

**A Commitment to quality
that leaves no stone unturned**



SOLID STONE COMPANY LIMITED

**ANNUAL REPORT
2018-2019**

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TWENTY NINTH ANNUAL REPORT 2018-2019

BOARD OF DIRECTORS

Mr. Milan B. Khakhar	- Chairman and Managing Director
Mr. Prakash B. Khakhar	- Joint Managing Director
Mrs. Vasumati B. Khakhar	- Director
Ms. A. Y. Parekh	- Director
Mr. K. Gopi Nair	- Director
Mr. Gaurav S. Davda	- Director

CHIEF FINANCIAL OFFICER

Mr. Manoj Dewani

COMPANY SECRETARY

Mr. Hardik Valia

AUDITORS

M/s. Ashar & Co.
Chartered Accountants
Mumbai

BANKERS

State Bank of India

WORKS

Plot No. 33/34, S. No. 831/15 & 25,
Village Mahim, Chintupada,
Taluka Palghar, Dist. Thane.

REGISTRAR & TRANSFER AGENT

Sharex (India) Pvt. Ltd.
Unit No.1, Luthra Industrial Premises,
Safed Pool, Andheri-Kurla Road,
Andheri (East), Mumbai-400072.
Tel. 022 28515606/28515644
Email : investor@sharexindia.com

REGISTERED OFFICE

SOLID STONE COMPANY LIMITED
1501, Maker Chambers - V,
Nariman Point,
Mumbai - 400 021.
CIN: L26960MH1990PLC056449
Email: sglinvserv@gmail.com
Tel. +91 22 66115800
Fax. +91 22 2826439
Website : www.solid-stone.com

TWENTY NINTH ANNUAL GENERAL MEETING

At:

Half Centrum, 1st Floor, Centre 1,
World Trade Centre, Cuffe Parade, Mumbai-400005.

on Friday, 13th September, 2019 at 9:15 A.M.

SOLID STONE COMPANY LIMITED

(CIN : L26960MH11990PLC056449)

REGISTERED OFFICE :

1501, Maker Chambers-V, Nariman Point, Mumbai – 400 021.

NOTICE OF MEETING

NOTICE is hereby given that the Twenty Ninth Annual General Meeting of the Shareholders of SOLID STONE COMPANY LIMITED will be held at Half Centrum, 1st Floor, Centre 1, World Trade Centre, Cuffe Parade, Mumbai - 400005 on Friday, 13th September, 2019 at 9.15 am to transact, as may be permissible the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt :
 - a. the Audited Financial Statements of the Company for financial year ended March 31, 2019, together with the Reports of Board of Directors and the Auditors thereon.
 - b. the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2019, together with the Report of the Auditors thereon.
2. To appoint a Director in place of Mr. K..Gopi Nair (holding DIN 00763252) whose tenure of appointment ends on 30th September 2019 and being eligible offers himself for re-appointment.
3. To re-appoint M/s. Ashar & Co., Chartered Accountants (Registration No. 129159W) as Statutory Auditors and if thought fit to pass, the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 139 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules 2014 and all other applicable provisions, if any, of the Companies Act, 2013 the Company hereby re-appoints M/s. Ashar & Co., Chartered Accountants (Registration No. 129159W) as Statutory Auditors of the Company, to hold office till the conclusion of the ensuing Annual General Meeting to be held in the calendar year 2020 at a remuneration to be decided by the Audit Committee of Directors of the Company”.

SPECIAL BUSINESS :

4. **Re-Appointment of Ms. Ashni Parekh (DIN: 00763224) as an Independent Director for a further period of five years:**

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

“RESOLVED THAT pursuant to provision of Section 149, 150(2), 152 and any other applicable provisions of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force read with Schedule IV of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 17 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Ms. Ashni Parekh (DIN: 00763224) who was appointed as an Independent Director of the Company on September 29, 2014 and whose first term of five years expires on September 28, 2019, be and is hereby re-appointed as Independent Director of the Company for a period of 5 years w.e.f. September 29, 2019 to September 28, 2024 and who shall not be subject to retirement by rotation.”

