



# ANNUAL REPORT **2015-16**

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**ROYAL CUSHION VINYL PRODUCTS LIMITED**

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**ROYAL CUSHION VINYL PRODUCTS LIMITED**

(CIN No. - L24110MH1983PLC031395)

www.rcvp.in

**BOARD OF DIRECTORS**

Mr. Mahesh K Shah  
Mr. Vinod K Shah  
Mr. Arvind V Motasha  
Mr. Deepak A Motasha  
Mr. Mukesh A Motasha  
Mr. Jayesh A Motasha  
Ms. Kavita Bachwani

Chairman & Managing Director  
Whole time Director  
Director  
Director  
Director  
Director and Chief Financial Officer  
Director

**AUDITORS**

**M/S. CHANDRAKANT & SEVANTILAL  
& J. K. SHAH & CO.**

Chartered Accountants  
301, Lalita Tower, Near Hotel Rajpath  
Station Akota Road, Vadodara – 390 007

**REGISTERED OFFICE**

60 CD, Shlok Govt. Indus. Estate  
Charkop, Kandivali (West),  
Mumbai – 400 067  
Tel: 022 32655828, 022 28603514  
Fax No.: 022 28603565

**FINANCIAL INSTITUTION / BANKS**

Axis Bank Ltd  
SICOM

**REGISTRAR & TRANSFER AGENTS**

**M/s Universal Capital Securities Private Limited**  
(Formerly Known as Mondkar Computers Pvt Ltd)  
Unit: Royal Cushion Vinyl Products Limited  
21, ShakilNiwas, Mahakali Caves Road,  
Andheri (East), Mumbai 400 093  
Tel: 28366620/ 28257641/62920 • Fax : 28211996

**WORKS**

Plot no. 55, Village, Garadhia  
Taluka-Savli, Dist. Vadodara  
Gujarat – 391520  
Tel: 02667 – 251674 / 73

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### NOTICE

NOTICE is hereby given that the **32<sup>nd</sup> ANNUAL GENERAL MEETING** of the Members of **ROYAL CUSHION VINYL PRODUCTS LIMITED** will be held on **Friday, the 30<sup>th</sup> September, 2016 at 12.30 p.m.** at the Conference Room, 2<sup>nd</sup> Floor, 60 CD "SHLOK" Govt. Industrial Estate, Charkop, Kandivali (West), Mumbai 400 067, for the purpose of transacting the following business:-

#### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited financial statements of the Company for the year ended March 31, 2016 and the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Deepak A. Motasha (DIN – 00060092) who retires by rotation and being eligible, offers himself for re- appointment.
3. To appoint a Director in place of Ms. Kavita Bachwani (DIN - 07239417) who retires by rotation and being eligible, offers herself for re- appointment.
4. To consider and if thought fit to pass, with or without modifications, the following as Ordinary Resolution:  
**"RESOLVED THAT,** pursuant to Section 139, 142 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, pursuant to the recommendations of the audit committee of the Board of Directors, and pursuant to the resolution passed by the members at the Annual General Meeting held on 30th September, 2015, the appointment of **M/s. Chandrakant & Sevantilal & J. K. Shah & Co, Chartered Accountants, Vadodara (Firm Registration no. 101676W)** as the Statutory Auditors of the Company to hold office till the conclusion of the Annual General Meeting to be held in the calendar year 2017 be and is hereby ratified and the Board of Directors be and are hereby authorised to fix such remuneration payable to them for the financial year ending 31<sup>st</sup> March, 2017 as may be determined by the Board of Directors in consultation with Audit Committee."

#### SPECIAL BUSINESS:

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

**"RESOLVED THAT** pursuant to Clause 23 of listing agreement and provisions of section 188 of the Companies Act, 2013 (as amended or re-enacted from time to time) read with Rule 15 of the Companies (Meeting of Board and its Powers) Rules 2014, the consent of Company be and is hereby accorded for entering into related party transactions by the Company with Natroyal Industries Private Limited effect from 1<sup>st</sup> April, 2016 for the amounts as appended below:

| MAXIMUM VALUE OF CONTRACT / TRANSACTION (PER ANNUM) WEF 01/04/2016   |   |
|--|---|
|  | Transactions defined under section 188(1) of the Companies Act, 2013<br>(₹ in lacs)   |
|  | <b>Availing or rendering of any services; Appointment of any agent, purchase or sale of goods, materials, services or property leasing.</b> |
| NAME and NATURE of RELATIONSHIP with RELATED PARTIES   |   |
| Natroyal Industries Private Limited – In which Directors of the Royal Cushion Vinyl Products Limited are Members as per section 2(76)(iv) of the Companies Act, 2013.(i.e. a private company in which a Director or Manager is a member or Director) | 10,000.00   |

