

30th Annual Report
2013-14



KAMANWALA HOUSING CONSTRUCTION LIMITED



KAMANWALA HOUSING CONSTRUCTION LIMITED

BOARD OF DIRECTORS

Mr. Satish Chandra Gupta	: <i>Chairman</i>
Mr. Murari Lal Gupta	: <i>Vice-Chairman & Managing Director</i>
Mr. Atul Jain	: <i>Whole-time Director</i>
Mr. Tarun Jain	: <i>Whole-time Director</i>
Mr. Amit Jain	: <i>Whole-time Director</i>
Mrs. Pushpa Jain	: <i>Whole-time Director</i>
Mr. Bhanwarlal D. Jogani	: <i>Director</i>
Mr. Ramesh J. Patel	: <i>Director</i>
Mr. Narendra Kumar Gupta	: <i>Director</i>
Mrs. Shobha Jain	: <i>Director</i>
Mr. Sorabh Gupta	: <i>Director</i>
Mr. Vaibhav Jain	: <i>Director</i>

AUDITORS

M/s. Mittal & Associates
Chartered Accountants,
Mumbai.

ADVOCATES

Mr. Mukesh Jain, Mumbai.
Mrs. S. S. Ayyar, Mumbai.

BANKERS

Indian Overseas Bank,
Oriental Bank of Commerce,
Corporation Bank,
Punjab National Bank,
Allahabad Bank.

SHARE TRANSFER AGENTS

M/s. Sharex Dynamic (India) Pvt. Ltd.,
Unit No. 1,
Luthra Industrial Premises,
Andheri-Kurla Road,
Safed Pool, Andheri (East),
Mumbai-400 072.

REGISTERED OFFICE

405/406, New Udyog Mandir-2,
Mogul Lane, Mahim (West),
Mumbai-400 016.
Tel. No.: 2447 5900 / 2445 6029
Fax No.: 2447 4968
Email Address: kamanwala@gmail.com
Website: www.kamanwalahousing.com
CIN: L65990MH1984PLC032655

CONTENTS

Notice.....	2
Directors' Report.....	14
Corporate Governance Report	17
Management Discussion & Analysis Report	30
Auditors' Report	33
Balance Sheet.....	36
Statement of Profit & Loss	37
Cash Flow Statement	38
Notes on Financial Statements....	39



KAMANWALA HOUSING CONSTRUCTION LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT the Thirtieth Annual General Meeting of the Members of KAMANWALA HOUSING CONSTRUCTION LIMITED will be held on Saturday, the 27th September, 2014, at Tendulkar Hall, Saraswat Bhavan, Chhatrapati Shivaji Maharaj Marg, Mogul Lane, Mahim (West), Mumbai-400 016, at 11.30 A.M. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet of the Company as on 31st March, 2014 and the Statement of Profit & Loss for the year ended on that date together with Directors' Report and Auditors' Report thereon.
2. To appoint a Director in place of Mr. Sorabh Gupta (DIN: 02199124) who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. Atul Jain (DIN: 00052966) who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS:

5. 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 Section 149, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, Mr. Vaibhav Jain (DIN: 05320304), who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and Articles of Association of the Company and who holds the office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Companies Act, 2013 signifying his intention to propose Mr. Vaibhav Jain as a candidate for the office of Director, be and is hereby appointed as a Director of the Company, whose office shall be liable to retirement by rotation."

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

"RESOLVED THAT pursuant to the provisions of Section 149, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, Mr. Satish Chandra Gupta (DIN: 00025780), who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and Articles of Association of the Company and who holds the office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Companies Act, 2013 signifying his intention to propose Mr. Satish Chandra Gupta as a candidate for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold the office for a term upto 31st March, 2019."

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 Section 149, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, Mr. Narendra Kumar Gupta (DIN:00155242), who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and Articles of Association of the Company and who holds the office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Companies Act, 2013 signifying his intention to propose Mr. Narendra Kumar Gupta as candidate for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold the office for a term upto 31st March, 2019."

