

41ST ANNUAL REPORT 2014

STOVEC[®]
INDUSTRIES LIMITED

Core Activities

- Development and Production of Consumables for their use in Textile and Graphic Printing Industry.
- Printing Machines-Supply, Installation and after Sales Support

Core Competencies

- System and Application know-how in Printing for the Textile and Graphic Industries.
- Manufacturing and application know-how in Textile Consumables and Rotary Printing Machines

Technologies

- Metal Coating / Plating
- Electroforming

Products

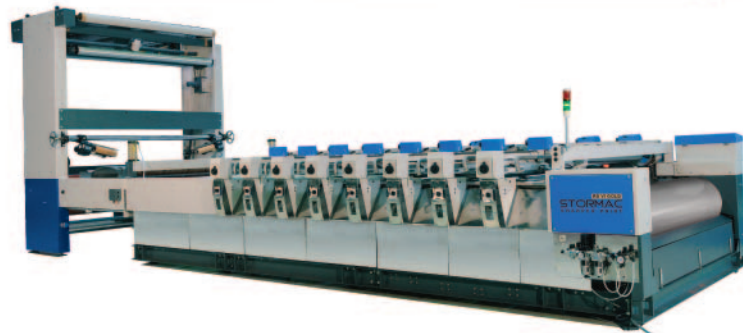
- Rotary Printing Machines for Textiles
- Rotary Screens and Chemicals for Textile Printing
- Anilox and Screens for Graphic Printing
- Digital Ink
- Sugar Screens

Market/Customers

- Textile Printing and Processor
- Packaging and Label Printers and Converters
- Industrial/Security Printers
- Sugar Mills

Market Position

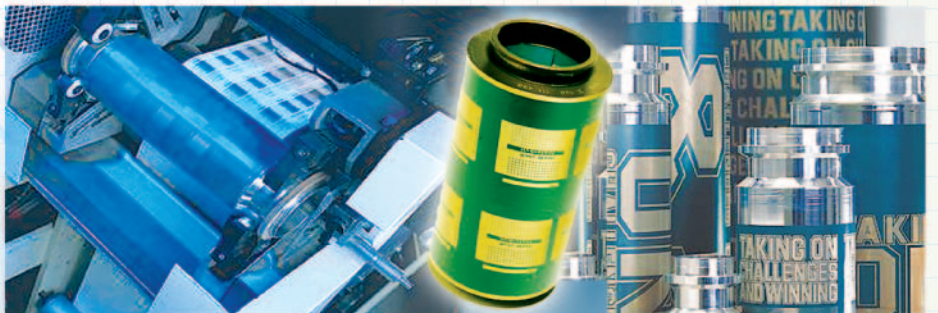
- Technology and Market Leadership in Rotary Screen and Printing Machinery



▲ Rotary Screen Printing Machine - STORMAC RDVI Gold



▲ Rotary Screens and Consumables for Textile Printing



▲ Anilox and Screens for Graphic Printing



▲ Sugar Screens



▲ Digital Textile Printing Ink

BOARD OF DIRECTORS

Mr. K. M. Thanawalla	Chairman
Mr. Dirk W. Joustra	
Mr. Aschwin N.R.M. Hollander	
Mr. Joost Smits	Resigned w.e.f. February 19, 2015
CA. Girish C. Sharedalal	Resigned w.e.f. August 13, 2014
Mr. Marco Philippus A. Wadia	
Ms. Everdina Herma Slijkhuis	Appointed as Additional Director w.e.f. February 19, 2015
Mr. Shailesh Wani	Managing Director

CHIEF FINANCIAL OFFICER

Mr. Girish M. Deshpande

COMPANY SECRETARY

Ms. Varsha Adhikari

AUDITORS

Price Waterhouse
Chartered Accountants

REGISTRAR & SHARE TRANSFER AGENTS

Link Intime India Private Limited
Unit No. 303, 3rd Floor, Shoppers Plaza - V,
Opp. Municipal Market, Behind Shoppers Plaza II,
Off. C.G. Road, Ahmedabad - 380 009

BANKERS

Axis Bank Limited

REGISTERED OFFICE AND FACTORY

N.I.D.C., Near Lambha Village,
Post Narol,
Ahmedabad - 382 405,
Gujarat, India.

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LETTER FROM CHAIRMAN



Dear Shareholders,

It is my privilege to present the 41st Annual Report of your company for the year ended December 31, 2014.

