



**LABORATORIES LIMITED**

[CIN: L24231GJ1988PLC010956]

**26<sup>TH</sup> ANNUAL REPORT**  
**2013-14**



## **26<sup>TH</sup> ANNUAL REPORT 2013-14**

---

### **COMPANY INFORMATION**

#### **BOARD OF DIRECTORS**

Mr. Kamlesh J. Laskari	-	Chairman & Managing Director
Mr. Rohan K. Laskari	-	Executive Director
Mr. Sohan K. Laskari		Executive Director
Ms. Ranak K. Laskari	-	Director
Dr. Mahendra P. Shah	-	Director
Dr. S.L.Chopra	-	Director
Dr. Atul N. Parikh		Director
Mr. Haresh S. Parikh		Director

#### **COMPANY LAW CONSULTANTS :**

M/s. Kashyap R. Mehta & Associates,  
Company Secretaries,  
Ahmedabad

#### **BANKERS**

Bank of Baroda  
Sola Road Branch,  
Ahmedabad

#### **AUDITORS**

M/s. Deepak Soni & Associates,  
Chartered Accountants,  
Ahmedabad

#### **REGISTERED OFFICE & FACTORY**

737, Rakanpur Village,  
Sola-Santej Road, Ta. Kalol (N.G.),  
Dist. Gandhinagar - 382 721.

<b>CONTENTS</b>	<b>Page</b>
NOTICE	1-10
DIRECTORS' REPORT	11-13
CORPORATE GOVERNANCE REPORT	14-20
INDEPENDENT AUDITORS' REPORT	21-25
BALANCE SHEET	26
STATEMENT OF PROFIT & LOSS	27
CASHFLOW STATEMENT	28-29
NOTES	30-44

---

**NOTICE**

**NOTICE** is hereby given that the **26<sup>TH</sup> ANNUAL GENERAL MEETING** of the members of **KAMRON LABORATORIES LIMITED** will be held as scheduled below:

Date : 30<sup>th</sup> September, 2014  
Day : Tuesday  
Time : 11.00 a. m.  
Place : Registered Office of the Company at:  
737, Rakanpur Village, Sola - Santej Road,  
Taluka: Kalol (N. Guj.), Dist: Gandhinagar - 382 721.

to transact the following business:

**ORDINARY BUSINESS :**

1. To receive, consider and adopt Audited Statement of Profit and Loss for the year ended 31<sup>st</sup> March, 2014 and the Balance Sheet as on that date along with Auditors' Report and Director's Report thereon.
2. To appoint a Director in place of Ms. Ranak K. Laskari (DIN –00461265), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and, being eligible, offers herself for re appointment
3. To appoint Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.

**SPECIAL BUSINESS:**

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

"RESOLVED THAT pursuant to provisions of Sections 149, 150 and 152 read with Schedule IV of the Companies Act, 2013 and the Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Dr. Atul N. Parikh (DIN – 00552098), an Independent Director of the Company, who was appointed as a Director liable to retire by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of the Director, be and is hereby appointed as an Independent Director of the Company to hold office for a period of 5 (five) consecutive years for a term from the conclusion of this 26<sup>th</sup> Annual General Meeting up to the conclusion of the 31<sup>st</sup> Annual General Meeting to be held in the calendar year 2019."

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 provisions of Sections 149, 150 and 152 read with Schedule IV of the Companies Act, 2013 and the Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Dr. Mahendra P. Shah (DIN – 00461325), an Independent Director of the Company, who was appointed as a Director liable to retire by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of the Director, be and is hereby appointed as an Independent Director of the Company to hold office for a period of 5 (five) consecutive years for a term from the conclusion of this 26<sup>th</sup> Annual General Meeting upto the conclusion of the 31<sup>st</sup> Annual General Meeting to be held in the calendar year 2019."

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

"RESOLVED THAT pursuant to provisions of Sections 149, 150 and 152 read with Schedule IV of the Companies Act, 2013 and the Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Haresh S. Parikh (DIN – 06654817), an Independent Director of the Company, who was appointed as a Director liable to retire by rotation and in respect of whom

the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of the Director, be and is hereby appointed as an Independent Director of the Company to hold office for a period of 5 (five) consecutive years for a term from the conclusion of this 26<sup>th</sup> Annual General Meeting upto the conclusion of the 31<sup>st</sup> Annual General Meeting to be held in the calendar year 2019.”