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

"RESOLVED THAT pursuant to the provisions of Section 149, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013

and the Rules made thereunder, Mr. Bhanwarlal D. Jogani (DIN: 00053085), whose period of office is liable to determination by retirement of Director by rotation and who has offered himself for appointment as an Independent Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years upto 31st March, 2019."

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

"RESOLVED THAT pursuant to the provisions of Sections 196 and 197, read with Section-II of Part-II of Schedule V and other applicable provisions, if any, of the Companies Act, 2013, the Company hereby approves the re-appointment of Mr. Amit Jain (DIN: 00053168) as a Whole-time Director of the Company for a further period of three years w.e.f. 1st August, 2014 as approved by the Board of Directors at its Meeting held on 27th May, 2014 on the terms and conditions as to the remuneration payable to him as recommended by the Remuneration Committee and as set out in the Agreement, to be entered into between the Company and Mr. Amit Jain, a draft of which duly initialled by the Chairman for the purpose of identification, is placed before the Meeting."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby empowered and authorized to vary such terms and conditions of the Agreement including any increase or enhancement in the remuneration not exceeding the limits specified in Schedule V to the Companies Act, 2013 or any amendments thereto, as may be agreed to by the Board of Directors and Mr. Amit Jain and that the aforesaid draft of the Agreement to be entered into between the Company and Mr. Amit Jain be suitably amended to give effect to the same."

"AND RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to enter into an Agreement on behalf of the Company with Mr. Amit Jain as per the said draft of Agreement."

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

"RESOLVED THAT in reconfirmation of the resolution passed at the Extra Ordinary General Meeting held

on 22nd May, 2006, the consent of the Company be and is hereby accorded under the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 to the Board of Directors of the Company to borrow from time to time any sum or sums of money together with the moneys already borrowed in the ordinary course of business by the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate for the time being of the paid up capital of the Company and its free reserves that is to say, reserves not set apart for any specific purpose; provided that the total amount of moneys to be borrowed by the Company shall not at any time exceed the limit of ₹ 500.00 Crores (Rupees Five Hundred Crores only)."

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

"RESOLVED THAT in partial modification of the earlier resolution passed at the Annual General Meeting held on 30th September, 1994, pursuant to Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, consent of the Company be and is hereby accorded to the Board of Directors of the Company to mortgage and/or charge all or any of the movable and/or immovable properties and assets and the whole or the substantially the whole of the undertaking of the Company in such form and manner as the Board of Directors may deem fit or expedient together with power to takeover the management of the business and concern of the Company in certain events, for securing loans obtained or as may be obtained from any financial institutions, banks, finance companies or persons together with interest at agreed rates, compound/further interest, commitment charges, charges, expenses and all other monies payable by the Company to the above-mentioned lending institutions in terms of the loan agreements entered into/to be entered into by the Company in respect of the said loans."

For and on behalf of the Board of Directors

MURARI LAL GUPTA

Vice-Chairman & Managing Director

Place: Mumbai

Date: 12th August, 2014



KAMANWALA HOUSING CONSTRUCTION LIMITED

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXY/PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY/PROXIES NEED NOT BE A MEMBER/MEMBERS OF THE COMPANY.
2. Proxies in order to be effective, must be deposited at the Company's Registered Office not less than 48 hours before the time of the Meeting.
3. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 relating to items 5 to 11 of the Notice is annexed hereto.
4. Details of Directors' appointment/re-appointment pursuant to Clause "49" of the Listing Agreement with the Stock Exchange are annexed hereto.
5. Pursuant to Section 91 of the Companies Act, 2013, the Register of Members and Share Transfer Books of the Company will remain closed from Monday, the 22nd September, 2014 to Saturday, the 27th September, 2014 (both days inclusive).
6. The Corporate Members intending to send their duly authorized representative(s) are requested to send a duly certified copy of the Board resolution authorizing their representative(s) to attend and vote at the Annual General Meeting.
7. The Members intending to seek any information/clarification on the Annual Accounts are requested to write to the Company at its Registered Office at least ten days before the date of Annual General Meeting so that the same may be complied within time.
8. Members are hereby requested to notify change in their addresses, make correspondence and send documents of share transfers, etc. either directly to the Company at the Registered Office or to the Office of Share Transfer Agents of the Company, M/s Sharex Dynamic (India) Pvt. Ltd., at Unit No. 1, Luthra Industrial Premises, Andheri-Kurla Road, Safed Pool, Andheri (East), Mumbai – 400 072.
9. The Members who hold shares in electronic form are requested to bring their numbers of DP ID/ Client ID for the purpose of proper identification at the Meeting.

