



## ANNUAL REPORT 2013-2014

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**SHILCHAR  
TECHNOLOGIES LIMITED**



## Corporate Information

### **BOARD OF DIRECTORS**

Mr. Jitendra C. Shah	Chairman
Mr. Alay J. Shah	Managing Director
Mr. Ashesh J. Shah	
Mr. O. P. Khanna	
Mr. Mukesh D. Patel	
Mr. Kirtikant P. Shah	
Mr. Jahangir H Parabia	w.e.f. 01-08-2013

### **BANKERS**

Bank of Baroda

### **AUDITORS**

Naresh & Company  
Chartered Accountants  
2<sup>nd</sup> Floor, Citi Enclave  
Opp.Polo Ground  
Vadodara - 390 001.

### **REGISTERED OFFICE**

Bil Road, Bil - 391 410  
Dist. Vadodara, (India)

### **REGISTER & TRANSFER AGENT**

MCS LIMITED  
Neelam Appartment,  
88, Sampatrao Colony,  
R. C. Dutt Road,  
Alkapuri,  
Baroda - 390 007.

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**NOTICE**

NOTICE is hereby given that the Twenty Eighth Annual General Meeting of Members of Shilchar Technologies Limited will be held at the Registered office of the Company at Bil Road, Bil- 391 410, District Vadodara, in the State of Gujarat on Thursday, the 14<sup>th</sup> day of August, 2014 at 3.00 p.m. to transact the following business :

**Ordinary Business:**

1. To receive, consider and adopt the audited statement of Profit and Loss Account for the year ended 31<sup>st</sup> March, 2014 and audited Balance Sheet as at that date together with reports of the Directors and the Auditors thereon.
2. To declare a Dividend on equity shares of the Company for the financial year ended 31<sup>st</sup> March, 2014.
3. To appoint a Director in place of Mr. Ashesh Shah, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint M/s. Naresh & Co., (having ICAI Reg. No. 106928W) Chartered Accountants, Vadodara, as Auditors of the Company, to hold Office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and to fix their remuneration.

**Special Business:**

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

“RESOLVED THAT in accordance with applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof), and the Articles of Association of the Company, Mr. Jahangir H. Parabia (holding DIN 00052205), who was appointed as a Director of the Company by the Board of Directors at its meeting held on 10.08.2013 and who holds office upto the date of this Annual General Meeting pursuant to Section 161(1) of the Companies Act, 2013 and in respect of whom a written Notice pursuant to Section 160 of the Companies Act, 2013, has been received from a member signifying his intention to propose Mr. Jahangir H. Parabia as a candidate for the office of Director of the Company, be and is hereby appointed as a Independent Director of the Company to hold office for five consecutive years from April 01, 2014 up to March 31, 2019 whose period of office shall be liable to determination by retirement by rotation.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

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

“RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof) read with Schedule IV to the Companies Act, 2013, Mr. Omprakash P. Khanna (holding DIN 00304268), Director of the Company be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years from April 01, 2014 up to March 31, 2019 whose period of office shall not be liable to determination by retirement by rotation.”

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

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

“RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof) read with Schedule IV to the Companies Act, 2013, Mr. Mukesh D. Patel (holding DIN 00009605) Director of the Company be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years from April 01, 2014 up to March 31, 2019 whose period of office shall not be liable to determination by retirement by rotation.”

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

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

“RESOLVED THAT subject to the provisions of sections 2(94), 196, 197, 198 and 203 and other applicable provisions, if any, of the Companies Act, 2013, read with Schedule V to the Companies Act, 2013 and the Rules made thereunder (including any statutory modification or re-enactment thereof) consent of the Company be and is hereby accorded to the increase in terms of Remuneration of Mr. Alay Shah, Managing Director and to pay him increased remuneration of Rs.2.50 lacs per month with effect from 01.10.2013 upto 30.09.2014, with other terms & conditions remains unchanged as per the resolution passed by the shareholders in their Annual General Meeting held on 28.07.2010.

