



2015-16
ANNUAL REPORT

TIDE WATER OIL CO. (INDIA) LTD.



Veedol

Board of Directors

SHRI SUBIR DAS (DIN: 00199255)
SHRI R. N. GHOSAL (DIN: 00308865)
SHRI PRAVEEN P. KADLE (DIN: 00016814)
SHRI B. J. MAHANTA (DIN: 07487571)
SHRI ASHIM MUKHERJEE (DIN: 02135462)
SHRI SUNIL MUNSHI (DIN: 02749579)
MS. NAYANTARA PALCHOUDHURI (DIN: 00581440)
SHRI S. ROY CHOUDHURY (DIN: 00130803)
SHRI S. SUNDARESHAN (DIN: 01675195)
SHRI VINOD S. VYAS (DIN: 00176206)

Executive Directors

SHRI J. RAMESH
SHRI S. K. VAIDYA

Group CFO

SHRI S. BASU

Secretary

SHRI S. GANGULI

Auditors

RAY & RAY, *Chartered Accountants*

Registered Office

‘YULE HOUSE’
8, DR. RAJENDRA PRASAD SARANI
KOLKATA 700 001
Tel : 033 2242 1086
Fax : 033 2242 1087
www.tidewaterindia.com
tidecal@tidewaterindia.co.in

CIN

L23209WB1921PLC004357

MUMBAI OFFICE

1301-1306, 13th Floor
Kesar Solitaire
Plot No. 5, Sector-19
Palm Beach Road
Sanpada (East)
Navi Mumbai - 400 705

DELHI OFFICE

1201-1207, ‘A’ Block,
12th Floor
Naurang House
21, Kasturba Gandhi Marg
New Delhi - 110 001

CHENNAI OFFICE

Seshachalam Centre
10th Floor
636/1, Anna Salai
Nandanam
Chennai - 600 035

(*) Name(s) of any Director specified anywhere in this Report shall be read alongwith the Director Identification Number (DIN) stated against his / her name and the Registered Office Address shall be construed as his / her address for all practical purposes. Name(s) of Shri Kallol Datta and Shri R.K.Singh wherever appearing in this Report shall be read alongwith their respective DINs which are 00172325 and 06459343, respectively.

NOTICE TO MEMBERS

Notice is hereby given that the Ninety Third Annual General Meeting of the members of Tide Water Oil Company (India) Limited will be held at the Williamson Magor Hall of The Bengal Chamber of Commerce & Industry, Royal Exchange, 6, Netaji Subhas Road, Kolkata - 700001 on Wednesday, the 28th day of September, 2016 at 10:00 a.m. to transact the following business:

1. To consider and adopt the Statement of Profit & Loss Account for the year ended 31st March, 2016, the Balance Sheet as at that date and the Reports of the Board of Directors and the Auditors thereon.
2. To confirm the payment of interim dividend and to declare final dividend for the financial year ended 31st March, 2016.
3. To appoint a Director in place of Shri Sunil Munshi 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 a Special Resolution:-

“RESOLVED that Messrs. Ray & Ray, Chartered Accountants (Firm Registration No. 301072E) who have offered their services and who are not disqualified under Section 139 of the Companies Act, 2013, be appointed as Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the Ninety Fourth Annual General Meeting at such a remuneration plus applicable tax, out of pocket expenses, etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

SPECIAL BUSINESS

To consider and, if thought fit, to pass with or without modification the following resolutions:

5. As an Ordinary Resolution
“RESOLVED that Shri B. J. Mahanta be and is hereby appointed a Director of the Company.”
6. As an Ordinary Resolution
“RESOLVED that Shri Praveen P. Kadle be and is hereby appointed a Director of the Company.”
7. As an Ordinary Resolution
“RESOLVED that Shri Vinod S. Vyas be and is hereby appointed a Director of the Company.”
8. As a Special Resolution
“RESOLVED that pursuant to provision of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modifications or re-enactment(s) thereof, for the time being in force) read with Schedule IV to the Companies Act, 2013 (including any statutory modifications or re-enactment(s) thereof, for the time being in force), Shri A. Mukherjee, who was appointed as an Independent Director of the Company for a term up to 31st March, 2017 by the shareholders, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Shri A. Mukherjee as candidate for the office of a Director of the Company, be and is hereby reappointed as an Independent Director of the Company with effect from 1st April, 2017 to 31st March, 2020, not liable to retire by rotation;”

“RESOLVED FURTHER that the Board be and is hereby authorised to delegate all or any powers conferred herein, to any Committee of Directors, with power to further delegate to any executive(s)/

officer(s) of the Company to do all such acts, deeds, matters and things and also to execute such documents, writings, etc., as may be necessary in this regard.”

9. As a Special Resolution

“RESOLVED that pursuant to provision of Sections 149,152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modifications or re-enactment(s) thereof, for the time being in force) read with Schedule IV to the Companies Act, 2013 (including any statutory modifications or re-enactment(s) thereof, for the time being in force), Shri Subir Roy Choudhury, who was appointed as an Independent Director of the Company for a term up to 28th August, 2017 by the shareholders, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Shri Subir Roy Choudhury as candidate for the office of a Director of the Company, be and is hereby re-appointed as an Independent Director of the Company with effect from 29th August, 2017 to 28th August, 2020, not liable to retire by rotation.”

“RESOLVED FURTHER that the Board be and is hereby authorised to delegate all or any powers conferred herein, to any Committee of Directors, with power to further delegate to any executive(s)/ officer(s) of the Company to do all such acts, deeds, matters and things and also to execute such documents, writings, etc., as may be necessary in this regard.”

10. As a Special Resolution

“RESOLVED that pursuant to the provisions of Sections 177 and 188 of the Companies Act 2013, (Act) read together with the provisions of the Rules under Chapter XII of the Act and read with all circulars, notifications, provisions of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and other provisions of law, as applicable for the time being, consent of the members of the Company be and is hereby accorded to the Company for entering into transactions involving sale, purchase or supply of any goods or material and/or availing or rendering of any services with Standard Greases & Specialities Private Limited, a related party as per the definition of the term under the Act, upto an amount of Rs.180 Crores (Rupees One Hundred and Eighty Crores only) during the financial year ending on 31st March, 2017.”

“RESOLVED FURTHER that the Board of Directors (Board) of the Company be and is hereby authorised to execute, transact, enter into any contract to carry out or perform all such acts, deeds, matters, things, agreements, contracts, etc. as may be required to be done to give effect to the instant resolution or for the matters incidental to or ancillary thereof, through decisions of the Board or through delegation of relevant authority to any person or to any committee of persons.”

11. As a Special Resolution

“RESOLVED that pursuant to the provisions of Sections 177 and 188 of the Companies Act, 2013, (Act) read together with the provisions of the Rules under Chapter XII of the Act and read with all circulars, notifications, provisions of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and other provisions of law, as applicable for the time being, consent of the members of the Company be and is hereby accorded to the Company for entering into transactions involving sale, purchase or supply of any goods or material and/or availing or rendering of any services with JX Nippon TWO Lubricants India Private Limited, a related party as per the definition of the term under the Act, upto an amount of Rs.160 Crores (Rupees One Hundred and Sixty Crores only) during the financial year ending on 31st March, 2017.”

“RESOLVED FURTHER that the Board of Directors (Board) of the Company be and is hereby authorised to execute, transact, enter into any contract to carry out or perform all such acts, deeds,

matters, things, agreements, contracts, etc. as may be required to be done to give effect to the instant resolution or for the matters incidental to or ancillary thereof, through decisions of the Board or through delegation of relevant authority to any person or to any committee of persons.”

