



**KIRAN VYAPAR**  
LIMITED

# 18<sup>TH</sup> ANNUAL ACCOUNTS

## 2013 - 2014



Securing a brighter tomorrow

## CORPORATE INFORMATION

### **BOARD OF DIRECTORS**

Mr. Lakshmi Niwas Bangur – Chairman  
Mr. Shreeyash Bangur – Managing Director  
Mr. Yogesh Bangur – Director  
Mr. Amitav Kothari – Independent Director  
Mr. Bhaskar Banerjee – Independent Director  
Mr. Rajiv Kapasi - Independent Director

### **STOCK EXCHANGES**

BSE Limited, Mumbai  
The Calcutta Stock Exchange Limited, Kolkata

### **BANKERS**

HDFC Bank Ltd.  
UCO Bank  
Kotak Mahindra Bank Ltd.

### **STATUTORY AUDITORS**

M/s. Agarwal Maheswari & Co.  
Chartered Accountants, Kolkata

### **REGISTERED OFFICE**

Krishna, 7th Floor, Room no. 706  
224, A.J.C. Bose Road  
Kolkata – 700017  
Tel: (033) 22230016 /18; Fax : (033) 2223 1569  
Email : kvl@lnbgroup.com  
Website : www.lnbgroup.com  
CIN : L51909WB1995PLC071730

### **CORPORATE OFFICE**

3rd Floor, Uptown Banjara,  
Road No. 3, Banjara Hills  
Hyderabad - 5000034

### **REGISTRAR & SHARE TRANSFER AGENT**

Maheswari Datamatics Pvt. Ltd.  
6, Mangoe Lane, 2nd Floor  
Kolkata- 700001

### **CHIEF FINANCIAL OFFICER**

Mr. Ajay Sonthalia

### **COMPANY SECRETARY**

Mr. Aakash Jain

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## **NOTICE**

Notice is hereby given that the 18th Annual General Meeting of the Members of KIRAN VYAPAR LIMITED will be held at Far Pavilion, The Tollygunge Club Ltd., 120 Deshpriya Sasmal Road, Kolkata – 700033 on Wednesday, the 10th day of September, 2014 at 1.30 P.M. to transact the following businesses:

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Statement of Profit and Loss for the year ended 31st March, 2014 and Balance Sheet as at that date together with reports of the Board of Directors and Auditors thereon.
2. To declare a dividend on equity shares.
3. To appoint a Director in place of Mr. Yogesh Bangur (DIN 02018075), who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint M/s. Agarwal Maheswari & Co., Chartered Accountants (Firm Registration Number 314030E), the retiring auditors, as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the 23rd Annual General Meeting, (subject to ratification by shareholders at every Annual General Meeting, held after this Annual General Meeting), at such remuneration and other terms and conditions as may be fixed by the Board of Directors of the Company.

### **SPECIAL BUSINESS:**

5. **To consider and, if thought fit, to pass with or without modification, the following resolution as an ORDINARY RESOLUTION :**

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and all other applicable provisions 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 applicable provisions of the Equity Listing Agreement with the Stock Exchange(s) as may be amended from time to time, Mr. Lakshmi Niwas Bangur (DIN 00012617), who was appointed as an Additional Director pursuant to Section 260 of the Companies Act, 1956 (corresponding to Section 161 of the Companies Act, 2013) 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 his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

6. **To consider and, if thought fit, to pass with or without modification, the following resolution as an ORDINARY RESOLUTION :**

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions 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 applicable provisions of the Equity Listing Agreement with the Stock Exchange(s) as may be amended from time to time, Mr. Amitav Kothari (DIN 01097705), who was appointed as an Additional Director pursuant to Section 260 of the Companies Act, 1956 (corresponding to Section 161 of the Companies Act, 2013) 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 his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, and to hold office for 5 (five) consecutive years from the date of this Annual General Meeting up to the 23rd Annual General Meeting of the Company.”

**7. To consider and, if thought fit, to pass with or without modification, the following resolution as an ORDINARY RESOLUTION :**

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions 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 applicable provisions of the Equity Listing Agreement with the Stock Exchange(s) as may be amended from time to time, Mr. Bhaskar Banerjee (DIN 00013612), who was appointed as an Additional Director pursuant to Section 260 of the Companies Act, 1956(corresponding to Section 161 of the Companies Act, 2013) 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 his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, and to hold office for 5 (five) consecutive years from the date of this Annual General Meeting up to the 23rd Annual General Meeting of the Company.”