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

“RESOLVED THAT pursuant to provisions of Sections 149, 150 and 152 read with Schedule IV of the Companies Act, 2013 and the Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Dr. S. L. Chopra (DIN – 00461294), an Independent Director of the Company, who was appointed as a Director liable to retire by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of the Director, be and is hereby appointed as an Independent Director of the Company to hold office for a period of 5 (five) consecutive years for a term from the conclusion of this 26<sup>th</sup> Annual General Meeting up to the conclusion of the 31<sup>st</sup> Annual General Meeting to be held in the calendar year 2019.”

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

“RESOLVED THAT in supersession of the ordinary resolution passed at the 25<sup>th</sup> Annual General Meeting of the Company held on 30<sup>th</sup> September, 2013 and pursuant to provisions of section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the Company be and is hereby accorded to the Board of Directors of the Company to borrow monies for the purpose of business of the Company from any Bank, Financial Institution or any person, such sum or sums of monies as they may deem necessary, notwithstanding the fact that the monies so borrowed and the monies borrowed from time to time apart from temporary loans obtained by the Company exceed the aggregate of the paid up capital of the Company and its free reserves i.e. reserves not set apart for any specific purpose, provided that the total outstanding amount of such borrowings shall not exceed Rs. 100 Crores (Rupees One Hundred Crores only) over and above the aggregate of the paid up capital of the Company and its free reserves at any time.”

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

“RESOLVED THAT in supersession of the Ordinary Resolution passed at the 25<sup>th</sup> Annual General Meeting of the Company held on 30<sup>th</sup> September, 2013, the consent of the Company be and is hereby accorded under Section 179 and Section 180(1)(a) and other applicable provisions of the Companies Act, 2013, to the creation by the Board of Directors on behalf of the Company of such mortgages, charges, hypothecations and floating charges in such form and such manner as may be agreed to between the Board of Directors and the Company’s lenders on all or any of the movable & immovable properties of the Company both present and future of every nature and kind whatsoever and the undertaking of the Company in certain events, to secure term loans/ working capital facilities/ External Commercial Borrowings/ Debentures/ any other form of finance etc. not exceeding Rs.100 Crores (Rupees One Hundred Crores only) at any one point of time from Financial Institutions/Banks and other agencies/ parties/person with interest thereon, commitment charges, liquidated damages, charges, expenses and other monies, such mortgages and/or charges already created or to be created in future by the Company in such manner as may be thought expedient by the Board of Directors.”

10. 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 188, 196, 197, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, the Company do hereby accord its approval to the reappointment of Mr. Kamlesh J. Laskari (DIN: 00461198) as Managing Director of the Company, not liable to retire by rotation, for a period of 3 years with effect from 1<sup>st</sup> December, 2014 to 30<sup>th</sup> November, 2017 on the terms and conditions and the remuneration (which have been

## Annual Report 2013-14

approved by Nomination and Remuneration Committee) and that he be paid remuneration (even in the year of losses or inadequacy of profit) by way of Salary, perquisites and Commission not exceeding the amount thereof as set out in the Explanatory Statement which is permissible under Section II of Part II of Schedule V of the Companies Act, 2013.”

“RESOLVED FURTHER THAT the extent and scope of Salary and Perquisites as specified in the Explanatory Statement be altered, enhanced, widened or varied by the Board of Directors in accordance with the relevant provisions of the Companies Act, 2013 for the payment of managerial remuneration in force during the tenure of the Managing Director without the matter being referred to the Company in General Meeting again.”

### REGISTERED OFFICE

737, Rakanpur Village,  
Sola-Santej Road, Ta. Kalol (N.G.),  
Dist. Gandhinagar - 382 721.  
Date : 29<sup>th</sup> July, 2014.