10. Pursuant to Section 205A of the Companies Act, 1956 all unclaimed/unpaid dividend over a period of 7 years have to be transferred by the Company to the Investors Education & Protection Fund (IEPF) constituted by the Central Government under Section 205(A) and 205(D) of the Companies Act, 1956.

Following are the details of dividend paid by the Company and their respective due dates of transfer to such Fund of the Central Government, which remains unpaid :

Date of declaration of dividend	Divided for the year	Due date of transfer to the IEPF
14 th July, 2007	2006-2007	19 th August, 2014
5 th September, 2008	2007-2008	12 th October, 2015
29 th September, 2009	2008-2009	5 th November, 2016
30 th September, 2010	2009-2010	6 th November, 2017

It may be noted that no claim of the shareholders will be entertained for the unclaimed dividends which have been transferred to the credit of the Investor Education & Protection Fund of the Central Government under the provisions of Section 205(B) of the Companies Act, 1956.

In view of the above, the shareholders are advised to send all the unencashed dividend warrants to the Company's Share Transfer Agents for revalidation and encash them before the due date for transfer to the Investor Education & Protection Fund.

11. Electronic copy of the Annual Report for 2014 is being sent to all the Members, whose e-mail IDs are registered with the Company/Depository Participants for communication purposes unless any Member has requested for a hard copy of the same. For the Members who have not registered their e-mail address, physical copies of the Annual Report for 2014 is being sent in a permitted mode. Rules 18(3)(i) of the Companies (Management and Administration) Rules, 2014 requires a Company to provide advance opportunity atleast once in a financial year to the Member to register his e-mail address and any change therein. In compliance with the same, we request the Members who do not have their e-mail ID registered with the Company, to get the same registered with the Company. Members are also requested to intimate to the Company the changes, if any, in their e-mail address.

12. Voting through electronic means:

In compliance with provisions of Clause 35B of the Listing Agreements with Stock Exchanges, Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide to Members the facility to exercise their right to vote on business to be transacted at the 30th Annual General Meeting by electronic means through e-voting services provided by Central Depository Services (India) Limited (CDSL). A Member who has voted on a resolution through the e-voting facility will not be entitled to change it subsequently. Further, a Member who has voted through the e-voting facility will not be permitted to vote again at the venue of the Annual General Meeting.

The instructions for e-voting are as under:

A Member receiving physical copy or email [for Members whose email IDs are registered with the Company/Depository Participant(s)]:

- (i) Open your web browser during the voting period and log on to the e-voting website www.evotingindia.com
- (ii) Click on “shareholders” to cast your votes.
- (iii) Select the Company’s name from the drop down menu and click on “SUBMIT”.
- (iv) Then enter your user ID

Fill up the following details in the appropriate boxes:

- 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	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant(s) are requested to use the first two letters of their names 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- e.g. if your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.
DOB	<p>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.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio.</p> <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.



KAMANWALA HOUSING CONSTRUCTION LIMITED

- (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 Electronic Voting Sequence Number (EVSN) for the relevant company name viz. "KAMANWALA HOUSING CONSTRUCTION LIMITED".
- (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 hereto 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.
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> 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.

The voting period begins on Monday, the 22nd September, 2014 (10.00 A.M.) and ends on Wednesday, the 24th September, 2014 (6.00 P.M.). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date which shall be close of business hours on 28th August, 2014, may cast their votes electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

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

Mr. Upendra C. Shukla, Practising Company Secretary, has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

The Scrutinizer shall within a period not exceeding 3 (three) working days from the conclusion of the e-voting period unblock the votes in the presence of at least 2 (two) 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.