12. As an Ordinary Resolution

“RESOLVED that pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time, the Company hereby ratifies the remuneration of Rs.1,50,000 (Rupees One Lakh and Fifty Thousand only) plus out-of-pocket expenses payable to Messrs. DGM & Associates, Cost Accountants (Firm Registration No. 000038) who have been appointed by the Board of Directors as the Cost Auditors of the Company, to conduct the audit of the cost records of the Company for the financial year ending on 31st March, 2017.”

The Register of the Members and the Transfer Register of the Company will remain closed from 22nd September, 2016 (Thursday) to 28th September, 2016 (Wednesday) both days inclusive.

Registered Office :
“Yule House”
8, Dr. Rajendra Prasad Sarani,
Kolkata - 700 001
Date : 11th August, 2016

By Order of the Board
S. Ganguli
Company Secretary

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013.

Item No. 5

Shri B. J. Mahanta was appointed as an Additional Director of the Company with effect from 13th May, 2016. Accordingly, he will hold office up to the date of the 93rd Annual General Meeting. The Company has received a notice in writing from a member alongwith the deposit of requisite amount under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Director of the Company.

Shri B. J. Mahanta is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as a Director, if appointed.

Shri B. J. Mahanta holds a Master Degree in Social Work from Delhi University and is an IPS Officer from 1988 batch. He is presently Joint Secretary to Government of India, Department of Heavy Industry, Ministry of Heavy Industries and Public Enterprises. He has rich and varied experience in the fields of Public Service and Governance issues.

The Board recommends appointment of Shri B. J. Mahanta as a Director.

No person, as specified under Section 102(1)(a) of the Companies Act, 2013, other than Shri B. J. Mahanta is in any way concerned or interested in this Resolution proposed to be passed.

Item No. 6

Shri Praveen P. Kadle was appointed as an Additional Director of the Company with effect from 14th March, 2016. Accordingly, he will hold office up to the date of the 93rd Annual General Meeting. The Company has received a notice in writing from a member alongwith the deposit of requisite amount under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Director of the Company.

Shri Praveen P. Kadle is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as a Director, if appointed.

Shri Praveen P. Kadle is the founding Managing Director and CEO of Tata Capital Limited, a leading Non-Banking Finance Company(NBFC) and a member of its Board of Directors. Shri Kadle has held various leadership positions at the Tata Group in the last 24 years. Shri Kadle is a Board member on various Tata and non-Tata companies. He contributes to many industry and economic bodies, both domestic and international. Shri Praveen P. Kadle is an Honours Graduate in Commerce and Accountancy from the University of Mumbai and is a member of the Institute of Chartered Accountants of India, Cost Accountants of India and Company Secretaries of India. He is presently Managing Director & CEO of Tata Capital Limited and Tata Capital Financial Services Limited.

The Board recommends appointment of Shri Praveen P. Kadle as a Director.

No person, as specified under Section 102(1)(a) of the Companies Act, 2013, other than Shri Praveen P. Kadle is in any way concerned or interested in this Resolution proposed to be passed.

Item No. 7

Shri Vinod S. Vyas was appointed as an Additional Director of the Company with effect from 14th March, 2016. Accordingly, he will hold office up to the date of the 93rd Annual General Meeting. The Company has received a notice in writing from a member alongwith the deposit of requisite amount under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Director of the Company.

Shri Vinod S. Vyas is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as a Director, if appointed.

Shri Vinod S. Vyas holds a Bachelor Degree in Science. He is having nearly 42 years of experience in lube and greases industry. He is in the Board of various companies, which inter-alia deal in manufacturing of greases, automotive and industrial lubricants.

The Board recommends appointment of Shri Vinod S. Vyas as a Director.

No person, as specified under Section 102(1)(a) of the Companies Act, 2013, other than Shri Vinod S.Vyas is in any way concerned or interested in this Resolution proposed to be passed.

