

78<sup>th</sup>  
*Annual Report*  
2014-2015



— we make your dreams come true —

## **CONTENTS**

## **Page Nos.**

AGM Notice	1-15
Directors' Report	16-30
Corporate Governance	31-42
Auditors Report	43-45
Significant Accounting Policies	46-47
Balance Sheet	48
Statement of Profit and Loss Account	49
Cash Flow Statement	50
Notes to Financial statements	51-63

## **CONSOLIDATED FINANCIAL STATEMENTS**

Auditors Report	64-65
Significant Accounting Policies	66
Consolidated Balance Sheet	67
Statement of Profit and Loss Account	68
Consolidated Cash Flow Statement	69
Notes to the Consolidated Financial Statements	70-81
Ballot Form	82-83

**PRIME URBAN DEVELOPMENT INDIA LIMITED**

**78<sup>th</sup> ANNUAL REPORT 2014-15**

**BOARD OF DIRECTORS**

**Mr. PURUSOTTAM DAS PATODIA**  
Chairman & Managing Director

**Mr. MANOJ KUMAR PATODIA**  
Vice Chairman & Managing Director

**Mr. ANUJ PATODIA**  
Managing Director

**Mr. N.K. BAFNA**  
Independent Director

**Mr. BANWARILAL SINGHAL**  
Independent Director

**Mr. VENKAT RAMASWAMY**  
Independent Director

**Dr. (Mrs) VAIJAYANTI PANDIT**  
Additional Director from 14.08.2014 onwards

**Mr. T. PAUL SUGUMARAN**  
Additional Director from 14.08.2014 onwards

**AUDITORS**

**M/s. M.S.JAGANNATHAN & VISVANATHAN**  
Chartered Accountants, Coimbatore

**LEGAL ADVISORS**

**M/s. RAMANI & SHANKAR**  
Advocates, Coimbatore

**BANKERS**

**CENTRAL BANK OF INDIA**

**REGISTERED OFFICE**

110, Avinashi Road  
Gandhinagar Post  
Tirupur-641 603 (India)

## PRIME URBAN DEVELOPMENT INDIA LIMITED



### PRIME URBAN DEVELOPMENT INDIA LIMITED

CIN: L70200TZ1936PLC000001

(A Government Recognised Export House)

Regd. Office: 110, Avinashi Road, Gandhinagar P.O. TIRUPUR-641 603

Email id: prime@ptlonline.com, Website: www.ptlonline.com

Phone: 0422 4307821-822

#### NOTICE

NOTICE is hereby given that the SEVENTY EIGHTH Annual General Meeting of the Members of **PRIME URBAN DEVELOPMENT INDIA LIMITED** (CIN: L70200TZ1936PLC000001) will be held at the Registered Office of the Company at 110 Avinashi Road, TIRUPUR-641 603, Tamil Nadu on Thursday, **the 13<sup>th</sup> August 2015 at 3.00 p.m.** to transact the following business:

#### **AS ORDINARY BUSINESS**

1. To receive, consider and adopt the Financial Statements of the company for the year ended 31<sup>st</sup> March 2015 including the Audited Balance Sheet as at 31<sup>st</sup> March 2015 and the Statement of Profit and Loss Account for the year ending 31<sup>st</sup> March 2015, together with the Reports of the Directors and the Auditors' Report thereon
2. To consider and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution  
"RESOLVED THAT pursuant to section 139(2) and 142(1) of the Companies Act 2013, the re-appointment of the statutory auditors of the company M/s M.S. Jagannathan & Visvanathan (Firm Registration No. FRN 001209S) Chartered Accountants, Coimbatore be and is hereby ratified by the members of the company for the financial year 2015-16 at such remuneration as may be determined by the Board of Directors of the company".

#### **AS SPEICAL BUSINESS**

3. To consider and if thought fit, to pass with or without modifications, the following resolution as a Special Resolution.

##### **Re-appointment of Chairman and Managing Director**

"RESOLVED THAT pursuant to provisions of Section 190, 196, 197, 198, 203 and other applicable provisions of the Companies Act 2013 read with Schedule V of the said Act, Mr. Purusottam Das Patodia (DIN 00032088) Chairman and Managing Director of the company whose term of office concludes on 31<sup>st</sup> March 2016, be and is hereby re-appointed as the Chairman and Managing Director of the company for a further period of three years commencing from 01.04.2016 on the following terms and conditions (including remuneration, perquisites and other benefits etc..) as set out in the Statement annexed to the notice convening this meeting.