The results shall be declared as per the proceedings of the Annual General Meeting of the Company. The results declared alongwith the Scrutinizer's report shall be placed on the Company's website www.kamanwalahousing.com and on the website of CDSL within 2 (two) days of passing of the resolutions at the Annual General Meeting of the Company and communicated to the BSE Limited.

By Order of the Board of Directors

MURARI LAL GUPTA

Vice-Chairman & Managing Director

Place: Mumbai

Date: 12th August, 2014

ANNEXURE TO THE NOTICE

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

ITEM NO. 5

Mr. Vaibhav Jain was appointed as an Additional Director of the Company at the Meeting of the Board of Directors held on 12th November, 2013. In accordance with the provisions of Section 161 of the Companies Act, 2013 ("the Act"), he holds the office as a Director upto the date of the forthcoming 30th Annual General Meeting. As Mr. Vaibhav Jain is related to the Promoters, he will be deemed to be the Promoter Director and shall be liable to retirement by rotation.

The Company has received a notice in writing under the provisions of Section 160 of the Companies Act, 2013 from a Member along with a deposit of Rs.1,00,000/- proposing the candidature of Mr. Vaibhav Jain for the office of Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

Brief resume of Mr. Vaibhav Jain, nature of his experience in specific functional areas and names of companies in which he holds directorships and memberships/ chairmanships of Board Committees and shareholding as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges are provided in the Annexure to the Notice.

The Board considers that the association of Mr. Vaibhav Jain would be of immense benefit to the Company and it is desirable to continue to avail his services as a Director. A copy of the draft letter of appointment proposed to be issued to Mr. Vaibhav Jain on his appointment as Director, setting out of the terms and conditions is available for inspection at the Company's Registered Office during the normal business hours on working day upto the date of the Annual General Meeting.

Mr. Vaibhav Jain, Mr. Atul Jain and Mrs. Pushpa Jain being related, may be deemed to be interested to the extent of their shareholding interest in the Company.

Save and except the above, none of the other Directors, key managerial personnel or their relatives, is in any way concerned or interested in the Resolution.

ITEM NO. 6

Mr. Satish Chandra Gupta was appointed as an Additional Director of the Company at the Meeting of the Board of

Directors held on 12th November, 2013. In accordance with the provisions of Section 161 of the Companies Act, 2013 ("the Act"), he holds the office as a Director upto the date of the forthcoming 30th Annual General Meeting. Pursuant to the coming into force of Section 149 of the Companies Act, 2013 from 1st April, 2014, the Company has re-assessed the status of its Directors with a view to determining their qualifying for classification as Independent Directors in term of Section 149(6) of the Act. Accordingly, Mr. Satish Chandra Gupta fulfils the criteria laid down in Section 149(6) of the Act. Section 149(10) of the Act, restricts the tenure of Independent Director to two terms of upto ten years, with a single term not exceeding five years, which shall be effective from 1st April, 2014. In compliance with the provisions of Section 149 of the Act, it is proposed to appoint Mr. Satish Chandra Gupta as an Independent Director of the Company to hold office for a term upto 31st March, 2019.

The Company has received a notice in writing under the provisions of Section 160 of the Companies Act, 2013 from a Member along with a deposit of ₹ 1,00,000/- proposing the candidature of Mr. Satish Chandra Gupta for the office of an Independent Director.

The Company has received from Mr. Satish Chandra Gupta (i) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment and Qualification of Directors) Rules, 2014; (ii) intimation in Form DIR-8 in terms of Companies (Appointment and Qualification of Directors) Rules, 2014 to the effect that he is not disqualified under Sub-Section (2) of Section 164 of the Companies Act, 2013; and (iii) a declaration to the effect that he meets the criteria of independence as provided in Sub-Section 6 of Section 149 of the Companies Act, 2013.