By order of the Board,

**Kamlesh J. Laskari**  
Chairman & Managing Director

### NOTES :

1. The Explanatory Statement, pursuant to provisions of section 102 of the Companies Act, 2013 and rules made thereunder, in respect of the business under Item Nos. 4 to 10 of the Notice is annexed hereto.
2. The Register of Members and Share Transfer Books will remain closed from 12<sup>th</sup> September, 2014 to 30<sup>th</sup> September, 2014 (both days inclusive) for the purpose of Annual General Meeting.
3. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF, ON A POLL ONLY AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING 50 (FIFTY) AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PER CENT 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. Proxy form submitted on behalf of the Companies, Societies, etc. must be supported by an appropriate resolution / authority, as applicable.

4. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company, a certified copy of Board Resolution/ Authorisation document authorising their representative to attend and vote on their behalf at the Meeting.
5. Brief resume of Directors including those proposed to be appointed / re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report. The Directors have furnished the requisite declarations for their appointment / re-appointment.
6. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in physical form are requested to submit the PAN to the Company/RTA
7. The members are requested to intimate to the Company, queries, if any, at least 10 days before the date of the meeting to enable the management to keep the required information available at the meeting.
8. Pursuant to Section 72 of the Companies Act, 2013, shareholders holding shares in physical form may file nomination in the prescribed Form SH-13 and for cancellation / variation in nomination in the prescribed Form SH-14 with the Company.
9. The members are requested to bring duly filled attendance slip along with their copy of Annual Report at the Meeting.
10. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours on all working days between 11.00 A.M. and 1.00 P.M. except Sundays, up to and including the date of the Annual General Meeting of the Company.

---

**ANNEXURE TO THE NOTICE****EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 IN RESPECT OF SPECIAL BUSINESSES MENTIONED IN THE NOTICE OF 26<sup>TH</sup> ANNUAL GENERAL MEETING DATED 29<sup>TH</sup> JULY, 2014.****In respect of Item No. 4:**

Dr. Atul N. Parikh is an Independent Director on the Board of the Company. He was appointed on the Board at its meeting held on 16<sup>th</sup> September, 2013.

Dr. Atul N. Parikh was appointed as a Director liable to retire by rotation. In terms of section 149 and other applicable provisions of the Companies Act, 2013 (hereinafter referred to as the Act), which are made applicable from April 1, 2014, Dr. Atul N. Parikh being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term up to the conclusion of the 31<sup>st</sup> Annual General Meeting in the calendar year 2019. A notice has been received from a member along with deposit of requisite amount under section 160 of the Act proposing Dr. Atul N. Parikh as a candidate for the office of Director of the Company.

Dr. Atul N. Parikh is not disqualified from being appointed as Director in terms of section 164 of the Act and has given his consent to act as Director. Section 149 of the Act, inter alia, stipulates the criteria of independence should a Company propose to appoint an Independent Director on its Board. As per the provisions of the said section, an Independent Director can hold office for a term up to five consecutive years on the Board of a Company and he shall not be included in determining the total number of Directors liable to retire by rotation.

The Company has received a declaration from Dr. Atul N. Parikh that he meets with criteria of independence as prescribed both under section 149(6) of the Act and clause 49 of the Listing Agreement. Dr. Atul N. Parikh possesses appropriate skills and experience in the field of Management and Medicine. Brief resume of Dr. Atul N. Parikh, nature of his expertise in specific functional areas and names of the Companies in which he holds directorships and memberships / chairmanships of the Board/Committees, shareholding and relationship between Directors inter se, as stipulated under clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report..

In the opinion of the Board, Dr. Atul N. Parikh fulfills the conditions specified in the Act and rules made thereunder for his appointment as an Independent Director of the Company.

Keeping in view of his vast experience and knowledge, the Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Dr. Atul N. Parikh as an Independent Director.

Save and except Dr. Atul N. Parikh, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at item No. 4.

This explanatory statement may also be regarded as a disclosure under clause 49 of the Listing Agreement with the Stock Exchanges.

**In respect of Item No. 5:**

Dr. Mahendra P. Shah is an Independent Director on the Board of the Company. He was appointed on the Board at its meeting held on 31<sup>st</sup> May, 1993.

