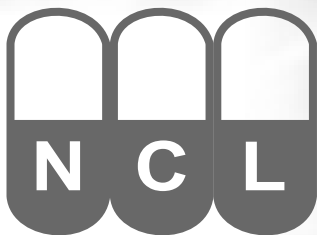




26th

**Annual Report
2018-2019**



VG - Caps



**NATURAL
CAPSULES
LIMITED**

**CHAIRMAN'S
ADDRESS**



Dear Shareholders,

I have pleasure of announcing the completion of yet another eventful Financial Year 2018-19. The Financial Year had been a mix of challenges and your company has strived to improve its performance.

The Company has taken up a new project to manufacture Active Pharma Ingredient (Bulk Drugs) in Tumkur at an estimated cost of Rs. 45.6 Crores, which is being funded by term loan from Banks and Internal accruals. Necessary Environmental Clearance for the Project is expected shortly and work is about to start soon. The said project is expected to go on stream by Financial Year 2022. This is expected to give significant increase in both top line and bottom line of the company in the coming years.

The Company 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 2018-19 are before you for consideration. Despite continuing challenges on export front and pricing pressure in domestic market and due to increase in input costs etc., your company has made Profit Before Tax of Rs. 206.85 Lakhs as compared to Rs. 168.22 Lakhs in the previous year. Despite aforesaid challenges, we propose to declare dividend of Rs. 1 per equity share if approved at the 26th Annual General Meeting.

We will be much obliged to have your valuable suggestions and look forward to 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 Anjan Kumar Roy	: Independent Director
Shri Pramod Kasat	: Independent Director
Shri. Laxminarayan Mundra	: Whole Time Director
Shri. Satyanarayan Mundra	: Whole Time Director
Shri. Sunil Laxminarayan Mundra	: Managing Director
Shri. Sushil Kumar Mundra	: Director
Smt. Jyoti Mundra	: Director
<u>Company Secretary & Compliance Officer</u>	: Shri. Skandan Prakash Jain
<u>Chief Financial Officer</u>	: Shri. Prasanna B Junnarkar
<u>Bankers</u>	: M/s. State Bank of India Commercial Branch Bengaluru.
<u>Secretarial Auditor</u>	: Shri. R Parthasarathy
<u>Statutory Auditor</u>	: M/s P Chandrasekar LLP
<u>Registered Office</u>	: M/s Natural Capsules Limited Trident Towers, 4th Floor, No. 23 100 Feet Road, Jayanagar II Block Bengaluru-560011 CIN: L85110KA1993PLC014742 company.sec@naturalcapsules.com
<u>Registrar and Share Transfer Agents</u>	: M/s Cameo Corporate Services Limited Subramanian Building, No. 1 Club House Road, Chennai-600 002 Email Id: kandhimathi@cameoindia.com

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FINANCIAL HIGHLIGHTS (8 YEARS)

(Rupees in Lakhs)

Particulars	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Sales & Other Income	4,459.17	5,418.89	5,942.12	6,811.53	6,328.53	5,445.57	5,957.01	6091.77
Exports	605.92	1,432.36	1,589.94	2,054.72	1,884.34	1,225.04	1,174.74	837.99
P B T	772.26	729.41	742.64	753.71	607.46	31.57	168.22	206.85
P A T	506.87	633.11	456.19	564.92	433.88	62.78	111.11	192.04
E P S	11.26	14.06	10.09	11.18	8.06	1.04	1.78	3.08
Dividend per share (Rs)	1.50	1.50	1.50	1.50	1.50	1.00	1.00	1
Reserves & Surplus	2,671.33	3,225.95	3,729.79	4,160.25	4,773.78	5,276.57	4,809.11	4926.18
Share Capital	450.27	450.27	502.27	524.27	579.27	623.27	623.27	623.27
Share holders fund	3,121.60	3,676.22	4,232.06	4,684.52	5,353.05	5,899.84	5,432.38	5549.45
R O I (%)	16.24	17.22	10.76	12.06	8.11	1.06	6.16	12.99

Note :

Above figures are in Rs. (In Lakhs) Except for EPS, Dividend per Share and ROI.

EPS and Dividend Per Share are in terms of numbers

ROI is in terms of percentage.