In the opinion of the Board of Directors, Mr. Satish Chandra Gupta, proposed to be appointed as an Independent Director, fulfills the conditions specified in the Act and the Rules made thereunder and he is independent of the Management. A copy of the draft letter of appointment proposed to be issued to Mr. Satish Chandra Gupta on his appointment as an Independent Director, setting out the terms and conditions is available for inspection at the Company's Registered Office during the normal business hours on working day upto the date of the Annual General Meeting.

Brief resume of Mr. Satish Chandra Gupta, nature of his experience in specific functional areas and names of Companies in which he holds Directorships and memberships/chairmanships of Board Committees



KAMANWALA HOUSING CONSTRUCTION LIMITED

and shareholding as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges are provided in the Annexure to the Notice.

Keeping in view his vast expertise and knowledge, the Board considers that it will be in the interest of the Company that Mr. Satish Chandra Gupta is appointed as an Independent Director.

Save and except Mr. Satish Chandra Gupta, none of the Directors or Key Managerial Personnel of the Company including their relatives is, in any way concerned or interested in the Resolution.

ITEM NO. 7

Mr. Narendra Kumar Gupta was appointed as an Additional Director of the Company at the Meeting of the Board of Directors held on 12th November, 2013. In accordance with the provisions of Section 161 of the Companies Act, 2013 ("the Act"), he holds the office as a Director upto the date of the forthcoming 30th Annual General Meeting. Pursuant to the coming into force of Section 149 of the Companies Act, 2013 from 1st April, 2014, the Company has re-assessed the status of its Directors with a view to determining their qualifying for classification as Independent Directors in term of Section 149(6) of the Act. Accordingly, Mr. Narendra Kumar Gupta fulfils the criteria laid down in Section 149(6) of the Act. Section 149(10) of the Act, restricts the tenure of Independent Director to two terms of upto ten years, with a single term not exceeding five years, which shall be effective from 1st April, 2014. In compliance with the provisions of Section 149 of the Act, it is proposed to appoint Mr. Narendra Kumar Gupta as an Independent Director of the Company to hold office for a term upto 31st March, 2019.

The Company has received a notice in writing under the provisions of Section 160 of the Companies Act, 2013 from a Member along with a deposit of ₹ 1,00,000/- proposing the candidature of Mr. Narendra Kumar Gupta for the office of an Independent Director.

The Company has received from Mr. Narendra Kumar Gupta (i) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment and Qualification of Directors) Rules, 2014; (ii) intimation in Form DIR-8 in terms of Companies (Appointment and Qualification of Directors) Rules, 2014 to the effect that he is not disqualified under Sub-Section (2) of Section 164 of the Companies Act, 2013; and (iii) a declaration to the effect that he meets the criteria

of independence as provided in Sub-Section 6 of Section 149 of the Companies Act, 2013.

In the opinion of the Board of Directors, Mr. Narendra Kumar Gupta, proposed to be appointed as an Independent Director, fulfills the conditions specified in the Act and the Rules made thereunder and he is independent of the Management. A copy of the draft letter of appointment proposed to be issued to Mr. Narendra Kumar Gupta on his appointment as an Independent Director, setting out the terms and conditions is available for inspection at the Company's Registered Office during the normal business hours on working day upto the date of the Annual General Meeting.

Brief resume of Mr. Narendra Kumar Gupta, nature of his experience in specific functional areas and names of Companies in which he holds Directorships and memberships/chairmanships of Board Committees and shareholding as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges are provided in the Annexure to the Notice.

Keeping in view the vast expertise and knowledge of Mr. Narendra Kumar Gupta, the Board considers that his appointment as an Independent Director would be in the interest of the Company.

Save and except Mr. Narendra Kumar Gupta, none of the Directors or Key Managerial Personnel of the Company including their relatives is, in any way concerned or interested in the Resolution.