RESOLVED FURTHER THAT subject to the provisions of sections 2(94), 196, 197, 198 and 203 and other applicable provisions, if any, of the Companies Act, 2013, read with Schedule V to the Companies Act, 2013 and the Rules made thereunder (including any statutory modification or re-enactment thereof) consent of the Company be and is hereby accorded to the re-appointment of Mr. Alay Shah as Managing Director of the Company for a further period of three (3) years from 01.10.2014 up to 30.09.2017 on the terms and conditions including remuneration set out in the draft Agreement



to be entered into between the Company and Mr. Alay Shah with specific authority to the Board of Directors to vary the terms and conditions of appointment including remuneration payable to Mr. Alay Shah provided that the remuneration payable to Mr. Alay Shah shall not exceed the maximum limits for payment of managerial remuneration specified in the Companies Act, 2013.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

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

"RESOLVED that in supersession of the Ordinary Resolution adopted in 22<sup>nd</sup> Annual General Meeting held on 30<sup>th</sup> July, 2008 and pursuant to Section 180(1)(c) and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Company hereby accorded to the Board of Directors to borrow moneys in excess of the aggregate of the paid up share capital and free reserves of the Company, provided that the total money borrowed and the outstanding at any point of time, apart from temporary loans obtained/ to be obtained from Company's Bankers in ordinary course of business, shall not be in excess of Rs. 500 Crores (Rupees Five Hundred Crores) over and above the aggregate of paid up capital and free reserves of the Company.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

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

"RESOLVED THAT in supersession of the Ordinary Resolution adopted in 22<sup>nd</sup> Annual General Meeting held on 30<sup>th</sup> July, 2008 and pursuant to Section 180(1)(a) and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to the Board of Directors of the Company and / or any one of the Directors authorized by the Board to mortgage and / or to create a charge, on all immovable properties and movable assets and properties of the Company where so ever situated at the present time and in the future, and upon the whole of the undertaking of the Company and / or conferring powers in favour of any lending institutions / Banks to enter upon and take possession of the assets of the Company, for the purpose of obtaining Secured Loans of an amount not exceeding Rs.500 Crores (Rupees Five Hundred Crores Only) advanced / agreed to be advanced to the Company."

By order of the Board of Directors

For **SHILCHAR TECHNOLOGIES LIMITED**

Place: Bil, District Vadodara

Date: 24.05.2014

**ALAY SHAH**

**MANAGING DIRECTOR**

**Details of Directors seeking re-appointment at the forthcoming Annual General Meeting  
(Pursuant to Clause 49 of the Listing Agreement)**

<b>Name of Director</b>	Shri Ashesh Shah
<b>Date of Birth</b>	06.06.1964
<b>Date of Appointment</b>	13.01.1986
<b>Expertise in Specific Functional Area</b>	Marketing and Corporate Management
<b>Qualifications</b>	Bachelor of Science with Electronics Engineering
<b>Directors in other public limited companies</b>	E Cube India Solutions Limited
<b>Other positions</b>	NIL
<b>Membership of committees in other public limited companies</b>	NIL
<b>Shares held in the company</b>	1900