**8. To consider and, if thought fit, to pass with or without modification, the following resolution as an ORDINARY RESOLUTION :**

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions 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 applicable provisions of the Equity Listing Agreement with the Stock Exchange(s) as may be amended from time to time, Mr. Rajiv Kapasi (DIN 02208714), who was appointed as an Additional Director pursuant to Section 260 of the Companies Act, 1956(corresponding to Section 161 of the Companies Act, 2013) 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 his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, and to hold office for 5 (five) consecutive years from the date of this Annual General Meeting up to the 23rd Annual General Meeting of the Company.”

**9. To consider and, if thought fit, to pass with or without modification, the following resolution as a SPECIAL RESOLUTION :**

**“RESOLVED THAT** pursuant to the provisions of Sections 196, 197 of the Companies Act, 2013 read with Schedule V and Articles of Association of the Company and other applicable provisions and rules framed thereunder (including any statutory modifications or re-enactments thereof), the consent of the Company be and is hereby accorded to the appointment of Mr. Shreeyash Bangur (DIN: 00012825) as the Managing Director of the Company for a period of 3 years with effect from 4th November, 2013 on such remuneration and other terms and conditions set out in the Explanatory Statement;

**RESOLVED FURTHER THAT** the Board of Directors and/or a Committee of the Board are hereby authorized to alter and vary the terms and conditions of the appointment and/or agreement, in such manner as may be mutually decided between the Board of Directors and Mr. Shreeyash Bangur, within the limits prescribed under Schedule V read with other applicable provisions of the Companies Act, 2013 and to do all such acts, deeds and things to give effect to the above resolution.”

**10. To consider and, if thought fit, to pass with or without modification, the following resolution as a SPECIAL RESOLUTION :**

**“RESOLVED THAT** pursuant to Section 14 and all other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification(s), enactment(s) or re-enactment(s) thereof for the time being in force), the Article numbers 1 to 160 of the existing Articles of Association (“Existing Articles”) of the Company be and are hereby replaced, altered, modified, revised and renumbered, so as to insert Articles bearing numbers 1 to 68 in place thereof ;

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to perform all acts, deeds and things, execute documents, and make all filings, as may be necessary to give effect to the above resolution and to take all such steps for giving any such direction as may be necessary or desirable and to settle any questions or difficulties whatsoever that may arise for the purpose of giving effect to this resolution.”

**11. To consider and, if thought fit, to pass with or without modification, the following resolution as a SPECIAL RESOLUTION :**

**“RESOLVED THAT** pursuant to the provisions of Section 197 and other applicable provisions, if any, of the Companies Act, 2013 and the rules framed thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force) and applicable provisions of the Equity Listing Agreement with the Stock Exchange(s) as may be amended from time to time, the consent of the Company be and is hereby accorded for payment of remuneration by way of commission to its Non-Executive Directors (including Independent Directors) annually for each of the five financial years commencing from financial year 2014-2015 and amount not exceeding 1% (one percent) of the net profits of the Company, computed in the manner prescribed in Section 198 of the Companies Act, 2013 subject to a ceiling of Rs. 2,50,000/- in case of each such director in any financial year, and further that the above remuneration shall be in addition to the fee payable to such Directors for attending the meetings of the Board and/or Committee thereof or for any other purpose whatsoever as may be decided by the Board of Directors and reimbursement of expenses for participation in the Board and / or other meetings and such commission shall be distributed amongst them, or some or any of them, in such proportion or in such manner as may be decided by the Board of Directors and/or its Committee thereof from time to time.”

**12. To consider and, if thought fit, to pass with or without modification, the following resolution as a SPECIAL RESOLUTION :**

**“RESOLVED THAT** in supersession of all the earlier resolutions passed by the Company in this regard and pursuant to the provisions of Section 180(1)(c) and other applicable provisions if any, of the Companies Act, 2013 and the rules framed thereunder (including any statutory modification or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to the Board of Directors of the Company for borrowing from the Company’s Bankers or any other bank, financial institutions, bodies corporate(s), persons etc. from time to time as the need be for the business of the Company, any sum or sums of money, on such terms and conditions and with or without security as the Board of Directors may think fit, which together with the monies already borrowed by the Company (apart from cash credit arrangements, discounting of bills and temporary loans obtained or to be obtained 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 for the time being, that is to say, reserves not set apart for any specific purpose, provided that the total such borrowings by the Board at any time shall not exceed the limit of Rs.700 Crores (Rupees Seven hundred crores only)”.

