

# **I N D E X**

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**CORPORATION INFORMATION****Board of Directors**

Chairman & Managing Director	Vijay C. Shah (DIN NO. 00038062)
Managing Director	Sanket V. Shah (DIN NO. 00038121)
Whole time Director	Nalini V. Shah (DIN NO. 00119538)
Independent Director	Ishan Shah (DIN NO. 01546527)
Director	Mahendra K. Gosalia (DIN NO. 02279850)
Director	Dinesh Kamdar (DIN NO. 02734137)
Director	Kiranbhai Shah (DIN NO. 02725833)

**Audit Committee**

Chairman	Kiranbhai Shah (DIN NO. 02725833)
Member	Dinesh Kamdar (DIN NO. 02734137)
Member	Ishan Shah (DIN NO. 01546527)
Member	Mahendra K. Gosalia (DIN NO. 02279850)

**Auditor**

Alpesh Shah & Co.,  
Chartered Accountant  
(FRN NO. 128461W)  
202, Parth Avenue,  
Nr. Naranpura Cross Road,  
Naranpura,  
Ahmedabad-380 013

**Practising Company Secretary**

Pinakin Shah & Co.  
(PCS NO. 2562)  
A/201 Siddhi vinayak Towers,  
B/H BMW Showroom  
Next to Kataria House,  
Off S.G.Highway, Makaraba,  
Ahmedabad-380051, Gujarat,

**Registered Office**

“Prerna”, Survey No. 820/1,  
In Lane of Panchvati Auto,  
Opp. Anand Dham Derasar,  
S. G. Highway, Makarba  
Ahmedabad-380 058.

**Register & Share Transferred Agent**

Big Share Service Pvt. Ltd.  
E-2/3, Ansh Industrial Estate,  
Sakivihar Road, Saki Naka,  
Andheri (E),  
Mumbai-400 072

**Website**

[www.pernagroup.com](http://www.pernagroup.com)

**Banker**

Bank of Maharashtra  
Prerna Tirth Road Branch,  
Satellite,  
Ahmedabad-380 015

**NOTICE**

Notice is hereby given that the 28<sup>th</sup> (Twenty Eight) Annual General Meeting of the Company will be held at 'PRERNA', Survey No. 820/1, In Lane of Panchvati Auto, Opp. Anand Dham Derasar, S.G. Road, Makarba, Ahmedabad-380058 on Friday, 30<sup>th</sup> September, 2016 at 02:00 p.m. to transact the following business:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31<sup>st</sup> March, 2016 and Statement of Profit and Loss for the year ended as on that date together with and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri Sanket Vijay Shah (DIN: 00038121) who retires by rotation and being eligible, offers himself for reappointment.
3. To consider and, if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution  
**"RESOLVED THAT** pursuant to section 139 and 142 of the Companies Act, 2013 and the Companies (Audit & Auditors) Rules, 2014, the appointment of M/s. Alpesh Shah and Co., Chartered Accountants, Ahmedabad, having (Firm Registration No-128461W) as the Statutory Auditors of the Company from the conclusion of this Annual General Meeting till the conclusion of the 29th Annual General Meeting be and is hereby ratified, and that their remuneration be determined by the Board of Directors of the Company on recommendation of Audit Committee."

**SPECIAL BUSINESS**

4. Appointment of Mr. Ishan P. Shah (DIN: 01546527) as an Independent Director 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 sections 149, 152 and 161 and other applicable provisions, if any, of the Companies Act, 2013 and the rules framed there under, read with Schedule IV to the Act, as amended from time to time, Mr. Ishan P. Shah (DIN: 01546527), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and Regulation 17 of the SEBI (LODR) with stock exchanges, and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company with effect from 05/11/2015."
5. Re-appointment of Mr. Vijay Shah (DIN 00038062), as Managing Director of the Company.  
To consider and, if thought fit, to pass, with or without modification, the following resolution as a Special Resolution:  
**RESOLVED THAT** pursuant to recommendation of the Nomination and Remuneration Committee, and approval of the Board and subject to the provisions of Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification or re-enactment thereof) read with Schedule- V of the Companies Act, 2013 and Article 191 of Articles of Association of the Company, approval of the members of the Company be and is hereby accorded to the re-appointment of Mr. Vijay Shah, as Managing Director (also designated as CEO) of the Company with effect from 01/01/2016 to 31/12/2020, as well as the payment of salary and perquisites (hereinafter referred to as "remuneration"), upon the terms and conditions as detailed in the explanatory statement attached hereto, which is hereby approved and sanctioned with authority to the Board of Directors to alter and vary the terms and conditions of the said re-appointment and / or agreement in such manner as may be agreed to between the Board of Directors and Mr. Vijay Shah.  
**RESOLVED FURTHER THAT** the remuneration payable to Mr. Vijay Shah, shall not exceed the overall ceiling of the total managerial remuneration as provided under Schedule V read with Section 196 and 197 of the Companies Act, 2013 or such other limits as may be prescribed from time to time.  
**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors or Director(s) to give effect to the aforesaid resolution.
6. Reappointment of Mr. Sanket Shah (DIN 00038121), as Managing Director of the Company.  
To consider and, if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:  
**"RESOLVED THAT** pursuant to recommendation of the Nomination and Compensation Committee, and approval of the Board and subject to the provisions of Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification or re-enactment thereof) read with Schedule- V of the Companies Act, 2013 and Article 191 of Articles of Association of the Company, approval of the members of the Company be and is hereby accorded to the re-appointment of Mr. Sanket Shah, as Managing Director (also designated as CFO) of the Company with effect from 1/1/2016 to 31/12/2020, as well as the payment of salary and perquisites (hereinafter referred to as "remuneration"), upon the terms and conditions as detailed in the explanatory statement attached hereto, which is hereby

approved and sanctioned with authority to the Board of Directors to alter and vary the terms and conditions of the said re-appointment and / or agreement in such manner as may be agreed to between the Board of Directors and Mr. Sanket Shah.

RESOLVED FURTHER THAT the remuneration payable to Mr. Sanket Shah shall not exceed the overall ceiling of the total managerial remuneration as provided under Schedule V read with Section 196 and 197 of the Companies Act, 2013 or such other limits as may be prescribed from time to time.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors or Director(s) to give effect to the aforesaid resolution.

7. Re-appointment of Mrs. Nalini Shah (DIN 00119538), as Whole-Time Director of the Company.

To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to recommendation of the Nomination and Compensation Committee, and approval of the Board and subject to the provisions of Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification or re-enactment thereof) read with Schedule- V of the Companies Act, 2013 and Article 191 of Articles of Association of the Company, approval of the members of the Company be and is hereby accorded to the re-appointment of Mrs. Nalini Shah, as Whole Time Director of the Company with effect from 01/01/2016 to 31/12/2020, as well as the payment of salary and perquisites (hereinafter referred to as “remuneration”), upon the terms and conditions as detailed in the explanatory statement attached hereto, which is hereby approved and sanctioned with authority to the Board of Directors to alter and vary the terms and conditions of the said re-appointment and / or agreement in such manner as may be agreed to between the Board of Directors and Mrs. Nalini Shah.

RESOLVED FURTHER THAT the remuneration payable to Mrs. Nalini Shah, shall not exceed the overall ceiling of the total managerial remuneration as provided under Schedule V read with Section 196 and 197 of the Companies Act, 2013 or such other limits as may be prescribed from time to time.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors or Director(s) to give effect to the aforesaid resolution.

8. Investment in Joint Venture.

To consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 179(3), 186 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof) read with rule no 11 & 13 the Companies (Meeting of Board and its Powers) Rules, 2014, the Board of Directors of the Company be and is hereby authorized to take decision for investing the funds of the Company for an amount(s) exceeding 60% of paid-up capital, free reserves and securities premium account or 100% of free reserves and securities premium account but not exceeding Rs. Fifty cores in capital of partnership firm(s), LLP(s), bodies corporate in shares and debentures of companies, fixed/term deposits with banks, government/other securities or in any other manner in one or more tranches and on such other terms and conditions in the interest of the Company.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized from time to time to take all decisions and steps in respect of the above investment/disinvestment including the timing, amount and other terms and conditions of such investment/disinvestment as may deem appropriate, and to do and perform all such acts, deeds, matters and things, as may be necessary or expedient in this regard and to exercise all the rights and powers which would vest in the Company in pursuance of such investment.

Date: 01/08/2016

Place: Ahmedabad

For and on Behalf of the Board

Shri Sanket Shah

Managing director

DIN: 00038121

Registered office:

‘PRERNA’, Survey No. 820/1,

In Lane of Panchvati Auto,

Opp. Anand Dham Derasar,

S.G. Road, Makarba,

Ahmedabad-380058

**NOTES:**

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the Ordinary Businesses to be transacted at the Annual General Meeting is annexed hereto
2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS / HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who 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. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution / authority, as applicable.

The Register of Members and Share Transfer Books of the Company will remain closed from 23<sup>RD</sup> September, 2016 to 30<sup>th</sup> September, 2016. (both days inclusive).

3. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of contracts or arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013, will be available for inspection at the Annual General Meeting.
4. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules made there under, Companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their e-mail address either with the Company or with the Depository. Members holding shares in Demat form are requested to register their e-mail address with their Depository Participant(s) only. Members of the Company, who have registered their e-mail address, are entitled to receive such communication in physical form upon request.
5. The Notice of Annual General Meeting, Annual Report and Attendance Slip are being sent in electronic mode to Members whose e-mail IDs are registered with the Company or the Depository Participant(s) unless the Members have registered their request for a hard copy of the same. Physical copy of the Notice of Annual General Meeting, Annual Report and Attendance Slip are being sent to those Members who have not registered their e-mail IDs with the Company or Depository Participant(s).
6. Members who have received the Notice of Annual General Meeting, Annual Report and Attendance Slip in electronic mode are requested to print the Attendance Slip and submit a duly filled in Attendance Slip at the registration counter to attend the Annual General Meeting
7. Pursuant to Section 108 of the Companies Act, 2013, read with the Companies (Management and Administration) Rule, 2014 as amended and Regulations 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company is pleased to provide the facility to Members to exercise their right to vote by electronic means. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Cut-off date i.e. a date not earlier than seven days before the date of general meeting, are entitled to vote on the Resolutions set forth in this Notice.

Members who have acquired shares after the dispatch of the Annual Report and before the Cut-off date may approach the Company for issuance of the User ID and Password for exercising their right to vote by electronic means. A person who is not a member as on the Cut-off date should treat this notice for the information purpose only.

The Members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereinafter.

- I. In case of members receiving e-mail from CDSL (for Members whose e-mail addresses are registered with Company/ Depositories):
  - (i) The voting period begins on 27<sup>th</sup> September at 9:00 a.m. and ends on 29<sup>th</sup> September 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) of 23<sup>rd</sup> September, 2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
  - (ii) 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:
- (viii)

	<b>For Members holding shares in Demat Form and Physical Form</b>
<b>PAN</b>	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number (refer serial no. printed on the name and address sticker/Postal Ballot Form/mail) in the PAN Field.</li> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. E.g. If your name is Ramesh Kumar with serial number 1 then enter RA00000001 in the PAN field.</li> </ul>
<b>Dividend Bank Details</b>	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.
<b>OR Date of Birth (DOB)</b>	<ul style="list-style-type: none"> <li>If both 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>

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then reach directly 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.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xiii) 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.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) 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.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xviii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30<sup>th</sup> June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- (xx) **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 Corporate.
  - 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 linked in the login 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 favor of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xxi) 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).

**In case of members receiving the physical copy:**

- (A) Please follow all steps from sl. no. (i) to sl. no. (xix) Above to cast vote.
- (B) The voting period begins on 27<sup>th</sup> September, 2016 at 9:00 a.m. and ends on 29<sup>th</sup> September, 2016 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) of 23<sup>rd</sup> September, 2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (C) 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).

**II. Other Instructions:**

- a) The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on 31<sup>st</sup> March, 2016.
- b) Mr. Pinakin Shah, Company Secretary has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- c) The Scrutinizer shall immediately after the conclusion of voting after the Annual General Meeting, count the votes cast at the meeting, thereafter unblock the votes in the presence of at least two witnesses not in the employment of the company and make, not later than three days of the meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, forthwith to the Chairman of the Company. The Chairman or person authorised by him in writing shall declare the results of the voting forthwith.
- d) The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.pernagroup.com](http://www.pernagroup.com) and on the website of CDSL [www.evoting.cdsl.com](http://www.evoting.cdsl.com) immediately after the result is declared by the Chairman.
- e) A Member can opt for only one mode of voting i.e. either through e-voting or by Ballot. If a Member casts votes by both modes, then voting done through e-voting shall prevail and Ballot shall be treated as invalid.
- f) Members holding shares in physical form are requested to intimate any change of address and / or bank mandate to M/s. Big share Services Private Limited/Investor Service Department of the Company immediately.
- g) The Securities and Exchange Board of India has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in physical form can submit their PAN details to M/s. Big share Services Private Limited/ Investor Service Department of the Company.
- h) Members desiring any information relating to the accounts are requested to write to the Company at least seven days in advance so as to enable the management to keep the information ready.

**Explanatory statement****[Pursuant to section 102 of the Companies Act, 2013]**

The following explanatory statement sets out all material facts relating to the business mentioned under Item Nos. 2 to 7 of the accompanying Notice:

**ITEM NO. 2,4,5,6 and 7**

As required by Regulation 17 of SEBI (LODR) Regulations, 2015 and subject to the provisions of Sections 149, 152 and 161 and subject to the provisions of 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 details of Director retiring by rotation and seeking re-appointment and details of Directors seeking appointment is as under:



Name of Director	Shri Sanket Vijay Shah	Shri Vijay Chandulal Shah	Smt. Nalini Vijay Shah	Shri Ishan P. Shah
Date of Birth	18/05/1981	14/01/1949	30/11/1951	20/12/1988
Relationship with other Directors	Son	Father	Mother/Spouse	N.A.
Date of Appointment	29/05/2004	13/04/1988	13/04/1988	05/11/2015
Qualification	M.B.A	B COM	B COM	Advocate
Expertise	Entrepreneur	Entrepreneur	Entrepreneur	Legal matters
Chairman/ Director of other Companies	NIL	NIL	NIL	NIL
Chairman/ Member of Committees (including Audit Committee, Stakeholder & Nomination and Remuneration Committee)	Members: 1 Chairman: NIL	Members: NIL Chairman: 1	Members: NIL Chairman: NIL	Members: 2 Chairman : NIL
No of shares held in the Company	9,98,500	11,39,999	0	0

**\*Note:** The Directorship held by director mentioned above do not include directorship of Private Limited Company.

### ITEM NO. 3

This explanatory statement is provided though strictly not required as per Section 102 of the Act. M/s. Alpesh Shah & Co., Chartered Accountants, Ahmedabad (Firm Registration No-128461W), were appointed as the statutory auditors of the Company for a period of two years at the Annual General Meeting (AGM) of the Company held on 28/09/2015, to hold office till the conclusion of the AGM to be held in the Calendar Year 2017. As per provisions of Section 139(1) of the Act, their appointment for the above tenure is subject to ratification by members at every AGM. Accordingly, ratification of the members is being sought for appointment of statutory auditors as per the proposal contained in the Resolution set out at item no. 3 of the Notice.

The Board commends the Resolution for approval by the Members. None of the Directors or Key Managerial Personnel (KMP) or relatives of Directors and KMPs is concerned or interested in the Resolution at Item No. 3 of the accompanying Notice.

### ITEM NO. 4:

The Company had, pursuant to the provisions of Clause 27 of SEBI (LODR), 2015 appointed Mr. Ishan P. Shah, as an Independent Director in its Board Meeting held on 05/11/2015. Pursuant to the provisions of section 149 of the Companies Act, 2013, every listed public company is required to have at least one-third of the total number of directors as independent directors. Such Independent Director shall be appointed for not more than two terms of five years each and shall not be liable to retire by rotation. Thus, it is proposed to appoint Mr. Ishan P. Shah for a term of five years from 05/11/2015. He has given a declaration to the Board that he meets the criteria of independence as provided under section 149(6) of the Act. Notices have been received from Members proposing candidature of the above Director for the office of Independent Director of the Company. In compliance with the provisions of section 149 and 161 read with Schedule IV of the Act, the appointment of Mr. Ishan P. Shah as an Independent Director is now being placed before the Members for their approval, for the term stated above. Other terms and conditions for their appointment shall be available for inspection by the Members at the Registered Office of the Company during business hours on any working day, excluding Saturday. None of the Directors, except the proposed appointee in resolution concerning his individual appointment, or any of Key Managerial Personnel of the Company or relatives of any of them are, in any way, concerned or interested, financially or otherwise, in this resolution. The Board recommends the Ordinary Resolutions set out at Item No. 4 of the Notice for approval by the shareholders.

### ITEM NO. 5

Mr. Vijay Shah, who was appointed Managing Director by the members to hold office upto 31/12/2020 will attain the age of 70 years on 14/01/2019 and hence continuation of his employment as Managing Director requires the approval of members by way of a special resolution. Section 196 (3) of the Companies Act, 2013, inter alia, provides that no company shall continue



the employment of a person who has attained the age of 70 years, as Managing Director, Whole time director or Manager unless it is approved by the members by passing a special resolution. Part 1 of Schedule V to the Act contains a similar relaxation. Keeping in view that Mr. Vijay Shah has rich and varied experience in the Industry and has been involved in the operations of the Company over a long period of time, it would be in the interest of the Company to continue the employment of Mr. Vijay Shah as Managing Director. Mr. Vijay Shah has been at the helm of the Company since its incorporation. In terms of the Corporate Governance Guidelines of the Company and pursuant to the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company passed a resolution on 05/11/2015 approving re-appointment of Mr. Vijay Shah, as Managing Director also designated as CEO of the Company for a further period of five years with effect from 1/1/2016 to 31/12/2020. This is subject to the approval of the shareholders at this Annual General Meeting. This explanatory statement may also be read and treated as disclosure in compliance with the requirements of Section 190 of the Companies Act, 2013. The details of remuneration payable to Mr. Vijay Shah and the terms and conditions of the re-appointment are given below:

- i. Salary: Rs. 100,000/- per month which is eligible for revision on a date to be determined by the Nomination and Remuneration Committee.
- ii. Perquisites: The Managing Director shall be entitled to all the perquisites listed herein below in addition to the salary mentioned above and the perquisites shall be valued as per the Income Tax Rules, 1962, as may be applicable.;
- a) Medical Re-imbursement: Reimbursement of medical expenses incurred, including premium paid on health insurance policies, whether in India or abroad, for self and family including hospitalization, surgical charges, nursing charges and domiciliary charges for self and for family.
- b) Leave Travel Concession: For self and family every year incurred in accordance with the rules of the Company.
- c) Club Fees: Fees of clubs, subject to a maximum of three clubs.
- d) Personal Accident Insurance/Group Life Insurance: Premium not to exceed 7200 per annum.
- e) Provident Fund/Pension: Contribution to Provident Fund and Pension Fund to the extent such contributions, either singly or put together are exempt under the Income Tax Act, 1961.
- f) Gratuity: Gratuity payable shall be in accordance with the provisions of the Payment of Gratuity Act.
- g) Use of Car with Driver: The Company shall provide a car with driver for business use. In addition, the Company shall also reimburse running and maintenance expenses of another car owned by, or leased/ rented for business use.
- h) Telephone facility at residence: Telephone facility shall be provided at the residence. All personal long distance calls shall be billed by the Company.
- i) Reimbursement of entertainment expenses actually and properly incurred in the course of business of the Company shall be allowed.

Other terms and conditions:

In the event of absence or inadequacy of profits in any financial year during the tenure of the Chairman, salary and perquisites subject to the limits stipulated under Schedule V read with Section 196 and 197 of the Companies Act, 2013, are payable.

No sitting fees shall be paid for attending the meetings of the Board of Directors or Committees thereof. He shall be liable to retire by rotation. All other existing terms and conditions for the re-appointment shall remain unchanged.

The Board of Directors recommends the resolution in relation to the re-appointment of Managing Director, for the approval of the shareholders of the Company. Notice has been received from members signifying their intention to propose appointment of Mr. Vijay Shah as Managing Director of the Company along with a deposit of Rs. 1, 00,000. The proposed appointee, Mrs. Nalini Shah and Mr. Sanket Shah are concerned or interested, financially or otherwise, in this resolution. Except them none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise in this resolution set out at item no. 5.

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

Pursuant to the recommendation of the Board Governance, Nomination and Compensation Committee the Board of Directors of the Company vide resolution passed on 05/11/2015 approved appointment of Mr. Sanket Shah as Managing Director in accordance with the provisions contained in Section 196 and 197 read with Section 203 of the Companies Act, 2013.

Approval of the members is required by way of Ordinary Resolution for appointment and payment of remuneration. This explanatory statement may also be read and treated as disclosure in compliance with the requirements of Section 190 of the Companies Act, 2013. The details of remuneration payable to Mr. Sanket Shah and the terms and conditions of the appointment are given below:

- i. Salary: Rs. 100,000/- per month which is eligible for revision on a date to be determined by the Nomination and Remuneration Committee
- ii. Perquisites: The Managing Director shall be entitled to all the perquisites listed herein below in addition to the salary mentioned above and the perquisites shall be valued as per the Income Tax Rules, 1962, as may be applicable.;
  - a) Medical Re-imbursement: Reimbursement of medical expenses incurred, including premium paid on health insurance policies, whether in India or abroad, for self and family including hospitalization, surgical charges, nursing charges and domiciliary charges for self and for family.
  - b) Leave Travel Concession: For self and family every year incurred in accordance with the rules of the Company.
  - c) Club Fees: Fees of clubs, subject to a maximum of three clubs.
  - d) Personal Accident Insurance/Group Life Insurance: Premium not to exceed 7200 per annum.
  - e) Provident Fund/Pension: Contribution to Provident Fund and Pension Fund to the extent such contributions, either singly or put together are exempt under the Income Tax Act, 1961.
  - f) Gratuity: Gratuity payable shall be in accordance with the provisions of the Payment of Gratuity Act.
  - g) Use of Car with Driver: The Company shall provide a car with driver for business use. In addition, the Company shall also reimburse running and maintenance expenses of another car owned by, or leased/ rented for business use.
  - h) Telephone facility at residence: Telephone facility shall be provided at the residence. All personal long distance calls shall be billed by the Company.
  - i) Reimbursement of entertainment expenses actually and properly incurred in the course of business of the Company shall be allowed.

Other terms and conditions:

In the event of absence or inadequacy of profits in any financial year during the tenure of the Managing Director, salary and perquisites subject to the limits stipulated under Schedule V read with Section 196 and 197 of the Companies Act, 2013, are payable.

No sitting fees shall be paid for attending the meetings of the Board of Directors or Committees thereof. He shall be liable to retire by rotation. All other existing terms and conditions for the re-appointment shall remain unchanged.

The Board of Directors recommends the resolution in relation to the re-appointment of Mr. Sanket Shah, for the approval of the shareholders of the Company. Notice has been received from members signifying their intention to propose appointment of Mr. Sanket Shah as Managing Director of the Company along with a deposit of Rs. 100,000. The proposed appointee, Mrs. Nalini Shah and Mr. Vijay Shah are concerned or interested, financially or otherwise, in this resolution. Except them none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise in this resolution set out at item no. 6.

#### **ITEM NO. 7**

Pursuant to the recommendation of the Board Governance, Nomination and Remuneration Committee the Board of Directors of the Company vide resolution passed on 05/11/2015 approved appointment of Mrs. Nalini Shah as Whole Time Director in accordance with the provisions contained in Section 196 and 197 read with Section 203 of the Companies Act, 2013. Approval of the members is required by way of Ordinary Resolution for appointment and payment of remuneration. This explanatory statement may also be read and treated as disclosure in compliance with the requirements of Section 190 of the Companies Act, 2013. The details of remuneration payable to Mrs. Nalini Shah and the terms and conditions of the re-appointment are given below:

- i. Salary: Rs. 1, 00,000/- per month which is eligible for revision on a date to be determined by the Nomination and Remuneration Committee.
- ii. Perquisites: The Whole Time Director shall be entitled to all the perquisites listed herein below in addition to the salary mentioned above and the perquisites shall be valued as per the Income Tax Rules, 1962, as may be applicable.;