Resolved further that the terms and conditions of appointment as set out in the draft agreement and remuneration herein may be altered and varied from time to time by the Board of Directors of the Company as it may, at its discretion deem fit, so as not to exceed the limits specified in Schedule V to the Companies Act, 2013 (including any statutory modification or re-enactment thereof, for the time being in force), or any amendments made thereto

Resolved further that the Board/ Nomination and Remuneration Committee of Directors of the company be and is hereby authorized to do all acts, deeds, matters and things as may be considered necessary desirable or expedient for giving effect to this resolution".

4. To consider and if thought fit, to pass with or without modifications, the following resolution as a Special Resolution.

##### **Re-appointment of Vice Chairman and Managing Director**

"RESOLVED THAT pursuant to provisions of Section 190, 196, 197, 198, 203 and other applicable provisions of the Companies Act 2013 read with Schedule V of the said Act, Mr. Manoj Kumar Patodia (DIN 00026455), Vice Chairman and Managing Director of the company whose term of office concludes on 31<sup>st</sup> March 2016, be and is hereby re-appointed as the Vice Chairman and Managing Director of the company for a further period of three years commencing from 01.04.2016 on the following terms and conditions (including remuneration, perquisites and other benefits etc..) as set out in the Statement annexed to the notice convening this meeting.

Resolved further that the terms and conditions of appointment as set out in the draft agreement and remuneration herein may be altered and varied from time to time by the Board of Directors of the Company as it may, at its discretion deem fit, so as not to exceed the limits specified in Schedule V to the Companies Act, 2013. (Including any statutory modification or re-enactment thereof, for the time being in force), or any amendments made there to.



Resolved further that the Board/ Nomination and Remuneration Committee of Directors of the company be and is hereby authorized to do all acts, deeds, matters and things as may be considered necessary desirable or expedient for giving effect to this resolution".

5. To consider and if thought fit, to pass with or without modifications, the following resolution as a Special Resolution.

**Re-appointment of Managing Director**

"RESOLVED THAT pursuant to provisions of Section 190, 196, 197, 198, 203 and other applicable provisions of the Companies Act 2013 read with Schedule V of the said Act, Mr. Anuj Patodia (DIN 00026458), Managing Director of the company whose term of office concludes on 31.03.2016 be and is hereby re-appointed as the Managing Director of the company for a further period of three years commencing from 01.04.2016 on the following terms and conditions ( including remuneration, perquisites and other benefits etc.) as set out in the Statement annexed to the notice convening this meeting,

Resolved further that the terms and conditions of appointment as set out in the draft agreement and remuneration herein may be altered and varied from time to time by the Board of Directors of the Company as it may, at its discretion deem fit, so as not to exceed the limits specified in Schedule V to the Companies Act, 2013 (including any statutory modification or re-enactment thereof, for the time being in force), or any amendments made thereto.

Resolved further that the Board/ Nomination and Remuneration Committee of Directors of the Company be and is hereby authorized to do all acts, deeds, matters and things as may be considered necessary desirable or expedient for giving effect to this resolution".

6. To consider and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution.

**Confirmation of appointment of Additional Director**

"RESOLVED THAT Mr. T. Paul Sugumaran (DIN:01875775) who has been appointed as an Additional Director of the Company by Board of Directors with effect from 14<sup>th</sup> August,2014 in terms of Section 161 of the Companies Act, 2013 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director under Section 160 of the Companies Act, 2013, be and is hereby appointed as a Director of the Company."

7. To consider and if thought fit, to pass with or without modifications, the following resolution as a Special Resolution.

**Appointment of Whole time Director**

"RESOLVED THAT, pursuant to the provisions of Section 190, 196, 197, 203 and Schedule V of the Companies Act, 2013 and the Rules made there under Mr. T. Paul Sugumaran (DIN 01875775) be and is hereby appointed as Whole time Director of the company for a period of three years with effect from 01.06.2015 on such terms and conditions as set out in the Statement annexed to the notice convening this meeting, with the liberty given to the Board of Directors to alter and vary the terms and conditions of the said appointment and/ or remuneration in such manner as may be agreed to by and between the Company and Mr. T. Paul Sugumaran provided however, such alterations are within the maximum limits laid down in the Companies Act, 2013 for the time being in force.