5. **Re-Appointment of Mr. Gaurav Davda (DIN: 01372614) as an Independent Director for a further period of five years:**

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

“RESOLVED THAT pursuant to provision of Section 149, 150(2), 152 and any other applicable provisions of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force read with Schedule IV of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 17 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Gaurav Davda (DIN: 01372614) who was appointed as an Independent Director of the Company on September 29, 2014 and whose first term of five years expires on September 28, 2019, be and is hereby re-appointed as Independent Director of the Company for a period of 5 years w.e.f. September 29, 2019 to September 28, 2024 and who shall not be subject to retirement by rotation.”

6. **Consent to Board to give Loan, Guarantee, Invest in other Body Corporates:**

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

“RESOLVED THAT pursuant to section 186 and any other applicable provisions if any, 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), and all other

enabling provisions, if any, the consent of the Company be and is hereby accorded to the Board of Directors of the Company to :

- (a) Give any loan to any person or other body corporate
- (b) Give any guarantee or provide security in connection with a loan to any person or body corporate and
- (c) Acquire by way of subscription, purchase or otherwise the securities of any other body corporates

upon such terms and conditions as they may think fit (including Associates, Subsidiaries, Related Parties), notwithstanding that the loans so given, guarantees so provided or shares so acquired exceed the sixty percent of its paid-up share capital, free reserves and securities premium account or one hundred percent of its free reserves and securities premium account, whichever is more. Provided that the total amount of loans given, guarantees provided or investments made by the Board of Directors and outstanding at anytime shall not exceed the sum of Rs. 100 Crores (Rupees Hundred Crores) “

7. To re-appoint Mr. Milan B. Khakhar. (holding DIN 00394065) as Chairman and Managing Director

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

“RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the Company be and is hereby accorded to the re-appointment of Mr. Milan B. Khakhar (DIN:00394065) as Managing Director of the company, for a period of 5(five) years with effect from 1st August, 2019 on the terms and conditions including remuneration as set out in the statement annexed to the notice convening this meeting, with liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said re-appointment and / or remuneration, including granting of increments, as it may deem fit from time to time during the tenure of appointment and as may be acceptable to Mr. Milan B. Khakhar, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof;

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

8. To re-appoint Mr. Prakash B. Khakhar. (holding DIN 00394135) as Joint Managing Director:

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

“RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the Company be and is hereby accorded to the re-appointment of Mr. Prakash B. Khakhar (DIN:00394135) as Joint Managing Director of the company, for a period of 5(five) years with effect from 1st August, 2019 on the terms and conditions including remuneration as set out in the statement annexed to the notice convening this meeting, with liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said re-appointment and / or remuneration, including granting of increments, as it may deem fit time to time during the tenure of appointment and as may be acceptable to Mr. Prakash B. Khakhar, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof;

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

9. To approve / authorise to transact with related party / material entity

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

“RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013 read with Rules framed thereunder (including any statutory modification(s) or re-enactments thereof (the Act) for the time being in force) and the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time) and subject to such other approvals, consents, permissions and sanctions of any Authorities as may be necessary, consent of Shareholders be and is hereby accorded to the Board of Directors (acting on behalf of the company), (including any committee thereof or any director or official of the company authorized in this behalf) to enter into transactions, either individual or taken together with previous transactions on arms length basis and in ordinary course of business with the Promoter Directors and their relatives (as detailed in the explanatory statement annexed hereto) considered to be related to the company, pursuant to the Act and/or Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for an aggregate amount upto Rs.400 Lakhs.

RESOLVED FURTHER THAT the Board (which term shall include its duly authorised committee or directors or officials of the Company), be and is hereby authorised to do or cause to be done all such acts, matters, deeds and things and to settle any questions, difficulties or doubts that may arise with regard to any transactions with Related Party and execute such agreements, documents and writings and to make such filings, as may be necessary or desirable for the purpose of giving effect to this resolution."

By Order of the Board of Directors

Milan B. Khakhar
Chairman & Managing Director
(DIN : 00394065)

Place : Mumbai

Date : 28th May, 2019

NOTES :

- A) A MEMBER ENTITLED TO ATTEND AND VOTE IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE FOR HIMSELF AND THE PROXY NEED NOT BE A MEMBER.

A person can act as proxy on behalf of members not exceeding 50 (fifty) and holding in the aggregate not more than 10 (ten) percent of the total share capital of the company carrying voting rights. A member holding more than 10 (ten) percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person cannot act as a proxy for any other person or shareholder.