## Annual Report 2015-2016

| Name of the Director (who are the members in Natroyal Industries Private Limited) | No. of Shares | Percentage (%) of holding |
|---|---------------|---------------------------|
| Mahesh K. Shah  | 12042         | 1.88                      |
| Vinod K. Shah   | 15491         | 2.42                      |
| Jayesh A. Motasha   | 338           | 0.05                      |
| Mukesh A. Motasha   | 341           | 0.05                      |
| Deepak A. Motasha   | 341           | 0.05                      |
| Arvind V. Motasha   | 300           | 0.05                      |

**“RESOLVED FURTHER THAT** to give effect to this Resolution the Board of Directors and/or any Committee thereof be and is hereby authorized to settle any question, difficulty or doubt that may arise with regard to giving effect to the above Resolution and to do all such acts, deeds, things, as may be necessary in its absolute discretion deem necessary, proper desirable and to finalise any documents and writings related thereto.”

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

**“RESOLVED THAT** pursuant to the provisions of Sections 196, 197, and 203 of the Companies Act, 2013 and all other applicable provisions of the Companies Act, 2013 ( hereinafter referred to as the “Act”) read with Schedule V of the new Companies Act, 2013 the Company hereby approves the re-appointment of Mr. Mahesh K. Shah (DIN- 00054351) as Managing Director of the Company for a period of 3 (three) years commencing from 1<sup>st</sup> April, 2017 upon the terms and conditions and the Remuneration, perquisites to be paid or granted to him in the manner and limit as set out in the Explanatory Statement.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to enter into an Agreement and to do all such acts, deeds, matters for and on behalf of the Company for the purpose of giving effect to this resolution.

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

**“RESOLVED THAT** pursuant to the provisions of Sections 196, 197 and 203 of the new Companies Act, 2013 and all other applicable provisions of the Companies Act, 2013 read with Schedule V of the new Companies Act, 2013, the Company hereby approves the re-appointment of Mr. Vinod K. Shah (DIN- 00054667) as Whole time Director of the Company for a period of 3 (three) years commencing from 1<sup>st</sup> April, 2017 upon the terms and conditions and the Remuneration, perquisites to be paid or granted to him in the manner & limit as set out in the Explanatory Statement.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to enter into an Agreement and to do all such acts, deeds, matters for and on behalf of the Company for the purpose of giving effect to this resolution.”

BY ORDER OF THE BOARD  
For **Royal Cushion Vinyl Products Limited**

Sd/-  
**Mahesh K. Shah**  
Managing Director  
00054351

Date: - 10<sup>th</sup> August, 2016  
Place:-Mumbai

**Registered Office:**  
**Royal Cushion Vinyl Products Limited**  
Shlok, 60 CD, Govt. Industrial Estate,  
Charkop, Kandivli (West), Mumbai - 400 067  
CIN No. – L24110MH1983PLC031395  
Website: [www.rcvp.in](http://www.rcvp.in)

### Notes :

- a. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND & VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF, AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED WITH THE COMPANY 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- b. 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. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution / authority, as applicable.
- c. An Explanatory Statement under Section 102 of Companies Act, 2013 relating to the Special Business to be transacted at the Meeting is annexed hereto.
- d. The Register of Members and Share Transfer books of the Company will remain closed from **Saturday, 24<sup>th</sup> September, 2016 to Friday, 30<sup>th</sup> September, 2016** (both days inclusive) for the purpose of Annual Book Closure.
- e. Members/proxies should bring the attendance slips duly filled in for attending the meeting.
- f. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board resolution authorising their representative to attend and vote on their behalf at the Meeting.
- g. Members desiring any information on the Accounts are requested to write to the Company at least one week before the Meeting so as to enable the management to keep the information ready at the Meeting.
- h. Members are requested to notify any change in their address to the Company's registrar and share transfer agents at **M/s. Universal Capital Securities Private Limited** (formerly known as Mondkar Computers Private Limited), Unit: Royal Cushion Vinyl Products Limited., **21, Shakhil Niwas, Mahakali Caves Road, Andheri (East), Mumbai 400 101. Tel No. 022 28257641, 022 28207203.**
- i. **PARTICULARS REQUIRED FOR APPOINTMENT / RE-APPOINTMENT OF DIRECTORS PURSUANT TO REGULATION 36 (3) OF THE SEBI, LODR**

