



TWENTY FOURTH ANNUAL REPORT 2016-17



**NATURAL
CAPSULES
LIMITED**

CHAIRMAN'S ADDRESS



Dear Shareholders,

I have pleasure of announcing the completion of yet another eventful Financial Year 2016-17. The Financial Year had been a mix of challenges and your company has come out with results which are before you. The dip in turnover and profits are mainly due to slowdown in domestic / International markets, tight liquidity positions in the market.

Despite challenges, the company has taken all efforts for sustaining and improving its performance.

The company intends to maintain a decent return for shareholders and confidently looks forward for your continued support.

Thank You,

Srirangam Gopalan
Chairman

FROM MANAGING DIRECTOR'S DESK



Dear Shareholders,

Working results for the Financial Year 2016-17 are before the members for consideration. It has been a year of mixed performance. The profit before tax has reduced by almost 55 % compared to the previous year, which was mainly due to slowdown in international market and payment crisis etc. We are continuously working to arrest this slide and bounce back.

Despite difficult situation on the cash flow front, we propose to declare dividend of Rs.1.00 per equity share, if approved at the AGM.

We will be much obliged to have your valuable suggestions and look forward for your continued support.

Thank You,

Sunil L Mundra,
Managing Director

BOARD OF DIRECTORS

Shri Srirangam Gopalan	:	Chairman & Independent Director
Shri C.P Rangachar	:	Independent Director
Dr. C.M Gurumurthy	:	Independent Director
Shri Laxminarayan Moondra	:	Whole Time Director
Shri Satyanarayan Mundra	:	Whole Time Director
Shri Sunil Laxminarayan Mundra	:	Managing Director
Shri Sushil Kumar Mundra	:	Director
Smt. Jyothi Mundra	:	Director

COMPANY SECRETARY
AND COMPLIANCE OFFICER : Shri Skandan. P. Jain

CHIEF FINANCIAL OFFICER : Shri Prasanna. B. Junnarkar

BANKERS : M/s. State Bank of India
Bangalore Commercial Branch
Hudson Circle,
BENGALURU- 560 001.

SATUTORY AUDITORS : M/s. Gnanoba & Bhat
Chartered Accountants
45, Annamalai Arcade,
1st Cross, Wilson Garden,
BENGALURU - 560 027.

SECRETARIAL AUDITORS : R. Parthasarathi
188, 1st Floor, Aicoboonagar,
9th Main, BTM 2nd Stage, 11th Cross,
BENGALURU

REGISTERED OFFICE : 102, "Shreshta Bhumi" No. 87,
K. R. Road, BENGALURU - 560 004.
Tel. No. : 080-2667 1571/581/573,
2667 1573 / 2667 1581
Fax : 080-2667 1562
E-mail : info@naturalcapsules.com
URL : www.naturalcapsules.com
CIN : L85110KA1993PLC014742
ISIN : INE936B01015

REGISTRAR AND
TRANSFER AGENTS : M/s. Cameo Corporate Services Ltd.
Subramanian Building,
No. 1, Club House Road,
CHENNAI - 600 002.
Tel : 91-044-28460390 (5 Lines)
E-mail : cameo@cameoindia.com
Contact Person : Mrs. Kanthimathi Jayakumar
Executive - Shares

FINANCIAL HIGHLIGHTS (8 YEARS)

(Rupees in Lakhs)

Particulars	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Sales & Other Income	2,948.98	3,453.96	4,459.17	5,418.89	5,942.12	6,811.53	6,328.53	5,445.57
Exports	507.90	615.17	605.92	1,432.36	1,589.94	2,054.72	1,884.34	1,225.04
P B T	641.00	663.79	772.26	729.41	742.64	753.71	607.46	31.57
P A T	426.56	446.76	506.87	633.11	456.19	564.92	433.88	62.78
EPS	9.00	10.00	11.26	14.06	10.09	11.18	8.06	1.04
Dividend per share (Rs)	1.20	1.20	1.50	1.50	1.50	1.50	1.50	1.00
Reserves & Surplus	1,859.20	2,242.95	2,671.33	3,225.95	3,729.79	4,160.25	4,773.78	5,276.57
Share Capital	450.27	450.27	450.27	450.27	502.27	524.27	579.27	623.27
Share holders fund	2,309.47	2,693.22	3,121.60	3,676.22	4,232.06	4,684.52	5,353.05	5,899.84
R O I (%)	18.47	16.59	16.24	17.22	10.76	12.06	8.11	1.06

NOTICE

Notice is hereby given that the **24th Annual General Meeting** of the members of Natural Capsules Limited will be held on Tuesday, the **29th August, 2017** at 10.00 A.M. at **Kannada Sahithya Parishat**, Pampa Mahakavi Road, Chamarajpet, Bengaluru-560018 to transact the following business:-

Ordinary Business:

1. To receive, consider and adopt the Audited Financial Statements for the Financial Year ended 31st March 2017 together with the Reports of the Directors and the Auditors thereon.
2. To declare dividend for the Financial Year 2016-17.
3. To appoint a director in place of Mr. Sushil Kumar Mundra (DIN: 00214332), who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a director in place of Mr. Satyanarayan Mundra (DIN: 00214349), who retires by rotation and being eligible, offers himself for re-appointment.
5. Appointment of Auditors of the company, and to fix their remuneration.

To consider and if thought fit, to convey assent or dissent to the following Ordinary Resolution:

“Resolved that pursuant to Section 139 of the Companies Act, 2013, and the rules framed there under M/s. P Chandrasekar, Chartered Accountants, (Firm Registration No. 000580S) Bengaluru, be and are hereby appointed as Statutory Auditors of the Company, in the place of M/s Gnanoba & Bhat, chartered Accountants, who have completed their tenure as per Section 139(2) of the Act, to hold office for a period of (5) five years from the accounting years **2017-18 to 2021-22**, to hold office till the conclusion of the Sixth Annual General Meeting, subject to ratification at every Annual General Meeting, on a remuneration to be fixed by Managing Director in consultation with the said Auditors”.

Special Business:

6. To revise the remuneration of Mr. Sunil L Mundra (Managing Director, DIN: 00214304).

To consider and if thought fit, to convey assent or dissent to the following Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 197 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (as amended from time to time), Clause 92 of the Company's Articles of Association and subject to such other approvals as may be required, the consent of the Company be and is hereby accorded for revision of remuneration of Mr. Sunil L Mundra (Managing Director) with effect from **1st June, 2017** for the remaining period of his tenure i.e upto **31st May 2019**, having been approved both by the Board and Nomination and Remuneration Committee, which is detailed hereunder :

1. Salary of Rs. 3,70,000/- Per month on the scale of pay of Rs. 3,70,000-15000-3,85,000
2. Car with the driver for official work
3. Medical reimbursement for self and dependent family members not exceeding 1 month's Salary in a year or 3 month's salary in block of 3 years
4. LTC once in a year not exceeding 1 month's salary for self and dependent family.
5. PF and Gratuity as applicable to the other officers of the company.
6. Commission of 1% of Profit

“RESOLVED FURTHER THAT the aforesaid remuneration shall be construed as minimum remuneration in the absence of profits/ inadequate profits, except that the overall remuneration including perquisites will be restricted to the maximum permissible as per Schedule V and that the commission shall not be paid.”

“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this resolution.”

7. To re-appoint Mr. Laxminarayan Moondra (DIN: 00214298) as Whole Time Director and to fix his remuneration.

To consider and if thought fit, to convey assent or dissent to the following Special Resolution:

“RESOLVED THAT pursuant to Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (amended from time to time) Clause 92 and Clause 95 of the Company's Articles of Association and subject to such other approvals as may be required, the consent of the Company be and is hereby accorded for re-appointment of Laxminarayan Moondra as Whole time Director of the company for a period of 3 years, on the same terms and conditions of the earlier agreement except that his remuneration shall be as per the following terms (as approved by Nomination and Remuneration Committee) w.e.f. **1st September 2017**:

TWENTY FOURTH ANNUAL REPORT 2016-2017

1. Salary of Rs. 2,65,000/- Per month on the scale of pay of Rs. 2,65,000-15000-2,80,000
2. Car with the driver for official work
3. Medical re imbusement for self and dependent family members not exceeding 1 month's Salary in a year or 3 month's salary in block of 3 years
4. LTC once in a year not exceeding 1 month's salary for self and dependent family.
5. PF and Gratuity as applicable to the other officers of the company.
6. Commission of 1% of Profit

"RESOLVED FURTHER THAT the aforesaid remuneration shall be construed as minimum remuneration in the absence of profits/ inadequate profits, except that the overall remuneration including perquisites will be restricted to the maximum permissible as per Schedule V and that the commission shall not be paid."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this resolution."

8. To revise the remuneration Mr. Satyanarayan Mundra (DIN: 00214349)

To consider and if thought fit, to convey assent or dissent to the following Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 197 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (amended from time to time) Clause 92 of the Company's Articles of Association and subject to such other approvals as may be required, the consent of the Company be and is hereby accorded for revised remuneration of Mr. Satyanarayan Mundra as for remaining part of the tenure, w.e.f 1st June 2017 up to 31st May 2019 as approved by Nomination and Remuneration Committee as per details furnished hereunder:

1. Salary of Rs. 2,65,000/- Per month on the scale of pay of Rs. 2,65,000-15000-2,80,000
2. Car with the driver for official work
3. Medical re imbusement for self and dependent family members not exceeding 1 month's Salary in a year or 3 month's salary in block of 3 years
4. LTC once in a year not exceeding 1 month's salary for self and dependent family.
5. PF and Gratuity as applicable to the other officers of the company.
6. Commission of 1% of Profit

9. To fix the remuneration of Non-Executive Directors

To consider and if thought fit, to convey assent or dissent to the following Special Resolution:

"RESOLVED THAT pursuant to Sections 197, 198 and all other applicable provisions of the Companies Act, 2013 and relevant rules made thereunder (amended from time to time), consent of the Company be and is hereby accorded for the payment of remuneration to Non Executive Directors (Including Independent Directors)of the Company, for a period of 3 years from the current financial year 2017-18 for a sum not exceeding 1% of the net profits of the Company, in addition to the fee payable to them for attending the meetings of the Board or any committee (s) thereof or reimbursement of expenses if any as the Board of Directors may, from time to time, determine and in default of such determination equally and that Mr. Sunil L Mundra, Managing Director, be authorized to take all steps necessary for giving effect to this resolution".

By Order of the Board

Skandan.P. Jain
Company Secretary.

Place: Bangalore
Date: July 29, 2017

Note

1. The statement pursuant to Section 102 (1) of the Companies Act, 2013 with respect to the special business set out in the notice is annexed.
2. A member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote in the meeting instead of himself / herself, and the proxy need not be member of the company. A person can act as a proxy on behalf of not exceeding fifty (50) members and holding in aggregate not more than ten (10) percent of the total share capital of the company.
3. Corporate members intending to send their authorised representatives to attend the meeting shall be supported by appropriate resolutions/authority as applicable.
4. The instrument appointing the proxy, duly completed, must be deposited at the Company's registered office not less than 48 hours before the commencement of the meeting. A proxy form for the AGM is enclosed.
5. Members / proxies / authorised representatives should bring the duly filled attendance slip enclosed herewith to attend the meeting.
6. The register of members and share transfer books will remain closed from **22nd August 2017 to 29th August 2017** (both days inclusive) for determining members entitled to receive dividend for the financial year ended 31-03-2017.
7. Subject to the provisions of the Companies Act, 2013, dividend as recommended by the Board of Directors viz. Rs. 1 per share, if declared at the meeting, will be paid within a period of 30 days from the date of declaration, to those members whose names appear on the Register of Member as on the date of the AGM.
8. Members holding shares in dematerialised form are requested to intimate all changes pertaining to their bank details. National Electronic clearing service (NECS), Electronic Clearing Service (ECS), mandates nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their Depository Participant (DP) . Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's registrars and Transfer Agents, CAMEO CORPORATE SERVICES LIMITED (CCSL) to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to CCSL.
9. Members are requested to address all correspondence, including dividend-related correspondence, to the Registrar and Share Transfer Agents, M/s. CAMEO CORPORATE SERVICES LIMITED, Subramanian Building, No 1, Club House Road, Chennai – 600002. Ph# 28460390 (5 Lines) or to the Company.
10. Members wishing to claim dividends, which remain unclaimed, are requested to correspond with Skandan.P.Jain (Company Secretary), at the Company's registered office. Members are requested to note that as per Section 124 of The Companies Act, dividends not claimed within **(7) Seven years** from the date of transfer to the Company's unpaid dividend account, shall be transferred to the investor education and protection Fund.
11. With a view to using natural resources responsibly as a part of Green Initiative, we request shareholders who have not registered their email to register the same with CCSL/Depositories to enable the company to send communications electronically.
12. The Annual report 2016-17 is being sent through electronic mode only to the members whose email addresses are registered with the Company / Depository participant(s), unless any member has requested for a physical copy of the report. For members who have not registered their email addresses, physical copies of the Annual Report 2016-17 are being sent by the permitted mode.
13. In compliance with Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 substituted by companies (Management and Administration) Amendment, Rules 2015, and Regulation 44 of SEBI (LODR) Regulations, 2015), the Company has provided a facility to the members to exercise their votes electronically through the electronic voting service facility arranged by National Securities Depository Limited (NSDL) and instructions for e-voting are given herein below. A resolution passed by members through e-voting is/are deemed to have been passed as if they've been passed at the AGM. The facility for voting, through polling paper (Form MGT-12), will also be made available at the AGM and for members who have not cast their votes by remote E-Voting.
14. The Notice of the 24th AGM and instructions for e-voting, along with the Attendance slip , Proxy form and other necessary documents is being sent by electronic mode to all members whose email addresses are registered with the Company / Depository Participant(s), unless a member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the documents are being sent by the permitted mode.
15. Members may also note that the Notice of the 24th AGM and the Natural Capsules Limited Annual Report 2016-17 will be available on the Company's website: www.naturalcapsules.com.
16. Additional information, as per SEBI (LODR) Regulations, 2015, in respect of the directors seeking appointment / re-appointment at the AGM is furnished as annexure to the Notice. The directors have furnished consent / declaration for their appointment / re-appointment as required under the Companies Act, 2013 and the Rules framed thereunder.
17. The Securities and Exchange Board of India (SEBI) has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository participant(s). Members holding shares in physical form are required to submit their PAN details to the company.

TWENTY FOURTH ANNUAL REPORT 2016-2017

18. All documents referred to in the Notice will be available for inspection at the Company's registered office during normal business hours on working days up to the date of the AGM.
19. Attendance registration:
 - a. Shareholders are requested to tender their attendance slips at the registration counters at the venue of the AGM and seek registration before entering the meeting hall.
20. Route map for the venue of the AGM to be held on 29th August 2017 is attached.

E-Voting Facility:

As per the section 108 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014, e-voting facility is a mandatory requirement for listed companies.

The instructions for shareholders voting electronically are as under:

Voting through electronic means:

- I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI(LODR) 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the 24th Annual General Meeting by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
- II. The facility for voting through Polling paper (Form MGT-12) shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through Polling paper (Form MGT-12).
- III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- IV. The remote e-voting period commences on **August 26th, 2017 (10:00 am)** and ends on **August 28th, 2017 (5:00 pm)**. During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of **22nd August 2017**, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- V. The process and manner for remote e-voting are as under:
 - A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)] :
 - (i) Open email and open PDF file viz; "remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password.
 - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com>.
 - (iii) Click on Shareholder - Login.
 - (iv) Put User ID and password noted in step (1) above and Click Login.
 - (v) **NOTE: Shareholders who forgot the User Details/Password can use "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com.**

Demat Holders:

In case Shareholders are holding shares in demat mode, USER-ID is the combination of (DPID+ClientID).

Physical Shareholders:

In case Shareholders are holding shares in physical mode, USER-ID is the combination of (Even No+Folio No).

- (vi) After successful login, you can change the password with new password of your choice.
- (vii) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
- (viii) Select "EVEN" of "Natural Capsules Limited".
- (ix) Now you are ready for remote e-voting as Cast Vote page opens.
- (x) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- (xi) Upon confirmation, the message "Vote cast successfully" will be displayed.
- (xii) Once you have voted on the resolution, you will not be allowed to modify your vote.
- (xiii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to vijaypataliya@gmail.com with a copy marked to evoting@nsdl.co.in

- B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy] :

(i) Initial password is provided as below:

EVEN (Remote e-voting Event Number) USER ID PASSWORD/PIN

(ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

Member may obtain a User ID and password for casting his /her vote by remote e-voting by sending a request at evoting@nsdl.co.in or by contacting NSDL at the toll free no. : 1800-222-990" providing the details such as Demat account no or Folio no, PAN no, etc.

Demat Holders:

Please note that In case Shareholders are holding shares in demat mode, User ID is the combination of (DPID+ Client ID) and

Physical Shareholders:

In case Shareholders are holding shares in physical mode, USER-ID is the combination of (Even No +Folio No.)

If you are already registered with NSDL for remote e-voting then you can use your existing User ID and password PIN for casting your vote.

NOTE: Shareholders who forgot the User Details/Password can use "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com.

- VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on toll free no. : 1800- 222- 990.
- VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- VIII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- IX. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of **22nd August 2017**.

Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. **22nd August 2017**, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or

Company : company.sec@naturalcapsules.com or

RTA email id : Kandhimathi@cameoindia.com

- X. However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.
- XI. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- XII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through Polling paper (Form MGT-12).
- XIII. Mr. Vijay Raj Pitliya (Membership No. 043441) representing M/s Pitliya & Associates, Chartered Accountants have been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- XIV. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Remote E-voting" or "Polling Paper (Form MGT-12)" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- XV. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or

TWENTY FOURTH ANNUAL REPORT 2016-2017

XVI. Against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

XVII. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company: <http://www.naturalcapsules.com> and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.

Explanatory Statement to Section 102(2) of the Companies Act, 2013:

Item No. 6:

The members of the Company at the 21st Annual General Meeting of the Company held on 27 August, 2014, had approved the appointment of Mr Sunil L Mundra as Managing Director of the Company and the terms of remuneration payable to him for a period of 5 Years w.e.f 01.06.2014. The members had inter alia approved salary in the scale of Rs.3,25,000-15,000-3,55,000 with the authority to the Board to fix the salary as recommended by Nomination and Remuneration Committee from time to time. Taking into consideration his present salary and future revisions, if any, and based on the recommendation of Nomination and Remuneration Committee, the Board of Directors on 27th May, 2017 decided to revise the salary scale applicable to Mr. Sunil L Mundra from the existing pay scale to Rs.3,55,000-15,000-3,80,000. The same increment of Rs.15000/- which was granted to him earlier is being continued. All other terms and conditions relating to his appointment and remuneration as approved earlier by the members remain unchanged. None of the Directors and Key Managerial Personnel of the Company or their respective relatives, except Mr. Sunil L Mundra, to whom the resolution relates, is concerned or interested in the Resolution mentioned at Item No. 6 of the Notice. Hence, The Board recommends the resolution set forth in Item No. 6 for the approval of the Members.

Background Details:

Mr. Sunil L Mundra is a Promoter Director having a professional Qualification as "Chartered Accountant" has immensely contributed to the progress of the company in the capacity of Managing Director and also considering his business experience and knowledge, the Board of Directors has determined it to be in the best interest of the company to revise the remuneration for remaining part of his tenure with effect from 1st June, 2017 upto 31st May 2019, having been approved both by the Board and Nomination and Remuneration Committee, which is set forth in the resolution.

Past Remuneration (2015-16)	Rs. 3,40,000
Recognition or Awards	Achieved Top 10 position in both Pre University and University Examination
Pecuniary relationship with the company	NIL
Relationship with KMP	Son of Laxminarayan Moondra (Wholetime Director), Nephew of Satyanarayan Mundra (Wholetime Director),
Proposed Remuneration	Rs. 3,70,000/- Per month on the scale of pay of Rs. 3,70,000-15000-3,85,000 Plus Perquisites as mentioned in the resolution.

Item No. 7:

The members of the Company at the 21st Annual General Meeting of the Company held on 27 August, 2014, had approved the appointment of Mr. Laxminarayan Moondra as Whole Time Director of the Company and the terms of remuneration payable to him for a period of 3 Years w.e.f 01st September 2014. The members had inter alia approved salary in the scale of Rs.2,20,000-15,000-2,50,000 with the authority to the Board to fix the salary as recommended by Nomination and Remuneration Committee from time to time. Taking into consideration his business acumen and in the best interest of the company and based on the recommendation of Nomination and Remuneration Committee, the Board of Directors on 27th May, 2017 decided to revise the salary of Mr. Laxminarayan Moondra for a period of 3 years commencing from 01st September 2017 in the scale of Rs. 2,80,000-15000-3,10,000. All other terms and conditions relating to his appointment and remuneration as approved earlier by the members remain unchanged. None of the Directors and Key Managerial Personnel of the Company or their respective relatives, except Mr. Laxminarayan Moondra, to whom the resolution relates, are concerned or interested in the Resolution mentioned at Item No. 7 of the Notice. Hence, The Board recommends the resolution set forth in Item No. 7 for the approval of the Members.

Background Details:

Mr Laxminarayan Moondra is a Promoter Director has immensely contributed to the progress of the company in the capacity of Whole Time Director and also considering his business experience and knowledge, the Board of Directors has determined it to be in the best interest of the company to revise the remuneration for remaining part of his tenure with effect from 1st June, 2017 upto 31st May 2019, having been approved both by the Board and Nomination and Remuneration Committee, which is set forth in the resolution.

Past Remuneration (2015-16)	Rs.2,30,000
Recognition or Awards	N.A
Experience	Bank and Finance, Human Resource and Management
Pecuniary relationship with the company	NIL
Relationship with KMP	Father of Sunil L Mundra (Managing Director), Brother of Sathyanarayana Mundra (Wholetime Director)
Proposed Remuneration	Rs. 2,80,000-15000-3,10,000 Plus perquisites as mentioned in the resolution