- B) The instrument of proxy in order to be effective, should be deposited at the registered office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A proxy form is sent herewith. Proxies submitted on behalf of the Companies, Societies etc., must be supported by an appropriate resolution/authority, as applicable.
- C) The Register of Members and Share Transfer Books of the Company will remain closed from 10th September, 2019 to 13th September, 2019 (both days inclusive)
- D) Members intending to require information about accounts to be explained in the meeting are requested to inform the Company in writing at least seven days in advance of the Meeting.
- E) Members are requested to :
- i) Bring their copies of the Annual Report alongwith duly filled in attendance slip to the Meeting.
 - ii) Notify immediately any change in their address, at the *Registered office* of the Company, quoting their Folio numbers.
 - iii) Send all their documents and communications pertaining to shares to Sharex (India) Pvt. Ltd. (Share Transfer Agents of the company) at Unit no.1, Luthra Industrial Premises, Safed Pool, Andheri Kurla Road, Andheri (East), Mumbai-400072, Tel.No. 022 28515606/28515644, Email: investor@sharexindia.com
- F) The Company's shares are available for dematerialisation. Members opting for the same may contact their Depository Participants.
- G) Members are requested to notify change in address, if any, immediately to Sharex (India) Pvt. Ltd. quoting their folio numbers.
- H) In terms of circulars issued by Securities and Exchange Board of India (SEBI), it is now mandatory to furnish a copy of PAN card to the Company or its RTA in the following cases viz. Transfer of shares, Deletion of name, Transmission of shares and Transposition of shares. Shareholders are requested to furnish copy of PAN card for all the above mentioned transactions.
- I) As part of the Company's Green Initiative, the Company may propose to send documents like Notice convening the general meetings, Financial Statements, Directors' Report, etc. to the e-mail address provided by the members.
- We, therefore appeal to the members to be a part of the said 'Green Initiative' and request the members to register their name in getting the said documents in electronic mode by sending an email giving their Registered Folio Number and / or DP ID / Client ID to the dedicated email address at investor@sharexindia.com or login at the R&TA's website www.sharexindia.com and register their request.
- J) The route map showing directions to reach the venue of the 29th Annual General Meeting is given on the reverse of the Attendance Slip.

Voting through electronic means

- (K) 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, the Company is pleased to offer e-voting facility as an alternative mode of voting which will enable the Members to cast their votes electronically on the resolutions mentioned in the notice of 29th Annual General Meeting of the Company. E-voting is optional and the Company is pleased to provide E-voting facility through Central Depository Services (India) Limited (CDSL). The Company has appointed CA Kamal Patel as the Scrutinizer for conducting the e-voting process in a fair and transparent manner.

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

- (i) **The voting period begins on 10th September, 2019 (9:00 AM) and ends on 12th September, 2019 (5:00 PM).** During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 6th September, 2019 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.
- (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 and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<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"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<p>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.</p> <ul style="list-style-type: none"> 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 EVSN for the relevant SOLID STONE COMPANY 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 a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the login 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, Apple and Windows phone. 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 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.
 - 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 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 e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
- (M) The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least 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, forthwith to the Chairman of the Company.
- (N) The Results declared alongwith the Scrutinizer's Report shall be placed on the website of the company and website of CDSL within three (3) days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited. The result shall also be placed on Notice Board of the Registered office of the company.
- (O) **MEMBERS HOLDING EQUITY SHARES IN ELECTRONIC FORM, AND PROXIES THEREOF, ARE REQUESTED TO BRING THEIR DP ID AND CLIENT ID FOR IDENTIFICATION.**

ANNEXURE TO THE NOTICE**EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013****Item No.4**

Ms.Ashni Parekh is a Independent Director of the Company. She joined the Board of Directors of the Company in the year 1997, She is a Commerce and Law Graduate from University of Mumbai. She has rich experience of more than 22 years in legal and commercial matters.

The Company has received a notice from a Member under Section 160 of the Companies Act, 2013 signifying his intention to propose the appointment of Ms. Ashni Parekh as Director of the Company. Ms. Ashni Parekh has consented to act as Director. The Board considers it desirable to avail the expertise and guidance of Ms. Ashni Parekh on the Board as an Independent Director.

