



Ludlow Jute & Specialities Limited

Annual Report 2014

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Cautionary Statement

Statement in the 'Management Discussion and Analysis' describing the Company's objectives, projections, estimates, expectations or predictions may be 'forward looking statements' within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and Indian demand supply conditions, finished goods prices, feed stock availability and prices, cyclical demand and pricing in the Company's principal markets, changes in Government regulations, tax regimes, economic developments within India and the countries within which the Company conducts business and other factors such as litigation and labour negotiations.

CORPORATE INFORMATION

Thirty Fifth Annual Report 2013-2014

BOARD OF DIRECTORS

Shri S. S. Kanoria
Chairman Emeritus

Shri A. C. Mukherji
Director

Shri R. V. Kanoria
Director

Shri J. K. Bhagat
Director

Shri I. P. Poddar
Director

Shri B. Choudhuri
Director

Shri L. G. Toolsidass
Director

Shri S. Kapur
Director

Shri Ajay Kumar Todi
Managing Director
(w.e.f. 1st July, 2014)

COMPANY SECRETARY

Smt Puja Guin

CHIEF FINANCIAL OFFICER

Shri R. K. Gupta

AUDITORS

Singhi & Co.

Chartered Accountants

BANKERS

Central Bank of India

Allahabad Bank

REGISTRAR & SHARE TRANSFER AGENTS

MCS Share Transfer Agent Limited
12/1/5, Manoharpukur Road
Ground Floor, Kolkata - 700 029
Phone : 91 33 4072 4051 / 52 / 53
Fax : 91 33 4072 4050

REGISTERED OFFICE

6, Nandalal Basu Sarani
(Formerly Little Russell Street)
Kolkata - 700 071
Phone : 91 33 2283 9081
Fax : 91 33 2283 9078

WORKS

P.O. Chengail, Howrah - 711 308 West Bengal, India
Phone : 91 33 2642 8366
Fax : 91 33 2642 8367

Notice

TO THE MEMBERS

NOTICE is hereby given that the Thirty Fifth Annual General Meeting of the members of **LUDLOW JUTE & SPECIALITIES LIMITED** will be held at Rotary Sadan, 94/2 Chowringhee Road, Kolkata 700020 on, Friday 5th September, 2014 at 3:00 p.m to transact the following businesses :

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2014 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend on equity shares for the financial year ended 31st March, 2014.
3. To appoint a Director in place of Shri Lalit Gopaldass Toolsidass (Shri L.G. Toolsidass), (holding DIN 00117771), who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Shri Jugal Kishore Bhagat (Shri J.K. Bhagat), (holding DIN 00055972) who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint Auditors and fix their remuneration and in this regard, 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 provision of section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, M/s. Singhi & Co., Chartered Accountants (Firm Registration No. 302049E), be and is hereby re-appointed as the Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the thirty eighth Annual General Meeting of the Company, on a remuneration to be mutually agreed upon with the Board of Directors subject to ratification by the members at every Annual General Meeting."

SPECIAL BUSINESS:

6. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:
"RESOLVED THAT Shri Ajay Kumar Todi, (holding DIN 00004380), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 1st July, 2014, in terms of section 161(1) of the Companies Act, 2013 and Article 84 of Article of Association of the Company and whose terms of office expires at the annual general meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director be hereby appointed as Director of the Company."
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 the provisions of sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 (the Act) read with Schedule V thereto and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the consent of the Company be and is hereby accorded to the appointment of Shri Ajay Kumar Todi, (holding Din 00004380) as Managing Director of the Company for a period of five years with effect from 1st July, 2014, on the terms and conditions including remuneration as are set out in the Agreement executed by the Company with Shri Ajay Kumar Todi on 1st July, 2014, a copy whereof is placed before this meeting, which Agreement is hereby specifically sanctioned with liberty to the Board of Directors (which shall be deemed to include any committee of the Board) to vary/ alter and increase the remuneration, perquisites and incentives as the Board may consider appropriate, subject to the limits contained in the relative provisions of the Act or any amendment thereto from time to time."
8. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:
"RESOLVED THAT pursuant to the provisions of Section 188 and any other applicable provisions of the Companies Act, 2013 (the Act) read with Rule 15(3) of The Companies (Meetings of Board and its Powers) Rules, 2014, Shri Shyam Sundar Kanoria, a relative of Shri Rajya Vardhan Kanoria, a director of the company, be appointed as Chairman Emeritus of the Company from this Annual General Meeting at perquisites not exceeding ₹ 12,00,000/- (Rupees twelve lakh only) per annum."
9. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:
"RESOLVED THAT pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 (the Act) and the Companies (Appointment and Qualification 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, Shri Satish Kapur (holding DIN 00051163), Director of the Company 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 from the conclusion of this Annual General Meeting, not liable to retire by rotation, and to hold office for five consecutive years for a term up to the conclusion of the 40th Annual General Meeting of the Company to be held in the calendar year 2019."