Global growth in 2014 remained mediocre continuing a pattern of disappointment over the past several years. Major forces driving the global outlook include soft commodity prices, persistently low interest rates but increasingly divergent monetary policies across major economies. The overall global growth is expected to rise moderately to 3 % in 2015. With the steady pick in demand from US, the Indian textile exports are expected to grow in the year 2015. The rapid decline in oil prices, quick adjustments in exchange rates, increased geopolitical uncertainty related to the Russia-Ukraine and Middle East conflicts, as well as increased concern about the economic and political future of the Euro Area and European Union are few of the economic factors which are currently at play and will impact the world economy.

India's macro-economic scenario continued to remain stagnant during the year 2014-15 and grew by in and about 5.5 %. With the resounding mandate to the single party in the General Elections held in May 2014, public sentiments have substantially improved and there is a hope that the new Government will create a conducive environment for business. The initial steps taken by the Government have been positive, however actual effect can be seen only when concrete policy measures are put in to place. Economic forecast suggests that possible measures by the Indian Government for revival of investment, easing of interest rate in mid - 2015 may led the Indian economy grow about 8.0% to 8.5% (as per the new calculation method adopted by Indian Government) in 2015-16.

The Indian Textile and Garment Industry is one of 25 thrust sectors under **"Make in India"** campaign launched by the new government, which aims at strengthening domestic manufacturing. The Government of India has extended the Textile Up-gradation Fund Scheme (TUFS) till 2016-17 and further continuation of the scheme may positively impact the Textile Sector, which holds a substantial revenue base for your Company.

Despite wobbling business environment in the first half of the year 2014, your company has shown its commitment for growth. Your Company has crossed the mark of Rs. 1,000 Million during the financial year 2014 recording consolidated revenue from operations of Rs. 1023.44 Million. Your Company demonstrated an overall good performance and achieved standalone revenue from operations of Rs. 949.09 Million (Previous year Rs. 772.76 Million), a growth of about 23 % in comparison to prior year and Standalone Profit before tax of Rs. 165.15 Million (Previous year Rs. 151.18 Million) whereas recording consolidated Profit before tax of Rs. 172.52 Million.

Going ahead, I am confident that Team Stovec will carry on its legacy of delivering quality products, operational excellence and cost efficiencies to further expand and strengthen its market position.

The Board joins me in expressing our deep appreciation to the stakeholders: employees, management team & all our partners for their support & co-operation and understanding.

With Warm Regards,

K. M. Thanawalla
Chairman

NOTICE

NOTICE is hereby given that the FORTY FIRST ANNUAL GENERAL MEETING OF THE MEMBERS OF STOVEC INDUSTRIES LIMITED (CIN: L45200GJ1973PLC050790) will be held on Thursday, 7th day of May, 2015 at 11 a.m. at the registered office of the Company at N.I.D.C., Near Lambha Village, Post: Narol, Ahmedabad – 382 405, Gujarat, India, to transact the following business.

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Profit and Loss Account for the financial year ended December 31, 2014 and the Balance Sheet as at that date together with the Report of the Board of Directors and the Auditor's thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in place of Mr. Dirk Wim Joustra (DIN: 00481154), who retires by rotation and being eligible offers himself for re-appointment.
4. 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 Section 139 and any other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder, (including any statutory modification or amendments or re-enactments thereof for the time being in force), M/s Price Waterhouse, Chartered Accountants (Firm Registration No. 301112E), be and are hereby re-appointed as the Statutory Auditors of the Company to hold office for a term of 5 (five) years from the conclusion of this Annual General Meeting (subject to ratification of their appointment by Members at every Annual General Meeting to be held after this meeting) till the conclusion of the forty sixth (46th) Annual General Meeting of the Company to be held in the calendar year 2020, to examine and audit the accounts of the Company at such remuneration as may be mutually agreed upon between the Board of Directors of the Company and the Statutory Auditors"

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

SPECIAL BUSINESS:

5. **Appointment of Mr. K.M. Thanawalla (DIN: 00201749) as an Independent Director of the Company**

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152, and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder and Clause 49 of the Listing Agreement entered into with the Stock Exchanges (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof, for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. K.M. Thanawalla (DIN: 00201749), an Independent Director of the Company and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Companies Act, 2013 proposing candidature of Mr. K.M. Thanawalla for the office of Director, be and is hereby appointed as an Independent Director of the Company, not be liable to retire by rotation, to hold office for a period of five consecutive years from the date of this Annual General Meeting of the Company till the conclusion of 46th Annual General Meeting to be held in the calendar year 2020."

