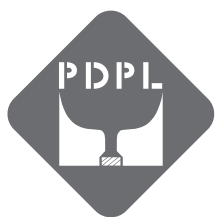


33<sup>rd</sup>  
ANNUAL  
REPORT 2016-17



PARENTERAL DRUGS (INDIA) LIMITED



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# Company Information

## Board of Directors

### Executive Directors

**Shri Manohar Lal Gupta**

Chairman

**Shri Vinod Kumar Gupta**

Managing Director

**Shri Govind Das Garg**

Whole-Time Director

**Shri Anil Mittal**

Whole-Time Director &amp; Chief Executive

### Registered Office

340, Laxmi Plaza, Laxmi Industrial Estate,  
New Link Road, Andheri (West),  
Mumbai-400 053 (Maharashtra)  
e-mail: pdpl@pdindia.com  
website: www.pdindia.com

### Corporate Office & Investors Grievances Centre

Shree Ganesh Chambers,  
Navlakha Crossing, A. B. Road,  
Indore-452 001 (Madhya Pradesh)  
e-mail: investor@pdindia.com

### Non-Executive Directors

**Shri Balkrishna V. Chaulal**

Nominee Director

**Shri Dharam Pal Khanna**

Independent Director

**Shri Dilip Kumar Panchaitv (till 30<sup>th</sup> April, 2017)**

Independent Director

**Shri Dilip Kumar Sinha**

Independent Director

**Shri Sandeep Vyas (w.e.f. 14<sup>th</sup> November, 2016)**

Independent Director

**Smt. Deepali Garhewal**

Independent Director

### Auditors

M/s. T.N. Unni & Co.  
Chartered Accountants,  
402, Alankar Point, Geeta Bhawan Square,  
Indore-452 001 (Madhya Pradesh)

### Bankers

State Bank of India  
Punjab National Bank

### Company Secretary & Compliance Officer

**CS Aradhana Kulkarni**

### Manufacturing Locations

**Madhya Pradesh**

Village: Panwa,  
Tehsil: Kasrawad,  
Dist.: Khargone-451 228  
(M.P.) India

**Himachal Pradesh**

Village: Bhud,  
Tehsil: Nalagarh,  
Dist.: Solan-173 205  
(H.P.) India

### Registrar and Share Transfer Agent

Link Intime India Private Limited  
C-101, 247 Park, L.B.S. Marg,  
Vikhroli (West), Mumbai-400 083  
Tel. No.: 022 - 49186270  
Fax No.: 022 - 49186060  
e-mail: rnt.helpdesk@linkintime.co.in

## NOTICE

**NOTICE** is hereby given that the 33<sup>rd</sup> Annual General Meeting of the members of Parenteral Drugs (India) Limited will be held on Friday, the 29<sup>th</sup> day of September, 2017, at 9.30 a.m. at the Classique Club, Behind Infinity Mall, Link Road, Oshiwara, Andheri (West), Mumbai-400 053 to transact the following business:-

### ORDINARY BUSINESS

1. a. To consider, approve and adopt the Standalone Financial Statement and reports of the Board of Directors and Auditors thereon of the company as on 31<sup>st</sup> March, 2017.  
b. To consider, approve and adopt the Consolidated Financial Statement and Auditors Report thereon of the company as on 31<sup>st</sup> March, 2017.
2. To re-appoint Shri Anil Mittal (DIN:00039133), Whole-Time Director of the company, who is liable to retire by rotation and being eligible offers himself for re-appointment.
3. To appoint Statutory Auditors of the company to hold office from the conclusion of this Meeting, for five (5) consecutive years till the conclusion of the 38<sup>th</sup> Annual General Meeting of the Company to be held in the calendar year 2022 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 provisions of section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. Singhal Jain & Co., Chartered Accountants, Jaipur, (Firm Registration No. 013995C), be and is hereby appointed as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting, for five (5) consecutive years till the conclusion of the 38<sup>th</sup> Annual General Meeting of the Company to be held in the calendar year 2022, subject to ratification by the shareholders annually, at such remuneration as may be fixed by the Board of Directors of the Company."