At the ensuing Annual General Meeting Mr. Deepak A. Motasha and Ms. Kavita Bachwani, are liable to retire by rotation and being eligible offer themselves for re-appointment. The brief profile of the aforesaid Directors being appointed/re-appointed are given below:

**1. Mr. Deepak A. Motasha (DIN No. – 00060092)**

Mr. Deepak Motasha (63 years) is a B.Com. Graduate from Bombay University. He has vast and varied experience in all functions of the Company including production, sales and marketing.

He is not holding any directorship in any other company.

He is the Chairman in Audit Committee and member in Remuneration Committee and Shareholders and Investor's Grievances Committee of the Company. He is a Director since 21/11/1983.

He is presently holding 26,701 Equity Shares of ₹10/- each of the Company (including shares held jointly).

**2. Ms. Kavita Bachwani (DIN No. – 07239417)**

Ms. Kavita Bachwani (52 years) is a Bcom from Bombay University. She has vast and varied experience in Commercial and Finance Functions.

She is not holding any directorship in any other Company.

She is presently holding NIL Equity Shares of the Company. She is not holding any membership in any Committee.

### j. VOTING THROUGH ELECTRONIC MEANS (E-VOTING):

1. In accordance with Clause 35B of Listing Agreement and Section 108 of the Companies Act, 2013, read with Rule 20 of Companies (Management and Administration) Rules, 2014 (the Rules), the Company is pleased to provide facility to its members, to cast their vote electronically for all the resolutions proposed at the 32nd Annual General Meeting of the Company. The Company has appointed Central Depository Services (India) Ltd. (CDSL) to provide remote e-voting facility to its members.
2. The voting right of shareholders shall be in proportion to one vote per fully paid equity share of the Company held by them as on the cutoff date September 23, 2016.
3. The voting period begins on Tuesday the 27<sup>th</sup> day of September, 2016 at 9.00 a.m. and will end on Thursday, the 29th day of 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 being September 23, 2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by any Member, he/she shall not be allowed to change it subsequently.
4. Mr. Gaurang Shah, of M/s. GMS and Co. Practicing Company Secretaries (Membership No:32581; COP No:11953) has been appointed by the Board of Directors of the Company, as the Scrutinizer to scrutinize the remote e-voting process and voting cast by member through poll at Annual General Meeting in a fair and transparent manner.
5. A Members may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
6. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
7. The instructions for shareholders voting electronically are as under:
  - (i) The voting period begins on 27<sup>th</sup> September, 2016, 9:00 a.m. and ends on 29<sup>th</sup> September, 2016, 5:00 p.m (both days inclusive). 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) being 23<sup>rd</sup> September, 2016 may cast their vote electronically. The remote 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-Login
  - (iv) Now Enter your User ID and password.
    - 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 or Physical Form |  |
|---|--|
| PAN   | <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 which is mentioned in address label as sr no affixed on Annual Report, in the PAN field.</li> </ul> |

|   |  |
|---|--|
|   | <b>For Members holding shares in Demat Form or Physical Form</b>   |
|   | <ul style="list-style-type: none"> <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. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>                    |
| <b>DIVIDEND BANK DETAILS OR DATE OF BIRTH (DOB)</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. 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). |

- (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 Electronic Voting Sequence Number (EVSN) for the relevant **Royal Cushion Vinyl Products Limited** 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) **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. iPhone 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.**
- (xix) **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 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 favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding remote e-voting, you may refer the Frequently Asked Questions ("FAQs") and remote 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).
- (xxi) In case of members receiving the physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/ Depository Participants(s) or requesting physical copy]:
- a) Please follow all steps from sl. no. [i] to sl. no. [xx] above, to cast vote.
  - b) Mr. Gaurang Shah, of M/s. GMS and Co. Practicing Company Secretaries (Membership No. 32581, COP No. 11953) has been appointed by the Board of Directors of the Company, as the Scrutinizer to scrutinize the remote e-voting process and voting cast by member through poll at Annual General Meeting in a fair and transparent manner.
  - c) Members who do not have access to remote e-voting facility may send duly completed Ballot Form (sent along with the Notice) so as to reach the Scrutinizer appointed by the Board of Director of the Company, Mr. Gaurang Shah, of M/s. GMS and Co. Practicing Company Secretaries, C/o. Universal Capital Securities Pvt. Ltd. Unit: Royal Cushion Vinyl Products Limited, 21, Shakil Niwas, Mahakali Caves Road, Andheri [East], Mumbai – 400 093, not later than Thursday, September 29, 2016 (5.00 p.m.).
- Members have the option to request for hard copy of the Ballot Form by sending an e- mail to [legalho83@gmail.com](mailto:legalho83@gmail.com) by mentioning their Folio/DP ID/and Client ID No. However, the duly completed Ballot Form should reach the Scrutinizer Mr. Gaurang Shah, of M/s. GMS and Co. Practicing Company Secretaries (Membership No. 32581, COP No. 11953) appointed by the Board of Directors of the Company not later than Thursday, September 29, 2016 (5.00 p.m.) Ballot form received after this date will be treated as invalid. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than two days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- A Member can opt for only one mode of voting i.e. either through remote e-voting or by Ballot. If a Member casts votes by both modes, then voting done through remote e-voting shall prevail and Ballot shall be treated as invalid.
- (xxii) The results of remote e-voting shall be declared by the Chairman on or after the AGM of the Company. The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.rcvp.in](http://www.rcvp.in) within three (3) days of passing of the resolution at the AGM of the Company and communicated to the stock exchanges.



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

As required by Section 102 of the Companies Act, 2013, the following Explanatory Statement sets out material facts relating to the business under Item Nos. 5 of the accompanying Notice.

### Item No. 5:

The provisions of Regulation 23 of listing agreement and Section 188 of the Companies Act, 2013 provide for certain related party transactions to be approved by the shareholders at the general meeting:

In the light of provisions of the Regulation 23 and section 188 of the 2013 Act, the proposed transactions along with annual limits upto which the Company may enter into such transactions with its related parties (as defined under 2013 Act) for the financial year 2016-2017 is being placed for the approval of the members.

All required disclosures are given here in below in a tabular format for kind perusal of the members.

| MAXIMUM VALUE OF CONTRACT / TRANSACTION (PER ANNUM) WEF 01/04/2016   |   |
|--|---|
|  | Transactions defined under section 188(1) of the Companies Act, 2013<br>(₹ in lacs)   |
|  | <b>Availing or rendering of any services; Appointment of any agent, purchase or sale of goods, materials, services or property leasing.</b> |
| NAME and NATURE of RELATIONSHIP with RELATED PARTIES   |   |
| Natroyal Industries Private Limited – In which Directors of the Royal Cushion Vinyl Products Limited are Members as per section 2(76)(iv) of the Companies Act, 2013.(i.e. a private company in which a Director or Manager is a member or Director) | 10,000.00   |

\*\* Name of the related party: Natroyal Industries Private Limited

- Name of the director or Key Management Personnel who is related, if any: Mr. Mahesh K. Shah, and Mr. Mukesh A. Motasha.
- Nature of Relationship: Natroyal Industries Private Limited in which the Directors of Royal Cushion Vinyl Products Limited are the members.

| Name of the Director (who are the members in Natroyal Industries Private Limited) | No. of Shares | Percentage (%) of holding |
|---|---------------|---------------------------|
| Vinod K. Shah   | 15491         | 2.42                      |

- Nature, material terms, monetary value and particulars of the contract or arrangement:
  - The Company is taking your approval for availing, purchase and sale of goods, materials, rendering services and leasing property up to ₹ 100 Crores per annum on an arm length basis w.e.f. 1<sup>st</sup> April, 2016.
  - Any other information relevant or important for the members to take a decision on the proposed resolution: NIL

Members are hereby informed that pursuant to the provisions of clause 23 and section 188 of the 2013 Act, no member of the company shall vote on such special resolution to approve any contract or arrangement which may be entered into by the company, if such member is a related party.

