act, 2013 and Regulation 16 (1)(b) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 including any statutory modifications or re-enactments there of for the time being in force, Pratap K Moturi (DIN - 00020630) an Independent Director of the Company who has submitted a Declaration that he meets the criteria for independence as provided in the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 for reappointment be and is hereby reappointed as an Independent Director to hold office

for a second term of five years from 1st April 2019 till 31st March 2024, not liable to retire by rotation during the said term of reappointment."

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

"RESOLVED THAT pursuant to Article 148 of the Articles of Association of the Company and the provisions of Section 197 and 198 and other applicable provisions of the Companies Act, 2013 or any statutory modification or re-enactment thereof and subject to such approvals as may be necessary, the Non Whole time Directors of the Company (other than the Wholetime Directors and Nominee Directors) be paid as remuneration for each of the five financial years beginning from financial year 2019 – 20 till the financial year 2023- 24, an amount not exceeding one percent of the net profits of the Company and computed in the manner laid down in Section 198, of the Companies Act, 2013 and to be divided amongst the said Non Wholetime Directors in such manner as the Board of Directors of the Company may from time to time determine and in default of such determination equally, provided that none of the Directors aforesaid shall receive individually in a financial year a sum exceeding Rs. 1.75 lakhs (Rupees One lakh and seventy five thousand only) and further that the payment of the sum in the above manner shall be in addition to the sitting fee per meeting of the Board/Committee which each such Director is entitled to receive under the Articles of Association of the Company and as per the approval of the Board of Directors from time to time."

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to take all such steps as may be deemed expedient or desirable to give effect to this resolution."

8. Remuneration of Cost Auditor:

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

"RESOLVED that the Company do hereby confirm and ratify in terms of section 148 and other applicable provisions of the Companies Act, 2013 and Rule 14 of the Companies (Audit & Auditors) Rules, 2014 (including any statutory modifications) or re-enactment thereof, the remuneration of Rs.2,25,000/- (Rupees Two lakhs and twenty five thousand only) plus GST as applicable and reimbursement of travel and out of pocket expenses, approved by the Board of Directors on the recommendations of the Audit Committee, to SRR Associates, Cost Accountants, Chennai (FRN 000992) for conducting the audit of cost records of the Company for the financial year ending 31st March 2020."

// BY ORDER OF THE BOARD //

Place : Chennai

Date : 29.05.2019

VINOD R. SETHI

EXECUTIVE CHAIRMAN

DIN: 00106578

NOTES:

- a. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

The **proxy form**, in order to be effective must be duly completed, stamped and lodged with the Registered Office of the Company not less than forty eight hours before the commencement of the meeting. As per section 105 of the Companies Act, 2013, read with Rule 19 of the Companies (Management and Administration) Rules, 2014, a person appointed as proxy can act on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company. A member holding more than 10% of the total share capital carrying voting rights, may appoint a single person as proxy and such person shall not act as proxy for any other member.

- b. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the company, provided that not less than 3 days of notice in writing is given to the company.

- c. Members / Proxies / authorized representatives are requested to hand over the duly filled in Attendance Slip attached with this notice at the registration counter. Members holding shares in dematerialized form are requested to furnish their client ID / DP ID numbers for identification.
- d. The Register of Directors and key-management personnel and their shareholding maintained under section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
- e. A statement pursuant to section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the AGM is annexed hereto.