### SPECIAL BUSINESS

#### ITEM NO. 4

#### **RE-APPOINTMENT OF SHRI GOVIND DAS GARG (DIN: 00520067) AS A WHOLE-TIME DIRECTOR OF THE COMPANY**

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

**"RESOLVED THAT** subject to the provision of sections 196, 197 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Schedule V to the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) and as recommended by the Nomination and Remuneration Committee and the Board of Directors of the Company, approval of members of the Company be and is hereby accorded to re-appoint Shri Govind Das Garg (DIN: 00520067) as a Whole-Time Director of the Company for a period of three (3) years w.e.f. 1<sup>st</sup> January, 2018 on a consolidated monthly remuneration of Rs.1,25,000/- (Rupees One Lac Twenty Five Thousand Only) and contribution to Provident and Gratuity Fund as may be applicable and will be liable to retire by rotation under the provisions of section 152 of the Companies Act, 2013;

**RESOLVED FURTHER THAT** Shri Vinod Kumar Gupta (DIN:00039145), Managing Director of the Company be and is hereby authorised to file necessary forms with the Registrar of Companies, Maharashtra, as may be required under the provisions of the Companies Act, 2013 in this regard."

#### ITEM NO. 5

#### **APPOINTMENT OF SHRI SANDEEP VYAS (DIN: 07652129) AS AN INDEPENDENT PROFESSIONAL DIRECTOR OF THE COMPANY**

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** Shri Sandeep Vyas (DIN: 07652129), who was appointed as an Additional Director of the Company with effect from 14<sup>th</sup> November, 2016 by the Board of Directors of the Company pursuant to section 161 of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and Article 117 of the Articles of Association of the Company and in respect of whom, the Company has received a notice under Section 160 of the Companies Act 2013, be and is hereby appointed as Director of the Company, not liable to retire by rotation;

**RESOLVED FURTHER THAT** pursuant to the provisions of sections 149 and other applicable provisions of the Companies Act, 2013, read with Schedule IV of the Companies Act, 2013, Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Shri Sandeep Vyas (DIN: 07652129), be and is hereby appointed as an Independent Professional Director of the Company eligible for appointment w.e.f. 14<sup>th</sup> November, 2016 till 31<sup>st</sup> January, 2021;

**RESOLVED FURTHER THAT** Shri Vinod Kumar Gupta (DIN:00039145), Managing Director of the company be and is hereby authorised to file necessary form with the Registrar of Companies, Maharashtra and to do all such acts, deeds or things to give effect to the aforesaid resolution."

#### ITEM NO.6

##### **RE-APPOINTMENT OF SMT. DEEPALI GARHEWAL (DIN: 05302559) AS AN INDEPENDENT PROFESSIONAL DIRECTOR OF THE COMPANY FOR A FURTHER TERM**

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

**“RESOLVED THAT** pursuant to the provisions of section 149 and other applicable provisions of the Companies Act, 2013, read with Schedule IV of the Companies Act, 2013, Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Smt. Deepali Garhewal (DIN: 05302559), be and is hereby re-appointed as an Independent Professional Director of the Company for a further term of five (5) years w.e.f. 30<sup>th</sup> March, 2017 till 29<sup>th</sup> March, 2022;

**RESOLVED FURTHER THAT** Shri Vinod Kumar Gupta (DIN: 00039145), Managing Director of the company be and is hereby authorised to file necessary form with the Registrar of Companies, Maharashtra and to do all such acts, deeds or things to give effect to the aforesaid resolution.”

#### ITEM NO.7

##### **RATIFICATION OF REMUNERATION OF COST AUDITOR OF THE COMPANY**

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of section 148 and other applicable provisions of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and as recommended by the Audit Committee, M/s. A. Goyal & Co., Cost Accountants, Jaipur (Firm Registration No. 101308), were appointed as Cost Auditors by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year 2017-18 and the members of the company hereby ratify the payment of remuneration to the Cost Auditors of Rs. 40,000/- per annum (Rupees Forty Thousand Only) plus tax, as applicable and out of pocket expenses;

**RESOLVED FURTHER THAT** Shri Vinod Kumar Gupta (DIN:00039145), Managing Director of the Company, be and is hereby authorised to do all such acts, deeds and things as may be required to give effect to the aforesaid resolution.”