The Board of Directors recommends the resolution as set out in the accompanying Notice for the approval of members of the Company as a Special Resolution.

All the Directors and Key Managerial Personnel are interested in the resolution set out at Item No. 5 of the Notice.

The relatives of Directors and Key Managerial Personnel may be deemed to be interested in the resolution set out at Item No. 5 of the Notice, to the extent of their shareholding interest, if any, in the Company.

### Item No. 6:

The Board of Directors of your Company has reappointed Mr. Mahesh K. Shah as the Managing Director for a period of 3 years with effect from 01<sup>st</sup> April, 2017, subject to the approval of Members of the Company at the 32<sup>nd</sup> Annual General Meeting, and subject to all other applicable approvals.

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He is a rank holder in M.Sc (Organics) from Mumbai University. He was also past President of PLASTINDIA FOUNDATION and APEX BODY of Plastic Association of India. He is also Managing Committee Member for the last 20 years of PLASTINDIA FOUNDATION and Ex- Chairman of PLEXCOUNCIL (PLASTIC EXPORT PROMOTION COUNCIL).

Your Company is in the process of reappointing Mr. Mahesh K. Shah to act as a Managing Director of the Company under section 196, 197 and 203 of the Companies Act, 2013.

The Nomination & Remuneration Committee at their meeting held on 05th August, 2016 and Board of Directors of the Company in their meeting held on 10th August, 2016 had approved (subject to the approvals of the Members of the said Company) the following terms and conditions or remuneration payable to Mr. Mahesh K. Shah for a period of 3 years w.e.f. April 01, 2017.

Mr. Mahesh K. Shah be appointed as Managing Director of the Company with effect from 1<sup>st</sup> April, 2017 to 31<sup>st</sup> March, 2020.

The Company shall pay to Mr. Mahesh K. Shah in consideration of the performance of his duties as Managing Director, the following Remuneration.

- |                                |  |
|--------------------------------|--|
| a. Salary                      | ₹ 75,000/- per month   |
| b. Other Perks                 | Company will give other perk such as H.R.A, Reimbursement of Electricity, medical expenses, Leave travel allowances and Other perks to the extent of ₹ 50,000/- p.m  |
| c. Leave                       | As per rules of the Company  |
| *d. Gratuity                   | As per rules of the Company  |
| *e. Provision of               | for use on Company's business  |
|                                | Cars & Telephones and telephones at residence. Personal long distance calls shall be billed by the Co to Mr. Mahesh K. Shah  |
| *f. Provident fund             | Contribution to Provident Fund and Superannuation fund to the extent these singly or put together are not taxable under the Income Tax Act.  |
| g. Personal Accident Insurance | For self and family  |
| h. Minimum Remuneration        | Notwithstanding the above where in any financial year during the currency of the term of office as Managing Director, the Company has made no profits or its profits are inadequate, the Company will pay the same remuneration as minimum remuneration by way of salary and other and perquisites to the extent of ₹ 1,25,000/- per month.              |
|                                | * The perquisites shall be evaluated as per the actual cost or Income Tax Rules, as applicable.  |
|                                | * Mr. Mahesh K. Shah as long as he functions as a Managing Director shall not be paid any seating fees for attending meetings of the Board of Directors or Committee thereof.  |
|                                | * The Agreement shall be terminable at any time either party by giving 3 months' notice of such termination without assigning any reason and neither party will have any claim by reason of such termination. In any event the Managing Director shall not be entitled to any compensation in cases mentioned in Section 202 of the Companies Act, 2013. |

Where in respect of any financial year, during the tenure of Mr. Mahesh K. Shah as a Managing Director of the Company, the company has no profits or its profits are inadequate, the aforesaid remuneration including perquisites shall be reckoned as the minimum remuneration subject to such approval(s), as may be required.

Mr. Mahesh K. Shah is interested in the resolution set out respectively at Item No. 6 of the Notice, which pertain to his respective re-appointment and remuneration payable to him.

The relatives of Mr. Mahesh K. Shah may be deemed to be interested in the resolution set out respectively at Item No. 6 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

### Item No. 6:

The Board of Directors of your Company has reappointed Mr. Vinod K. Shah as the Whole Time Director for a period of 3 years with effect from 01<sup>st</sup> April, 2017, subject to the approval of Members of the Company at the 32<sup>nd</sup> Annual General