Dr. Mahendra P. Shah was appointed as a Director liable to retire by rotation. In terms of section 149 and other applicable provisions of the Companies Act, 2013 (hereinafter referred to as the Act), which are made applicable from April 1, 2014, Dr. Mahendra P. Shah being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term up to the conclusion of the 31<sup>st</sup> Annual General Meeting in the calendar year 2019. A notice has been received from a member along with deposit of requisite amount under section 160 of the Act proposing Dr. Mahendra P. Shah as a candidate for the office of Director of the Company.

Dr. Mahendra P. Shah is not disqualified from being appointed as Director in terms of section 164 of the Act and has given his consent to act as Director. Section 149 of the Act, inter alia, stipulates the criteria of independence should a Company propose to appoint an Independent Director on its Board. As per the provisions of the said section, an Independent Director can hold office for a term up to five consecutive

years on the Board of a Company and he shall not be included in determining the total number of Directors liable to retire by rotation.

The Company has received a declaration from Dr. Mahendra P. Shah that he meets with criteria of independence as prescribed both under section 149(6) of the Act and clause 49 of the Listing Agreement. Dr. Mahendra P. Shah possesses appropriate skills and experience in the field of Accounting and Finance. Brief resume of Dr. Mahendra P. Shah, nature of his expertise in specific functional areas and names of the Companies in which he holds directorships and memberships / chairmanships of the Board/ Committees, shareholding and relationship between Directors inter se, as stipulated under clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report..

In the opinion of the Board, Dr. Mahendra P. Shah fulfills the conditions specified in the Act and rules made thereunder for his appointment as an Independent Director of the Company.

Keeping in view of his vast experience and knowledge, the Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Dr. Mahendra P. Shah as an Independent Director.

Save and except Dr. Mahendra P. Shah, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially 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 Exchanges.

### **In respect of Item No. 6:**

Mr. Haresh S. Parikh is an Independent Director on the Board of the Company. He was appointed on the Board at its meeting held on 16<sup>th</sup> September, 2013.

Mr. Haresh S. Parikh was appointed as a Director liable to retire by rotation. In terms of section 149 and other applicable provisions of the Companies Act, 2013 (hereinafter referred to as the Act), which are made applicable from April 1, 2014, Mr. Haresh S. Parikh being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term up to the conclusion of the 31<sup>st</sup> Annual General Meeting in the calendar year 2019. A notice has been received from a member along with deposit of requisite amount under section 160 of the Act proposing Mr. Haresh S. Parikh as a candidate for the office of Director of the Company.

Mr. Haresh S. Parikh is not disqualified from being appointed as Director in terms of section 164 of the Act and has given his consent to act as Director. Section 149 of the Act, inter alia, stipulates the criteria of independence should a Company propose to appoint an Independent Director on its Board. As per the provisions of the said section, an Independent Director can hold office for a term up to five consecutive years on the Board of a Company and he shall not be included in determining the total number of Directors liable to retire by rotation.

The Company has received a declaration from Mr. Haresh S. Parikh that he meets with criteria of independence as prescribed both under section 149(6) of the Act and clause 49 of the Listing Agreement. Mr. Haresh S. Parikh possesses appropriate skills and experience in the field of Management. Brief resume of Mr. Haresh S. Parikh, nature of his expertise in specific functional areas and names of the Companies in which he holds directorships and memberships / chairmanships of the Board/ Committees, shareholding and relationship between Directors inter se, as stipulated under clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.

In the opinion of the Board, Mr. Haresh S. Parikh fulfills the conditions specified in the Act and rules made thereunder for his appointment as an Independent Director of the Company.

Keeping in view of his vast experience and knowledge, 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. Haresh S. Parikh as an Independent Director.

Save and except Mr. Haresh S. Parikh, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially 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 Exchanges.

**In respect of Item No. 7:**

Dr. S. L. Chopra is an Independent Director on the Board of the Company. He was appointed on the Board at its meeting held on 11<sup>th</sup> August, 1994.

Dr. S. L. Chopra was appointed as a Director liable to retire by rotation. In terms of section 149 and other applicable provisions of the Companies Act, 2013 (hereinafter referred to as the Act), which are made applicable from April 1, 2014, Dr. S. L. Chopra being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term up to the conclusion of the 31<sup>st</sup> Annual General Meeting in the calendar year 2019. A notice has been received from a member along with deposit of requisite amount under section 160 of the Act proposing Dr. S. L. Chopra as a candidate for the office of Director of the Company.