**Place: Indore**

**Date: 14<sup>th</sup> August, 2017**

**BY ORDER OF THE BOARD**

**Vinod Kumar Gupta**  
**Managing Director**  
**(DIN: 00039145)**

## NOTES

1. Statement pursuant to section 102 of the Companies Act, 2013 relating to the Special Business to be transacted at the Annual General Meeting is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (the "Meeting") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL ON HIS / HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** A person can act as proxy on behalf of members not exceeding fifty (50) and holding in aggregate not more than ten (10) percent of the total share capital of the Company. In case a proxy is proposed to be appointed by a member holding more than ten (10) percent of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other member.  
The instrument of proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A Proxy Form is annexed to this Report. Proxy Form submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution / authority, as applicable.
3. Members holding shares in physical form are requested to forward all applications for transfer and all other shares related correspondence (including intimation for change of address) to the Share Transfer Agent of the Company at the following address:  
Link Intime India Private Limited, C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400 083
4. The members are requested to:
  - a. Intimate to the Registrar/ Company, changes, if any, in their registered address at an early date along with the PIN code.
  - b. Quote registered folio/client ID and DP ID in all their correspondence(s).
5. Members holding shares in dematerialized form (electronic form) are requested to intimate any change in their address, bank mandate etc., directly to their respective depository participants.
6. The Register of Members and the Share Transfer Books of the Company will remain closed from 23<sup>rd</sup> September, 2017 to 29<sup>th</sup> September, 2017 (both days inclusive).
7. Electronic copy of the Annual Report is being sent to all the members whose e-mail IDs are registered with the company / Depository Participants. However, the physical copies of the same are being sent to all the members by the permitted mode who are members of the company as on the cut-off date i.e. 25<sup>th</sup> August, 2017.
8. To promote green initiative, members are requested to register their e-mail address through their Depository Participant for sending the future communications by e-mail. Members holding the shares in physical form may register their e-mail address through the Registrar and Share Transfer Agent, giving reference of their folio number.
9. A member who has not claimed his/her/their dividend and the fractional amount for the year 2009-10 are requested to write to the Registrar and Share Transfer Agent to claim his/her/their dividend and the fractional amount for the year 2009-10. Pursuant to provisions of section 125 of the Companies Act, 2013, dividend which remains unpaid/unclaimed for a period of seven(7) years from the date of transfer of the same to the Company's unpaid dividend account will be transferred to the Investor Education and Protection Fund established by the Central Government.  
Further, the Company shall not be in a position to entertain the claims of the shareholders for the unpaid/unclaimed part of dividend and the fractional amount paid for the financial year 2009-10, after the last date i.e. 28<sup>th</sup> November, 2017 and 11<sup>th</sup> January, 2018 respectively.
10. In accordance with the provisions of section 72 of the Companies Act, 2013, members are entitled to make nomination in respect of Equity Shares held by them, in physical form. Members desirous of making nomination may avail the facility of nomination by nominating in the prescribed "Nomination Form", a person to whom his/her/their shares in the Company shall vest in the event of his/her death.
11. The Company has appointed CS Archana Maheshwari of M/s Archana Maheshwari & Co., Practicing Company Secretaries, as the Scrutinizer who will scrutinize the remote e-voting and poll process in a fair and transparent manner.
12. The members can opt for only one mode of voting, i.e., either by e-voting or the poll facility available at the venue of the meeting.
13. Voting through electronic means:  
Pursuant to the provisions of section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide its members, the facility to exercise their right to vote at the 33<sup>rd</sup> Annual General Meeting by electronic means ("Remote e-voting"). The business may be transacted through e-voting services provided by Central Depository Services (India) Limited (CDSL).  
The voting period begins on 26<sup>th</sup> September, 2017 at 9.00 a.m. and ends on 28<sup>th</sup> September, 2017 at 5.00 p.m. During this period, shareholders of the company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) i.e. 22<sup>nd</sup> September, 2017, may opt for remote e-voting. Also, once the vote on a resolution is casted by the member, he/she/it shall not be allowed to change it subsequently or cast the vote again. The e-voting module shall be disabled by CDSL for voting thereafter. Also, a person who is not a member as on the cut-off date (record date) i.e. 22<sup>nd</sup> September, 2017 should treat this notice for information purpose only.  
The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 26<sup>th</sup> September, 2017 at 9.00 a.m. and ends on 28<sup>th</sup> September, 2017 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) i.e. 22<sup>nd</sup> September, 2017, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)  * Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> <li>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Non – Individual Shareholders and Custodians
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able





to cast their vote.

- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

#### STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013

##### ITEM NO.4

Shri Govind Das Garg (DIN: 00520067) aged 69 years and is a promoter director of the company and has been managing the affairs of the company on day to day basis from very beginning.

He was re-appointed as Whole-Time Director of the company on 30<sup>th</sup> September, 2014, for a period of three (3) years commencing from 1<sup>st</sup> January, 2015 and his tenure as Whole-Time Director is expiring on 31<sup>st</sup> December, 2017. The Nomination and Remuneration Committee and the Board of Directors of the company recommended his appointment at their meetings held on 11<sup>th</sup> August, 2017 and 14<sup>th</sup> August, 2017 respectively and will be liable to retire by rotation.

Further, the company complies/will comply with the conditions as set out in Section II of Part II of Schedule V of the Companies Act, 2013. Details of the Whole-Time Director as required under clause (iv) of Section II of Part II of Schedule V of the Companies Act, 2013 are as under:

##### I. General Information:

- (1) Nature of industry: Pharmaceutical
- (2) Date of expected date of commencement of commercial production: 2<sup>nd</sup> July, 1986
- (3) Financial performance based on given indicators: On standalone basis, during the financial year 2016-2017, the Company recorded a turnover of Rs. 52.19 crores and recorded a loss after tax of Rs. 113.31 crores.
- (4) Foreign investments or collaborations, if any: There are no overseas subsidiaries or collaborations of the company.

##### II. Information about the appointee:

- (1) Background details:
  - \* Name: Shri Govind Das Garg
  - \* Father's Name: Shri Fakir Chand Agrawal
  - \* Date of Birth: 10<sup>th</sup> October, 1946
  - \* Residential Address: 5, Anand Bagichi, Agrawal Nagar, Indore-452 001 (Madhya Pradesh)
- (2) Past remuneration: Rs. 1,25,000/- p.m. (Rupees One Lac Twenty Five Thousand Only) and contribution to Provident and Gratuity Fund as may be applicable (But not paid).
- (3) Recognition or awards: None
- (4) Job profile and his suitability:
 

Shri Garg (DIN: 00520067) has 39 years of working experience in diversified business activities including experience in pharmaceutical industry. He is basically looking into procurement and technical issues in the company. He has been working as a Whole-Time Director of the Company since 1994 and has made pioneering contribution in growth of the company.
- (5) Remuneration proposed: Rs. 1,25,000/- p.m. (Rupees One Lac Twenty Five Thousand Only) and contribution to Provident and Gratuity Fund as may be applicable (Subject to the provision of sections 196 & 197 of the Companies Act, 2013).
- (6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin):
 

Remuneration proposed to be paid to the Whole-Time Director is on the lower side of the industry norms, size of the company and looking to the profile of the said Whole-Time Director.
- (7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:
 

Shri Garg (DIN: 00520067) does not have any pecuniary relationship with the Company, other than receipt of remuneration as a Whole-Time Director. Further, Shri Vinod Kumar Gupta (DIN: 00039145), Shri Manohar Lal Gupta (DIN: 00040784) and Shri Govind Das Garg (DIN: 00520067) are related to each other and are the promoter directors of the company.

##### III. Other information:

- (1) Reasons of loss or inadequate profits: The loss due to overall liquidity crunch being faced by the company resulting in low turnover and productivity and thereby higher costs.
- (2) Steps taken or proposed to be taken for improvement: The Company is in regular talks with the bankers for the sanction of appropriate revival package/scheme for the company.
- (3) Expected increase in productivity and profits in measurable terms: The Company will try to achieve the standards of its past performance.

##### IV. Disclosures:

The following disclosures are mentioned in the Directors' Report under the heading "Corporate Governance", forming part of the financial statement:—

- (i) all elements of remuneration package such as salary, benefits, bonuses, stock options, pension, etc., of all the directors;
- (ii) details of fixed component and performance linked incentives along with the performance criteria;



- (iii) service contracts, notice period, severance fees;
- (iv) stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable.

Also, according to the provisions of section 190 of the Companies Act, 2013, a draft contract of service with Shri Garg (DIN:00520067), Whole-Time Director of the company is available for inspection members at the registered office of the company.

In terms of provision of sections 196, 197 and other provisions applicable, if any, of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Schedule V to the Companies Act, 2013, approval of the members of the Company is required for his re-appointment as a Whole-Time Director of the Company for a further period of three (3) years by way of passing the proposed resolution as a Special Resolution. Further, the company will pay remuneration to the Whole-Time Director after obtaining all necessary permissions as may be required to be obtained as per the applicable provisions.

Hence, the Board recommends the resolution as set out in Item No. 4 of the accompanying Notice for your approval as a Special Resolution.

None of the Directors, Key Managerial Personnel and their relatives are concerned or interested financially or otherwise in the resolution as set out in Item No. 4 except Shri Govind Das Garg (DIN:00520067) for himself, Shri Vinod Kumar Gupta (DIN:00039145) and Shri Manohar Lal Gupta (DIN:00040784) and their relatives.

#### **ITEM NO.5**

Shri Sandeep Vyas (DIN: 07652129), who has been appointed as an Additional Director of the Company under Section 161 of the Companies Act, 2013, w.e.f.14<sup>th</sup> November, 2016, holds office up to the date of this Annual General Meeting and is eligible for appointment as Director as provided in the Articles of Association of the Company. Also, the company has appointed him as an Independent Professional Director of the Company who is eligible for appointment w.e.f. 14<sup>th</sup> November, 2016 upto 31<sup>st</sup> January, 2021. The Company has received notice under Section 160 of the Companies Act, 2013, from a member signifying his intention to propose the candidature of Shri Sandeep Vyas (DIN:07652129) for the office of Director.

Shri Sandeep Vyas (DIN: 07652129) has an experience of fifteen (15) years of working as a High Court Advocate. He has vast experience in handling Civil, revenue and allied matters.

According to the provisions of section 149 of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, every listed company shall have an optimum combination of Independent Directors. Keeping in view, the requirements of Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the Companies Act, 2013, the company has complied with the said requirements as a casual vacancy occurred due to death of Shri S. C. Consul, Independent Director of the company.

Further, pursuant to the provision of sub-section (10) of section 149 of the Companies Act, 2013, the term of Shri Sandeep Vyas (DIN:07652129) commences w.e.f. 14<sup>th</sup> November, 2016 till 31<sup>st</sup> January, 2021 on the Board of the company.

Also, in terms of sub-section (13) of section 149 read with explanation to sub-section (6) of section 152 of the Companies Act, 2013, Independent Directors are not liable to retire by rotation.

According to proviso to sub-section (5) of section 152 of the Companies Act, 2013, in the opinion of the Board, he fulfills the conditions for his appointment as an Independent Director. He is independent of the management.

Brief resume of Shri Sandeep Vyas (DIN: 07652129), nature of his expertise in specific functional areas and name of companies in which he holds directorship / membership / chairmanship of the Board / Committee, as stipulated under Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, with the Stock Exchange(s), are provided in the Corporate Governance Report forming part of this Annual Report.

Keeping in view his expertise and knowledge, it will be in the interest of the Company to appoint him as an Independent Director.

Copy of the letter of his appointment as an Independent Director setting out the terms and conditions are available for inspection by members at the Registered Office of the Company and also on the website of the company.

The Board recommends the resolution as set out in Item No. 5 of the accompanying Notice for approval by the members as an Ordinary Resolution.

None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution as set out in Item No. 5 of the accompanying Notice except Shri Sandeep Vyas (DIN:07652129), for himself and his relatives.

#### **ITEM NO.6**

Smt. Deepali Garhewal (DIN:05302559), who was appointed as an Independent Professional Director pursuant to the provisions of section 149 of the Companies Act, 2013 and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, by the members of the company at their 31<sup>st</sup> Annual General Meeting w.e.f. 30<sup>th</sup> March, 2015 upto 29<sup>th</sup> March, 2017. The Board of Directors at their meeting held on 14<sup>th</sup> February, 2017, re-appointed Smt. Deepali Garhewal (DIN:05302559), as an Independent Director of the company for a further term of five (5) years w.e.f. 30<sup>th</sup> March, 2017 till 29<sup>th</sup> March, 2022 subject to the approval of the members of the company at the ensuing Annual General Meeting.

Smt. Deepali Garhewal (DIN:05302559), has an experience of eight (8) years of working as a Corporate Advocate. She has vast experience in handling matters such as Corporate Restructuring, Corporate Litigations, Oppression and Mismanagement and allied matters.

According to the provisions of section 149 of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, every listed company shall have atleast one Woman Director. Keeping in view, the requirements of Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the Companies Act, 2013, the Company has complied with the said requirements.

Further, sub-section (10) of section 149 of the Companies Act, 2013 provides that Independent Directors can be re-appointed for a further term of five (5) years subject to passing of a Special Resolution by the members of the company.

Also, in terms of sub-section (13) of section 149 read with explanation to sub-section (6) of section 152 of the Companies Act, 2013, Independent Directors are not liable to retire by rotation.

According to proviso to sub-section (5) of section 152 of the Companies Act, 2013 and in the opinion of the Board, she fulfills the conditions for her appointment as an Independent Director. She is independent of the management.

Brief resume of Smt. Deepali Garhewal (DIN:05302559), nature of her expertise in specific functional areas and name of companies in which she holds directorship / membership / chairmanship of the Board / Committee, as stipulated under Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchange(s), are provided in the Corporate Governance Report forming part of this Annual Report.

Keeping in view her expertise and knowledge, it will be in the interest of the Company to re-appoint her as an Independent Director for a further term of five (5) years.

Copy of the letter of her appointment as an Independent Director setting out the terms and conditions are available for inspection by members at the Registered Office of the Company and also on the website of the company.

The Board recommends the resolution as set out in Item No. 6 of the accompanying Notice for approval by the members as a Special Resolution.

None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution as set out in Item No. 6 of the accompanying Notice except Smt. Deepali Garhewal (DIN:05302559), for herself and her relatives.

#### ITEM NO. 7

The Board, on the recommendation of the Audit Committee, appointed M/s. A. Goyal & Co., Cost Accountants, Jaipur, as Cost Auditors for conducting cost audit of the cost records of the Company for the financial year ending on 31<sup>st</sup> March, 2018, at a remuneration of Rs. 40,000/- per annum (Rupees Fourty Thousand Only) plus tax, as applicable and out of pocket expenses.

In accordance with section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration so payable to the Cost Auditors are required to be ratified by the shareholders of the Company.

Hence, the Board recommends the resolution as set out in Item No.7 of the accompanying Notice, for your approval as an Ordinary Resolution.

None of the Directors, Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the said resolution.

**Place: Indore**  
**Date: 14<sup>th</sup> August, 2017**

**BY ORDER OF THE BOARD**

**Vinod Kumar Gupta**  
**Managing Director**  
**(DIN: 00039145)**