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

"RESOLVED THAT pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 (the Act) and the Companies (Appointment and Qualification 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, Shri Jugal Kishore Bhagat (Shri J. K. Bharat), (holding DIN 00055972), Director of the Company 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 from the conclusion of this Annual General Meeting, not liable to retire by rotation, and to hold office for five consecutive years for a term up to the conclusion of the 40th Annual General Meeting of the Company to be held in the calendar year 2019."

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

"RESOLVED THAT pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 (the Act) and the Companies (Appointment and Qualification 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, Shri Arun Charan Mukherji (Shri A. C. Mukherji), (holding DIN 00063975), Director of the Company 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 from the conclusion of this Annual General Meeting, not liable to retire by rotation, and to hold office for five consecutive years for a term up to the conclusion of the 40th Annual General Meeting of the Company to be held in the calendar year 2019."

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

"RESOLVED THAT pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 (the Act) and the Companies (Appointment and Qualification 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, Shri Lalit Gopaldass Toolsidass (Shri L. G. Toolsidass), (holding DIN 00117771), Director of the Company 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 from the conclusion of this Annual General Meeting, not liable to retire by rotation, and to hold office for five consecutive years for a term up to the conclusion of the 40th Annual General Meeting of the Company to be held in the calendar year 2019."

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

"RESOLVED THAT pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 (the Act) and the Companies (Appointment and Qualification 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, Shri Iswari Prasad Poddar (Shri I. P. Poddar), (holding DIN 00507074), Director of the Company 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 from the conclusion of this Annual General Meeting, not liable to retire by rotation, and to hold office for five consecutive years for a term up to the conclusion of the 40th Annual General Meeting of the Company to be held in the calendar year 2019."

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

"RESOLVED THAT pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 (the Act) and the Companies (Appointment and Qualification 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, Shri Biswajit Choudhuri (Shri B. Choudhuri), (holding DIN 00149018), Director of the Company 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 from the conclusion of this Annual General Meeting, not liable to retire by rotation, and to hold office for five consecutive years for a term up to the conclusion of the 40th Annual General Meeting of the Company to be held in the calendar year 2019."

15. 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 earlier resolution passed by Shareholders at the Annual General Meeting held on 4th September, 1991 under Section 293(1)(d) of the Companies Act, 1956 and subject to the provisions of Section 180(1)(c), 180(2) and other applicable provisions and Rules, if any, of the Companies Act, 2013, any amendments/enactments/re-enactments thereof, consent of the Company be hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board" and which term shall be deemed to include any duly authorised committee(s) thereof, for the time being exercising the powers conferred by the Board by this resolution) for borrowing from time to time and in any manner, any sum or sums of money upon such terms and

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conditions and with or without security as the Board may in its absolute discretion think fit, notwithstanding that the money to be borrowed together with the money already borrowed by the Company will exceed the aggregate of its paid-up share capital and free reserves, apart from the temporary loans obtained or to be obtained from time to time from the Company's Bankers/Lenders in the ordinary course of business, provided however that the sums so borrowed and remaining outstanding on account of principal amount shall not, at any time, exceed ₹ 60 Crores (Rupees sixty crores only)."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to take such actions and steps, including delegation of authority, as may be necessary and to settle all matters arising out of and incidental thereto; and to sign and to execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution."

16. 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 earlier resolution passed by Shareholders at the Annual General Meeting held on 7th September, 1999 under Section 293(1)(a) of the Companies Act, 1956 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 be deemed to include any Committee(s) thereof) under Section 180(1)(a) and other applicable provisions and Rules, if any, of the Companies Act, 2013, (including any amendment thereto or enactment/re-enactment thereof), to sell, lease or otherwise dispose of whole or substantially the whole of undertaking of the Company or where the Company owns more than one undertaking, of the whole or substantially the whole of any such undertakings or create such charges, mortgages, hypothecations and pledges in addition to the existing charges, mortgages, hypothecations and pledges created by the Company, on such movable and immovable properties, both present and future, and in such manner as the Board may deem fit, together with power to take over the management and concern of the Company in certain events, in favour of the Banks/Financial Institutions/NBFCs/Lenders, other investing agencies and trustees for the holders of debentures/bonds and/or other securities/instruments to secure rupee/foreign currency loans and/or the issue of any securities/debentures whether partly/fully convertible or non-convertible and/or securities linked to ordinary shares and/or rupee/foreign currency convertible bonds/securities and/or bonds/securities with detachable share warrants and any other form of loan/borrowing of whatever nature or by whatever name (hereinafter collectively referred to as "Loans") provided that the total amount of Loans together with interest thereon, additional interest, compound interest, liquidated damages, commitment charges, premia on pre-payment or on redemption, costs, charges, expenses and all other monies payable by the Company in respect of the said Loans, for which such charges, mortgages or hypothecations are created, shall not, at any time exceed the limit of ₹ 60 Crores (Rupees sixty crores only).