Dr. S. L. Chopra is not disqualified from being appointed as Director in terms of section 164 of the Act and has given his consent to act as Director. Section 149 of the Act, inter alia, stipulates the criteria of independence should a Company propose to appoint an Independent Director on its Board. As per the provisions of the said section, an Independent Director can hold office for a term up to five consecutive years on the Board of a Company and he shall not be included in determining the total number of Directors liable to retire by rotation.

The Company has received a declaration from Dr. S. L. Chopra that he meets with criteria of independence as prescribed both under section 149(6) of the Act and clause 49 of the Listing Agreement. Dr. S. L. Chopra possesses appropriate skills and experience in the field of Management and Medicine. Brief resume of Dr. S. L. Chopra, nature of his expertise in specific functional areas and names of the Companies in which he holds directorships and memberships / chairmanships of the Board/Committees, shareholding and relationship between Directors inter se, as stipulated under clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report..

In the opinion of the Board, Dr. S. L. Chopra fulfills the conditions specified in the Act and rules made thereunder for his appointment as an Independent Director of the Company.

Keeping in view of his vast experience and knowledge, the Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Dr. S. L. Chopra as an Independent Director.

Save and except Dr. S. L. Chopra, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at item No. 7.

This explanatory statement may also be regarded as a disclosure under clause 49 of the Listing Agreement with the Stock Exchanges.

**In respect of Item No. 8:**

The members of the Company at 25<sup>th</sup> Annual General Meeting held on 30<sup>th</sup> September, 2013 approved by way of an Ordinary Resolution under section 293(1)(d) of the Companies Act, 1956 for borrowing over and above the aggregate of the paid-up share capital and free reserves of the Company provided that the total amount of such borrowings together with the amount already borrowed and outstanding at any point of time shall not be in excess of Rs.50 Crores (Rupees Fifty Crores only), of aggregate of the paid-up share capital and free reserves of the Company.

Section 180(1)(c) of the Companies Act, 2013 effective from 12<sup>th</sup> September, 2013 requires that the Board of Directors shall not borrow money in excess of the Company's paid-up share capital and free reserves, apart from temporary loans obtained from the Company's Bankers, etc. in the ordinary course of business, except with the approval of the Company accorded by a Special Resolution.

The Company borrows funds from the Banks and Financial Institutions for its business and considering the growth of the business, the Board is of the opinion that the Company may require to borrow additional funds for both organic and inorganic growth. In view of the requirements of the increased borrowings and to comply with the requirements of section 180(1)(c) or other applicable provisions of the Companies Act, 2013, the members of the Company shall pass a Special Resolution as set out at item No. 8 of the Notice,



to enable the Board of Directors to borrow in excess of the aggregate of the paid-up share capital and free reserves of the Company. Approval of the members is being sought to borrow the money up to Rs.100 Crores (Rupees One Hundred Crores only) in excess of the aggregate of the paid-up share capital and free reserves of the Company.

None of the Directors or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out in the item No. 8.

### **In respect of Item No. 9:**

Section 180(1)(a) of the Companies Act, 2013 effective from 12<sup>th</sup> September, 2013 requires that the Board of Directors shall not sell, lease or otherwise dispose of the whole or substantially whole of the undertaking of the company. In view of the resolution relating to borrowing powers stated in Item No. 9, the Company may have to create further charges/mortgages in favour of the lenders. Therefore, a resolution enabling the Directors to create charges/mortgages on the movable/immovable properties of the Company to the extent of Rs.100 Crores (Rupees One Hundred Crores only) at any point of time is proposed.

Since the invocation of security / mortgage by the lender may be regarded as a disposal of the undertaking by the Company in favour of the Institutions / Banks, it is necessary for the members to pass a special resolution under Section 180(1)(a) of the Companies Act, 2013 before creation of the said charges / mortgages.

It is, therefore, necessary for the members to pass a Special Resolution under Section 180(1)(a) and other applicable provisions of the Companies Act, 2013, as set out at Item No. 9 of this Notice, to enable to the Board of Directors to create charges/mortgages to secure the borrowings as mentioned in Item No. 9.