6. **Appointment of Mr. Marco Wadia (DIN: 00244357) as an Independent Director of the Company**

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152, and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder and Clause 49 of the Listing Agreement entered into with the Stock Exchanges (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof, for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Marco Wadia (DIN: 00244357), an Independent Director of the Company and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Companies Act, 2013 proposing candidature of Mr. Marco Wadia, for the office of Director, be and is hereby appointed as an Independent Director of the Company, not be

liable to retire by rotation, to hold office for a period of five consecutive years from the date of this Annual General Meeting of the Company till the conclusion of 46th Annual General Meeting to be held in the calendar year 2020."

7. Appointment of Ms. Everdina Herma Slijkhuis (DIN: 06997013) as a Director of the Company

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

"RESOLVED THAT Ms. Everdina Herma Slijkhuis (DIN: 06997013) who was appointed by the Board of Directors as an Additional Director w.e.f. February 19, 2015 and who holds office upto the date of this Annual General Meeting of the Company, in terms of Section 161 of the Companies Act, 2013, but who is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Companies Act, 2013 proposing her candidature for the office of Director, be and is hereby elected and appointed as a Director of the Company liable to retire by rotation."

8. Increase in ceiling of remuneration payable to Mr. Shailesh Wani (DIN: 06474766), Managing Director of the Company

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

"RESOLVED THAT pursuant to the provisions of Sections 196, 197 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V of the Companies Act, 2013 (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof for the time being in force) and subject to the approval of Central Government and such other approvals as may be necessary, consent of the Company be and is hereby accorded to pay the target based variable pay not exceeding Rs. 4 Million, over and above the gross remuneration of Rs. 77,05,824/- per annum, as also disclosed in the explanatory statement attached to the notice of this general meeting, to Mr. Shailesh Wani (DIN: 06474766), Managing Director of the Company, for the financial year ended 31st December 2014, in terms of the approval of the shareholders granted in the Annual General Meeting held on 13th May 2014."

"RESOLVED FURTHER THAT subject to the approval of Central Government and such other approvals as may be necessary, consent of the Company be and is hereby accorded to pay gross remuneration not exceeding Rs. 15 Million (Rupees Fifteen Million only) per annum to Mr. Shailesh Wani, Managing Director, during the tenure of his employment till 30th September, 2016 with liberty to the Board of Directors or a Committee thereof to alter and/or vary, the said remuneration in such manner as may be agreed to between the Board of Directors and Mr. Shailesh Wani, within the said overall ceiling of Rs. 15 Million (Rupees Fifteen Million only)."

"RESOLVED FURTHER THAT the said remuneration shall be payable to Mr. Shailesh Wani, Managing Director, as and by way of minimum remuneration and irrespective of, whether the Company has inadequate or no profit in any financial year."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to take all such steps as may be necessary and expedient to give effect to this resolution."

9. Adoption of new set of Articles of Association

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

"RESOLVED THAT pursuant to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013, a new set of Articles of Association, as placed before the meeting duly initialed by the Chairman for the purpose of identification, be and is hereby approved and adopted as the Articles of Association of the Company, substituting and superseding in total the existing Articles of Association of the Company."

"RESOLVED FURTHER THAT the Managing Director and/or Company Secretary of the Company be and are hereby authorized to do all such acts, deeds, matters as deemed fit and necessary to give effect to above resolution and to sign, verify, file all such forms, documents as may be required to be filed in this regards with Ministry of Corporate Affairs ("MCA") and such other government authority(ies)."

10. Approval of Related Party Transactions

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

"RESOLVED THAT pursuant to the provisions of Clause 49(VII) of the Equity Listing Agreement, entered into with the Stock Exchanges (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof, for the time being in force), approval of the Members of the Company be and is hereby accorded with respect to related party transaction(s) entered during the financial year 2014 with M/s SPGPrints B.V., the Holding Company of the Company, (a 'Related Party' as defined under Section 2 (76) of Companies Act, 2013 and Clause 49 (VII) of the Listing Agreement), for purchase of raw materials and components, which are commercial transactions as detailed in the explanatory statement attached to this Notice."

"RESOLVED FURTHER THAT the Board of Directors of the Company (including Committee(s) of the Board) be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary, proper or expedient for the purpose of giving effect to this resolution."