**13. To consider and, if thought fit, to pass with or without modification, the following resolution as a SPECIAL RESOLUTION :**

**“RESOLVED THAT** pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as the “Board” which expression shall also include a committee thereof) to create charges, mortgages and hypothecations in addition to the existing charges, mortgages and hypothecations created by the Company, on such immovable and movable properties of the Company, wherever situated, both present and future, and in such manner as the Board may deem fit, with or without conferring power to enter upon and to take possession of such properties and the whole of the undertaking together with power to takeover of the substantial assets of the Company in certain events in favour of any lender or holder of security or their agent and trustee including financial institutions and commercial banks to secure the borrowings in the form of the rupee term loans, corporate loans, foreign currency loans, non-convertible debentures and/or working capital limits and any other form of loan of whatever nature either at a time or from time to time for securing borrowings or securities or liabilities not exceeding Rs 700 Crores (Rupees Seven hundred Crores only) or the aggregate of the paid-up share capital and free reserves of the Company, at the relevant time, whichever is higher, together with interest thereon at the respective agreed rates, compound interest, additional interest, liquidated damages, premia on prepayment or on redemption, costs, charges, expenses and other monies and remuneration of Trustees, if any, payable by the Company in terms of the loan agreement/ Trust Deed/other documents to be finalized and executed between the Company and the Agents and Trustees/Lenders as above and containing such specific terms and conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Board of Directors and the Lenders/Agents and Trustees;

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to finalise documents for creation of charge, mortgage and hypothecation and to do all such acts, deeds, matters and things and to execute all such documents or writings as may be required for giving effect to the resolution.”

**By order of the Board  
For Kiran Vyapar Limited**

**Place: Kolkata  
Date: 07.08.2014**

**Aakash Jain  
Company Secretary**

**NOTES:**

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE 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. PROXY IN ORDER TO BE EFFECTIVE SHOULD BE DULY STAMPED, COMPLETED, SIGNED AND DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
- A person can act as proxy on behalf of 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 member.

3. The relevant Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, setting out the material facts concerning each item of special business to be transacted at the meeting is annexed hereto and forms part of the Notice.
4. Information to Members as prescribed in Clause 49 of Listing Agreement in respect of appointment / reappointment as Directors, is given at Annexure –A to this notice.
5. The Register of Members and Share Transfer Books of the Company will remain closed from 3rd September, 2014 to 10th September, 2014 (both days inclusive).
6. Corporate Members 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 Dividend, as recommended by the Board, if declared at the Annual General Meeting will be paid on or after 10th September, 2014 to those Members whose names stand registered on the Company's Register of Members
  - a) as Beneficial Owners as at 2nd September, 2014 as per the list to be furnished by National Securities Depository Services Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) in respect of shares held in electronic form; and
  - b) as Members in the Register of Members of the Company after giving effect to all the valid share transfers in physical form which are lodged with the Company before 3rd September, 2014.
8. Members holding shares in physical form are requested to intimate change in their registered address mentioning full address in block letters with Pin code of the Post office, mandate, bank particulars and Permanent Account Number (PAN) to the Company's Registrar and Share Transfer Agent and in case of members holding their shares in electronic form, this information should be given to their Depository Participants immediately.
9. National Electronic Clearing Service (NECS):
  - (a) To avoid loss of dividend warrants in transit and undue delay in receipt of dividend warrants, the Company has provided National Electronic Clearing Service (NECS) facility to the Members for remittance of dividend. NECS facility is available at locations identified by Reserve Bank of India from time to time. Members holding shares in physical form and desirous of availing this facility are requested to provide their latest bank account details (Core Banking Solutions Enabled Account Number, 9 digit MICR and 11 digit IFS Code), along with their Folio Number, to the Company's Registrar and Share Transfer Agent (RTA), M/s Maheshwari Datamatics Private Limited. Members holding shares in electronic form are requested to provide the details to their respective Depository Participants.
  - (b) Members holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrar cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members.
10. Members holding equity shares in physical form are advised in their own interest to avail of the nomination facility by filing form SH -13 and deposit the same with the Company or its RTA. Members holding shares in demat form may contact their respective Depository Participant for recording Nomination in respect of their shares.
11. The Company has entered into necessary arrangement with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) to enable the Members to dematerialize their shareholding in the Company for which they may contact the Depository Participant of either of the above Depositories. The Equity Shares of the Company are compulsorily required to be traded in dematerialized form by all Investors.
12. The Ministry of Corporate Affairs vide its Circular Nos.17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 respectively, has undertaken a 'Green Initiative' and allowed Companies to share documents with its shareholders



through electronic mode. Members are requested to support this Green Initiative by registering/updating their e-mail addresses, in respect of shares held in dematerialized form with Depository Participants and in respect of shares held in physical form with the Company's Registrar and Share Transfer Agent, i.e. M/s. Maheshwari Datamatics Private Limited, 6, Mangoe Lane, Kolkata – 700 001 at mdpl@cal.vsnl.net.

13. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN details to their respective Depository Participants. Members holding shares in physical form are requested to submit their PAN details to the Company or its Registrar and Share Transfer Agent.
14. Members are requested to bring their attendance slip duly completed and signed, to be handed over at the entrance of the meeting hall. Members are also requested to bring their copy of Annual Report at the meeting.
15. Members desirous of obtaining any relevant information with regard to the accounts of the Company at the Meeting are requested to send their requests to the Company at least 7 (seven) days before the date of the meeting, so as to enable the Company to keep the information ready.

16. **E-Voting**

In Compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 and clause 35B of Equity Listing Agreement, the Company is pleased to provide members facility to exercise their right to vote at the 18th Annual General Meeting (AGM) by electronic means and the business may be transacted through E-Voting Services provided by Central Depository Services (India) Limited (CDSL).

**The instructions for members for voting electronically are separately annexed to the Notice.**

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

Pursuant to Section 102 of the Companies Act, 2013 ('the Act'), the following Explanatory Statement sets out all material facts relating to the businesses mentioned under Item Nos. 5 to 13 of the accompanying Notice dated August 7, 2014.

### **Item No. 5**

Mr. Lakshmi Niwas Bangur (DIN 00012617) has been appointed by the Board of Directors in its meeting held on 10th September, 2013, as an Additional Director (Non Executive) in accordance with the provisions of Section 260 of the Companies Act, 1956 (corresponding to Section 161 of the Companies Act, 2013) with immediate effect. Mr. Lakshmi Niwas Bangur holds his office as Additional Director till the ensuing Annual General Meeting. A notice under section 160 of the Companies Act, 2013 has been received from a member of the Company signifying his intention to propose the candidature of Mr. Lakshmi Niwas Bangur for appointment as a Director of the Company.

Mr. Bangur has been appointed as the Chairman of the Company as per the Articles of Association of the Company by the Board of Directors in their meeting held on 25th September, 2014 with immediate effect.

The Board recommends the resolution to be passed as an Ordinary Resolution by the members.

None of the Directors (except Mr. Lakshmi Niwas Bangur, Mr. Shreeyash Bangur and Mr. Yogesh Bangur along with its relatives) or Key Managerial Personnel (KMPs) of the Company either directly or through their relatives are, in any way, concerned or interested, whether financially or otherwise, in the proposed resolution.



**Item No. 6, 7 & 8**

The Board of Directors of the Company had pursuant to the provisions of Section 260 of the Companies Act, 1956 (corresponding to Section 161 of the Companies Act, 2013) and the Articles of Association of the Company, appointed Mr. Amitav Kothari (DIN 01097705), Mr. Bhaskar Banerjee (DIN 00013612) and Mr. Rajiv Kapasi (DIN 02208714), as Additional Directors (Independent) of the Company w.e.f. 15th October, 2013. All of them holds their office as Additional Director (Independent) till the ensuing Annual General Meeting and are eligible for appointment.

Section 149 of the Companies Act, 2013, inter-alia, provides that an Independent Director shall hold office for a term up to five consecutive years on the Board of a Company and their office will not be subject to retirement by rotation.

Based on the declarations received from Mr. Amitav Kothari, Mr. Bhaskar Banerjee and Mr. Rajiv Kapasi, Directors of the Company in terms of Section 149 (7) of the Companies Act, 2013, the Board is of the opinion that Mr. Amitav Kothari, Mr. Bhaskar Banerjee and Mr. Rajiv Kapasi, fulfill the criteria of being appointed as Independent Directors as stipulated in Section 149 (6) and other applicable provisions of Companies Act, 2013 and Rules made thereunder. The Board is also of the opinion that the proposed Directors are independent of the management. The Company has received notice(s) under Section 160 along with requisite deposit(s) from member(s) proposing their appointment as Independent Directors at the ensuing Annual General Meeting.

The Company has received the following from Mr. Amitav Kothari, Mr. Bhaskar Banerjee and Mr. Rajiv Kapasi (i) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014 (ii) intimation in Form DIR-8 pursuant to Rule 14 of the Companies (Appointment & Qualification of Directors) Rules, 2014 to the effect that they are not disqualified in accordance with sub-section (2) of Section 164 of the Companies Act, 2013.

Consequently, the Board of Directors recommends for approval of the shareholders the appointments of Mr. Amitav Kothari, Mr. Bhaskar Banerjee and Mr. Rajiv Kapasi, as Independent Directors of the Company on such terms that they shall continue to hold office as non-rotational directors for a term of five (5) consecutive years, effective from the date of this Annual General Meeting.

Brief details of Mr. Amitav Kothari, Mr. Bhaskar Banerjee and Mr. Rajiv Kapasi pursuant to Clause 49 of the Listing Agreement is provided in Annexure A.

The Board recommends the resolution to be passed as Ordinary Resolution by the members.

None of the Directors (except Mr. Amitav Kothari, Mr. Bhaskar Banerjee and Mr. Rajiv Kapasi alongwith its relatives) or Key Managerial Personnel (KMPs) of the Company either directly or through their relatives are, in any way, concerned or interested, whether financially or otherwise, in the proposed resolutions.

**Item No. 9**

The Board of Directors at the meeting held on November 4, 2013, took a view that in the context of increase in area and scope of operation of the Company and in the best interests of the Company, it is desirable to appoint a Managing Director, who will lead the company in competitive business environment.

Mr. Shreeyash Bangur (DIN 00012825) is MSc. in Engineering and Business Management from the University of Warwick, U. K. He served as Director (Commercial) in The Andhra Pradesh Paper Mills Limited for seven years. He has adequate professional work experience to lead the Company.

The terms and conditions as to the remuneration of Mr. Shreeyash Bangur for his appointment as Managing Director, as recommended by the Nomination and Remuneration Committee are as follows:-

- I. Terms:** The tenure of the Managing Director shall be for a period of 3 years commencing from 4th November, 2013
- II. Salary:** Rs. 1,20,000/- (Rupees one lakh twenty thousand only) per month with such increments as may be determined by the Board of Directors of the Company from time to time in the salary range of Rs. 1,20,000/- to Rs. 1,50,000/-.
- III. Commission:** Commission on net profits of the company in each year computed in accordance with Section 197 and 198 of the Companies Act, 2013 (corresponding to Section 349 of the Companies Act, 1956), subject to such limit as may be determined by the Board of Directors.
- IV. Perquisites:**
  - a) In addition to salary and commission, the Managing Director shall also be entitled to perquisites which shall not exceed 100% of his salary.
  - b) Leave in accordance with the rules applicable to the managerial staff of the Company.
  - c) Use of Company's car for official purposes, cell phone, and telephone at residence, encashment of leave at the end of tenure, contribution to Provident Fund, Superannuation Fund and Gratuity Fund will not be considered as perquisites.
  - d) Gratuity payable shall not exceed half a month's salary for each completed year of service or at the rate as may be modified from time to time.
- V.** In the event of loss or inadequacy of profits in any financial year, the Managing Director shall be paid remuneration by way of salary, allowances and perquisites as specified under Section II of Part II of Schedule V of the Companies Act, 2013 (corresponding to Schedule XIII of the Companies Act, 1956), or within such ceilings as may be prescribed under Schedule V of the Companies Act, 2013 (corresponding to Schedule XIII of the Companies Act, 1956) and as may be amended from time to time.
- VI.** The Managing Director shall not be paid any sitting fees for attending the meeting of the Board of Directors or Committees thereof.
- VII.** The Managing Director shall be entrusted with substantial powers of management and shall exercise his powers subject to the superintendence, control and direction of the Board of Directors.
- VIII.** The Managing Director shall not be subject to retirement by rotation while he continues in office.
- IX.** The appointment of three years may be determined by either party by giving three months' notice in writing to the other party.

The Board recommends the resolution to be passed as Special Resolution by the members.

None of the Directors (except Mr. Shreeyash Bangur, Mr. Lakshmi Niwas Bangur and Mr. Yogesh Bangur along with its relatives) or Key Managerial Personnel (KMPs) of the Company either directly or through their relatives are, in any way, concerned or interested, whether financially or otherwise, in the proposed resolution.

#### **Item No. 10**

The existing Articles of Association of the Company ("Existing Articles") was adopted on July 27, 2012 and was based on the Companies Act, 1956, as amended from time to time. With the implementation of the Companies Act, 2013 and its allied rules, the provisions of Companies Act, 1956 are getting repealed in a phased manner.

The Board of Directors of the Company believe that it is desirable that the relevant clauses in the Articles of Association of the Company be revised so that they fully reflect not only the law governing the Company and rules and regulations