Resolved further that the Board/ Nomination and Remuneration Committee of Directors of the company be and is hereby authorized to do all acts, deeds, matters and things as may be considered necessary desirable or expedient for giving effect to this resolution".

8. To consider and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution.

**Confirmation of appointment of Additional Director**

"RESOLVED THAT, Dr. Vajjayanti Pandit (DIN:06742237 ) who has been appointed as an Additional Director of the Company by Board of Directors with effect from 14<sup>th</sup> August,2014 in terms of Section 161 of the Companies Act, 2013 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing her candidature for the office of Director under Section 160 of the Companies Act, 2013, be and is hereby appointed as Director of the Company."

## PRIME URBAN DEVELOPMENT INDIA LIMITED

9. To consider and if thought fit, to pass with or without modifications, the following resolution as a Special Resolution.

**Appointment of Woman Director/Independent Director**

"RESOLVED THAT, pursuant to the provisions of section 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Dr. Vaijayanti Pandit (DIN:06742237) , who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term up to March 31<sup>st</sup>, 2020 and not liable to retire by rotation."

10. To consider and if thought fit, to pass with or without modifications, the following resolution as a Special Resolution.

**Approval of Related Party Transaction:**

"RESOLVED THAT, pursuant to provisions of clause 49 of the Listing Agreement of the Stock Exchanges (including any amendment, modification or re-enactment thereof), consent of the members of the Company be and is hereby accorded to the transaction entered with the promoters and their relatives of the Company have given short term loan of Rs.496.50 lacs at 12% rate of interest per annum, to a Firm in which the Company is a Partner

Further consent of the members of the company be and is hereby accorded to the transaction entered by the Company by appointing Mrs. Indira Devi Patodia as Sales Executive, wife of Mr. Purusottam Das Patodia at monthly salary of Rs.11,000 and the amount paid as salary for the year ended Rs.1.38 lacs which falls under the definition of material related party transaction during the financial year on the terms as briefly mentioned in the explanatory statement to this resolution.

Further consent of the members of the company be and is hereby accorded to the transaction entered by the Company and the Firms in which the Company is a Partner with M/s. Rehoboth Engineering and Contractors, a firm in which Mr. T. Paul Sugumaran, Director's Son is the Proprietor (a related party) for giving a contract work amounting to Rs.305.36 lacs which falls under the definition of material related party transaction during the financial year on the terms as briefly mentioned in the explanatory statement to this resolution.

Further consent of the members of the company be and is hereby accorded to the transaction entered by AOP in which the Company is a Member by appointing Mrs. Lydial Annakamakshi as Sales Executive, wife of Mr. T. Paul Sugumaran, Director of the Company at monthly salary of Rs.90,000 and the amount paid as salary from August 2014 to March 2015 is Rs.7.20 lacs which falls under the definition of material related party transaction during the financial year on the terms as briefly mentioned in the explanatory statement to this resolution.

RESOLVED FURTHER THAT consent of the members of the Company be and is hereby accorded to all acts, deeds and things which was done and documents executed in connection with such material related party transaction."

By Order of the Board

Place: Mumbai

**Manoj Kumar Patodia**  
**DIN 00026455**

Date: 29.05.2015

Vice Chairman and Managing Director



#### NOTES FOR THE MEMBERS' ATTENTION

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the company.
2. The Proxy form must be deposited at the registered office of the Company not less than 48 hours before the scheduled hour of commencement of the meeting
3. Members/Proxies should bring their attendance slips duly filled in for attending the meeting
4. The Register of Members and Share Transfer Books of the company will remain closed from 7th August 2015 to 13th August 2015 (both days inclusive)
5. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Business to be transacted at the meeting is annexed hereto and forms part of the Notice.
6. Pursuant to Section 124 of the Companies Act 2013, all unclaimed/unpaid dividends up to the Financial Year ended 31st March 2007 which were remaining unpaid or unclaimed for a period of seven years have been transferred by the Company to the Investors Education and Protection Fund of the Central Government (the "Fund"). The dividends remaining unpaid or unclaimed for the Financial Year ended 31st March 2008 and thereafter shall similarly on expiry of the prescribed period of seven years also be transferred to the fund.

Shareholders, who have so far not encashed the dividend warrant(s) for the Financial Year ended 31st March 2008 or for any financial years subsequent thereto, are requested to immediately forward the same to the company for revalidation.

Also note that no claim shall lie against the said Fund or the company in respect of any amounts which were unclaimed and unpaid for a period of 7 (seven) years from the date that they first became due for payment and no payment shall be made in respect of any such claim.

7. Members are requested to notify change of address, if any, with Pin Code quoting reference to their folio number immediately to the Registrar.
8. Shareholders are requested to note the Company's Registrars and Share Transfer Agents for physical shares. M/s SKDC Consultants Limited (SKDC), Ganapathy Towers 3rd Floor, 1391/1 Sathy Road, Ganapathy, Coimbatore-641 006.
9. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form, are requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the company.
10. Details under Clause 49 of the Listing Agreement with the Stock Exchange in respect of Directors seeking appointment/reappointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment/reappointment.
11. Electronic copy of the Annual Report for 2014-15 is being sent to all the members whose email ids are registered with the company/Depository participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual report is being sent in the permitted mode.
12. In compliance with the provisions of section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Clause 35B of the Listing Agreement, the Company is pleased to offer the facility of voting through electronic means.
13. Instructions for shareholders voting electronically are as under:
  - i. The voting period begins on 10th August 2015 at 10.00 A.M. and ends on 12th August 2015 at 5.00 P.M. During this period shareholders of the company, holding shares in physical form or in dematerialized form, as on the cut-off date 06th August 2015, 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.

## PRIME URBAN DEVELOPMENT INDIA LIMITED

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 digital alpha-numeric PAN issued by the 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 first two letters of their name and the 8 digits of the sequence number in the PAN field. *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 eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 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 *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)

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.

For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

- x. Click on the EVSN for the relevant, Prime Urban Development India Ltd. 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.
- xiv. 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 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.
- 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.
- (i) 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).
14. The voting rights of the shareholders shall be in proportion to their shares in the Paid up Equity Share Capital of the company as on the cut-off date of 6th August 2015.
15. The members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting in terms of notification issued by the Ministry of Corporate Affairs dated 19.03.2015.
16. Mr. S. Rengasamy, Practising Company Secretary, Coimbatore has been appointed as the Scrutinizer to scrutinize the e-voting process (including the ballot form received from the members who do not have access o the e-voting process) in a fair and transparent manner.
17. The Scrutinizer shall immediately after the conclusion of the voting at General meeting, first count the votes cast at the meeting, and thereafter unblock the votes in the presence of atleast two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any within Three days of Conclusion of the Meeting, to the Chairman of the meeting. The Chairman shall declare the results of the voting forthwith. The results declared along with the Scrutinizer's Report shall be placed on the Company's website and on the website of CDSL, immediately, after the Chairman declares the result.



**EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT 2013**  
**RESOLUTION AT ITEM NO.3**

Mr. Purusottam Das Patodia has been the Vice Chairman and Managing Director of the company from 20.10.1989 to 31.07.2008 and Chairman and Managing Director since 31.07.2008 and his tenure of office concludes on 31.03.2016.

As per the provisions of the Companies Act, appointment and remuneration require approval of the shareholders in the ensuing Annual General Meeting. The Nomination and Remuneration Committee, which met on 29.05.2015 considered the remuneration payable to the Chairman and Managing Director of the Company and has recommended to the Board for its approval.

The Board is requested to consider that it would be in the best interest of the Company to appoint Mr Purusottam Das Patodia as Chairman and Managing Director of the Company for a period of THREE years with effect from 01.04.2016. The details are as contained in the tabled resolution

<b>Name and Designation</b>	: Mr. Purusottam Das Patodia Chairman and Managing Director
<b>Period</b>	: From 01.04.2016 to 31.03.2019
<b>Remuneration</b>	: Rs.3,50,000 per month in the scale of : (Rs. 3,50,000-35,000-4,20,000)

**Commission:** Commission will be allowed in addition to salary and perquisites, the amount of which, based on the Net Profits of the company in a particular year, shall be subject to the overall ceilings laid down in Section 197 of the Companies Act, 2013. The Board of Directors from time to time in its absolute discretion thereof will decide the amount of commission for each financial year or part.