**NOTES:**

1. The Register of members and Share Transfer Books of the Company will remain closed from Sunday, **10<sup>th</sup> day of August, 2014 to Thursday, 14<sup>th</sup> day of August, 2014** (both days inclusive) for annual closing and determining the entitlement of shareholders to the final dividend for 2014.
2. The Explanatory statement pursuant to Section 102 of the Companies Act, 2013, which sets out the details relating to the special business at the meeting, is annexed hereto.
3. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ALSO ENTITLED TO APPOINT PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company.**
4. The instrument appointing the proxy (duly completed, stamped and signed) must be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, member would be entitled to inspect the proxies lodged, at any time during the business hours of the Company, provided not less than 3 days written notice is given to the Company.
5. With effect from April 01, 2014, *inter-alia*, provisions of section 149 of Companies Act, 2013, has been brought into force. In terms of the said section read with section 152(6) of the Act, the provisions of retirement by rotation are not applicable to Independent Directors. Accordingly, Mr. Ashesh Shah, Non-Executive Promoter Director will retire at the ensuing annual general meeting and being eligible offers himself for re-appointment.
6. In terms of clause 49 of the listing agreement details of director retiring by rotation at the ensuing annual general meeting is given in annexure to this notice.
7. Statement as required under section 102 of the Companies Act, 2013, in respect of special business is annexed hereto.
8. Subject to the provisions of section 126 of the Companies Act, 2013, dividend as recommended by the Directors for the year ended 31<sup>st</sup> March, 2014, if declared, will be payable to those Members, whose names appear in the Register of Members as at the close of business on 14<sup>th</sup> August, 2014 and in respect of shares held in dematerialised form, as per the list of beneficial owners furnished to the Company by NSDL/CDSL, as at the close of business on 14<sup>th</sup> August, 2014. The dividend warrants will be posted on or about 13<sup>th</sup> September, 2014.
- 8.1 *In respect of shares held in electronic/demat form, beneficial owners are requested to notify any change in their address, bank account, mandate, etc. to their respective Depository Participant.*
- 8.2 *Members holding shares in physical form are requested to notify any change in their address, bank account, etc. to the Company or to the Registrar and Transfer Agent.*
- 8.3 *With a view to prevent fraudulent encashment of dividend warrants, Members holding shares in physical form are advised to furnish particulars of their bank account together with their 9 digit MICR code number for recording the same.*
9. The Registrar and Transfer Agent (RTA) of the of the Company having their office situated at MCS Limited, Neelam Apartment, 88, Sampatrao Colony, R. C. Dutt Road, Alkapuri, Vadodara-390 007, in the State of Gujarat is handling registry work in respect of shares held both in physical form and in electronic/demat form. All requests for transfer of Equity Shares and allied matters along with the relevant transfer deeds and shares certificates should be sent either to the RTA or at the registered office of the Company.
10. Pursuant to sub-section (5) of Section 205A of the Companies Act, 1956, dividend for the financial year ended **31.03.2007** and thereafter, which remain unclaimed for a period of 7 years from the date of transfer of the same as referred to in sub-section (1) of Section 205A of the Companies Act, 1956, will be transferred to the Investor Education and Protection Fund of the Central Government established under sub-section (1) of Section 205C of the Companies Act, 1956.
11. Pursuant to Section 72 of the Companies Act, 2013, shareholders holding shares in physical form may file nomination in the prescribed Form SH-13 with the Company's Registrar and Transfer Agent. In respect of shares held in electronic/demat form, the nomination form may be filed with the respective Depository Participant.
12. Members are requested to bring their copy of the Annual Report to the Annual General Meeting.
13. Members/Proxies/Representatives are requested to bring the attendance slip enclosed to the annual report /notice for attending the meeting.
15. Members are requested to intimate the Company of queries, if any, regarding these accounts / notice at least ten days before the Annual General Meeting to enable the Management to keep the information ready at the meeting.
16. Members are requested to note that in case of transfers, deletion of name of deceased shareholder, transmission and transposition of names in respect of shares held in physical form, submission of photocopy of PAN Card of transferee(s), surviving holder(s), legal heirs(s) and joint holder(s) respectively, along with necessary document at the time of lodgment of request for transfer/ transmission / transposition, is mandatory.



16. Members are requested to note that in case of transfers, deletion of name of deceased shareholder, transmission and transposition of names in respect of shares held in physical form, submission of photocopy of PAN Card of transferee(s), surviving holder(s), legal heirs(s) and joint holder(s) respectively, along with necessary document at the time of lodgment of request for transfer/ transmission / transposition, is mandatory.
17. All documents referred to in the accompanying Notice and Explanatory Statement shall be open for inspection at the registered office of the Company during normal business hours (9.30 a.m. to 5.00 p.m.) on all working days except Sundays, upto and including the date of Annual General Meeting of the Company.