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to take such actions and steps, including delegation of authority, as may be necessary and to settle all matters arising out of and incidental thereto; and to sign and to execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution."

17. 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 Section 148 of the Companies Act, 2013 read with rule 14 of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the remuneration of ₹ 25,000/- (Rupees twenty five thousand only), plus traveling and other incidental expenses payable to M/s. Prasad & Company., Cost Accountants (Registration No. 4014), who has been appointed by the Board of Directors of the Company as Cost Auditor to conduct an audit of the cost accounting records maintained by the Company for the year ending 31st March, 2015 be and is hereby ratified."

Kolkata 29th July, 2014
CIN: L65993WB1979PLC032394
Registered Office:

6, Nandalal Basu Sarani
(formerly Little Russell Street)

Kolkata-700 071

Ph: 91-33-2283-9081/9082/9083

Fax: 91-33-2283-9078/4503

e-mail : info@ludlowjute.com

investors.grievance@ludlowjute.com

Website: www.ludlowjute.com

By Order of the Board
Ludlow Jute & Specialities Limited

CS Puja Guin
Company Secretary

Notice

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY.** The Proxy in order to be effective, must 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 (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other member.
2. Corporate Members are requested to send to the Company, a duly certified copy of the Board Resolution/Power of Attorney, authorizing their representatives to attend and vote at the Annual General Meeting.
3. The Register of Members and Share Transfer Register of the Company shall remain closed from Friday, 22nd August, 2014 to Friday, 5th September, 2014 (both days inclusive).
4. Dividend, if approved by the shareholders at the AGM, will be paid within 30 days from the date of AGM, to those Members-
 - (a) Whose names appear as Beneficial Owners as at the end of business hours on 21st August, 2014 in the list furnished by National Securities Depository Limited and Central Depository Services (India) Limited in respect of the shares held in electronic form and
 - (b) Whose names appear as Members in the Register of Members of the Company after giving effect to valid share transfers in physical form lodged with the Company on or before the end of business hours on 21st August, 2014.
5. Dividend which remains unpaid/ unclaimed over a period of seven years will have to be transferred by the Company to 'Investor Education and Protection Fund' of the Central Government under section 124 and 125 of the Companies Act, 2013. Shareholders are advised to encash the unpaid dividend warrants before transfer to the above referred fund.
6. Members are requested to notify immediately any change of address and also particulars of their Bank Accounts viz., Name of the bank, branch, complete address of the bank and bank account number for printing the same on the Dividend Warrants to avoid fraudulent encashment:
 - to their Depository Participants (DP) in respect of their Demat Account(s); and
 - to the Company at its registered office or to the Registrars & Share Transfer Agents of the Company in respect of shares held in physical form.
7. Members holding shares in physical forms are requested to consider converting their holding to dematerialized form to eliminate all risk associated with physical shares and for ease of portfolio management. Members can contact the Company or MCS Share Transfer Agent Limited.
8. Members/ Proxies are requested to produce the attendance slip duly signed as per the specimen signature recorded with the Company, for admission to the meeting hall.
9. Members who hold shares in dematerialized form, are requested to furnish their Client ID and DP ID numbers to facilitate identification of membership at the Meeting.
10. In all correspondences with the Company/ Registrar & Share Transfer Agents, members are requested to quote their folio number and in case their shares are held in the dematerialized form, they must quote their DP ID and Client ID number.
11. Members who hold shares in physical form in multiple folios in identical names or joint accounts in the same order or names are requested to send the share certificates to the Company's Registrar and Share Transfer Agents for consolidation into a single folio.
12. In case of joint holders attending the meeting, the Members whose names appears as the first holders in the order of names as per the Registrar of Members of the Company will be entitled to vote.
13. Members are requested to notify immediately any change of address to the Depository Participants in respect of electronic share accounts and to the Registrars and Transfer Agents, MCS Share Transfer Agent Limited, 12/1/5, Manoharpukur Road, Ground Floor, Kolkata 700 026 in respect of physical share accounts.
14. In case the mailing address mentioned in the Annual Report is without the Pin Code, members are requested to inform their Pin Code immediately.
15. Members are requested to bring their copy of the Annual Report to the meeting.
16. The share certificates with previous name of the Company viz. 'Aekta Limited' are acceptable for transfer/ demat etc. The stickers bearing the change of name of the Company to 'Ludlow Jute & Specialities Limited' had been dispatched to the shareholders holding

shares in physical mode. If any shareholder still wants the stickers with the Company's new name, they may write to the Company or to the Registrars for the required number of stickers.