Notes:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of Special Business is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** The instrument appointing Proxy as per the format included in the Annual Report should be returned to the Registered Office of the Company not less than **FORTY EIGHT HOURS** before the time for holding the Meeting. Proxies submitted on behalf of limited companies, societies, partnership firms, etc., must be supported by appropriate resolution/authority letter/power of attorney, as applicable, issued by the member organization. Corporate Members intending to send their authorized representatives to attend the meeting are requested to send to the Company, a certified copy of Board Resolution authorizing their representative(s) to attend and vote in their behalf at the Meeting.
3. Pursuant to the provisions of Section 105 of the Companies Act, 2013 and the Rules framed thereunder, a person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A Member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as a proxy and such proxy shall not act as a proxy for any other person or Member.
4. Pursuant to Sections 205A(5) and 205(C) of the Companies Act, 1956, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of its transfer to the Unpaid Dividend Account of the Company is required to be transferred to Investor Education and Protection Fund established by the Central Government. The Company during the year has transferred a sum of Rs. 142,222/- being unclaimed dividend amount for the financial year 2006-07 to the Investor Education and Protection Fund of the Central Government. Share holders who have not claimed their dividend for the financial year 2007 are requested to claim their unclaimed dividend before June 25, 2015. The Company shall thereafter as mentioned above process to transfer the unclaimed dividend amount to the Investor Education and Protection Fund and no claim shall lie against the Company for the said amount of unclaimed dividend so transferred.
5. The Register of Members and Share Transfer Book shall remain closed from April 28, 2015 to May 7, 2015 (both days inclusive). If the dividend on equity shares, as recommended by the Board of Directors is declared at the 41st Annual General Meeting, payment of such dividend will be made on or after May 8, 2015 as under:
 - i. To all Members in respect of shares held in physical form, after giving effect to valid transfer in respect of transfer request lodged with the Registrar and Transfer Agent on or before the close of business hours on April 27, 2015.
 - ii. To all Beneficial Owners in respect of shares held in electronic form, whose names appear in the statement of beneficial ownership furnished by National Securities Depository Limited and Central Depository Services (India) Limited, as at the close of business hours on April 27, 2015.

6. Members/Proxies should bring the attendance slip sent herewith duly filled in for attending the Meeting.
7. **To avoid loss of dividend warrants in transit and undue delay in respect of receipt of dividend warrants, the Company has provided a facility to the Members for remittance of dividend through the National Electronic Clearing System (NECS).** NECS essentially operates on the new and unique bank account number allotted by banks post implementation of Core Banking Solutions (CBS) for centralized processing of inward instructions and efficiency in handling bulk transactions. The NECS facility is available at locations identified by Reserve Bank of India from time to time and covers most of the cities and towns. Members holding shares in physical form and desirous of availing this facility are requested to submit their Bank Particulars in the ECS Mandate form, the format of which is annexed at the end of this Annual Report, to the Company's Registrar and Transfer Agent and Members holding shares in Dematerialized form and wish to avail this facility are requested to submit Bank particulars to their Depository Participant, so that future dividend can be directly credited to their bank account. **Members are requested to avail NECS facility as it is quick and much convenient way of getting dividend directly in your bank account.**
8. Members holding shares in dematerialized mode are requested to intimate all changes pertaining to their bank details, NECS, mandates, nominations, power of attorney, change of address/name, PAN details, etc. to their Depository Participant. However, members holding shares in physical mode are required to notify any change pertaining to their bank details, NECS, mandates, nominations, power of attorney, change of address/name, PAN details, etc. to Registrar and Share Transfer Agent i.e. **M/s. Link Intime India Private Limited** (Formerly known as Intime Spectrum Registry Limited), Unit No. 303, 3rd Floor, Shoppers Plaza V, Opp. Municipal Market, Behind Shoppers Plaza II, Off. C.G. Road, Ahmedabad – 380 009.
9. Pursuant to Clause 49 of the listing agreement, the particulars of Directors seeking appointment/re-appointment at the meeting are annexed.
10. As per Securities and Exchange Board of India (SEBI) Circular, submission of Permanent Account Number (PAN) is compulsorily required for participating in the securities market, deletion of name of deceased shareholder or transmission/transposition of shares. Members holding shares in dematerialized mode are requested to submit the PAN details to their Depository Participant, whereas Members holding shares in physical form are requested to submit the PAN details to the Company's Registrar and Transfer Agents.
11. **Green Initiative:**