Relevant documents referred to in the accompanying Notice and the statement pursuant to section 102(1) of the Companies Act, 2013, are available for inspection at the Registered Office of the Company during business hours on all days, except Saturdays, Sundays and Public Holidays, upto the date of the Annual General Meeting.
- f. The Register of Contracts or Agreements in which the directors are interested, maintained under section 189 of the Companies Act, 2013 will be available for inspection by the members at the AGM.
- g. **The Register of Members, Register of Beneficial Owners and Share Transfer Books** of the Company will remain closed from 4th day of September 2019 to 12th day of September 2019, both days inclusive, for the purpose of payment of dividend for the financial year ended March 31, 2019 and the AGM.
- h. **Dividend on equity shares**, recommended by the Board, if approved by the shareholders at the AGM, will be paid on or after 12.09.2019 but within the stipulated time of 30 days from the date of declaration:
 - i. to those Members whose names appear on the Register of Members of the Company as on 12th September 2019 or to their Mandates; and
 - ii. in respect of shares held in electronic form, the dividend will be paid to the beneficial owners of shares as on that date as per the details furnished by the National Securities Depository Ltd (NSDL) and the Central Depository Services (India) Ltd. (CDSL) for the purpose.
- i. M/s. Integrated Registry Management Services Pvt. Ltd, Kences Towers, II Floor, No.1 Ramakrishna Street, T.Nagar, Chennai 600 017 are the Registrar and Transfer Agents and Depository Participants of the Company for physical / electronic shares and all correspondences with regard to transfer of shares etc may be addressed to them directly.
- j. Securities and Exchange Board of India has made trading in the shares of the company compulsory in dematerialized form for all investors. Members are requested to open a Beneficiary owner account with a Depository Participant, if not done so far.
- k. In order to provide protection against fraudulent encashment of dividend warrants, members who hold shares in physical form are requested to intimate the Company's Registrars and Transfer Agents, M/s. Integrated Registry Management Pvt. Ltd, Chennai, under the signature of the sole / first joint holder, the following information to be incorporated on dividend warrants:
 - i. Name of the Sole / First joint holder and the Folio Number.
 - ii. Particulars of Bank Account, viz, Name of the Bank, Name of the Branch, and Complete address of the Bank with PIN code, Account type and the Bank Account Number.
 - iii. Dividend warrants for physical payment will be issued by the Company payable at par at the designated branches of the bank, with a validity period of 3 months. Hence, members are advised to encash the warrants within the validity period.
 - iv. Dividend, on approval by the shareholders at the AGM, will be paid without deduction of tax, to shareholders. Taxability of dividend in the hands of recipients is as per the extant tax law.
- l. **Members holding shares in dematerialized form**, may please note that while opening a depository account with participants they might have given **their bank account details**, which will be printed on their dividend warrants. However, if Members want to change/correct the Bank details, they should send the same immediately to the concerned Depository Participant. Members are also requested to give MICR code of their bank to their Depository Participant. The Company will not entertain any direct request from Members for addition/deletion/change in bank account details furnished by Depository Participants to the Company.

- m. **Electronic Clearing System (ECS)** credit has been moved completely to the National Electronic Clearing System (NECS) platform through core banking system, effective from 01.10.2009. Accordingly, dividend will be credited to the shareholders bank account through NECS where complete core banking details are available with the Company. In the event any branch of a bank has not migrated to core banking system, or where core banking account is not furnished by the shareholders to the Depository / Company, as the case may be, the Company will print details available in its records on the Dividend Warrants to be issued to such shareholders. **This service provides instantaneous credit to the shareholders and also protects against fraudulent interception and encashment of dividend warrants, besides eliminating dependence on the postal system, loss or damage of dividend warrants in transit and correspondence relating revalidation / issue of duplicate warrants.**
- n. Members who are holding shares in identical order of names in more than one folio are requested to send to the Registrar the details of all such folios together with the Share Certificates for **consolidation of their holdings into a single folio.**
- o. Pursuant to Section 72 of the Companies Act, 2013, Members are entitled to make a nomination in respect of shares held by them. Members desirous of making a nomination are requested to send their request in Form No. SH-13 pursuant to Rule 19(1) of the Companies (Share Capital & Debentures) Rules, 2014. Members holding shares in physical form can submit Form SH-13 to the Company's Registrar & Transfer Agents, M/s. Integrated Registry Management Services Private Limited, and the members holding shares in electronic form can submit the Form SH-13 to their respective Depository Participants.
- p. Shareholders who have **not lodged their old share certificates of "The K.C.P.Ltd"** for exchange of new share certificates of both the Companies in terms of the approved Scheme of Arrangement are requested to surrender the same to The K.C.P.Ltd, No.2, Dr.PV.Chcrian Crescent, Chennai – 600 008 at the earliest with a copy marked to the Registrar. New share certificates of this Company will be despatched after receipt of confirmation from The K.C.P.Ltd.
- q. Members are requested to **bring their copy of the Annual Report to the Meeting**, as copies will not be distributed at the Meeting hall, as a measure of austerity. Corporate Members are requested to send to the Company's Registrar and Transfer Agents, a duly certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the AGM.
- r. **Members desirous of obtaining any information** concerning the accounts and operations of the Company are requested to **address their queries in writing** to the Secretarial Division **at least two weeks before the Meeting** so that the information may be made available at the Meeting.
- s. The members are requested to register their e-mail address / any change in the already registered e-mail address, to the Company / Registrar and Transfer Agents to enable service of documents through electronic mode, in line with the Green Initiatives in Corporate Governance taken by the Ministry of Corporate Affairs, allowing paperless compliance by the Companies.
- t. The soft copy of full Annual Report is being sent by electronic mode to all the members whose e-mail address is registered with the Company / Depository Participant. If a member opts for the hard copy of the Annual Report, the same will be sent to such member. For members who have not registered their e-mail address, hard copies of the full Annual Report are being sent by the permitted mode.
- u. **Remote E-voting:** Pursuant to section 108 of the Companies Act, 2013 read with Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended on 19.03.2015, the Company provides facility for its members to exercise their voting right by electronic means, and the business set out in the Notice may be transacted through such e-voting. Detailed instructions for e-voting is given in the Annexure.
- v. **Voting at AGM:** The Company also provides facility for voting through polling paper at the venue of the Annual General Meeting in pursuance of Rule 20 of Companies (Management & Administration) Rules, 2015 read with clause 7 of Secretarial Standard 2 on General Meetings. Members who have availed the facility of remote e-voting cannot avail this facility but can attend the meeting.
- w. Distribution of Gift, Gift Coupons or cash in lieu of gifts to members at or in connection with the General Meeting, is not permitted as per clause 14 of Secretarial Standard 2 on General Meetings., issued by the Institute of Company Secretaries of India.

- x. Details of Director seeking reappointment at the forthcoming Annual General Meeting [in pursuance of Regulation 36(3) of SEBI (LODR) Regulations, 2015] (Item 3 of this Notice) :

<i>Name of Director</i>	<i>Smt Kiran Velagapudi</i>
<i>Date of Birth</i>	<i>18.12.1964</i>
<i>Nationality</i>	<i>German (Holder of Person of Indian Origin Card)</i>
<i>Date of appointment on the Board</i>	<i>29.07.2002</i>
<i>Qualifications</i>	<i>Graduate from University of London</i>
<i>Expertise in specific functional area</i>	<i>Possesses leadership skills to steer the Company from strength to strength</i>
<i>DIN</i>	<i>00091466</i>
<i>No. of shares held in the Company</i>	<i>2,65,820</i>
<i>List of Directorships held in other Companies</i>	<i>***</i>
<i>Chairman / Member in the Committees of the Boards of Companies in which she / he is a director.</i>	<i>***</i>
<i>Directorships relate to Directorship in other Indian public companies and Committee memberships relate to Audit Committee and Stakeholders Relationship Committee of Public Limited companies (whether listed or not).</i>	

The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013:

- i. Item 4 to 6 - Reappointment of three Independent Directors for the second term of five years from 01.04.2019 to 31.03.2024

Section 149(10) of the Companies Act, 2013 mandates the reappointment of independent director for a fixed term upto five consecutive years and eligibility of that independent director for reappointment for one more term of five years on passing of a special resolution by the Company. SEBI, vide circular dt. 17.04.2014 has advised stock exchanges to amend clause 49 of the equity listing agreement to align them with the Companies Act, 2013.

In order to ensure due compliance with the Companies Act, 2013 the Company intends to pass requisite special resolutions at this AGM for the reappointment of Independent Directors. All the three existing Independent Directors of the Company qualify for reappointment as independent directors for the second term of five years 01.04.2019 to 31.03.2024.

All the three independent directors have given a declaration in writing to the Board that they meet the criteria of independence as provided under section 149(6) of the Companies Act, 2013 in DIR-2 pursuant to Rule 8 of the Companies (Appointment and Qualification of Directors) Rules, 2014, and intimation in Form DIR-8 in terms of Companies (Appointment and Qualification of Directors) Rules, 2014 that they are not disqualified under section 164 (2) of the Companies Act, 2013. It is further confirmed that in the opinion of the Board, each of these directors fulfill the conditions specified in the Act and the Rules made there under and they are independent of the Management. The Nomination and Remuneration Committee of the Board of Directors has recommended their reappointment for the second term of five years from 01.04.2019 to 31.03.2024, based on the evaluation.

The Company has received notice under section 160 of the Companies Act, 2013, from a member signifying the intention to propose each of the candidates for the office of independent director, to be reappointed as such under the provisions of section 149 of the Companies Act, 2013.

Further as per Regulation 17(1A) of the listing Regulations, appointment or continuation of a Non-Wholetime Director after attaining the age of 75 years also requires approval of the shareholders of the Company by way of Special Resolution. Dr. Vithal Rajan had already attained the age 75 years and hence the Board of Directors recommends passing of a Special Resolution and Item 4 for the continuation of Dr. Vithal Rajan as a Non-Wholetime Director for the second term of five years from 01.04.2019 to 31.03.2024, not liable to retire by rotation.

Dr. Vithal Rajan is a Doctorate from the prestigious London School of Economics. He is associated with a number of NGOs and was made an officer of the 'Order of Canada', the highest honour of that Country. His knowledge on the socio economic environment prevalent over the globe is par excellence. His continued contribution as an Independent Director on the Board will be of immense benefit to the Company.