**18. Voting through electronic means**

Pursuant to the provisions of section 108 of the Companies Act, 2013, Rule 20 and Rule 21 of Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services provided by Central Depository Services Limited (CDSL). It is hereby clarified that it is not mandatory for a member to vote using the e-voting facility, and a member may avail of the facility at his/her/it discretion, subject to compliance with the instructions prescribed below:

**The instructions for members for voting electronically are as under:-**

**In case of members receiving e-mail:**

- (i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For members holding shares in Demat Form	
PAN Number	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department and registered with the DP/RTA. In respect of physical shareholding as well as those holdings shares in Demat form and have not provided or whose PAN is not registered, enter your unique PAN/Default Value No. printed on the bottom of Attendance slip additionally attached herewith the Annual Report for your ready reference.
DOB/Dividend Bank Details*	Enter the date of birth as registered with the DP/RTA in dd/mm/yyyy format of Enter the dividend bank details as recorded with your DP/RTA. In respect of Physical shareholding and whose DOB and Dividend bank details are not registered with DP/RTA those can enter No. of shares held by you as on the cut off date i.e. 18.07.2014

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) 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.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.





- (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 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.
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details they have to create a user who would be able to link the account(s) 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.
- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

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

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- (B) The voting period begins on Thursday, 7<sup>th</sup> August, 2014 (9.00 a.m.) and ends on Saturday, 9<sup>th</sup> day of August, 2014 (6.00 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 of 18<sup>th</sup> July, 2014, 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.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

**General:**

- (a) If you are already registered with CDSL for e-voting then you can use your existing user ID and password for casting your vote.
- (b) Once the vote on a resolution is cast by the shareholder, he shall not be allowed to change it subsequently.
- (c) The voting rights of the shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date of 18<sup>th</sup> July, 2014.
- (d) Mr. Hemang M. Mehta, Practising Company Secretary, Vadodara, has been appointed as Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- (e) The scrutinizer shall within a period of not exceeding three working days from the conclusion of the e-voting period unblock the votes in the presence of at least two witnesses not in employment of the Company and make a scrutinizer's report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- (f) The results shall be declared on or after the AGM of the Company. The e-voting results along with the scrutinizer's report shall be placed in the Company's website [www.shilchargroup.com](http://www.shilchargroup.com) and on the website of CDSL within two days of passing of the resolution at the AGM of the Company. The results will also be communicated to the stock exchanges where the shares of the Company are listed.
- (g) Corporate members intending to send their authorized representative(s) to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
- (h) In case of joint shareholders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.

**ANNEXURE TO THE NOTICE**

**Statement pursuant to section 102 of Companies Act, 2013, in respect of item nos. 5 to 10 of the Notice and details pursuant to clause 49 of the listing agreement:**

**Item no. 5**

The Board of Directors at their meeting held on 10<sup>th</sup> August, 2013, appointed Shri Jahangir H. Parabia as an Additional Director of the Company to take effect from 10<sup>th</sup> August, 2013. Shri Jahangir H. Parabia holds office upto the date of the forthcoming Annual General Meeting. Under Section 160 of the Companies Act, 2013, the Company has received requisite notice from a Member proposing the candidature of Mr. Jahangir H. Parabia for the office of Director.

Shri Jahangir Hiraji Parabia, aged 70 years, is a Bachelor of Arts. He is a Founder and Managing Director of J. H. Parabia (Transport) Private Limited; company specialized in Transportation of Super Heavy over Dimensioned equipments, Material Management and Erection of Power Transformers with Pan India Presence.

He is having rich experience and business acumen in handling various facets of corporate World, India and abroad. Shri Jahangir H. Parabia is Chairman of Remuneration Committee of Directors and Member of Audit Committee and Shareholders and Investors' Grievance Committee of the Board, respectively. Shri Jahangir H. Parabia does not hold any shares in the Company. This statement may also be regarded as a disclosure under clause 49 of the listing agreement with the Stock Exchanges.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Shri Jahangir H. Parabia as an Independent Director. Accordingly, the Board recommends this resolution.

Except Shri Jahangir H. Parabia no other Director or Key Managerial Personnel or their respective relatives are in any way, concerned or interested, financial or otherwise, in the resolution set out at Item no. 5 of the Notice.

**Item no. 6**

Shri Omprakash P. Khanna, aged 76 years, holds B. Tech (Hons.) in Mechanical Engineering from IIT, Kharagpur and holds Post Graduate degree in Manufacturing Management from ZIS Halle, Germany. He is a fellow members of Institution of Electrical Engineering (UK), Institution of Industrial Engineering, (India) and Indian Institute of Production Engineers, (India), respectively. He is having over 50 years of industrial experience while working various esteemed industrial houses of India and abroad. He has won many national and international awards during his working career. He was actively involved at national and state level of professional bodies. Shri O. P. Khanna is Member of Audit Committee and Remuneration Committee of the Board, respectively. Shri O. P. Khanna does not hold any shares in the Company.

Shri O. P. Khanna has been an Independent Director pursuant to clause 49 of the listing agreement on the Board of the Company since 1995. With the enactment of the Companies Act, 2013 ('Act') it is now incumbent upon every listed company to appoint 'Independent Directors' as defined in section 149(6) of the Act and ensure that at least 1/3rd of the total number of directors are Independent Directors. The Board of Directors of your Company, after reviewing the provisions of the Act, are of the opinion that Shri O. P. Khanna fulfills the conditions specified in the Act and the Rules made there under to be eligible to be appointed as Independent Director pursuant to the provisions of section 149 of the Act. The Board of Directors of your Company is also of the opinion that Shri O. P. Khanna is independent of the management of the Company.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Shri O. P. Khanna as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Shri O. P. Khanna as an Independent Director pursuant to provisions of section 149 read with schedule IV of the Act for the approval by the shareholders of the Company. In terms of provisions of section 149(13) of the Act, Shri O. P. Khanna shall not be liable to retire by rotation. Except Shri Shri O. P. Khanna being an appointee, none of the Directors and Key Managerial Personnel of the Company and their respective relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 8. This statement may also be regarded as a disclosure under clause 49 of the listing agreement with the Stock Exchanges.

**Item no. 7**

Shri Mukesh D. Patel, aged 65 years, is a graduate in Chemical Engineering, having over 40 years of experience in various areas of finance and Corporate Management at Director Level and had also played active role in various management associations. Shri Mukesh D. Patel is Chairman of Shareholders and Investors' Grievance Committee and Audit Committee of the Board, respectively.

Besides, Shri Mukesh D. Patel is Chairman & Managing Director on the Board of Transpek Finance Limited and holds directorships on the Board of Transpek Industry Limited, Punjab Chemicals and Crops Protection Limited, Banco Products (India) Limited and Universal Esters Limited. He is Member of the Audit Committee and Chairman of the Shareholders and Investors' Grievance Committee on the Board of Punjab Chemicals and Crops Protection Limited. He is Chairman of the Audit Committee on the Board of Transpek Industry Limited. He is Member of the Audit Committee and Shareholders and Investors'





Grievance Committee on the Board of Banco Products (India) Limited. He is also Member of Shareholders and Investors' Grievance Committee on the Board of Transpek Finance Limited. Shri Mukesh D. Patel does not hold any shares in the Company.

Shri Mukesh D. Patel has been an Independent Director pursuant to clause 49 of the listing agreement on the Board of the Company since 1995. With the enactment of the Companies Act, 2013 ('Act') it is now incumbent upon every listed company to appoint 'Independent Directors' as defined in section 149(6) of the Act and ensure that at least 1/3rd of the total number of directors are Independent Directors. The Board of Directors of your Company, after reviewing the provisions of the Act, are of the opinion that Shri Mukesh D. Patel fulfills the conditions specified in the Act and the Rules made there under to be eligible to be appointed as Independent Director pursuant to the provisions of section 149 of the Act. The Board of Directors of your Company is also of the opinion that Shri Mukesh D. Patel is independent of the management of the Company.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Shri Mukesh D. Patel as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Shri Mukesh D. Patel as an Independent Director pursuant to provisions of section 149 read with schedule IV of the Act for the approval by the shareholders of the Company. In terms of provisions of section 149(13) of the Act, Shri Mukesh D. Patel shall not be liable to retire by rotation. Except Shri Mukesh D. Patel being an appointee, none of the Directors and Key Managerial Personnel of the Company and their respective relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 6. This statement may also be regarded as a disclosure under clause 49 of the listing agreement with the Stock Exchanges.

#### **Item no. 8**

Shri Alay Shah was lastly re-appointed as Managing Director for a period of five years with effect from 1<sup>st</sup> October, 2010. The members of the Company had approved the said reappointment and terms of remuneration payable to Shri Alay Shah in their Annual General Meeting held on 28.07.2010. The present tenure of Shri Alay Shah, Managing Director will expire on 30<sup>th</sup> September, 2015.

The Board of Directors on receiving recommendation from the Remuneration Committee had approved the increase in remuneration of Shri Alay Shah, Managing Director from Rs. 2 Lacs to Rs.2.50 Lacs per month, making effective from 01.10.2013 till completion of his present terms upto 30.09.2015.

Later on with the introduction of Companies Act, 2013, it has been proposed to foreclose existing tenure of Shri Alay Shah, Managing Director and appoint him as Managing Director of the Company under the applicable provisions of Companies Act, 2013 with revised terms of remuneration, making effective from 01.10.2014. In view of his excellent leadership and contribution to the growth and performance of the Company, the Nomination and Remuneration Committee and the Board of Directors at their respective Meetings held on 24<sup>th</sup> May, 2014 approved the re-appointment of Shri Alay Shah, Managing Director for a further period of 3 years from 1<sup>st</sup> October, 2014 on remunerations, terms and conditions contained in the draft agreement placed before this meeting.

Shri Alay Shah is son of Mr. Jitendra Shah, the Chairman and founder Director of the Company. He has been associated with the Company as one of the Promoter Directors since its incorporation. He is a bachelor of science with specialization in electronics and possesses more than 22 years of experience in the various areas of business including production, finance, marketing and administration. He has been holding Directorship in E Cube India Solutions Ltd., a group company and Prowess Engineering Private Limited. Besides, he holds membership in Shareholders and Investor Grievance Committee of the Company and attends meetings of the Audit Committee as Invitee.

Shri Alay Shah has been shouldering the responsibility of Managing Director since 1991. During his tenure, the Company has, year after year, achieved sizeable turnover, profitability and also dividend payout since 2005-06. In addition to look after and monitor day to day affairs, he was instrumental and played a pivotal role in introducing "Green Transformers" for renewable energy sector. Although Indian Transformer Industry has been facing challenging time for quite some time, but with his untiring efforts and business acumen he has eventually put the Company on the path of growth and success and produced substantial improvement in the turnover and profitability. He currently oversees manufacturing activities, projects, international sales, materials management and corporate finance of the Company.

The varied experience, leadership qualities and excellent managerial capability will continue to contribute to the growth of the Company.

#### **The terms and conditions of his appointment are as under:**

##### **Period of Appointment:**

From 1<sup>st</sup> October, 2014 to 30<sup>th</sup> September, 2017.