NOTICE

Notice is hereby given that the **26th Annual General Meeting** of the members of Natural Capsules Limited will be held on **Thursday, the 22nd August 2019** at **10.00 A.M.** at **The Bangalore Gayana Samaja, Krishna Rajendra Road, Basavangudi, Bengaluru-560004** to transact the following business:-

Ordinary Business:

1. To receive, consider and adopt the Consolidated and Standalone Audited Financial Statements for the Financial Year ended 31st March 2019 together with the Reports of the Directors and the Auditors thereon.
2. To declare dividend for the Financial Year 2018-19.
3. To appoint a director in place of Shri.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 Shri. Satyanarayan Mundra (DIN: 00214349), who retires by rotation and being eligible, offers himself for re-appointment.

Special Business:

5. To appoint Shri. Pramod Kasat as Independent Director (DIN: 00819790) of the Company.

To consider and if thought fit, to convey assent or dissent to the following 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 (hereinafter referred to as 'Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014, (as amended from time to time) and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'SEBI Listing Regulations'), Shri. Pramod Kasat (DIN : 00819790), who was appointed by the Board of Directors as an Additional Director with effect from 30th May 2019 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161 of the act and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act be and is hereby appointed as an Independent Non-executive Director of the Company to hold office for a term of **5 (five)** consecutive years with effect from **30th May, 2019 to 30th April 2024** not liable to retire by rotation."

6. Re-appointment of Shri. C P Rangachar as Independent Director for a period of 5 Years:

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

"RESOLVED THAT pursuant to the provisions of Section 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time Shri. C P Rangachar be and is hereby re-appointed as an Independent Director of the Company for a second term of five years with effect from **25th August 2019** and that his tenure of appointment shall not be liable to retire by rotation."

7. Re-appointment of Shri.Sunil L Mundra (DIN: 00214304) as Managing Director and revision of his remuneration for 3 years:

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 such other approvals as may be required, the consent of the company be and is hereby accorded for re appointment of Shri.. Sunil L Mundra as a Managing Director of the company for a period of 5 years with effect from **1st June 2019** 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) :-

1. Salary of Rs. 3,85,000/- Per month on the scale of pay of Rs. 3,85,000-15000-4,15,000
2. Car with the driver for official work
3. Medical re imbursement 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 for a period of 3 years which 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 limit as per Schedule V and that the commission will not be paid."

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

8. To consider re-appointment Shri.Satyanarayan Mundra (DIN: 00214349) as Whole time Director for a Period of 3 Years and to revise 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, the consent of the Company be and is hereby accorded for re-appointment of Shri. Satyanarayan Mundra as a Whole time Director of the company for a period of 3 years with immediate effect, 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):-

1. Salary of Rs. 2,80,000/- Per month on the scale of pay of Rs. 2,80,000-15000-3,10,000
2. Car with the driver for official work
3. Medical re imbursement 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

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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 which 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 limit as per Schedule V and that the commission will not be paid."

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

9. Increasing the Borrowing Powers:

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

"RESOLVED THAT pursuant to Section 180(1)(c) of the Companies Act, 2013 and rules framed thereunder and any other applicable laws and provisions of Articles of Association of the Company, the consent of the company be and is hereby accorded to the Board of Directors of the Company or Committee thereof (the "Board") to borrow such sum of moneys, from time to time, at its discretion, with or without security, and upon such terms and conditions as the Board may think fit, for the purpose of business of the Company, such that the moneys to be borrowed together with the moneys already borrowed by the Company (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) and outstanding at any point of time shall not exceed a sum of **Rs.60 crore (Rupees Sixty Crore Only)**"

"RESOLVED FURTHER THAT the Managing Director and the Company Secretary be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution".

By ORDER OF THE BOARD

Sunil L. Mundra
Managing Director
DIN: 00214304

Date : 15/07/2019
Place : Bangalore.

NOTE:

1. 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 him / her, and the proxy need not be member of the company. A person can act as a proxy on behalf of not exceeding 50 (fifty) members and holding in aggregate not more than 10 (ten) percent of the total share capital of the company. Corporate members intending to send their authorized representatives to attend the meeting shall be supported by appropriate resolutions/authority as applicable.
2. The instrument appointing the proxy, duly completed, must be deposited at the Company's registered office not less than 48 (Forty Eight) hours before the commencement of the meeting. A proxy form for the AGM is enclosed.
3. The Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013 with respect to the special business set out in the notice is annexed hereto.
4. M/s P. Chandrasekar LLP, Chartered Accountants, were appointed as the Statutory Auditors of the Company for a term of five consecutive years at the 24th Annual General Meeting held on 29th August 2017 subject to annual ratification by shareholders. However with the advent of Companies (Amendment) Act, 2017 the requirement of annual ratification of the appointment of the Statutory Auditors of the Company by the shareholders at the Annual General meeting has been done away with. Accordingly, M/s P. Chandrasekar LLP, Chartered Accountants will continue to be the Statutory Auditors of the Company for the FY 2019-20 and thereafter. Hence, no resolution is proposed for ratification of the appointment of Auditors, who were appointed at the Annual General Meeting, held on 29th August 2017.
5. Members / proxies / authorized 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 **15th August to 22nd August 2019 (both days inclusive)** for a total of **8 (Eight)** days for determining the members entitled to receive dividend for the financial year ended **31st March 2019**. Subject to the provisions of the Companies Act, 2013, dividend if approved by the shareholders will be payable on or after **August 22nd, 2019** and will be paid to those shareholders whose names appear in the Company's Register of Shareholders as on **14th August 2019**. In respect of the shares held in electronic form, the dividend will be payable on the basis of beneficial ownership as per details furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). HDFC Bank Limited has been appointed as the banker for the payment of dividend to the shareholders.
7. 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.
8. 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 at its Registered Office at Trident Towers, 4th Floor, No. 23, 100 Feet Road, Jayanagar II Block, Bengaluru-560011.
9. 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. The Annual report **2018-19** 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 **2018-19** are being sent by the permitted mode.

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10. In compliance with Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended from time to time) 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.
11. The Notice of the 26th 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.
12. Members may also note that the Notice of the **26th AGM** and the Natural Capsules Limited Annual Report 2018-19 will be available on the Company's website: www.naturalcapsules.com
13. 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.
14. 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.
15. The Equity Shares of the Company are listed on the Bombay Stock Exchange Limited (BSE) and The Company has already paid the annual listing fees for the Financial Year 2018-19 to BSE and NSE as well as custodian fees to the National Securities Depository Limited and Central Depository Services (India) Limited within the prescribed time.
16. 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.
17. Attendance registration: 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.
18. Route map for the venue of the AGM to be held on **22nd August 2019** is attached:

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 from time to time) 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 **26th 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 **19th August 2019 (10:00 am)** and ends on **August 21st, 2019 (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 **14th Aug 2019**, 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:

E-Voting Facility:

As per the section 108 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014 (as amended from time to time), e-voting facility is a mandatory requirement for listed companies. The instructions for shareholders voting electronically are as under:

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below	
Step I: Log-in to NSDL e-Voting system at https://www.evoting.nsdl.com/	Step II: Cast your vote electronically on NSDL e-Voting system
Details on Step I is mentioned below	Details on Step 2 is given below How to cast your vote electronically on NSDL e-Voting system?
1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile	1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section	2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen	3. Select "EVEN" of company for which you wish to cast your vote
4. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.	4. Now you are ready for e-Voting as the Voting page opens

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5.Your User ID details are given below.		5.Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted 6.Upon confirmation, the message “Vote cast successfully” will be displayed.
Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:	7.You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page
a) For Members who hold shares in demat account with NSDL	8 Character DP ID followed by 8 Digit Client ID <i>For example</i> if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.	8.Once you confirm your vote on the resolution, you will not be allowed to modify your vote
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID <i>For example</i> if your Beneficiary ID is 12***** then your user ID is 12*****	General Guidelines for shareholders
c) For Members holding shares in Physical Form	EVEN Number followed by Folio Number registered with the company <i>For example</i> if folio number is 001*** and EVEN is 101456 then user ID is 101456001***	
5.Your password details are given below		2. It is strongly recommended not to share your password With any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/ Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com to reset the password 3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in
a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote		
b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password		
c) How to retrieve your ‘initial password’?		
(i) If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’		
(ii) If your email ID is not registered, your ‘initial password’ is communicated to you on your postal address		
6.If you are unable to retrieve or have not received the “ Initial password” or have forgotten your password		
If you are unable to retrieve or have not received the “ Initial password” or have forgotten your password		

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a) Click on “Forgot User Details/Password?”(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com	
b) Physical User Reset Password?” (If you are holding shares in physical mode) option available on www.evoting.nsdl.com	
c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address	
d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL	
7.After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box	
8.Now, you will have to click on “Login” button	
9.After you click on the “Login” button, Home page of e-Voting will open	

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

Item No.5): To appoint Shri. Pramod Kasat as Independent Director (DIN: 00819790) of the Company

Shri. Pramod Kasat, was born in the year 1969 and he is a MBA in Finance from Sydenham Institute of Management Studies of Mumbai University.

He is also a Bachelor of Engineering degree in Electronics Engineering (Hons) from BITS, Pilani.

He is attentive working as the country head for investment banking advisory of Indusind Bank.

He is having over two decades of experience in structured finance, Investment Banking and credit with exceptional track record of leadership. Prior to taking his responsibilities with Indusind Bank he was the investment banking head at Pioneer Investcorp Ltd. in Mumbai. Shri. Kasat also served as a director at Credit Suisse and in Deutsche Bank's global markets team and with Citibank. In his tenure with IL&FS, he worked as national head for origination for Investment banking and also as regional head of financial services and held a variety of positions in client coverage, structuring and credit evaluation.

Shri. Kasat has extensive experience in India in sectors like Infrastructure, real estate, Pharma, industrials and in logistics amongst others. Shri. Kasat spearheaded successful deal investments and exits worth more than US\$1 billion with specialization in deal origination and structuring of transactions for Indian enterprises with deep insight pertaining to the Private Equity and Structured Finance regime in India.

Based on recommendation of Nomination and Remuneration Committee and in terms of the provisions of Sections 149, 152 read with Schedule IV and any other applicable provisions, if any of the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 (as amended from time to time) and Regulation 16(1)(b) of SEBI Listing Obligation Requirement (LODR) Regulation, 2015 ,being eligible, he offers himself for appointment as an Non-Executive- Independent Director

Shri. Pramod Kasat (DIN : 00819790), was appointed by the Board of Directors as an Additional Director with effect from **30th May 2019** and he holds office up to the date of this Annual General Meeting of the Company in terms of Section 161 of the act and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and the Board also considers that his continued association would be of immense benefit to the Company and it is desirable to avail his services as an Independent Non-Executive Director. In compliance with the provisions of Section 149 read with Schedule IV of the Companies Act, 2013, the appointment of Shri. Pramod Kasat as Independent Non-Executive Director is now placed before the Members at the General Meeting for approval. Accordingly, the Board recommends ordinary resolution in relation to the appointment of Shri. Pramod Kasat as a Non-Executive- Independent Director for a term of **5 (five)** consecutive years with effect from **30th May 2019 to 30th April 2024**, not liable to retire by rotation, for the approval by the shareholders of the Company.

Copies of draft letters for appointment of Shri. Pramod Kasat as Independent Non-Executive Director setting out terms and conditions of appointment would be available for inspection without any fee by the members at the registered office of the Company during office hours on all working days except public holidays between 10.00 am to 12.00 noon, up to and including the date of AGM.

Except Shri. Pramod Kasat, being appointee, none of the directors and Key Managerial Personnel of the Company and their relatives, is / are in any way concerned / interested in the resolution set out at item No. 5 of the accompanying Notice of the AGM.

Shri. Pramod Kasat is not related to any director(s) of the Company. The board recommends the passing of the resolution as set out at Item No. 5 of the Notice of the AGM as an **Ordinary resolution**.

Item No. 6). Re-appointment of Shri. C P Rangachar as Independent Director for a period of 5 Years:

6. Shri. C P Rangachar is a qualified Engineer with widest of exposure and has travelled to most of the countries in the world and is the Managing Director M/s Yuken India Limited and Director of 9 other companies besides NCL. He is a member in Audit Committee, Stakeholders Relationship Committee and Risk Management Committee of M/s Yuken India Limited. His expertise, timely advice and active involvement in spite of his tightest of schedule are invaluable. Hence the Nomination remuneration and Compensation Committee recommends the re-appointment of Shri. CP Rangachar for a second term of five years with effect from **25th August 2019** and that his tenure of appointment shall not be liable to retire by rotation.

Except Shri. C R Rangachar, being appointee, none of the directors and Key Managerial Personnel of the Company and their relatives, is / are in any way concerned / interested in the resolution set out at item No. 6 of the accompanying Notice of the AGM.

The board recommends the passing of the resolution as set out at Item No. 6 of the Notice of the AGM as an **Special resolution**.

Item No. 7).Re-appointment of Shri. Sunil L Mudra (DIN: 00214304) as Managing Director and revision of his remuneration for 3 Years:

Shri. Sunil L Mudra 55 years, is Promoter and Managing Director of the Company and having professional qualification as “Chartered Account” his knowledge of various aspects relating to the company's affairs and long business experience, the Board of Director is of the opinion that for well-ordered and efficient running of the business, the services of **Shri. Sunil L Mudra** should be available to the company for a further period of 5years with effect from **01st June 2019**.

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The Board of Directors has also determined that it would be in the best interest of the company to revise the remuneration for remaining part of his tenure and it is also duly approved by both the Board and Nomination and Remuneration & Compensation Committee

In terms of the provisions of the companies Act, and the Articles of Association of the Company, the Nomination and Remuneration Committee, the Board and the Board of Directors have at their meeting held on 30th May 2019 re-appointed him as Managing Director of the Company for further period of 5 years effect on the same terms and conditions of the earlier agreement except that his remuneration shall be as per the following terms.

1. Salary of Rs. 3,85,000/- Per month on the scale of pay of Rs. 3,85,000-15000-4,15,000
2. Car with the driver for official work
3. Medical re imbursement 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

The aforesaid remuneration shall be for a period of 3 years which 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 limit as per Schedule V and that the commission will not be paid."

Except Shri. Sunil L Mundra, being appointee, none of the directors and Key Managerial Personnel of the Company and their relatives, is / are in any way concerned / interested in the resolution set out at item No. 7 of the accompanying Notice of the AGM.

The board recommends the passing of the resolution as set out at Item No. 7 of the Notice of the AGM as an **Special resolution**.

Item No.8). To consider re-appointment Shri. Satyanarayan Mundra (DIN: 00214349) as Whole time Director for a Period of 3 Years and to revise his remuneration:

Shri. Satyanarayan Mundra 68 years, is Promoter and Whole time Director of the Company and his knowledge of various aspects relating to the company's affairs and long business experience, the Board of Director is of the opinion that for well-ordered and efficient running of the business, the services of **Shri. Satyanarayan Mundra** should be available to the company for a further period of 3years with effect **from 01st June 2019**.

The Board of Directors has also determined that it would be in the best interest of the company to revise the remuneration for remaining part of his tenure and it is also duly approved by both the Board and Nomination and Remuneration & Compensation Committee.

In terms of the provisions of the companies Act, and the Articles of Association of the Company, the Nomination and Remuneration Committee, the Board and the Board of Directors have at their meeting held on 30th May 2019 re-appointed him as Managing Director of the Company for further period of 3 years effect on the same terms and conditions of the earlier agreement except that his remuneration shall be as per the following terms.

1. Salary of Rs. 2,80,000/- Per month on the scale of pay of Rs. 2,80,000-15000-3,10,000
2. Car with the driver for official work
3. Medical re imbursement 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

The aforesaid remuneration shall be for a period of 3 years which 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 limit as per schedule v and that the commission will not be paid."

Except **Shri. Satyanarayan Mundra**, being appointee, none of the directors and Key Managerial Personnel of the Company and their relatives, is / are in any way concerned / interested in the resolution set out at item No. 8 of the accompanying Notice of the AGM.

The board recommends the passing of the resolution as set out at Item No. 8 of the Notice of the AGM as an **Special resolution**.

Item No. 9. Increasing the borrowing powers:

Keeping in view the existing and future financial requirements to support its business operations, the Company is likely to need additional funds. For this purpose, the Company may, from time to time, raise finance from various Banks and/or Financial Institutions and/ or any other lending institutions and/ or Bodies Corporate and/or such other persons/ individuals as may be considered fit, which, together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in ordinary course of business) may exceed the aggregate of the paid up capital and free reserves of the Company.

Hence it is proposed to increase borrowing limits to Rs. 60 crores. Pursuant to Section 180(1)(c) of the Companies Act, 2013, the Board of Directors cannot borrow more than the aggregate amount of the paid up capital of the Company and its free reserves at any one time except with the consent of the members of the Company in a general meeting.

Hence, the Special Resolution at Item No.9 of the Notice is being proposed, since the same exceeds the limits provided under Section 180(1)(a) & 180(1)(c) of the Act. The Directors recommend the Special Resolution as set out at Item No. 9 of the accompanying Notice, for members' approval.

None of the Directors or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the Special Resolution except to the extent of their shareholding in the Company.

Additional Information relating to Directors :

All Independent directors have given declaration that they have met the criteria of independence as laid down under section 149 (6) of the companies Act 2013 and Regulation 25(3) of SEBI (Listing obligation Disclosure Requirement) Regulations, 2015. All directors have given a declaration relating to compliance with code of conduct.

Shri. C P Rangachar tenure as Independent Director will be ending on 24.08.19 and he is eligible for re-appointment as Independent Director for a tenure of 5 Years and being eligible he is seeking for re-appointment. and the board recommends his re appointment. The tenure of Mr. M S Gopalan & Dr C M Gurumurthy is ending on 24.08.19 and considering their age they have expressed their desire not to seek re appointment. The board wishes to place on records its immense gratitude for valuable contribution towards the progress of the company during their tenure & association of 25 years as director and independent director.