Item No. 8

Shri A. Mukherjee is due for retirement from his first term as Independent Director. Based on his skills, experience, knowledge and performance evaluation, it is proposed that Shri A. Mukherjee be re-appointed for another term of three years from 1st April, 2017 to 31st March, 2020 as an Independent Director of the Board.

In accordance with Section 149 (10) and (11) of the Companies Act, 2013 an Independent Director shall hold office for a term up to five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing of a Special Resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after the expiration of three years of ceasing to become an Independent Director.

As Shri A. Mukherjee fulfills the requirement of Independent Directors as laid down under Section 149(6) of the Companies Act, 2013 hence his re-appointment is being proposed.

Shri A. Mukherjee joined the Board of Directors (the Board) of the Company on 27th March, 2008 and he was appointed as an Independent Director by the shareholders pursuant to the Companies Act, 2013 through shareholders' resolution dated 29th August, 2014 for a term up to 31st March, 2017 (first term under the Companies Act, 2013).

The Company has received a notice in writing pursuant to Section 160 of the Companies Act, 2013, from a member alongwith a deposit of requisite amount as specified in the said section proposing the candidature of Shri A. Mukherjee for the office of Independent Director, to be re-appointed as such under the provisions of Section 149 of the Companies Act, 2013.

The Company has received from Shri A. Mukherjee (i) consent in writing to act as a Director in Form DIR 2 pursuant to Rule 8 of The Companies (Appointment & Qualification of Directors) Rules, 2014, (ii) intimation in Form DIR 8 in terms of The Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013, and (iii) declaration, confirming his eligibility that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

In the opinion of the Board, and based on the Board's evaluation, Shri A. Mukherjee fulfills the condition specified in the Companies Act, 2013 and Rules made thereunder for his re-appointment as an Independent Director of the Company and is independent of the management. A copy of the draft letter for the appointment of Shri A. Mukherjee as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the Members at the Registered Office of the Company during normal business hours on any working day upto 28th September, 2016. The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail the services of Shri A. Mukherjee as an Independent Director. Accordingly, the Board recommends the resolution in relation to the re-appointment of Shri A. Mukherjee as an Independent Director, for the approval by Members of the Company.

No person, as specified under Section 102(1)(a) of the Companies Act, 2013, other than Shri A. Mukherjee, is in any way concerned or interested in this Resolution proposed to be passed.

Item No. 9

Shri Subir Roy Choudhury is due for retirement from his first term as Independent Director. Based on his skills, experience, knowledge and performance evaluation, it is proposed that Shri Subir Roy Choudhury be re-appointed for another term of three years from 29th August, 2017 to 28th August, 2020 as an Independent Director of the Board.

In accordance with Section 149 (10) and (11) of the Companies Act, 2013 an Independent Director shall hold office for a term up to five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing of a Special Resolution by the Company and disclosure of such appointment in the Boards' report.

No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after the expiration of three years of ceasing to become an Independent Director.

As Shri Subir Roy Choudhury fulfills the requirement of Independent Directors as laid down under Section 149(6) of the Companies Act, 2013, hence his re-appointment is being proposed.

Shri Subir Roy Choudhury joined the Board of Directors (the Board) of the Company on 29th August, 2014 and he was appointed as an Independent Director by the shareholders pursuant to the Companies Act, 2013 through shareholders' resolution dated 29th August, 2014 for a term up to 28th August, 2017 (first term under the Companies Act, 2013).

The Company has received a notice in writing pursuant to Section 160 of the Companies Act, 2013, from a member along with a deposit of requisite amount as specified in the said section proposing the candidature of Shri Subir Roy Choudhury for the office of Independent Director, to be re-appointed as such under the provisions of Section 149 of the Companies Act, 2013.