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. 9.

### **In respect of Item No. 10:**

Shareholders may recall that in the 24<sup>th</sup> Annual General Meeting held on 29<sup>th</sup> September, 2012, Mr. Kamlesh J. Laskari was reappointed as Managing Director of the Company for a period of three years from 1<sup>st</sup> December, 2011 to 30<sup>th</sup> November, 2014.

The Board of Directors, on the recommendation on Nomination and Remuneration Committee, in their meeting held on 29<sup>th</sup> July, 2014 has reappointed Mr. Kamlesh J. Laskari as Managing Director for a period of 3 years i.e. from 1<sup>st</sup> December, 2014 to 30<sup>th</sup> November, 2017.

The major terms and conditions of his reappointment are as under:

#### **I. PERIOD:**

The term of the Managing Director shall be for a period of three years from 1<sup>st</sup> December, 2014 to 30<sup>th</sup> November, 2017, not liable to retire by rotation.

#### **II. REMUNERATION:**

##### **A. SALARY:**

The Managing Director shall be entitled to salary of Rs. 2,10,000/ per month.

##### **B. PERQUISITES:**

###### **1. Medical reimbursement:**

Medical reimbursement expenses incurred for the Managing Director and family subject to a ceiling of Rs. 50,000/- per year.

###### **2. Contribution to Provident Fund, Super annuation Fund and Annuity Fund to the extent these either singly or put together are not taxable under the Income tax Act, 1961.**

###### **3. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.**

###### **4. Encashment of leave at the end of the tenure.**

###### **5. Free use of Company's car with driver for Company's business and free telephone facility at residence.**

6. Leave Travel Concession for self and family of Rs. 50,000/- per year or Rs. 1,50,000/- in a block of 3 years.

**C. COMMISSION:**

The Managing Director shall be entitled to commission of 1 % of the net profits of the Company so that for any year of aggregate of salary, perquisites and commission shall not exceed the overall ceilings laid down under Section 197 of the Companies Act, 2013.

- III. The Managing Director shall be entitled to reimbursement of expenses incurred by him in connection with the business of the Company.
- IV. The Managing Director shall not, so long as he functions as such, become interested or otherwise concerned directly or through his wife and/or minor children in any selling agency of the Company without the prior approval of the Central Government.

**V. DUTIES:**

Subject to the superintendence, direction and control of the Board of Directors of the Company, the Managing Director Shall be entrusted with substantial powers of management and also such other duties and responsibilities as may be entrusted to him by the Board of Directors from time to time. The headquarter of the Managing Director shall be at Ahmedabad or at such place as the Board of Directors may decided from time to time.

**VI. TERMINATION:**

The Managing Director may be removed from his office for gross negligence, breach of duty or trust if the Company in its General Meeting to that effect passes a special Resolution. The Managing Director may resign from his office by giving 90 days' notice to the Company.

**VII. COMPENSATION:**

In the event of termination of office of Managing Director takes place before the expiration of tenure thereof, Managing Director Shall be entitled to receive compensation from the Company for loss of office to the extent and subject to limitation as provided under section 202 of the Companies Act, 2013.

As per the provisions of Sections 188,196, 197, 203 and all other applicable provisions, if any, of the Companies Act, 2013, Special Resolution is necessary for holding office as Managing Director of the Company on remuneration.

The following is the details of interest of Directors/ Key Managerial Personnel/ Relative of Director/ Relative of Key Managerial Personnel:

Sr. No.	Category	Name of Interested Director / KMP	Financial Interest	Non-Financial Interest
1.	Director	Kamlesh J. Laskari	Relates to his reappointment as Managing Director, he may be deemed to be concerned or interested in the business	
2.	Key Managerial Personnel	-	-	
3.	Relative of Director	Ranak K. Laskari Rohan K. Laskari Sohan K. Laskari	Relates to reappointment of Kamlesh J. Laskari as Managing Director, who is relative of Directors and, therefore, they may be deemed to be concerned or interested in the business	
4.	Relative of Key Managerial Personnel	-	-	