Copy of the draft letter of appointment of Ms. Ashni Parekh setting out the terms and condition of appointment is available for inspection by the Members at the registered office of the Company.

The details/ information pursuant to Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 with respect to appointment of Director is detailed in Annexure-1 to this notice.

The Company has also received declaration from Ms. Ashni Parekh that she meets the criteria of independence as prescribed both under Section 149(6) of the Act and under the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). Further, she is not disqualified from being appointed as a Director in terms of Companies Act, 2013.

Based on the outcome of performance evaluation of the Independent Directors, on the recommendation of the Nomination and remuneration Committee, the Board of Directors of the Company at their meeting held on 28th May, 2019 have approved the reappointment of Ms. Ashni Parekh for the second term as provided in the resolution.

Except Ms. Ashni Parekh, none of the Directors or Key Managerial Personnel (KMP) or relatives of Directors and KMP of the Company are concerned with or interested in the proposed Resolution as set out at Item No. 4 of this Notice.

The Board recommends the Special Resolution set forth in Item No. 4 of the Notice for approval of the Members.

Item No.5

Mr.Gaurav Davda is a Independent Director of the Company. He joined the Board of Directors of the Company in the year 2014.

Mr.Gaurav Davda, has more than 14 years of experience in Investment Banking and Corporate Advisory. He has worked across the entire spectrum of Investment Banking products such as M&A, Equity Capital Markets, PE Advisory etc. with reputed Companies. Mr.Gaurav Davda is an MBA and also holds a degree in Securities Law from Government Law College, Mumbai.

The Company has received a notice from a Member under Section 160 of the Companies Act, 2013 signifying his intention to propose the appointment of Mr.Gaurav Davda as Director of the Company. Mr.Gaurav Davda has consented to act as Director. The Board considers it desirable to avail the expertise and guidance of Mr.Gaurav Davda on the Board as an Independent Director.

Copy of the draft letter of appointment of Mr.Gaurav Davda setting out the terms and condition of appointment is available for inspection by the Members at the registered office of the Company.

The details/ information pursuant to Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 with respect to appointment of Director is detailed in Annexure-1 to this notice.

The Company has also received declaration from Mr.Gaurav Davda that he meets the criteria of independence as prescribed both under Section 149(6) of the Act and under the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). Further, he is not disqualified from being appointed as a Director in terms of Companies Act, 2013.

Based on the outcome of performance evaluation of the Independent Directors, on the recommendation of the Nomination and remuneration Committee, the Board of Directors of the Company at their meeting held on 28th May, 2019 have approved the reappointment of Mr.Gaurav Davda for the second term as provided in the resolution.

Except Mr.Gaurav Davda, none of the Directors or Key Managerial Personnel (KMP) or relatives of Directors and KMP of the Company are concerned with or interested in the proposed Resolution as set out at Item No. 4 of this Notice.

The Board recommends the Special Resolution set forth in Item No. 4 of the Notice for approval of the Members.

Item No.6

Section 186 of the Companies Act, 2013 requires that the Board of Directors of a Company shall not give loans, provide guarantees or make investments exceeding sixty percent of its paid-up share capital, free reserves and securities premium account or one hundred percent of its free reserves and securities premium account, whichever is more except with the consent of the Company accorded by way of a Special Resolution.

In view of our company's business requirements and relations, there may be need to give loans, provide guarantees in excess of sixty percent of its paid-up share capital, free reserves and securities premium account or one hundred percent of its free reserves and securities premium account, whichever is more. The consent of the Shareholders is therefore, sought by way of a Special Resolution in accordance with the provisions of Section 186 of the Companies Act, 2013 to enable the Board of Directors to give loans, provide guarantees or make investments subject to a limit of Rs.100 crores (Rupees Hundred Crores). The Resolution under item No.6 of the accompanying Notice is to obtain consent of the shareholders for this purpose.

The Directors accordingly recommend the resolutions in item no. 6 of the accompanying notice for the approval of the members.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolutions set out at item No.6

Item Nos. 7 and 8

The Board of Directors of the Company (the 'Board'), at its meeting held on 28th May, 2019 has, subject to the approval of members, re-appointed Mr. Milan B.Khakhar as Managing Director, for a period of 5 (five) years from the expiry of his present term, which expires on 31st July, 2019, at the remuneration recommended by Nomination and Remuneration Committee (the 'NRC') of the Board and approved by the Board.