##### **Remuneration:**

By way of Salary, not exceeding Rs. 7,00,000/- p.m. or Rs. 84,00,000/- per annum with annual increment at such rate as may be approved by the Board of Directors.



In addition to the salary, Shri Alay Shah shall also be entitled to perquisites, allowances, amenities which inter alia includes conveyance allowance, entertainment allowance, special allowance, annual bonus/ex-gratia, leave travel assistance for self and family, education assistance, medical reimbursement, club fees, personal accident insurance, use of Company car with driver for official purposes, telephone at residence, communication facility, contribution to provident fund, superannuation fund, payment of gratuity, leave encashment at the end of the tenure and any other allowance and reimbursement as may be agreed upon between the Managing Director and the Company from time to time, provided that the said perquisites and allowances shall be valued as per the Income Tax rules / norms, wherever applicable. In the absence of any such rules, the perquisites and allowances shall be evaluated at actual cost.

In addition to salary, perquisites and allowances payable, Shri Alay Shah, Managing Director shall also be entitled to annually receive Commission, as may be decided by the Board of Directors at the end of each financial year, calculated with reference to the net profits of the Company.

**Overall Remuneration:**

Provided further that the aggregate amount of remuneration covering salary, allowances, perquisites and commission payable to Shri Alay Shah, Managing Director and in aggregate to all such Directors should not exceed the prescribed percentage of the Net Profit of the Company in each year as provided under Sections 197 and 198 of the Act read with Schedule V of the Companies Act, 2013.

**Minimum Remuneration:**

Notwithstanding anything to the contrary herein contained, where in any financial year, during the currency of tenure of Shri Alay Shah, if the Company has no profits or its profits are in-adequate, the Company will pay the minimum remuneration by way of salary, perquisites and allowances, as specified above, which shall be governed by the limits prescribed under Section II (A) of Part II of the Schedule V to the Companies Act, 2013 and any amendments thereto.

**Entrusted Duties:**

Subject to the supervision and control of the Board of Directors of the Company, the Managing Director shall look after the day to day affairs and overall operations of the Company and shall carry out such other duties as may be entrusted to her by the Board of Directors from time to time.

**Confidentiality:**

Shri Alay Shah will perform his duties truly and and comply with the directives given to her from time to time by the Board, and further not disclose to any person, firm or Company any confidential information.

**Not Liable to Retire by Rotation:**

During his tenure as Managing Director of the Company, the office of Shri Alay Shah shall not be reckoned for the purpose of arriving Directors liable to retire by rotation.

**Sitting Fees:**

As long as Shri Alay Shah functions as Managing Director, he will not be paid any sitting fees for attending the meetings of the Board of Directors or any committee(s) thereof.

**Re-imbursement of Expenses, Costs etc.:**

Shri Alay Shah shall be entitled to be paid / reimbursed all costs, charges and expenses as may be incurred by him for the purpose of or on behalf of the Company.

**Termination:**

Either party shall have liberty to terminate the aforesaid appointment, by giving six months notice in writing to the other.

**Arbitration:**

Disputes to be settled by arbitration.

The copy of the draft Agreement as referred to in the resolution will be available for inspection by the members at the Registered Office of the Company on all working days between 10.00 a.m. to 1.00 p.m. except Saturdays and holidays.

Shri Alay Shah holds 10,85,095 equity shares of the Company.

Shri Alay Shah himself and Shri Jitendra Shah, Chairman and Shri Ashesh Shah, Director who are relatives of Shri Alay Shah are only deemed to be considered as interested directors.

The Board of Directors feels that aforesaid re-appointment of Mr. Alay J. Shah as Managing Director is in the interest of the Company and therefore, recommends the resolution set out at item no. 9 of this notice.

In terms of provisions contained in section II of Part II (A) of Schedule V of the Companies Act, 2013, the relevant details regarding the performance of the Company and of the respective appointees is furnished hereunder: