

**ANNUAL REPORT
& ACCOUNTS**
for the year ended
30th September

2014



KANCO ENTERPRISES LIMITED



KANCO ENTERPRISES LIMITED

(CIN:L51909WB1991PLC053283)

Annual Report & Accounts for the year ended 30th September, 2014

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BOARD OF DIRECTORS

Mr. U. Kanoria

Chairman & Managing Director

Mr. Susanta Banerjee

Mr. Krishna Kumar Gupta

Ms. Puja Borar

Directors

CHIEF FINANCIAL OFFICER

Mr. Sushil V. Tewary

COMPANY SECRETARY

Ms. Charulata Kabra

AUDITORS

M/s. B. R. Shah & Associates

Chartered Accountants

BANKERS

State Bank of India

IDBI Bank Ltd.

REGISTERED OFFICE

Jasmine Tower, 3rd Floor

31, Shakespeare Sarani, Kolkata 700 017

Telefax : +91 33 2281 5217

Email : compliance@kanco.in

Website : www.kanco.in

BRANCH OFFICE

207, Shitiratna, 2nd Floor

Panchavati Circle, Ahmedabad 380 006

PLANT

Kanco Overseas

Village : Walthera

Taluka : Dholka 387 810

Dist. Ahmedabad (Gujarat)

SHARE REGISTRARS

C B Management Services (P) Ltd.

P-22, Bondel Road, Kolkata 700 019

Phone : +91 33 2280 6692/93/94

Email : rta@cbmsl.com

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 24th Annual General Meeting of KANCO ENTERPRISES LIMITED will be held at "Kalakunj", 48, Shakespeare Sarani, Kolkata-700017 on Friday, the 6th day of February 2015 at 11:30 A.M. to transact the following business:-

ORDINARY BUSINESS

1. To receive, consider and adopt the Statement of Profit & Loss for the financial year ended 30th September, 2014, the Balance Sheet as on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a director in place of Mr. Susanta Banerjee (DIN: 01173116), who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Messrs B. R. Shah & Associates, Chartered Accountants, (Registration No. 129053W) as Statutory Auditors of the Company and 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 the provisions of Sections 149,150,152 and any other applicable provisions of the Companies Act, 2013, read with Schedule IV to the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in source) and Clause 49 of the Listing Agreement, Ms. Puja Borar (DIN: 06873157), who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and Article 82 of the Articles of Association of the Company on 12th August 2014 and who holds office up to the date of this Annual General Meeting 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 her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, to hold office for five consecutive years from the conclusion of this Annual General Meeting and she shall not be liable to retire by rotation."

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 Sections 149,150,152 and any other applicable provisions of the Companies Act, 2013, read with Schedule IV to the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in source) and Clause 49 of the Listing Agreement, Mr. Krishna Kumar Gupta (DIN: 06657407), Director of the Company whose period of office is liable to determination by retirement of directors by rotation and in respect of whom the Company has received a notice in writing from a Member of the Company under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company, to hold office for five consecutive years from the conclusion of this Annual General Meeting and he shall not be liable to retire by rotation."

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

"RESOLVED THAT pursuant to Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Meetings of Board and its Powers) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in source), approval of the Company be and is hereby accorded to the Board of Directors of the Company(hereinafter referred to as the "Board" which term shall include any Committee thereof) to the creation of Charges, Mortgages and Hypothecations in addition to the existing charges, mortgages and hypothecations created by the Company, on such of the Assets of the Company, both present and future, in such manner as the Board/Committee of the Board may direct, together with power to take over the management of the Company in certain events, to or in favour of financial institutions, foreign financial institutions, investment institutions and their subsidiaries, banks, mutual funds, trusts, any other bodies corporate (herein after referred to as the "Lending Agencies") and Trustees for the holders of debentures/ bonds/ and/or other instruments which may be issued on private placement basis or otherwise, to secure rupee term loans/ foreign currency loans/ working capital loans/ debentures, bonds and other instrument of an outstanding value

NOTICE OF ANNUAL GENERAL MEETING (Contd.)

of ₹ 75 Crores (Rupees Seventy Five Crores only) over and above the aggregate of the paid up capital and free reserves of the Company together with interest thereon at the agreed rates, further interest, liquidated damages, premium on re-payment or redemption, costs, charges, expenses and all other money payable by the Company to the trustees under the Trust deed and to the Lending Agencies under their respective Agreement/ Loan Agreement/ Debenture Trust Deeds entered/ to be entered into by the Company in respect of the said borrowings.”

“RESOLVED FURTHER THAT the Board be and is hereby authorised to negotiate and finalise all the documents for creating the aforesaid mortgage and/or charge and to do all such acts, deeds, matters and things as may be necessary, desirable or expedient, for giving effect to this resolution.”

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

“RESOLVED THAT pursuant to Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Meetings of Board and its Powers) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in source), approval of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall include any Committee thereof), to borrow , for the purposes of the Companies business, any sum or sums of money together with the moneys already borrowed by the Company (apart from temporary loan obtained from time to time from the Company’s bankers in the ordinary course of business) may exceed the aggregate of the paid-up capital of the company and its free reserves excluding the reserves set apart for any specific purpose, provided that the aggregate of all sums borrowed by the Board from time to time and remaining outstanding shall not exceed, at any point of time, ₹ 75 Crores (Rupees Seventy Five Crores only) over and above the aggregate of the paid up capital and free reserves of the Company.”

“RESOLVED FURTHER THAT the Board be and is hereby authorised to negotiate and finalise all the terms and conditions of all such moneys to be borrowed from time to time as to interest, repayment, securities, etc and to do all such acts, deeds, matters and things as it may, in its absolute discretion deem fit, necessary, desirable or expedient for giving effect to this resolution.”

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

“RESOLVED THAT subject to the approval of Central Government and pursuant to the provisions of Sections 196, 197 and 203, Schedule V to the Companies Act, 2013 and all the applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the approval of the Company be and is hereby accorded to the re-appointment of Mr. Umang Kanoria (DIN: 00081108) as the Managing Director of the Company for a period of three years with effect from 1st January, 2015, upon the terms and conditions including remuneration as recommended by the Nomination and Remuneration Committee and set out in the Explanatory Statement annexed hereto, with a liberty to the Board of Directors to alter and vary the terms and conditions of the appointment and/or of the agreement in such a manner, as may, from time to time, be stipulated by the Central Government or to be in consonance with any revised terms and conditions as may be prescribed by the Central Government in the Schedule V or any modification(s) thereto, as may be agreed to between the Board of Directors and Mr. Umang Kanoria.”

“RESOLVED FURTHER THAT in the event of any loss or inadequacy of profits, in any financial year of the Company, during the term of Mr. Umang Kanoria as Managing Director, the remuneration including perquisites stipulated in the aforesaid agreement shall be paid to Mr. Umang Kanoria as the minimum remuneration, provided that the total remuneration by way of salary, perquisites and other allowances shall not exceed the ceiling as provided in Section II of Part II of Schedule V as may be amended from time to time.”

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 Section 186 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Meetings of Board and its Powers) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in source), consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “Board”, which term shall include any Committee



NOTICE OF ANNUAL GENERAL MEETING (Contd.)

constituted by the Board or any person(s) authorized by the Board to exercise the powers conferred on the Board by this Resolution) to invest/acquire the securities of any other Body Corporate by way of subscription/purchase or otherwise, upto a sum of ₹ 10,00,000/- (Rupees Ten Lacs only) notwithstanding that the aggregate of the investments so far made or to be made exceeds the limits/will exceed the limits laid down by the Act.”

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

Registered Office :

Jasmine Tower, 3rd Floor
31, Shakespeare Sarani, Kolkata 700 017
(CIN : L51909WB1991PLC053283)

Telefax: +91 33 2281-5217

Email id: compliance@kanco.in • Website: www.kanco.in

Dated, November 29, 2014

By Order of the Board
For KANCO ENTERPRISES LIMITED

CHARULATA KABRA
Company Secretary

Notes :

- I. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** The proxy form duly completed and signed, should be deposited with the Company, at its registered office at least 48 hours before the time of the meeting. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority as applicable. A proxy form for the Annual General Meeting is enclosed.

A person can act as a proxy on behalf of the members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or members.

- II. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf in the meeting.
- III. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in relation to the Special Business of the Meeting is annexed hereto and forms part of this notice.
- IV. Pursuant to the provisions of Section 91 of the Companies act, 2013, the Register of Members and Share Transfer Books of the Company will remain closed from 4th February, 2015 to 6th February, 2015 (both days inclusive) for the purpose of the Annual General Meeting.
- V. Members are requested to bring their copy of Annual Report at the Meeting and produce the enclosed attendance slip at the entrance to the place of the meeting.
- VI. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company on weekdays (3.00 p.m. to 5 p.m.) up to and including the date of the Annual General Meeting of the Company.
- VII. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
- VIII. The Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
- IX. As per Clause 49 of the Listing Agreement with the Stock Exchanges, the brief resume of the director(s) proposed for re-appointment/appointment is included in the Report on Corporate Governance.

NOTICE OF ANNUAL GENERAL MEETING (Contd.)

- X. Copies of the Annual Report for the year ended October 2013-September 2014, the Notice of the 24th Annual General Meeting, instructions for e-voting, Attendance Slip and Proxy Form, are being sent by electronic mode only to all the members whose email addresses are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the Annual Report for the year ended October 2013-September 2014, the Notice of the 24th Annual General Meeting, instructions for e-voting, Attendance Slip and Proxy Form are being sent by the permitted mode. Members may register their email address by visiting Website namely www.cbmsl.com/green.php of our Registrar and Share Transfer Agent.
- XI. Members may also note that the Notice of the Annual General Meeting and the Annual Report for the year ended October 2013-September 2014 will also be available on the Company's website www.kanco.in for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Kolkata for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the members may also send requests to the email id: compliance@kanco.in or rta@cbmsl.com.
- XII. Members seeking any information with regard to Accounts may write to the Company 7 (seven) days before the date of the Annual General Meeting.
- XIII. 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 electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their Demat accounts. Members holding shares in physical form can submit their PAN to the Company or its Registrar and Share Transfer Agent.
- XIV. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. The nomination form can be downloaded from the Company's website.
- XV. Voting through electronic means :
- a. Pursuant to Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 and Clause 35B of the Listing Agreement, the Company is pleased to provide members facility to exercise their rights to vote at the 24th Annual General Meeting by electronic means. The business may be transacted through e-voting Services provided by Central Depository Services (India) Limited (CDSL).
 - b. The e-Voting procedure to be followed by the shareholders to cast their votes:

A. In case of members receiving e-mail:

 - (i) Open your web browser during the voting period, from 27th January, 2015 (9.00 a.m.) to 29th January, 2015 (6.00 p.m.).
 - (ii) Log on to the e-voting website www.evotingindia.com
 - (iii) Click on "Shareholders" tab.
 - (iv) Now, select the Company Name- "**KANCO ENTERPRISES LIMITED**" from the drop down menu and click on "SUBMIT".
 - (v) Now Enter your User ID
 - a. For **CDSL**: 16 digits beneficiary ID,
 - b. For **NSDL**: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
 - (vi) Next enter the Image Verification as displayed and Click on Login.
 - (vii) 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.

**NOTICE OF ANNUAL GENERAL MEETING (Contd.)**

(viii) 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 are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 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 member id / folio number in the Dividend Bank details field as mentioned in instruction (viii).

- (ix) After entering these details appropriately, click on “SUBMIT” tab.
- (x) Members holding shares in physical form will then directly reach 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.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant **<KANCO ENTERPRISES LIMITED>** on which you choose to vote.
- (xiii) 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.
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) 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.
- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xviii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.



NOTICE OF ANNUAL GENERAL MEETING (Contd.)

(xix) Note for Institutional Shareholders

- Institutional shareholders (i.e. other than Individuals, HUF, NRI, etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com or aklabhcs@gmail.com.
- After receiving the login details, compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for 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.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xx) 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/compliance@kanco.in/rtat@cbmsl.com.

B. In case of members receiving the physical copy:

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

XVI. The e-voting commences on 27th January, 2015 (9.00 a.m.) and ends on 29th January, 2015 (6.00 p.m.). The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

XVII. As the voting would be through electronic means, the members who do not have access to e-voting may requisite a Physical Ballot Form from the Company. You are required to fill in the ballot form and enclose it in a sealed envelope and send it to the Scrutinizer. Unsigned, incomplete or incorrectly ticked forms shall be rejected. The ballot must be received by the Scrutinizer on or before 29th January, 2015 (6.00 pm). The Scrutinizers decision on the validity of the forms will be final. Members are required to vote only through the electronic system or through ballot only and in no other form. In the event a member casts his votes through both the processes, the votes in the electronic system would be considered and the ballot vote would be ignored.

XVIII. You can also update your mobile number and email id in the user profile details of the folio which may be used for sending future communication(s).

XIX. The voting rights of members shall be in proportion to their shares in the paid up equity share capital of the Company as on the cut-off date of 26th December, 2014.

XX. Mr. A. K. Labh, Practising Company Secretary (Membership No. 4848/CP No.3238) (Address: A. K. Labh & Co., Company Secretaries, 40, Weston Street, 3rd Floor, Kolkata - 700013) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

XXI. The Scrutinizer shall within a period not exceeding three(3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

XXII. The Results shall be declared on or after the Annual General Meeting of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.kanco.in and on the website of CDSL within two (2) days of passing of the resolutions at the Annual General Meeting of the Company and communicated to the Stock Exchanges.

NOTICE OF ANNUAL GENERAL MEETING (Contd.)

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

Item No. 4

Pursuant to Article 82 of the Articles of Association of the Company and in terms of Section 161 of the Companies Act, 2013, Ms. Puja Borar was appointed as an Additional Director of the Company on 12th August 2014 by the Board of Directors of the Company and holds office as Director up to the date of ensuing Annual General Meeting.

Ms. Puja Borar, born on 22nd March, 1989 is a practising Chartered Accountant by profession. She has got rich experience in Accounts, Taxation and Corporate Laws.

Ms. Puja Borar does not hold by herself or for any other person on a beneficial basis, any shares in the Company.

It is proposed to appoint Ms. Puja Borar as Independent Director under Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement to hold office for five consecutive years from the conclusion of this Annual General Meeting not liable to retire by rotation. Ms. Puja Borar is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013.

The Company has received notice in writing from a member along with the deposit of ₹ 1,00,000/- (Rupees One Lac Only) under Section 160 of the Companies Act, 2013 proposing the candidature of Ms. Puja Borar for the office of Director of the Company.

In the opinion of the Board, Ms. Puja Borar fulfills the conditions specified in the Companies Act, 2013 and the Listing Agreement and is Independent of the Management. The Board considers that her continued association would be of immense benefit to the Company and recommends the Resolution to be passed as an Ordinary Resolution by the Members.

Copy of the draft letter for the appointment of Ms. Puja Borar as an Independent Director setting out the terms and conditions is available for inspection by members at the Registered Office of the Company.

Ms. Puja Borar is concerned or interested in the resolution set out at Item No. 4, which pertains to her appointment. The relatives of Ms. Puja Borar may be deemed interested in the resolution set out at Item No. 4 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No.4 of the Notice.

Item No. 5

Mr. Krishna Kumar Gupta is a Non-Executive Independent Director of the Company since 13th August 2013.

Mr. Krishna Kumar Gupta, born on 9th April, 1952 is a Graduate in Science from Calcutta University with robust understanding in the field of Administration and Human Resources Development (HRD) for over 35 years brings along vast experience in Human Relations.

Mr. Krishna Kumar Gupta does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

Mr. Krishna Kumar Gupta is a director whose period of office is liable to determination of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. It is proposed to appoint Mr. Krishna Kumar Gupta as Independent Director under Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement to hold office for five consecutive years from the conclusion of this Annual General Meeting not liable to retire by rotation. Mr. Krishna Kumar Gupta is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013.

The Company has received notice in writing from a member along with the deposit of ₹ 1,00,000/- (Rupees One Lac Only) under Section 160 of the Companies Act, 2013 proposing the candidature of Mr. Krishna Kumar Gupta for the office of Director of the Company.

In the opinion of the Board, Mr. Krishna Kumar Gupta fulfills the conditions specified in the Companies Act, 2013 and the Listing Agreement and is Independent of the Management.

The Board considers that his continued association would be of immense benefit to the Company and recommends the Resolution to be passed as an Ordinary Resolution by the Members.

Copy of the draft letter for the appointment of Mr. Krishna Kumar Gupta as an Independent Director setting out the terms and conditions is available for inspection by members at the Registered Office of the Company.

NOTICE OF ANNUAL GENERAL MEETING (Contd.)

Mr. Krishna Kumar Gupta is concerned or interested in the resolution set out at Item No. 5, which pertains to his appointment. The relatives of Mr. Krishna Kumar Gupta may be deemed interested in the resolution set out at item No. 5 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No.5 of the Notice.

Item No. 6

At the Extra Ordinary General Meeting held on 30th March 1998, the members had, by way of an Ordinary Resolution and in pursuance of provisions of Section 293(1)(a) of the Companies Act, 1956, accorded consent to the Board of Directors for creating mortgage or charge on its movable or immovable properties, for an amount not exceeding ₹ 75 Crores (Rupees Seventy Five Crores only) over and above the aggregate of the paid up capital and free reserves of the Company.

Under Section 180(1)(a) of the Companies Act, 2013, the Board of Directors shall not create mortgage or charge on its movable or immovable properties, except with the consent of the members accorded by way of a special resolution.

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. 6 of the Notice, to enable the Board of Directors to create mortgage or charge on its movable or immovable properties, approval of members is being sought.

None of the Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the Notice.

The Board therefore, recommends the Resolution to be passed as Special Resolution by the Members.

Item No. 7

The members of the Company at the Extra ordinary General Meeting held on 30th March 1998 approved by way of an Ordinary Resolution under Section 293(1)(d) of the Companies Act, 1956, borrowings over and above the aggregate of paid up share capital and free reserves of the Company provided that the total amount of such borrowings together with the amounts already borrowed and outstanding at any point of time shall not be in excess of ₹ 75 Crores (Rupees Seventy Five Crores only).

Under Section 180(1)(c) of the Companies Act, 2013, 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 in the ordinary course of business, except with the consent of the company accorded by way of a special resolution.

It is, therefore, necessary for the members to pass a Special Resolution under Section 180(1)(c) and other applicable provisions of the Companies Act, 2013, as set out at Item No. 7 of the Notice, to enable to the Board of Directors to borrow money in excess of the aggregate of the paid up share capital and free reserves of the Company. Approval of members is being sought to borrow money upto ₹ 75 Crores (Rupees Seventy Five Crores only) in excess of the aggregate of the paid up share capital and free reserves of the Company.

None of the Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No.7 of the Notice.

The Board therefore, recommends the Resolution to be passed as Special Resolution by the Members.

Item No. 8

Mr. Umang Kanoria was reappointed as the Chairman and Managing Director of the Company with effect from 1st January, 2012 for a period of 3 years. On expiry of the said term, he is proposed to be re-appointed as the Chairman and Managing Director for a further period of 3 years with effect from 1st January, 2015. The Board of Directors in their Meeting dated 29th November 2014 have approved the re-appointment of Mr. Umang Kanoria as the Chairman and managing Director of the Company for a further period of three years from 1st January, 2015 on the re-appointment, remuneration and the perquisites recommended by the Nomination and Remuneration Committee in their meeting held on 24th November 2014. He is holding 4008929 number of equity shares in the Company.

The remuneration of Mr. Umang Kanoria as the Chairman and Managing Director, with effect from 1st January, 2015 is given below :-

1. Salary (Basic) per month: ₹ 2,00,000/-
2. Allowances/Perquisites: