WINSOME YARNS LIMITED

24TH ANNUAL REPORT 2013-14

Winsome Yarns Limited

IS/ISO 9001

Raad Voor Accreditatie

BOARD OF DIRECTORS

Shri Satish Bagrodia	Chairman
Shri Pradeep Kumar	Director
Shri K.P. Ramakrishnan	Director
Shri Brij Mohan Padha	Director (PNB Nominee)
Shri Suresh Kumar Singla	Director (PSIDC Nominee)
Shri Manish Bagrodia	Managing Director

GM (LEGAL) & COMPANY SECRETARY

Shri K.V. Singhal

AUDITORS

M/s. Lodha & Co.
Chartered Accountants
12, Bhagat Singh Marg
New Delhi

BANKERS

Canara Bank
State Bank of Patiala
Punjab National Bank

REGISTERED OFFICE

SCO - 191-192, Sector 34-A
Chandigarh - 160 022

REGISTRAR AND SHARE TRANSFERAGENT

Link Intime India Pvt. Ltd.
44, Community Centre, 2nd floor,
PVR Nariana, Naraina Industrial Area,
Phase - 1, New Delhi - 110028

CONTENTS

Notice..... 1
Directors' Report 9
Corporate Governance Report 19
Management Analysis & Discussion 28
Auditors' Report 31
Accounts Statements 36
Statement under Sector 212 58
Auditors' Report on Consolidated Accounts 58
Consolidated Accounts Statements..... 61

WINSOME YARNS LIMITED

CIN : L17115CH1990PLC010566
Regd. Office : SCO 191-192, Sector 34-A, Chandigarh-160022
Phone No. : 0172-4612000, 2603966, 2662232, Fax No. 0172-4614000
E-mail : kvsinghal@winsomegroup.com, cshare@winsomegroup.com

NOTICE

NOTICE is hereby given that the 24th Annual General Meeting of the Members of Winsome Yarns Limited, will be held on Tuesday, the 31st day of March, 2015 at 11.30 a.m. at PHD Chamber of Commerce and Industry, Regional Office, PHD House, Sector 31-A, Chandigarh to transact the following business:

ORDINARY BUSINESS:

ITEM NO. 1

To receive, consider and adopt the Audited Financial Statement of the Company for the Financial Year ended September 30, 2014 together with the Reports of the Board of Directors and Auditors thereon.

ITEM NO. 2

To appoint a Director in place of Shri Manish Bagrodia (DIN. 00046944), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment.

ITEM NO. 3

To appoint Auditors & and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, M/s Lodha & Co., Chartered Accountants, (Firm Registration No. 301051E) be and are hereby re-appointed as the Statutory Auditors of the Company for a period of three years to hold the office from the conclusion of this Annual General Meeting till the conclusion of 27th Annual General Meeting (subject to ratification by the members at every Annual General Meeting) at a remuneration to be decided by the Managing Director of the Company in consultation with the Auditors plus applicable service tax and re-imbursement of out of pocket expenses incurred by them for the purpose of audit."

SPECIAL BUSINESS:

ITEM NO. 4

To appoint Mr. Pradeep Kumar as an Independent Director of the Company and to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

"RESOLVED that pursuant to the provisions of Sections 149, 152 and any other applicable provisions, if any, of the Companies Act, 2013 read with Schedule IV to the Companies Act, 2013, the rules made there under and Clause 49 of the Listing Agreement (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Pradeep Kumar (DIN:03052477), who was appointed as an Independent Director of the Company liable to retire by rotation and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation for a term of consecutive five years starting from the date of this Annual General Meeting to the conclusion of 29th Annual General Meeting of the Company."

ITEM NO. 5

To appoint Mr. K. P. Ramakrishnan as an Independent Director of the Company and to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

"**RESOLVED** that pursuant to the provisions of Sections 149, 152 and any other applicable provisions, if any, of the Companies Act, 2013 read with Schedule IV to the Companies Act, 2013, the rules made there under and Clause 49 of the Listing Agreement (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. K. P. Ramakrishnan (DIN:06999443), who was appointed as an Additional Independent Director of the Company and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation for a term of consecutive five years starting from the date of this Annual General Meeting to the conclusion of 29th Annual General Meeting of the Company."

ITEM NO. 6

To re-appoint Mr. Manish Bagrodia as Managing Director and fix his remuneration and to consider and if thought fit, to pass, with or without modification(s), the following resolution as **Special Resolution:**

"**RESOLVED THAT** in accordance with the provisions of Sections 196, 197, 198 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 Shri Manish Bagrodia (DIN: 00046944) as Managing Director of the Company, for a period of 5 (five) years with effect from July 1, 2014 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 Human Resources, Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said re-appointment and/ or remuneration as it may deem fit and as may be acceptable to Shri Manish Bagrodia, 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;

FURTHER RESOLVED THAT pursuant to the provisions of section 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), the period of office of Mr. Manish Bagrodia, Managing Director of the Company, who is a non-retiring Director in terms of the erstwhile provisions of the Companies Act, 1956, shall henceforth be made liable to retire by rotation and the reappointment of Managing Director as such Director of the Company on retirement by rotation shall not be deemed to constitute a break in his office of the Managing Director.

FURTHER RESOLVED 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."

For and on behalf of the Board

Place : Chandigarh
Dated : 29.11.2014

Manish Bagrodia
Managing Director

NOTES:

1. A member entitled to attend and vote at the Annual General Meeting (the "Meeting") is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote. The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the Meeting.
2. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
4. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.

5. Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, during business hours up to the date of the Meeting.
6. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company/ RTA.
7. **Members who have not registered their e-mail addresses so far are requested to register their e-mail address with the Depository Participants, who have hold the shares in demat form and with the Company, who have hold the shares in physical form for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.**
8. M/s Link Intime India Pvt. Limited, 44, Community Centre, 2nd Floor, Near PVR, Naraina Industrial Area, Phase-I, New Delhi-110028 (Tele. 011-41410592-94, Fax No. 011-41410591) is acting as common agency for dematerialisation and physical transfer of shares of the Company.
9. According to section 205(A)(5) of the Companies Act, 1956, the unclaimed/ unpaid dividend for the year 2006-07 have been transferred to Investor Education and Protection Fund on 21.11.2014. As per amended section 205B, nothing contained in this section shall apply to any person claiming to be entitled to any money transferred to the fund referred to in section 205C on and after the commencement of the Companies (Amendment) Act, 1999.
10. The notice of AGM along with Annual Report 2013-14 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. The Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
11. Item No. 2 - Shri Manish Bagrodia aged about 47 years, M.Com, Diploma in Computer Applications having around 27 years of experience in Textile Industry. He is holding 52040 shares of the company.

    Presently, he is Director of Winsome Yarns Limited, IDS Infotech Limited, Inde Dutch Engineering & Aerospace Services Ltd., IDS -Argus Healthcare Services Pvt. Limited, Winsome Yarns (Cyprus) Limited and IDS Infotech (UK) Limited.

    He is also member of Audit Committee, Stakeholders Relationship Committee and Risk Management Committee of Winsome Yarns Limited.
12. A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
13. The Register of Members and Share Transfer Books of the Company will remain closed on 16.03.2015 to 18.03.2015 (both days inclusive).

E-voting Procedure

14. The instructions for shareholders voting electronically are as under:
    (i) The voting period begins on 20.03.2015 at 9.00 a.m. IST and ends on 25.03.2015 at 6.00 p.m. IST. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (20.02.2015) 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" tab.
    (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	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • *Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.* • *In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.*
Date of Birth or Date of Incorporation	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. • *Please enter the DOB or Dividend Bank Details in order to login. If 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 of Winsome Yarns Limited for voting.

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) 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 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.

(xix) 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.

Mr. Girish Madan, Practising Company Secretary (Membership No. FCS 5017), proprietor of M/s. Girish Madan and Associates has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

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.

The Results shall be declared on or after the AGM of the Company. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website and on the website of CDSL within two(2) days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited and the National Stock Exchange of India Limited.

STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 ("the Act")

ITEM NO. 3

Although not required, this explanatory statement is being given in respect of Item No. 3 of the notice. M/s Lodha & Co., Chartered Accountants (Firm Registration No. 301051E), are Statutory Auditors of the Company for auditing accounts of the Company for the financial year 2013-14 and their term of office is upto the conclusion of the forthcoming Annual General Meeting of the Company. The provisions of Section 139 of Companies Act, 2013 and Rule 6 of Companies (Audit and Auditors) Rules, 2014 provides that in case an audit firm which has completed two terms of five consecutive years, such firm shall be eligible to be re-appointed as Statutory Auditors for a maximum period of three years. M/s Lodha & Co., Chartered Accountants have been auditors of the Company for more than 10 years, therefore, they can be re-appointed as Statutory Auditors of the Company for a period of three years only.

Therefore, Board of Directors of the Company, after considering the recommendations of Audit Committee, have proposed to re-appoint M/s Lodha & Co, Chartered Accountants, as Statutory Auditors of the Company, for a period of three years i.e. from the conclusion of this Annual General Meeting of the Company till the conclusion of 27th Annual General Meeting of the Company, subject to the ratification of their appointment by the members in every subsequent Annual General Meeting in accordance with the provisions of Section 139 of the Companies Act 2013 read with Companies (Audit & Auditors) Rules 2014.

None of the Directors, Key Managerial Personnel or their relatives is interested in this resolution. The Board recommends this resolution for approval of the shareholders.

ITEM NO. 4

The Company had, pursuant to the provisions of clause 49 of Listing Agreements entered with the Stock Exchanges and in terms of Section 161 of the Companies Act, 2013, appointed Shri Pradeep Kumar, as Independent Additional Director of the Company w.e.f. 30.09.2013 and thereafter, the shareholders in their meeting held on 12.02.2014 had appointed as Independent Director of the Company.

Pursuant to the provisions of Sections 149, 152 and any other applicable provisions, if any, of the Companies Act, 2013 read with Schedule IV to the Companies Act, 2013, the rules made there under and Clause 49 of the Listing Agreement (including any statutory modification(s) or re-enactment thereof for the time being in force), Shri Pradeep Kumar, who was appointed as Independent Director of the Company, now shall not be liable to retire by rotation for a term of consecutive five years.

Shri Pradeep Kumar, Independent Director of the Company, has given a declaration to the Board that he meet the criteria of independence as provided under section 149(6) of Companies Act 2013. In the opinion of the Board, the Independent Director fulfill the conditions specified in Sections 149, 152, Schedule IV of the Companies Act, 2013 read with Companies (Appointment and Qualifications of Directors) Rules, 2014 and Clause 49 of the Listing Agreement (including any statutory modification(s) or re-enactment thereof for the time being in force) and such Independent Director is independent of the management. Besides this, Board also considers that their continued association would be of immense benefit to the Company.

The brief profile of Shri Pradeep Kumar is given hereunder:-

Name of Director	Shri Pradeep Kumar
DIN	03052477
Date of Birth	15.08.1949
Brief Profile	Shri Pradeep Kumar has served State Bank of Patiala for 39 years. He retired as Dy. General Manager from State Bank of Patiala. During his tenure with the bank, he worked at various levels and acquired varied experience of banking sector. He is also partner in Pharmaceutical firm named Santo Formulations.
Qualifications	B.Sc., CAIIB
Directorship held in other Companies.	Ind-Swift Laboratories Limited HIM Teknoforge Limited
Membership/ Chairmanship of Committees of other public Companies.	(i) Chairman-Audit Committee of Winsome Yarns Ltd (ii) Chairman-Nomination and Remuneration Committee of Winsome Yarns Ltd (iii) Member-Stakeholders Relationship Committee of Winsome Yarns Ltd (iv) Member-Risk Management Committee of Winsome Yarns Ltd.
Shareholding in the Company	Nil

Shri Pradeep Kumar is interested individually in the Resolutions relating to his appointment. None of the other Directors and Key Managerial Personnel of the Company, or their relatives, is interested in this Resolutions.

The Board recommends this Resolution for approval of the shareholders.

ITEM NO. 5

Pursuant to the provisions of clause 49 of Listing Agreements, entered with the Stock Exchanges and section 149 of Companies Act 2013 read with Companies (Appointment and Qualifications of Directors) Rules, 2014, which came in to effect from April 1, 2014, every listed public Company is required to have at least one-third of the total number of directors as Independent directors, who are not liable to retire by rotation. On the recommendation

of the Nomination and Remuneration Committee in their meeting held on 29.11.2014, the Board of Directors in their meeting held on 29.11.2014 has appointed Shri Kollengode Padmanabhan Ramakrishnan as an Additional Independent Director of the Company for a term of consecutive five years.

Shri K. P. Ramakrishnan, Additional Independent Director of the Company, has given a declaration to the Board that he meet the criteria of independence as provided under section 149(6) of Companies Act 2013. In the opinion of the Board, the Independent Director fulfill the conditions specified in Sections 149, 152, Schedule IV of the Companies Act, 2013 read with Companies (Appointment and Qualifications of Directors) Rules, 2014 and Clause 49 of the Listing Agreement (including any statutory modification(s) or re-enactment thereof for the time being in force) and such Independent Director is independent of the management. Besides this, Board also considers that their continued association would be of immense benefit to the Company.

The brief profile of Shri Kollengode Padmanabhan Ramakrishnan is given hereunder:-

Name of Director	Shri Kollengode Padmanabhan Ramakrishnan
DIN	07029959
Date of Birth	16.10.1954
Brief Profile	Shri K. P. Ramakrishnan is B.Tech (Metallurgy) from IIT, Chennai. He has around 36 years of experience in Banking Sector and has worked at various levels in different locations in India. He retired as Chief General Manager from IDBI Bank in 2014.
Qualifications	B Tech (Metallurgy)
Directorship held in other Companies.	Nil
Membership/ Chairmanship of Committees of other public Companies.	(i) Chairman-Stakeholders Relationship Committee of Winsome Yarns Ltd (ii) Chairman- Risk Management Committee of Winsome Yarns Ltd. (iii) Member-Audit Committee of Winsome Yarns Ltd (iv) Member - Nomination and Remuneration Committee of Winsome Yarns Ltd
Shareholding in the Company	Nil

Shri K. P. Ramakrishnan is interested individually in the Resolutions relating to his appointment. None of the other Directors and Key Managerial Personnel of the Company, or their relatives, is interested in this Resolutions.

The Board recommends this Resolution for approval of the shareholders.

ITEM NO. 6

Mr. Manish Bagrodia was appointed as Managing Director of the Company for a period of five years w.e.f. 01.07.2009. Now, the period of his office is due to expire on 30th June, 2014.

Mr. Manish Bagrodia, aged 47 years, and having experience over 27 years in the Industry. He is a M.Com. and has also done Diploma in Computer Applications.

His knowledge of various aspects relating to the Company's affairs and long business experience, the Board of Directors is of the considered opinion that for smooth and efficient running of the business, the services of Mr. Manish Bagrodia should be available to the Company for a further period of five years with effect from July 01, 2014.

In terms of the provisions of the Companies Act, and the Articles of Association of the Company, the Nomination and Remuneration Committee of the Board and the Board of Directors have, at their meeting held on May 15, 2014, re-appointed him as Managing Director of the Company for a further period of five years with effect from July 01, 2014, subject to the approval of shareholders of the Company and other authorities, if required, on the following terms and conditions as set out hereunder:

In case, the Company has no profits or its profits are inadequate, then the remuneration shall be paid to him with the prior approval of the Central Government or in accordance with the provisions of the Companies Act, 2013 read with Schedule V of the Act.

I. REMUNERATION:

a) Basic Salary: Rs. 3,25,000/- per month in the grade of 3,25,000-25,000-4,25,000.

b) 1% of Net Profit of the Company computed in the manner laid down in Section 198 of the Companies Act, 2013.

c) Perquisites:

i) Housing:

(a) Fully furnished residential accommodation. In case, the fully furnished residential accommodation is not provided, H.R.A. As per Company's Rule will be paid.

(b) Expenses pertaining to gas, electricity, water and other utilities will be borne/reimbursed by the Company.

ii) Medical Reimbursement:

Reimbursement of actual medical expenses incurred in India and/or abroad and including hospitalization, nursing home and surgical charges for himself and family along with mediclaim policy premium paid by the Company.

iii) Leave Travel Concession:

Reimbursement of actual traveling expenses incurred in India and/or Abroad once in a year in respect of himself and family.

iv) Club Fees:

Reimbursement of membership fee for clubs including admission and life membership fees.

v) Personal Accident Insurance:

Personal Accident Insurance Policy for an amount, the annual premium of which shall not exceed Rs. 10000/- p.a.

vi) Contribution to Provident Fund, Superannuation and Annuity Fund: The Company's contribution to Provident and Superannuation or Annuity Fund as per the rules of the Company applicable to senior executives.

vii) Gratuity:

As per rules of the Company applicable to the senior executives, subject to a maximum ceiling as may prescribed in under the payment of Gratuity Act from time to time.

viii) Earned Privilege Leave:

As per the rules of the Company subject to the condition that the leave accumulated but not availed of will be allowed to be encashed for 15 days salary for every year completed services at the end of the tenure.

d) Other Perquisites:

Subject to an overall ceiling of remuneration stipulated in Section 197 and 198 of the Companies Act, 2013, other perquisites and/or allowances payable to the Managing Director shall be evaluated, wherever applicable, as per Income Tax Act,1961 or any rules thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force).

EXPLANATION:

Perquisites shall be evaluated as per the Income Tax Rules, wherever applicable and in the absence of any such rules, perquisites shall be evaluated at actual cost.

Except Shri Manish Bagrodia, Shri Satish Bagrodia and their relatives, none of the other Directors, Key Managerial Personnel or their relatives is interested in this resolution. The board recommends these resolutions for approval of the shareholders.