ITEM NO. 8

Mr. Bhanwarlal D. Jogani was appointed as a Director and was categorized as an Independent Director in accordance with Clause No.49 of the Listing Agreement with the Stock Exchanges. Pursuant to the coming into force of Section 149 of the Companies Act, 2013 from 1st April, 2014, the Company has re-assessed the status of its Directors with a view to determining their qualifying for classification as Independent Directors in term of Section 149(6) of the Act. Accordingly, Mr. Bhanwarlal D. Jogani fulfils the criteria laid down in Section 149(6) of the Act. Section 149(10) of the Act, restricts the tenure of Independent Director to two terms of upto ten years, with a single term not exceeding five years, which shall be effective from 1st April, 2014. In compliance with the provisions of Section 149 of the Act, it is proposed to appoint Mr. Bhanwarlal D. Jogani as an Independent Director of the Company to hold office for a term upto 31st March, 2019.

The Company has received a notice in writing under the provisions of Section 160 of the Companies Act, 2013 from a Member along with a deposit of Rs.1,00,000/- proposing the candidature of Mr. Bhanwarlal D. Jogani for the office of Independent Director, to be appointed as such under the provision of Section 149 of the Companies Act, 2013.

The Company has received from Mr. Bhanwarlal D. Jogani (i) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment and Qualification of Directors) Rules, 2014; (ii) intimation in Form DIR-8 in terms of Companies (Appointment and Qualification of Directors) Rules, 2014 to the effect that he is not disqualified under Sub-Section (2) of Section 164 of the Companies Act, 2013; and (iii) a declaration to the effect that he meets the criteria of independence as provided in Sub-Section 6 of Section 149 of the Companies Act, 2013.

In the opinion of the Board of Directors, Mr. Bhanwarlal D. Jogani, proposed to be appointed as an Independent Director, fulfills the conditions specified in the Act and the Rules made thereunder and he is independent of the Management. A copy of the draft letter of appointment proposed to be issued to Mr. Bhanwarlal D. Jogani on his appointment as Independent Director, setting out the terms and conditions is available for inspection at the Company's Registered Office during the normal business hours on working day upto the date of the Annual General Meeting.

Brief resume of Mr. Bhanwarlal D. Jogani, nature of his experience in specific functional areas and names of Companies in which he holds directorships and memberships/chairmanships of Board Committees and shareholding as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges are provided in the Annexure to the Notice.

The Board considers that Mr. Bhanwarlal D. Jogani's continued association would be of immense benefit to the Company and it is desirable to continue to avail his services as Independent Director.

Save and except Mr. Bhanwarlal D. Jogani, none of the Directors or Key Managerial Personnel of the Company including their relatives is, in any way concerned or interested in the Resolution.

ITEM NO. 9

The tenure of the Office of Mr. Amit Jain, as a Whole-time Director of the Company, expired at the close of business hours on 31st July, 2014.

The Board of Directors at its Meeting held on 27th May, 2014 considered and approved subject to the approval of Members at the forthcoming Thirtieth Annual General Meeting, the re-appointment of Mr. Amit Jain as a Whole-time Director of the Company for a further term of 3 (three) years with effect from 1st August, 2014. His re-appointment is in accordance with the provisions of Section – II of Part – II of Schedule V to the Companies Act, 2013. The main terms and conditions of his re-appointment as recommended by the Remuneration Committee and as specified in the draft agreement as to the remuneration payable to him are as follows:

Remuneration:

A. Salary & Perquisites:

- | | |
|---|---|
| (i) Salary | : ₹ 1,10,000/- per month (in the pay scale of ₹ 1,10,000 – ₹ 15,000 – ₹ 1,40,000) |
| (ii) Commission | : 1% of the Net Profit of the Company |
| (iii) Perquisites: | |
| (a) Medical Benefit for self and family | : One month's salary per annum |
| (b) Leave Travel Allowance | : One month's salary per annum |
| (c) Electricity | : Payment of actual Bills |

B. Payment of the following perquisites will not be included in the computation of the ceiling on remuneration:

- (i) **Provident Fund / Superannuation Fund:**
Company's contribution to Provident Fund or Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income-tax Act, 1961.
- (ii) **Gratuity:**
One-half month's salary for each completed year of service.