The Ministry of Corporate Affairs has allowed paperless compliances by companies through electronic mode by providing the same under the Companies Act, 2013 and rules framed there under. The Members can now receive various notices and documents including Annual Reports through electronic mode. Members who have not registered their e-mail address are encouraged to participate in this green initiative by registering their e-mail id for e-communication. Members holding shares in dematerialized form are requested to register/update their e-mail id for e-communication with the Depository Participants, while Members holding shares in physical form are requested to register their e-mail id by sending a request on ahmedabad@linkintime.co.in or secretarial@stovec.com.
12. Electronic copy of Annual Report for the financial year 2014 including instructions for e-voting is being sent to all the members whose e-mail address is registered with the Company/Depository Participant(s). Even after registering for e-communication, member(s) are entitled to receive communication(s) including Annual Report in physical form, free of cost, on receipt of written request for the same. Members may also note that the Annual Report for the year 2014 will also be available on the website of the Company viz. www.stovec.com.
13. All documents referred to in the accompanying notice are open for inspection at the Registered Office of the Company on all working days except Saturdays, Sundays and Public holidays between 11.00 a.m. to 1.00 p.m. up to the date of the 41st Annual General Meeting of the Company.
14. Members who are holding shares in identical order of names in more than one folio are requested to send to the Company the details of such folios together with the share certificates for consolidating their holdings in one folio. The share certificates will be returned to the members after making requisite changes thereon.

15. Members desirous of obtaining any information concerning accounts and operations of the Company are requested to address their questions in writing to the Company **at least 7 days** before the date of the meeting so that the information required may be made available at the meeting.
16. The Company has connectivity from the CDSL & NSDL and equity shares of the Company may also be held in the electronic form with any Depository Participant (DP) with whom the members/ investors are having their depository account. The ISIN No. for the Equity Shares of the Company is **INE755D01015**. In case of any query/difficulty in any matter relating thereto the same may be addressed to the Share Transfer Agents.
17. As per the provisions of Section 72 of the Companies Act, 2013 and Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014, Members holding shares in physical form may file nomination in the prescribed form SH-13 with the Company's Registrar and Share Transfer Agent. In respect of shares held in demat form; the nomination form may be filed with the respective Depository Participant.
18. As an austerity measure, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copies to the meeting.
19. In compliance with the provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and as per Clause 35B of the equity listing agreement entered into with the Stock Exchanges, the Company is pleased to provide its Members the facility to cast their vote by electronic means through the e-voting services provided by Central Depository Services (India) Ltd (CDSL) on all resolutions set forth in this Notice. The instructions for e-voting are enclosed with this notice.

Regd. Office:

N.I.D.C. Nr. Lambha Village,
Post: Narol, Ahmedabad – 382 405
Gujarat, INDIA.
CIN: L45200GJ1973PLC050790
Tel: +91 (0) 79 3041 2300, Fax: +91 (0) 79 2571 0406,
E-mail: secretarial@stovec.com,
Website: www.stovec.com

By **Order of the Board of Directors**

Sd/-
Varsha Adhikari
Company Secretary
Membership No. A17604

Date: February 19, 2015

Place: Ahmedabad

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013:

The Statement setting out the material facts pursuant to Section 102 of the Companies Act, 2013 ("the Act"), concerning the Special Business in the Notice is annexed hereto and forms part of this Notice.

Item No. 5 & 6

As per the provisions of Section 149(4) of the Companies Act, 2013 (the "Act") and Clause 49 of the Equity Listing Agreement entered into with the Stock Exchanges ("Clause 49"), every listed company shall have at least 1/3rd of its total number of directors as independent directors and Section 149(6) of the Act and Clause 49 (II)(B)(1) of Listing Agreement, lays down the criteria for independence. Mr. K.M. Thanawalla and Mr. Marco Wadia, Directors of the Company, have furnished declarations to the Company under Section 149(7) of the Act, confirming that they meet the criteria prescribed for independent directors under Section 149(6) of the Act. In the opinion of the Board, these individuals are persons of integrity, possess the relevant expertise and experience, fulfill the conditions specified in the Act and the Rules framed thereunder and Clause 49 and are independent of the management of the Company. In terms of Section 149(11) of the Act, an independent director can hold office for two terms of up to 5 consecutive years each on the Board of the Company. The Board of Directors in its meeting held on February 19, 2015 have appointed existing Independent Directors viz. Mr. K.M. Thanawalla and Mr. Marco Wadia as Independent Directors of the Company for a period of five consecutive years subject to the approval of shareholders in the forthcoming General Meeting. Accordingly, it is proposed to appoint Mr. K.M. Thanawalla and Mr. Marco Wadia, as Independent Directors of the Company for a period of 5 (Five) consecutive years with effect from the date of this Annual General Meeting until the conclusion of Annual General Meeting to be held in the calendar

year 2020. Notices, as required under Section 160 of the Act, have been received from Member proposing the candidature of the said Directors as Independent Directors of the Company.