**Perquisites:** Perquisites shall be allowed in addition to salary and shall be restricted to an amount equal to the annual salary.

**PART A**

**1. Housing**

- a. The expenditure by the company on hiring furnished accommodation will be subject to a ceiling of 60% of the salary, over and above 10% payable by Mr. Purusottam Das Patodia
- b. If the company does not provide accommodation to Mr. Purusottam Das Patodia, he shall be entitled to House Rent Allowance equivalent to 50% of the salary.
- c. If accommodation in the company owned house is provided to Mr. Purusottam Das Patodia, a deduction of 10% shall be made from his salary.

**Explanation:** The expenditure incurred by the company on gas, electricity, water and furnishings shall be valued as per Income tax Rules 1962. This shall however, be subject to a ceiling of 10% of the salary of Mr. Purusottam Das Patodia.

- 2. Medical Reimbursement:** Reimbursement of expenses incurred for self and family subject to a ceiling of one month's salary in a year or three month's salary over a period of three years.
- 3. Leave Travel Concession:** Leave Travel Concession for self and family once in a year incurred in accordance with the rules of the company
- 4. Club Fees:** Fees of clubs subject to a maximum of two clubs. No admission and Life Membership fees will be paid
- 5. Personal Accident Insurance:** Personal Accident Insurance Policy premium shall not exceed Rs. 10,000 per annum

## PRIME URBAN DEVELOPMENT INDIA LIMITED

### PART B

- i) Contribution to Provident Fund and Superannuation Fund will not be included in the computation of the ceiling on perquisites to the extent these, either singly or put together, are not taxable under the Income tax Act, 1961. Gratuity payable shall not exceed half month's salary for each completed year of service.
- ii) Earned leave: On full pay and allowances as per the rules of the company but not exceeding one month's leave for every eleven months of service. Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.

### PART C

Provision of car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company.

### Minimum Remuneration

In the event of loss or inadequacy of profits, in any financial year during the currency of tenure of service, the payment of salary, commission, perquisites and other allowances shall be governed under Section II of Part of II Schedule V to the Companies Act 2013 including any statutory modifications or re-enactment thereof, as may, for the time being be in force.

The terms and conditions of appointment as set out in the draft agreement and remuneration herein may be altered and varied from time to time by the Board of Directors of the Company as it may, at its discretion deem fit, so as not to exceed the limits specified in Schedule V to the Companies Act, 2013 (including any statutory modification or re-enactment thereof, for the time being in force), or any amendments made thereto.

Either party may terminate the agreement by giving to the other party six months' notice.

The draft agreement to be entered into between the Company and Mr. Purusottam Das Patodia is available for inspection at the Registered Office of the Company on any working day during the working hours from the date of this Notice up to the date of the 78th Annual General Meeting.

The Directors recommend the resolution set out at item No.3 of the Notice for approval by the shareholders.

The above narration be treated as an abstract of the terms of contract/appointment between the Company and Mr. Purusottam Das Patodia in pursuance to Section 190 of the Companies Act, 2013, when executed.

Mr. Manoj Kumar Patodia, and Mr. Anuj Patodia, being related to Mr. Purusottam Das Patodia are deemed to be interested in this resolution mentioned in item No.3 of the notice.

### RESOLUTION AT ITEM NO.4

Mr. Manoj Kumar Patodia has been the Managing Director of the company from 01.01.1995 to 30.06.2009 and Vice Chairman and Managing Director since 30.06.2009 and his tenure of office concludes on 31.03.2016.

As per the provisions of the Companies Act, appointment and remuneration require approval of the shareholders in the ensuing Annual General Meeting. The Nomination and Remuneration Committee, which met on 29.05.2015 considered the remuneration payable to the Vice Chairman and Managing Director of the company and has recommended to the Board for its approval.

The Board is requested to consider that it would be in the best interest of the Company to appoint Mr. Manoj Kumar Patodia as Vice Chairman and Managing Director of the company for a period of THREE years with effect from 01.04.2016. The details are as contained in the tabled resolution.

<b>Name and Designation</b>	: Mr. Manoj Kumar Patodia Vice Chairman and Managing Director
<b>Period</b>	: From 01.04.2016 to 31.03.2019
<b>Remuneration</b>	: Rs.2,60,000 per month in the scale of : (Rs. 2,60,000-25000-3,10,000)