17. Re-appointment of Directors:

The information and/ or details pertaining to the appointment of the retiring Director, being eligible for re-appointment, to be provided in terms of clause 49 of the Listing Agreement with the Stock Exchange, has been provided in the Corporate Governance Report.

18. Pursuant to Sections 101 and 136 of the Companies Act, 2013, read with the relevant Rules made thereunder, Companies can serve Annual Reports and other communications through electronic mode to those members who have registered their e-mail address either with the company or with the Depository. Members who have not yet registered their e-mail address with the Company or their respective Depository are requested to do so.
19. To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with MCS Share Transfer and Agent Limited/ Depositories.
20. An explanatory statement pursuant to Section 102 of the Companies Act, 2013 is annexed.
21. Pursuant to Section 108 of the Companies Act, 2013, read with the relevant Rules of the Act, and Clause 35B of the Listing Agreement, the Company is providing the facility to Members to exercise their rights to vote by electronic means. The Company has engaged the Services of Central Depository Services (India) Limited (CDSL) for providing e-voting facilities. The e-voting rights of the Members/ beneficial owners shall be reckoned in proportion to ordinary shares held by them in the Company as on 1st August, 2014. (Cut-off date fixed for this purpose). **The e-voting period will commence at 10.00 a.m on Saturday, 30th August, 2014 and will end at 6.00 p.m. on Monday, 1st September, 2014.** The Company has appointed CS Arani Guha, Practicing Company Secretary, to act as scrutinizer, for conducting the scrutiny of the votes cast. Detailed instructions for availing e-voting facility are being sent separately as a part of this Notice.
22. A copy of this notice has been placed on the website of the Company and the website of CDSL.

Kolkata 29th July, 2014
CIN: L65993WB1979PLC032394
Registered Office:
6, Nandalal Basu Sarani
(formerly Little Russell Street)
Kolkata-700 071
Ph: 91-33-2283-9081/9082/9083
Fax: 91-33-2283-9078/4503
e-mail : info@ludlowjute.com
investors.grievance@ludlowjute.com
Website: www.ludlowjute.com

By Order of the Board
Ludlow Jute & Specialities Limited

CS Puja Guin
Company Secretary

Annexure to the Notice

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013.

1. Item No. 6

The Board of Directors of the Company ("The Board") had, pursuant to the Provisions of section 161(1) of the Companies Act, 2013 and Article 84 of the Articles of Association of the Company, at its meeting held on 1st July, 2014 appointed Shri Ajay Kumar Todi as the Additional Director of the Company, with immediate effect.

As required under section 160 of the Companies Act 2013, the Company has received a notice in writing from a member along with a deposit of Rupees One Lakh signifying his intention to propose the candidature of Shri Ajay Kumar Todi for the office of the Director of the Company.

Spanning 29 years, Shri Ajay Kumar Todi has hands – on wide experience in Marketing, Finance, Info Systems & Commercial, practical plant and project management experience coupled with Internal Control Systems and Audit-backed with academic credentials. Shri Ajay Kumar Todi holds an MBA with specialization in Marketing, is a qualified Chartered Accountant and also a Cost & Works Accountant. He also hold a diploma in Business Finance from ICFAI. He has successfully attended several world class programs including the University of Michigan's program for Marketing Strategy and the OBL (Orgn Business Leadership), PEP (Personal Effectiveness) & TEP (Team Effectiveness) Programs as well. He has travelled worldwide.

Names of the other companies in which Shri Ajay Kumar Todi also holds the directorship:	1. Sijberia Industries Limited 2. Ludlow Exports Limited
Names of the other companies in which Shri Ajay Kumar Todi also holds membership of the Committee of the Board :	None

Number of shares held in the Company : 500 shares

The Board recommends passing of the the proposed Ordinary Resolution in relation to appointment of Shri Ajay Kumar Todi as Director of the Company, for approval by the members of the Company.

Except Shri Ajay Kumar Todi, being an appointee, none of the other Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at item no. 6. This Statement may also be regarded as a disclosure under clause 49 of the Listing Agreement with the BSE Limited.

2. Item No. 7

Subject to the approval of the Members of the Company in General Meeting, the Board of Director of the Company at its Meetings held on 1st July, 2014 has appointed Shri Ajay Kumar Todi as the Managing Director of the Company for a period of five years with immediate effect and upon the terms and conditions, including remuneration, as set out in the Agreement executed between the Company and Shri Ajay Kumar Todi on 1st July, 2014 an abstract of which is given below.

i) Salary

Basic Salary Rs. 2,35,000/- (Rupees two lacs thirty five thousand only) per month. The Board may at its discretion, consider and grant an annual increment upto 50% of the last drawn salary, within the permissible limits as prescribed in Schedule V to the Companies Act, 2013 or any amendment thereto.

ii) Commission

At the rate of 1 % (one percent) of the net profits of the Company for each financial year, computed in the manner laid down in Section 197 of the Companies Act, 2013 and restricted to the amount equal to the annual basic salary and shall be payable on pro-rata basis for any broken period/financial year.

iii) Perquisites

Shri Ajay Todi shall also be entitled to the following perquisites in addition to salary and commission, being restricted to an amount not exceeding 85% (eighty-five percent) of his annual salary. Unless the context otherwise requires, the perquisites are classified into three categories A, B, and C as follows:

Category – A

This will comprise of Rent-free accommodation or House rent allowance in lieu thereof, medical reimbursement, leave travel allowance, special allowance, fees of clubs and personal accident insurance. These may be provided for as under:

Annexure to the Notice

Housing

Monthly House Rent Allowance to the maximum extent of 60% (sixty percent) of the Basic Salary.

Reimbursement of expenditure on Gas, Electricity, Water and Furnishings which shall be valued as per the Income Tax Rules, 1962.

Medical Reimbursement

Reimbursement of expenses actually incurred on self and family not exceeding an amount equal to one month's basic salary.

Leave Travel Concession

For self and family once in a year, to and from any place in India, not exceeding an amount equal to two month's basic salary.

Special Allowance

Special Allowance shall be paid not exceeding an amount equal to 20% (twenty percent) of Basic Salary.

Club Fees

Fees of Clubs subject to a maximum of two clubs shall be paid. This will not include admission and life membership fees.

Personal Accident Insurance

Of an amount, the premium on which does not exceed Rs.10,000/- (Rupees ten thousand only) per annum.

Category - B

Contributions to Provident Fund and Superannuation/Annuity Fund will not be included in the computation of the ceiling on perquisites/remuneration to the extent these singly or put together are not taxable under the Income Tax Act, 1961.

Gratuity not exceeding half a month's salary for each completed year of service. This will not be included in computation of ceiling on perquisites/remuneration.

Consolidated leave of 45 days including sick and casual leave with pay for each completed year of service. Encashment of unavailed leave will be permitted as per the rules of the Company, subject to a maximum of 10 (ten) months' basic salary and will not be included in the computation of the ceiling on perquisites/remuneration.

Category - C

Provision of official Car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance telephone calls and use of official Car for private purpose, if any, shall be billed by the Company to Shri Ajay Kumar Todi.

Reimbursement of conveyance expenses up to Rs. 30,000/- (Rupees thirty thousand only) per month will be made further and this will not be included in computation of ceiling on perquisites/ remuneration.

Perquisites shall be evaluated as per Income Tax Rules, 1962, wherever applicable and in the absence of any such rules, perquisites shall be valued at actual cost.

Minimum Remuneration

In the event of loss or inadequacy of profits in any financial year during the currency of tenure of Shri Ajay Kumar Todi, the Company may pay him, in respect of such financial year, remuneration by way of consolidated salary, perquisites and allowances as minimum remuneration in accordance with the limits prescribed in Schedule V to the Companies Act, 2013 or any amendment thereto, as may be applicable at the relevant time.

About Shri Ajay Kumar Todi

Spanning 29 years, Shri Ajay Kumar Todi has hands – on wide experience in Marketing, Finance, Info Systems & Commercial, practical plant and project management experience coupled with Internal Control Systems and Audit- backed with academic credentials. Shri Ajay Kumar Todi holds an MBA with specialization in Marketing, is a qualified Chartered Accountant and also a Cost & Works Accountant. He also hold a diploma in Business Finance from ICFAI. He has successfully attended several world class programs including the University of Michigan's program for Marketing Strategy and the OBL (Orgn Business Leadership), PEP (Personal Effectiveness) & TEP (Team Effectiveness) Programs as well. He has travelled worldwide.

Your Directors feel that it will be advantageous to appoint Shri Ajay Kumar Todi as Managing Director of the Company with liberty to the Board of Directors to vary the terms as mentioned in the resolution.