Brief profiles of the said Directors, in terms of Clause 49 of the Listing Agreement are provided in this Notice. The Board accordingly recommends the resolutions at Item Nos. 5 to 6 of this Notice for the approval of the Members. None of the said Directors are related to any of the Director of the Company.

None of the Directors, Key Managerial Personnel and relatives thereof other than those mentioned in the respective resolutions and their relatives, are in any way concerned or interested in the resolutions at Item Nos. 5 to 6 of this Notice.

Item No. 7

The Board of Directors appointed Ms. Everdina Herma Slijkhuis (DIN: 06997013) as an Additional Director of the Company with effect from February 19, 2015. Pursuant to Section 161(1) of the Companies Act, 2013 ("the Act"), Ms. Everdina Herma Slijkhuis holds office of Additional Director up to the date of this Annual General Meeting but is eligible for appointment as a Director. The Company has received a notice pursuant to Section 160 of the Companies Act, 2013, from a Member signifying his intention to propose the appointment of Ms. Everdina Herma Slijkhuis as a Director of the Company. Ms. Everdina Herma Slijkhuis has studied Economics from University of Groningen, The Netherlands. She has also studied Chartered Accountancy and Information Management from Nivra-Nijenrode Institute, The Netherlands. She has been working with M/s Veco B.V. (A part of SPGPrints Group) as an International Controller since 2014. She has a rich experience of more than 20 years in Finance. Brief Profile of Ms. Everdina Herma Slijkhuis in terms of Clause 49 of the Listing Agreement, is provided in this Notice. The Board of Directors is confident that her knowledge and experience will be of great value to the Company and hence recommends the Resolution at Item No. 7 of this Notice for your approval.

None of the Directors, Key Managerial Personnel and relatives thereof except Ms. Everdina Herma Slijkhuis, are in any way concerned or interested in the resolution at Item No. 7 of this Notice.

Item No. 8

Mr. Shailesh Wani has been appointed as a Managing Director of the Company w.e.f. October 1, 2013 for a period of 3 (three) years and his term of appointment and remuneration including payment of variable pay were approved in the Annual General Meeting of the Company held on May 13, 2014. As per the agreement entered into with Mr. Shailesh Wani, Managing Director of the Company, he is also entitled to variable pay based on the targets achieved. It is likely that when the variable pay for the financial year 2014 will be declared, the remuneration of Managing Director may exceed the limit prescribed under Section 197 read with Schedule V of the Companies Act, 2013. Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors at its meeting held on February 19, 2015 have subject to the approval of Shareholders and that of the Central Government, if required, have approved the overall ceiling of remuneration of Rs. 15 Million per annum to Mr. Shailesh Wani, Managing Director of the Company during the tenure of his employment till 30th September 2016. The Board of Directors is of the opinion that it is in the interest of the Company to receive the benefit of Mr. Shailesh Wani's service and recommend the resolution at Item No. 8 of this notice for the approval of Members. Mr. Shailesh Wani is not related to any Director or Promoters of the Company nor does he hold any shares in the Company.

ABSTRACT OF TERMS AND CONDITIONS OF APPOINTMENT AND REMUNERATION OF MR. SHAILESH WANI, MANAGING DIRECTOR OF THE COMPANY:

- i. Mr. Shailesh Wani has been appointed as a Managing Director at a gross remuneration of Rs. 70,05,276/- per annum. Subsequent to Annual Increment in the year 2014, his gross remuneration increased to Rs. 77,05,824/- per annum w.e.f. April 1, 2014. He is also entitled to variable pay based on the targets achieved over and above the gross remuneration. He shall also be entitled to family health insurance of Rs. 5,50,000/-.
- ii. The appointment is for a period of 3 (three) years w.e.f. October 1, 2013.
- iii. He is appointed as a Managing Director of the Company and as such he shall have substantial powers of Management of the Company. He shall perform duties and exercise such powers subject to the superintendence, control and direction of the Board of Directors of the Company.
- iv. The Company has entered into agreement with Mr. Shailesh Wani for his appointment as a Managing Director, which may be terminated by either party by giving other party six months' written notice or amount equivalent to six months' salary in lieu thereof.
- v. Mr. Shailesh Wani's appointment is by virtue of his employment in the Company.