Further, the Board at its meeting held on 28th May, 2019 has, subject to the approval of members, re-appointed Mr. Prakash B.Khakhar as Joint Managing Director, for a period of 5 (five) years from the expiry of his present term, which will expire on 31st July, 2019, at the remuneration recommended by the NRC of the Board and approved by the Board.

It is proposed to seek the members' approval for the re-appointment of and remuneration payable to Mr. Milan B.Khakhar as Managing Director and Mr. Prakash B.Khakhar as Joint Managing Director, in terms of the applicable provisions of the Act.

Broad particulars of the terms of re-appointment of and remuneration payable to Mr. Milan B.Khakhar and Mr. Prakash B.Khakhar are as under:

Mr.Milan Khakhar

Salary, Perquisites and Allowances per annum:

1. *Salary* : Basic Salary of Rs.3,00,000/- per month, with such increments as may be determined by the Board of Directors of the Company from time to time, in the salary range of Rs.3,00,000/- to Rs. 6,00,000/- per month and with proportionate increase in all benefits related to the quantum of salary.
2. *Perquisites*: The Company may contribute to provident fund, superannuation or annuity fund, to the extent these singly or together are not taxable under the Income Tax law, gratuity payable and encashment of leave, as per the rules of the Company and to the extent not taxable under the Income Tax law, and shall not be included for the purpose of computation of the overall ceiling of remuneration.
3. *Reimbursement of Expenses*: Expenses incurred for travelling, board and lodging including for their respective spouses and attendant(s) during business trips, any medical assistance provided including for their respective family members; and provision of cars for use on the Company's business and telephone expenses at residence shall be reimbursed at actuals and not considered as perquisites.

Mr.Prakash Khakhar

Salary, Perquisites and Allowances per annum:

1. *Salary* : Basic Salary of Rs.3,00,000/- per month, with such increments as may be determined by the Board of Directors of the Company from time to time, in the salary range of Rs.3,00,000/- to Rs. 6,00,000/- per month and with proportionate increase in all benefits related to the quantum of salary.
2. *Perquisites*: The Company may contribute to provident fund, superannuation or annuity fund, to the extent these singly or together are not taxable under the Income Tax law, gratuity payable and encashment of leave, as per the rules of the Company and to the extent not taxable under the Income Tax law, and shall not be included for the purpose of computation of the overall ceiling of remuneration.
3. *Reimbursement of Expenses*: Expenses incurred for travelling, board and lodging including for their respective spouses and attendant(s) during business trips, any medical assistance provided including for their respective family members; and provision of cars for use on the Company's business and telephone expenses at residence shall be reimbursed at actuals and not considered as perquisites.

General:

- (i) The Managing Director and the Joint Managing Director will perform their respective duties as such with regard to all work of the Company and they will manage and attend to such business and carry out the orders and directions given by the Board from time to time in all respects and conform to and comply with all such directions and regulations as may from time to time be given and made by the Board and the functions of the Joint Managing Director will be under the overall authority of the Managing Director.
- (ii) The Managing Director and the Joint Managing Director shall act in accordance with the Articles of Association of the Company and shall abide by the provisions contained in Section 166 of the Act with regard to duties of directors.
- (iii) The Managing Director and the Joint Managing Director shall adhere to the Company's Code of Business Conduct & Ethics for Directors and Management Personnel.
- (iv) The office of the Managing Director and the Joint Managing Director may be terminated by the Company or the concerned Director by giving the other 3 (three) months' prior notice in writing.

Mr. Milan B.Khakhar and Mr. Prakash B.Khakhar satisfy all the conditions set out in Part-I of Schedule V to the Act as also conditions set out under sub-section (3) of Section 196 of the Act for being eligible for their re-appointment. They are not disqualified from being appointed as Directors in terms of Section 164 of the Act.

The above may be treated as a written memorandum setting out the terms of re-appointment of Mr. Milan B.Khakhar and Mr. Prakash B.Khakhar under Section 190 of the Act.