The Company has received from Shri Subir Roy Choudhury (i) consent in writing to act as a Director in Form DIR 2 pursuant to Rule 8 of The Companies (Appointment & Qualification of Directors) Rules, 2014, (ii) intimation in Form DIR 8 in terms of The Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013 and (iii) declaration, confirming his eligibility that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

In the opinion of the Board, and based on the Board's evaluation, Shri Subir Roy Choudhury fulfills the condition specified in the Companies Act, 2013 and Rules made thereunder for his re-appointment as an Independent Director of the Company and is independent of the management. A copy of the draft letter for the appointment of Shri Subir Roy Choudhury as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the Members at the Registered Office of the Company during normal business hours on any working day up to 28th September, 2016. The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail the services of Shri Subir Roy Choudhury as an Independent Director. Accordingly, the Board recommends the resolution in relation to the re-appointment of Shri Subir Roy Choudhury as an Independent Director, for the approval by Members of the Company.

No person, as specified under Section 102(1)(a) of the Companies Act, 2013, other than Shri Subir Roy Choudhury, is in any way concerned or interested in this Resolution proposed to be passed.

Item No. 10

Your Company has been procuring lubricating oil and other chemicals from Standard Greases and Specialities Private Limited (SGSPL), which has been offering competitive rates for its products to your Company. SGSPL is one of the largest grease producers in Asia and they are processing grease on behalf of your Company to meet the needs of Western Region of the Company as there is no grease plant thereat.

Section 2(76) of the Companies Act, 2013, inter alia, states that 'related party' with reference to a Company, will include any private company in which a Director or manager is a member or Director. Since, Shri Vinod S. Vyas is a Director of SGSPL and also is in the Board of your Company, SGSPL will be deemed to be a related party as per the definition of the terms in Section 2 of the Companies Act, 2013. Further SGSPL is a joint promoter of your Company.

Under Regulation 23 of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, 'Material Related Party Transaction', has been defined to include transaction / transactions to be entered into individually or taken together with previous transactions during a financial year, exceeding 10%

(ten percent) of the annual consolidated turnover, as per the last audited financial statement of the Company and that material related party transactions must have prior approval of the members of the Company by way of a Resolution.

Section 188 of the Companies Act, 2013 read with Rule 15 of the Companies (Meetings of Board and its Powers) Second Amendment Rules, 2014 inter alia states that except with the prior approval of the Company by a Special Resolution, a company shall not enter into a transaction or transactions involving sale, purchase or supply of any goods or materials, directly or through appointment of agent where the transaction or transactions to be entered into exceed/s 10% (ten percent) of the turnover of the Company or Rs. 100 crores, whichever is lower.

As your Company proposes to procure lubricating oil and other chemicals from SGSPL and also process grease through them, cumulative transaction value whereof during the financial year ending 31st March 2017 (i.e. Rs. 180 crores), is envisaged to exceed the limits stated under Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013 read with Rules framed thereunder, your approval is sought by way of passing a Special Resolution. This may be deemed to be a disclosure as required under Rule 15 of Companies (Meetings of Board and its Powers) Second Amendment Rules, 2014.

The Board of Directors of your Company considers that the proposed Special Resolution is in the interest of the Company and recommends the same for your approval.

No person, as specified under Section 102(1)(a) of the Companies Act, 2013, other than Director(s) nominated by SGSPL on the Board of Directors of the Company is in any way concerned or interested in this Resolution proposed to be passed.

The Audit Committee of your Company has approved this resolution in the meeting of the said Committee held on 14th March, 2016.

As per the provisions of Section 188(1) of the Companies Act 2013 and Regulation 23 of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, all entities falling under the definition of related parties shall abstain from voting on this resolution irrespective of whether the entity is a party to this transaction or not.

Item No. 11

During 2014-15, pursuant to a Joint Venture Agreement between JX Nippon Oil & Energy Corporation (JXNOE), Japan and your company, JX Nippon TWO Lubricants India Private Limited (JXTL) was formed, wherein the business segment relating to 'ENEOS' range of products was transferred. JXTL is a Joint Venture Company and is also an Associate Company as your Company holds 50% stake therein. JXTL is construed to be a 'related party' in terms of Section 2(76) read with Section 2(6) of the Companies Act, 2013. Shri R.N. Ghosal, Managing Director is also a Director of JXTL.

As per the agreement, your company acts as toll manufacturer of the Joint Venture Company with respect to Factory Fill oil segment (FF segment) and provides manufacturing, warehousing & logistics, sales, invoicing, accounting and collection services in relation to Service Fill oil segment (SF segment). As such, the said arrangement(s) may be construed to invoke provisions as contained in Section 188 of the Companies Act, 2013 and rules made thereunder.

Under Regulation 23 of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 'Material Related Party Transaction' has been defined to include transaction/ transactions to be entered into individually or taken together with previous transactions during a financial year, exceeding 10% (ten percent) of the annual consolidated turnover, as per the last audited financial statement of the Company and that material related party transactions must have prior approval of the members of the Company by way of a Resolution.

Section 188 of the Companies Act, 2013 read with Rule 15 of the Companies (Meetings of Board and its Powers) Second Amendment Rules, 2014 inter alia states that except with the prior approval of the Company by a Special

Resolution, a company shall not enter into a transaction or transactions involving sale, purchase or supply of any goods or materials, directly or through appointment of agent where the transaction or transactions to be entered into exceed/s 10% (ten percent) of the turnover of the Company or Rs. 100 crores, whichever is lower.

As your Company manufactures/supplies oils relating to FF segment and SF segment on behalf of / to the Joint Venture Company viz. JX Nippon TWO Lubricants India Private Limited and also provides allied services, referred above, with respect to the concerned business, cumulative transaction value whereof during the financial year ending on 31st March, 2017 (i.e. Rs. 160 crores), is envisaged to exceed the limits stated under Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013 read with Rules framed thereunder your approval is sought by way of passing a Special Resolution. This may be deemed to be a disclosure as required under Rule 15 of Companies (Meetings of Board and its Powers) Second Amendment Rules, 2014.

The Board of Directors of your Company considers that the proposed Special Resolution is in the interest of the Company and recommends the same for your approval.

No person, as specified under section 102(1)(a) of the Companies Act, 2013, other than Shri R.N. Ghosal, Managing Director, is in any way concerned or interested in this Resolution proposed to be passed.

The Audit Committee of your Company has approved this resolution in the meeting of the said Committee held on 14th March, 2016.

As per the provisions of Section 188(1) of the Companies Act, 2013 and Regulation 23 of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, all entities falling under the definition of related parties shall abstain from voting on this resolution irrespective of whether the entity is a party to this transaction or not.

Item No. 12

The Company is required under Section 148 of the Companies Act, 2013 (Act) read with Companies (Cost Records and Audit) Amendment Rules, 2016 to have the audit of its cost records conducted by a Cost Accountant in practice. The Board of Directors of the Company has on the recommendation of the Audit Committee, approved the appointment of Messrs. DGM & Associates, the Cost Auditors of the Company to conduct audit of cost records of the Company for products covered under the Companies (Cost Records and Audit) Amendment Rules, 2016 for the financial year ending 31st March, 2017, at a remuneration of Rs. 1,50,000 (Rupees One Lakh and Fifty Thousand only) plus reimbursement of out-of-pocket expenses.

In accordance with the provisions of Section 148 of the Act read with the said Rules, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board of Directors has to be ratified by the Members of the Company.

Accordingly, the consent of the Members is sought by way of passing an Ordinary Resolution as set out at Item No. 12 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2017.

The Board of Directors of your company considers that the proposed Ordinary Resolution is in the interest of the Company and recommends the same for your approval.

No person, as specified under Section 102(1)(a) of the Companies Act, 2013, is in any way concerned or interested in this Resolution proposed to be passed.

Notes :

1. A Member entitled to attend and vote at this meeting may appoint a Proxy to attend and vote in his stead. A proxy need not be a Member of the Company. Proxies, in order to be effective, must be received at the