

Wires and Fabriks (S.A.) Limited

(CIN: L29265WB1957PLC023379)

Regd. Office: 7 Chittaranjan Avenue, Kolkata -700 072

Website: www.wirefabrik.com, E-Mail: ig@cal.wirefabrik.com

Ph. (033) 4012-4012, Fax: (033) 2237-2712

Notice

of the 57th Annual General Meeting - 2014

NOTICE is hereby given that the 57th Annual General Meeting of the Members of the Company will be held at Seminar Hall, Science City, JBS Halden Avenue, Kolkata - 700 046 on Wednesday, the 13th day of August, 2014 at 12.00 Noon to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Audited Accounts of the Company for the year ended 31st March, 2014 together with Directors' Report and Auditors' Report thereon.
2. To declare dividend on the equity shares for the year ended 31st March, 2014.
3. To appoint a Director in place of Mr. Satish Ajmera (DIN 00208919), who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. D. D. Trivedi (DIN 00380306), who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint Auditors and to fix their remuneration.

Special Business:

To consider and if thought fit, to pass with or without modifications the following Resolutions as Ordinary Resolutions:-

Item No. 6

"Resolved that Shri Vinod Kumar Ladia (DIN 00168257), who has been appointed as an Additional Director of the Company by the Board of Directors and who holds office as per Section 161 of the Companies Act, 2013 (Section 260 of the Companies Act, 1956) up to the date of this Annual General Meeting and in respect of whom, the Company has, pursuant to Section 160 of the Companies Act, 2013 (Section 257 of the Companies Act, 1956), received a Notice in writing proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation."

Item No. 7

"Resolved that Shri Subrata Kumar Mitra (DIN 00029961), who has been appointed as an Additional Director of the Company by the Board of Directors and who holds office as per Section 161 of the Companies Act, 2013 (Section 260 of the Companies

Act, 1956) up to the date of this Annual General Meeting and in respect of whom, the Company has, pursuant to Section 160 of the Companies Act, 2013 (Section 257 of the Companies Act, 1956), received a Notice in writing proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation."

To consider and if thought fit, to pass with or without modifications the following Resolutions as Special Resolutions:-

Item No. 8

"RESOLVED that pursuant to the provisions of Section 196, 197, 203, Schedule V and other applicable provisions of the Companies Act, 2013 (Section 198, 269, 309, 310 and Schedule XIII of the Companies Act, 1956), including any statutory modification or re-enactment thereof for the time being in force, and all guidelines for Managerial Remuneration issued by the Central Government from time to time and subject to the approval of the Central Government, if applicable and also subject to such other approvals as may be necessary, consent of the Company be and is hereby accorded to the remuneration of Mr. Basant Kumar Khaitan (DIN 00459514), Managing Director of the Company for the remaining tenure of two years of his current appointment from 1st April 2015 to 31st March, 2017 as set out in the Explanatory Statement to this Resolution and also contained in the draft supplementary agreement to be executed between the Company and Mr. Basant Kumar Khaitan (DIN 00459514), submitted to this meeting. The said supplementary agreement be and is hereby specifically approved and sanctioned with the liberty to the Board of Directors to alter and vary all/any terms and conditions of the remuneration and/or agreement subject to the same not exceeding the limits sanctioned by the Central Government, if applicable, in such manner as the Board may deem fit and agreed to by Mr. Basant Kumar Khaitan (DIN 00459514)."

"RESOLVED FURTHER that where in any financial year, the Company has no profits or its profits are inadequate, the said remuneration shall be paid as minimum remuneration subject to the approval of the Central Government, if applicable and such other approvals as may be required with effect from 1st April, 2015 till the completion of the tenure i.e. 31st March, 2017."

"RESOLVED FURTHER that the Board of Directors be and is hereby authorised to do all such acts, deeds and things and execute all such documents, instruments and writings as may

be considered necessary, appropriate, expedite or desirable to give effect to the aforesaid resolutions.”

Item No. 9

“RESOLVED that pursuant to the provisions of Section 196, 197, 203, Schedule V and other applicable provisions of the Companies Act, 2013 (Section 198, 269, 309, 310 and Schedule XIII of the Companies Act, 1956), including any statutory modification or re-enactment thereof for the time being in force, and all guidelines for Managerial Remuneration issued by the Central Government from time to time and subject to the approval of the Central Government, if applicable and also subject to such other approvals as may be necessary, consent of the Company be and is hereby accorded to the remuneration of Mr. Kishan Kumar Khaitan (DIN 00514864), Managing Director of the Company for the remaining tenure of two years of his current appointment from 1st April 2015 to 31st March, 2017 as set out in the Explanatory Statement to this Resolution and also contained in the draft supplementary agreement to be executed between the Company and Mr. Kishan Kumar Khaitan (DIN 00514864), submitted to this meeting. The said supplementary agreement be and is hereby specifically approved and sanctioned with the liberty to the Board of Directors to alter and vary all/any terms and conditions of the remuneration and/or agreement subject to the same not exceeding the limits sanctioned by the Central Government, if applicable, in such manner as the Board may deem fit and agreed to by Mr. Kishan Kumar Khaitan (DIN 00514864).”

“RESOLVED FURTHER that where in any financial year, the Company has no profits or its profits are inadequate, the said remuneration shall be paid as minimum remuneration subject to the approval of the Central Government, if applicable, and such other approvals as may be required with effect from 1st April, 2015 till the completion of the tenure i.e. 31st March, 2017.”

“RESOLVED FURTHER that the Board of Directors be and is hereby authorised to do all such acts, deeds and things and execute all such documents, instruments and writings as may be considered necessary, appropriate, expedite or desirable to give effect to the aforesaid resolutions.”

Item No. 10

“RESOLVED that pursuant to the provisions of Section 196, 197, 203, Schedule V and other applicable provisions of the Companies Act, 2013 (Section 198, 269, 309, 310 and Schedule XIII of the Companies Act, 1956), including any statutory modification or re-enactment thereof for the time being in force, and all guidelines for Managerial Remuneration issued by the Central Government from time to time and subject to the approval of the Central Government, if applicable and also subject to such other approvals as may be necessary, consent of the Company be and is hereby accorded to the remuneration of Mr. Mahendra Kumar Khaitan (DIN 00459612),

Joint Managing Director of the Company for the remaining tenure of two years of his current appointment from 1st April 2015 to 31st March, 2017 as set out in the Explanatory Statement to this Resolution and also contained in the draft supplementary agreement to be executed between the Company and Mr. Mahendra Kumar Khaitan (DIN 00459612), submitted to this meeting. The said supplementary agreement be and is hereby specifically approved and sanctioned with the liberty to the Board of Directors to alter and vary all/any terms and conditions of the remuneration and/or agreement subject to the same not exceeding the limits sanctioned by the Central Government, if applicable, in such manner as the Board may deem fit and agreed to by Mr. Mahendra Kumar Khaitan (DIN 00459612).”

“RESOLVED FURTHER that where in any financial year, the Company has no profits or its profits are inadequate, the said remuneration shall be paid as minimum remuneration subject to the approval of the Central Government, if applicable, and such other approvals as may be required with effect from 1st April, 2015 till the completion of the tenure i.e. 31st March, 2017.”

“RESOLVED FURTHER that the Board of Directors be and is hereby authorised to do all such acts, deeds and things and execute all such documents, instruments and writings as may be considered necessary, appropriate, expedite or desirable to give effect to the aforesaid resolutions.”

Item No. 11

“Resolved that Mr. Devesh Khaitan (DIN 00820595), who has been appointed as an Additional Director of the Company by the Board of Directors and who holds office as per Section 161 of the Companies Act, 2013 (Section 260 of the Companies Act, 1956) up to the date of this Annual General Meeting and in respect of whom, the Company has, pursuant to Section 160 of the Companies Act, 2013 (Section 257 of the Companies Act, 1956), received a Notice in writing proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation.”

“RESOLVED FURTHER that pursuant to the provisions of Section 196, 197, 203, Schedule V and other applicable provisions of the Companies Act, 2013 (Section 198, 269, 309, 310 and Schedule XIII of the Companies Act, 1956), including any statutory modification or re-enactment thereof for the time being in force, and all guidelines for Managerial Remuneration issued by the Central Government from time to time and subject to the approval of the Central Government, if applicable and also subject to such other approvals as may be necessary, consent of the Company be and is hereby accorded to the appointment of Mr. Devesh Khaitan (DIN 00820595) as a Executive Director of the Company for a period from 1st July, 2014 to 31st March, 2017 and payment of remuneration to Mr. Devesh Khaitan (DIN 00820595) for the said period from 1st

July, 2014 to 31st March, 2017 as set out in the Explanatory Statement to this Resolution and also contained in the draft supplementary agreement to be executed between the Company and Mr. Devesh Khaitan (DIN 00820595), submitted to this meeting. The said agreement be and is hereby specifically approved and sanctioned with the liberty to the Board of Directors to alter and vary all/any terms and conditions of the remuneration and/or agreement subject to the same not exceeding the limits sanctioned by the Central Government, if applicable, in such manner as the Board may deem fit and agreed to by Mr. Devesh Khaitan (DIN 00820595)."

"RESOLVED FURTHER that where in any financial year, the Company has no profits or its profits are inadequate, the said remuneration shall be paid as minimum remuneration subject to the approval of the Central Government, if applicable and such other approvals as may be required with effect from 1st July, 2014 till the completion of the tenure i.e. 31st March, 2017."

"RESOLVED FURTHER that the Board of Directors be and is hereby authorised to do all such acts, deeds and things and execute all such documents, instruments and writings as may be considered necessary, appropriate, expedite or desirable to give effect to the aforesaid resolutions."

Item No. 12

"RESOLVED that in suppression of the resolution adopted at the 37th Annual General Meeting held on 30th September, 1994 and pursuant to Section 180(1)(c) and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modifications or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to the Board of Directors to borrow moneys in excess of the aggregate of the paid up share capital and free reserves of the Company, provided that the total amount borrowed and outstanding at any point of time, apart from the temporary loans obtained / to be obtained from the Company's Bankers in the Ordinary course of business, shall not be in excess of Rs. 200 crores (Rupees Two Hundred Crores) over and above the aggregate of the paid up share Capital and free reserves of the Company."

"RESOLVED FURTHER that for the purpose of giving effect to the aforesaid resolution, the Board/Committee be and is hereby authorised to do all such acts, deeds, document writing, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval hereto expressly by the authority of this resolution."

"RESOLVED FURTHER that the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any committee of directors, or managing director, or any

whole time director, or director or any other officer or officers of the Company to give effect to the aforesaid resolutions."

Item No. 13

"RESOLVED that in suppression of the resolution adopted at the Extra Ordinary General Meeting held on 22nd April, 2002 and pursuant to Section 181 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modifications or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to the Board of Directors to contribute and/or donate, from time to time, to any National, Charitable, Benevolent and other funds/trusts, whether or not directly relating to the business of the Company or welfare of its employees, upto a sum of Rs. 5 Crores (Rupees Five Crores only) in any Financial Year, as may be considered appropriate by the Board of Directors, notwithstanding that such amounts in any Financial year exceed 5% of the Company's Average Net profit as determined in accordance with the provisions of the Companies Act, 2013 during the three immediately preceding Financial Years.."

"RESOLVED FURTHER that for the purpose of giving effect to the aforesaid resolution, the Board/Committee be and is hereby authorised to do all such acts, deeds, document writing, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval hereto expressly by the authority of this resolution."

"RESOLVED FURTHER that the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any committee of directors, or managing director, or any whole time director, or director or any other officer or officers of the Company to give effect to the aforesaid resolutions."

NOTES:

- A. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself/ herself and a proxy need not be a member of the Company. The proxy in order to be effective must be received at the Registered Office of the Company not less than 48 hours before the time of the Meeting.
- B. Corporate members intending to send their authorised 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.
- C. The Register of Members and Share Transfer Books of the Company shall remain closed from **Wednesday, the 6th day of August, 2014 to Wednesday the 13th day of**

August, 2014 (both days inclusive), for the purpose of payment of dividend for the financial year ended 31st March, 2014. The dividend, if approved and declared at the forthcoming Annual General Meeting, will be paid, in case of physical shareholding to those Members whose name appear in the Register of Members of the Company as on 13th day of August, 2014 and in case of dematerialised shares to those Beneficiaries appearing at the close of 6th day of August, 2014, in the records of National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) and furnished for this purpose, subject to the provisions of section 123 of the Companies Act, 2013 (206A of the Companies Act, 1956).

- D. Shareholders who have so far neither received nor encashed dividend warrants for any of the financial years ended 31st March, 2007 and thereafter, may claim or approach the Company for payment.** Pursuant to provisions of Section 124 of the Companies Act, 2013 (Section 205A of the Companies Act, 1956), as amended, dividend for the financial year 2006-2007 and thereafter, which remains unpaid or unclaimed for a period of 7 years from the date they became due for payment will be transferred to Investor Education and Protection Fund (IEPF) of the Central Government. ***All unpaid/unclaimed dividends for the financial years up to 2005-2006 have been transferred to the IEPF set up by the Central Government. It may be noted that once the unpaid/unclaimed dividend is transferred to the IEPF of the Central Government as above, no claim with the Company or the IEPF will lie in respect thereof.***

- E.** As required by Clause 49 of the Listing Agreement, the information relating to Directors who are proposed to be re-appointed are given in following order: Name of the Director, Age, Date of Appointment, Educational Qualification, Brief Profile and Area of Expertise, Other Directorships, Committee Memberships and Shareholding.

Mr. S. Ajmera, 70 Years, 29.11.2001, Chartered Accountant having 44 years of diversified Audit Experience in Government, Semi Government and Private Organizations including Banks, Industry and Trade in all fields. He has been (i) Trustee, Unit Trust of India, Bombay for eight years (The first mutual fund of India). (ii) On the North Zone Board of I.D.B.I for 3 years. He had been nominee Director of Gujarat Alkalies & Chemicals Ltd (as a nominee of IFCI), Gujarat State Investments Ltd. (as a nominee of Gujarat Govt.), Hindustan Organic Chemicals Ltd. (one of the largest chemical companies in India, as a nominee of Government of India). Further he had been on the Board

of Rajasthan Financial Corporation Board for 16 years, Sunflag Iron & Steel Industries Ltd., Gujarat Heavy Chemical Ltd., Modi Rubber Ltd., JCT Ltd., Rajasthan State Ind & Inv Corp Ltd., Lupin Laboratories Ltd., Aristocrat Luggage Ltd., Jayant Paper Mills Ltd., Modern Syntex Ltd., Allwyn Nissan Ltd., Canfin Homes Limited and many other companies. Presently he is a Director in PCS Technology Ltd., The Lakshmi Mills Company Ltd., S.Ajmera Finance (P) Ltd., SRP Infosystem (P) Ltd. and A & A Mines and Minerals (P) Ltd. He has been the consultant to Government of Rajasthan and Government of Gujarat in many corporate matters. He is the senior partner of the Auditing Firm B.L. Ajmera & Co., Jaipur. He is also a former president of Jaipur Chamber of Commerce & Industry. He is the Chairman of the Audit Committee in The Lakshmi Mills Co. Ltd. and PCS Technology Ltd. He is also the Chairman of the Audit Committee and a Member of the Nomination & Remuneration Committee of the Company. He is holding 150 Equity Shares of the Company.

Mr. D.D. Trivedi 82 Years, 01.12.84, M.Com/B.A. Hons, Mr. Trivedi is a Management Consultant & was a visiting faculty with IIM, Ahmedabad. Currently he is working as distinguished visiting faculty at Entrepreneurship Development Institute of India. He is also a visiting faculty at various other Institutes. He is also Director in Foods & Inns Ltd., Asim Exports Ltd., Cyclic Chemical Ltd. and Dravya Finance Ltd. He is a member of the Audit Committee and Shareholders Grievance Committee in Foods and Inns Ltd and is also a member of the Audit Committee of the Company. He holds 1000 Equity Shares of the Company.

- F.** As per the provisions of the Companies Act, 2013, the facility for making nominations is available to the shareholders in respect of the equity shares held by them. Members holding shares in physical form may send their request in duly filled and signed prescribed Form 2B at Company's Registered Office address. This facility is made available folio wise to individual shareholders including joint holders and for the entire shares registered under the folio. Members holding shares in dematerialised form may contact and consult their respective depository participants (DP) for availing the nomination facility.
- G.** In the case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- H.** Members are requested to intimate to the Company their Queries, if any, regarding accounts at least seven days before the Meeting to enable the management to keep the required information ready at the Meeting.

- I. Relevant documents referred to in the accompanying Notice are open for inspection by the Members at the Registered Office of the company on all working days during business hours up to the date of the Meeting.
- J. 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 Electronic Clearing System (ECS). Members holding shares in physical form and desirous of availing this facility are requested to contact the Company's Registrar and Transfer Agent, M/s ABS Consultant Private Limited, 99 Stephen House, 6th Floor, 4 B.B.D. Bag (E), Kolkata 700 001.
- K. Since the Equity Shares of the company are under compulsory demat trading, shareholders are requested to get their physical shareholdings converted into DEMAT form. Equity Shares of the company are admitted with NSDL and CDSL, both the Depositories and bearing ISIN No. INE469D01013. All the queries related to this may please be forwarded directly to the Company's Registrar.
- L. The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register their e-mail address with M/s. ABS Consultants Private Limited, Registrar and Transfer Agent of the Company.
- M. Members/proxies are requested to bring their Attendance Slips duly filled in along with their copy of Annual Report to the Meeting.
- N. Members holding physical shares in multiple folios' are requested to consolidate their holdings for overall convenience.
- O. Members holding shares in physical form are requested to forward/update the details of their Bank particulars, for printing the necessary details on dividend warrants to avoid fraudulent encashment, if any. Members holding shares in dematerialised form are requested to inform the necessary details/update to the concerned Depository Participant, where the demat account is maintained.
- P. I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration)

Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 57th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL):

The instructions for e-voting are as under:

- A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)]:
 - (i) Open email and open PDF file viz; "Wires & Fabriks e-Voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for e-voting. Please note that the password is an initial password.
 - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
 - (iii) Click on Shareholder - Login
 - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
 - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (vi) Home page of e-voting opens. Click on e-Voting: Active Voting Cycles.
 - (vii) Select "EVEN" of Wires & Fabriks (S.A.) Limited.
 - (viii) Now you are ready for e-voting as Cast Vote page opens.
 - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - (x) Upon confirmation, the message "Vote cast successfully" will be displayed
 - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
 - (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to scrutinizer@wirefabrik.com with a copy marked to evoting@nsdl.co.in

B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy]:

- (i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM :
EVEN (E Voting Event Number)
USER ID PASSWORD/PIN
 - (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
- II. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of www.evoting.nsdl.com
- III. If you are already registered with NSDL for e-voting then you can use your existing user ID and password/PIN for casting your vote.
- IV. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- V. The e-voting period commences on 6th August, 2014 (9:00 am) and ends on 8th August, 2014 (6:00 pm). During this period, shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 30th June, 2014, may

cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

- VI. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 30th June, 2014.
- VII. Mr. B. N. Khandelwal, Company Secretary (Membership No. A 1148), Practicing Company Secretaries has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- VIII. 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 www.wirefabrik.com or on the website of NSDL within two(2) days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited and The Calcutta Stock Exchange Association Ltd.

**By Order of the Board
For Wires and Fabriks (S.A.) Ltd.**

**(Amit Dhanuka)
Company Secretary**

Jaipur
Dated, the 27th day of June, 2014

ANNEXURE TO NOTICE

Explanatory Statement Pursuant to Section 102 of the Companies Act, 2013 (Section 173(2) of the Companies Act, 1956)

ITEM NO. 6

Shri Vinod Kumar Ladia, was appointed as an Additional Director on the Board of Directors of the Company w.e.f. 9th November, 2013. As per the provisions of Section 161 of the Companies Act, 2013 (Section 260 of the Companies Act, 1956), Shri Ladia shall hold office up to the date of this Annual General Meeting of the Company. The Company has received valid notice and requisite deposit from a Member of the Company under Section 160 of the Companies Act, 2013 (Section 257 of the Companies Act, 1956), proposing the candidature of Shri Ladia for the office of Director. In view of the background and valuable experience of Shri Ladia, it will be in the interest of the Company that he continues as a Director of the Company.

Shri Ladia, aged 68 years, a Gold Medallist in B.Sc. (Textiles) from Technological Institute of Textiles, Bhilwani in 1966 and a M.B.A. from Indian Institute of Management, Ahmedabad in 1968. He had also completed his training at Harvard Business School, U.S.A.

Shri Ladia has been the recipient of UDYOG PATRA AWARD at the hands of Hon'ble President of India. He has also received Several other Awards which includes Leadership Award, Membership Growth Award, Chevron Award, 100% District Governor Award, International President Award for Humanitarian Services and Seven International President's Appreciation Certificate among many others.

Shri Ladia has been associated with various other distinguished Associations and Organisations at Different level as the Chairman, President or Member. He has been associated with The Synthetic & Rayon Textile Export Promotion Council, Indian Spinners Association, Confederation of Indian Textile Industry, The Rajasthan Textile Mills Association, Board of Textile Committee, Federation of Indian Export Organization, All India Management Association, Textile Association (India), Central Excise Advisory Committee, Mission on Livelihood (MOU), constituted by Govt. of Rajasthan, The Institution of Engineers (India), Advisory Board of P.J. Foundation, Board of Governors, Sangam University, Bhilwara, Lions Club, Udaipur, District Governor (1990-91) of District 323 E2, Lions Clubs International, among many others.

Shri Ladia is presently associated with the following other Companies as a Director.

Sl.	Name of the Company	Position
1	Shree Rajasthan Syntex Ltd.	Managing Director
2	Shree Shyam Industries Pvt. Ltd.	Director
3	Swan Industries Ltd.	Director

4	V K Texchem Pvt. Ltd.	Director
5	The Synthetic and Rayon Textiles Exports Promotion Council	Director
6	Divine Fibres Pvt. Ltd.	Director
7	SRSL Securities Ltd.	Director
8	Shree Shyam Distributors and Marketing Pvt. Ltd.	Director

Shri Ladia is not a Member of any Committee.

Shri Ladia does not hold any equity Shares in the Company.

In the opinion of the Board, the Independent Director proposed to be appointed fulfils the conditions specified in the Companies Act, 2013 and the rules made thereunder and the proposed Director is Independent of the management.

Except, Shri Vinod Kumar Ladia, no other Director, Managers, Key Managerial Personnel and their respective relatives are interested, either financially or otherwise, in passing of the above Resolution.

ITEM NO. 7

Shri Subrata Kumar Mitra, was appointed as an Additional Director on the Board of Directors of the Company w.e.f. 9th November, 2013. As per the provisions of Section 161 of the Companies Act, 2013 (Section 260 of the Companies Act, 1956), Shri Mitra shall hold office up to the date of this Annual General Meeting of the Company. The Company has received valid notice and requisite deposit from a Member of the Company under Section 160 of the Companies Act, 2013 (Section 257 of the Companies Act, 1956), proposing the candidature of Shri Mitra for the office of Director. In view of the background and valuable experience of Shri Mitra, it will be in the interest of the Company that he continues as a Director of the Company.

Shri Mitra, aged 65 years, a M.Sc (Calcutta University-1970) and a MBA (USA – 1977).

Shri Mitra is currently on the Board of several reputed companies in diverse industries as an Independent Director. He has been actively associated with several International NGOs, Committees and Chambers in India. He has contributed articles in reputed Domestic and International Financial publications and has delivered talks in Domestic and International Forums.

Shri Mitra had been associated with Standard Chartered Bank and was instrumental in setting up the Merchant Banking Divisions of Bank of India in 1977 and then in 1978 for Standard Chartered Bank in Mumbai. In 1985 Shri Mitra joined American Express Bank and was the Head of Corporate Banking and Investment Banking in India. Shri Mitra was also instrumental in setting up the GIC Mutual Fund, sponsored by the Government owned General Insurance Corporation of India. In June 1994, he joined the Aditya Birla Group as Director, Financial Services and was responsible for setting up the highly

respected and successful financial services activities for the Group. The Group is one of the early multinational conglomerates from India with worldwide revenues exceeding US \$ 30 billion.

Shri Mitra is presently associated with the following other Companies as a Director.

Sl.	Name of the Company	Position
1	Qsk Advisory Pvt. Ltd.	Director
2	Reach Cargo Movers Pvt. Ltd.	Director
3	Mangal Keshav Securities Ltd.	Director
4	SKP Securities Ltd.	Director
5	Destimoney Securities Pvt. Ltd.	Director
6	LIC Nomura Mutual Fund AMC Limited	Director
7	Usha Martin Education & Solutions Limited	Director
8	Usha Breco Limited	Director

Shri Mitra is also a Member on the various Committees of the following other Companies:

Sl.	Name of the Company	Committee	Position
1	LIC Nomura Mutual Fund AMC Limited	Audit Committee	Member
2	LIC Nomura Mutual Fund AMC Limited	Executive Committee	Member
3	Reach Cargo Movers Pvt. Ltd.	Audit Committee	Chairman
4	Destimoney Securities Pvt. Ltd.	Audit Committee	Member

Shri Mitra does not hold any equity Shares in the Company.

In the opinion of the Board, the Independent Director proposed to be appointed fulfils the conditions specified in the Companies Act, 2013 and the rules made thereunder and the proposed Director is Independent of the management.

Except, Shri Subrata Kumar Mitra, no other Director, Managers, Key Managerial Personnel and their respective relatives are interested, either financially or otherwise, in passing of the above Resolution.

ITEM NO. 8

Mr. Basant Kumar K Khaitan was re-appointed as the Managing Director of the Company for a period of 5 years w.e.f. 01.04.2012 and remuneration fixed for a period of 3 years upto 31.03.2015. The Ministry of Corporate Affairs vide letter no. B35124791/2012-CL.VII dated 7th October, 2013 approved the Company to pay total remuneration of

Rs. 93,73,206 p.a. for F-Y 2012-13, Rs. 1,07,79,187 p.a. for the F-Y 2013-14 and Rs. 1,20,00,000 p.a. for the F-Y 2014-15 as minimum remuneration, being in excess of the limits specified in Part II of Schedule XIII of the Companies Act, 1956, to Mr. Basant Kumar Khaitan. The Remuneration

Committee at their meeting held on 17th May, 14 after taking into account financial position of the Company, trend, his qualification, experience, past performance, previous remuneration and also keeping in view the interest of the Company and the shareholders, recommended remuneration and other perquisites which was subsequently accepted by the Board of Directors subject to the approval of the shareholders by way of Special Resolution and Central Government as under:

Salary for the F-Y 2015-16: Rs. 1,44,00,000 per annum and Salary for the F-Y 2016-17: Rs.1,56,00,000 per annum.

Mr. Basant Kumar Khaitan will be entitled to the following which will not be treated as perquisites:

- Provision of car and telephone / communication media at residence for Company's business.
- Reimbursement of travelling and other expenses actually incurred for Company's business.
- Reimbursement of actual expenditure for enhancement of knowledge.

Mr. Basant Kumar Khaitan will also be entitled to the following perquisites which will not be included in the computation of ceiling on remuneration specified as above:

- Company's Contribution to Provident Fund, Superannuation Fund or Annuity Fund as per the Rules of the Company to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- Gratuity payable at a rate of half month's salary for every completed year of service as per the rules of the Company.
- Leave with full pay as per the Company's Rules including encashment of Leave at the end of the tenure.

Further, Mr. Basant Kumar Khaitan will also be entitled to certain retirement benefits after retirement/cessation of service as per rules of the Company.

Information pursuant to Section II(B) of Part II of Schedule V of the Companies Act, 2013 (Section II(C) of Part II of Schedule XIII of the Companies Act, 1956) relating to remuneration payable to Mr. Basant Kumar Khaitan, Chairman cum Managing Director:

I. GENERAL INFORMATION:

(1) Nature of Industry:

Manufacturing of products for paper industry (Technical Textile & Chemicals) and wind power generation.

(2) Date or expected date of commencement of commercial production:

Already in commercial production.

(3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:

N. A.

- (4) *Financial performance based on given indicators:*
The financial performance of the Company in brief is as under:

	(Rs. In lacs)		
	2011-2012	2012-2013	2013-2014
Turnover	8768.44	9075.98	10030.49
PBIDT	1919.10	1401.13	1408.23
PAT	506.38	161.66	299.23
Dividend (%)	18.00	18.00	18.00

- (5) *Export performance and Net foreign exchange earnings:*

	(Rs. In lacs)		
	2011-2012	2012-2013	2013-2014
Export Performance	2440.98	2440.49	2697.36
Net Foreign Exchange Earnings	668.78	183.79	(212.31)

- (6) *Foreign investments or collaborators, if any.*
There is no foreign investment. The Company has technical collaboration with M/s. Albany International Corp., U.S.A.

II. INFORMATION ABOUT THE APPOINTEE:

- (1) *Background details :*

Mr. Basant Kumar Khaitan joined the Company in the year 1972 and was first appointed as whole-time director designated as Managing Director in the year 1984. He was appointed as the Chairman of the Company in the Meeting of the Board of directors of the Company held on 9th August, 2012. He is a renowned industrialist. He is on the Board of several Companies.

- (2) *Past remuneration:*

The past remuneration of Mr. Basant Kumar Khaitan was governed by Resolution passed by the Shareholders at the Annual General Meeting held on 9th August, 2011 and approved by the Ministry of Corporate Affairs as minimum remuneration. The remuneration paid for the financial year ended 31st March, 2014 is as under :

Salary: Rs. 95,64,000, Benefits: Rs. 11,99,744, Total: Rs. 1,07,63,744

- (3) *Recognition or awards:*

N. A.

- (4) *Job profile and his suitability:*

Mr. Basant Kumar Khaitan is a Managing Director of the Company since 1984. He was appointed as the

chairman of the company in the year 2012. His vision and leadership made the Company an established player of the industry and has diversified successfully into various products. His continued guidance will help the Company in touching new scales of success.

- (5) *Remuneration proposed:*

The remuneration proposed to be paid to Mr. Basant Kumar Khaitan is stated earlier in this explanatory Statement.

- (6) *Comparative remuneration profile with respect to industry, size of the company, profile of the position and person:*

Taking into account these considerations and the responsibilities shouldered by him, the aforesaid remuneration is commensurate with the remuneration package paid to similar appointees in other companies.

- (7) *Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.*

Besides the remuneration proposed, Mr. Basant Kumar Khaitan has no other pecuniary relationship with the Company except that Mr. Basant Kumar Khaitan is related to Mr. Mahendra Kumar Khaitan who is Joint Managing Director of the Company and Mr. Madhur Krishna Khaitan is DCOO-PMC of the Company.

III. OTHER INFORMATION:

- (1) *Reasons of loss or inadequate profits:*

The Company is a profit making and dividend paying company. Only for the purpose of payment of Managerial Remuneration, the Company had inadequate profits, which was due to the nature of business environment it works in.

- (2) *Steps taken or proposed to be taken for improvement:*
Continued efforts on technology up-gradation, R & D activities as well as completion of modernization project will result into overall improvement in the coming years.

- (3) *Expected increase in productivity and profits in measurable terms:*

After the completion of Modernization project and the improvement in economic scenario, company expects increase in production. However profit will increase only on absorption of higher interest and depreciation in coming period.

IV. DISCLOSURES:

The remuneration package along with the corresponding details payable to Mr. Basant Kumar Khaitan has already been mentioned earlier. The Report on Corporate

Governance in the Annual Report indicates the remuneration paid to the managerial personnel as well as to all other Directors. There is no severance fee or stock option available to him. The respective tenure of Mr. Basant Kumar Khaitan is governed by the agreement.

This resolution is being proposed as a Special Resolution in view of the relevant provisions of Schedule V to the Companies Act, 2013 requiring a special resolution for payment of remuneration as minimum remuneration, which is exceeding the limits specified under the said schedule.

Your directors consider Mr. Basant Kumar Khaitan's experience and expertise of great value to the Company and commend the special resolution for approval.

Members are requested to treat the same as abstract of the terms of remuneration under Section 190 of the Companies Act, 2013 (Section 302 of the Companies Act, 1956).

Except Mr. Basant Kumar Khaitan, Mr. Mahendra Kumar Khaitan, Mr. Madhur Krishna Khaitan, no other Director, Managers, Key Managerial Personnel and their respective relatives are interested, either financially or otherwise, in passing of the above Resolution.

ITEM NO. 9

Mr. Kishan Kumar Khaitan was re-appointed as the Joint Managing Director of the Company for a period of 5 years w.e.f. 01.04.2012 and remuneration fixed for a period of 3 years upto 31.03.2015. The Ministry of Corporate Affairs vide letter no. B35143437/2012-CL.VII dated 17th October, 2013 approved the Company to pay total remuneration of Rs. 91,75,426 p.a. for F-Y 2012-13, Rs. 1,05,51,739 p.a. for the F-Y 2013-14 and Rs. 1,20,00,000 p.a. for the F-Y 2014-15 as minimum remuneration, being in excess of the limits specified in Part II of Schedule XIII of the Companies Act, 1956, to Mr. Kishan Kumar Khaitan. The Remuneration Committee at their meeting held on 27th June, 14 after taking into account financial position of the Company, trend, his qualification, experience, past performance, previous remuneration and also keeping in view the interest of the Company and the shareholders, recommended remuneration and other perquisites which was subsequently accepted by the Board of Directors subject to the approval of the shareholders by way of Special Resolution and Central Government as under:

Salary for the F-Y 2015-16: Rs. 1,44,00,000 per annum and Salary for the F-Y 2016-17: Rs. 1,56,00,000 per annum.

Mr. Kishan Kumar Khaitan will be entitled to the following which will not be treated as perquisites:

- Provision of car and telephone / communication media at residence for Company's business.
- Reimbursement of travelling and other expenses actually incurred for Company's business.

- Reimbursement of actual expenditure for enhancement of the knowledge.

Mr. Kishan Kumar Khaitan will also be entitled to the following perquisites which will not be included in the computation of ceiling on remuneration specified as above:

- Company's Contribution to Provident Fund, Superannuation Fund or Annuity Fund as per the Rules of the Company to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- Gratuity payable at a rate of half month's salary for every completed year of service as per the rules of the Company.
- Leave with full pay as per the Company's Rules including encashment of Leave at the end of the tenure.

Further, Mr. Kishan Kumar Khaitan will also be entitled to certain retirement benefits after retirement/cessation of service as per rules of the Company.

Information pursuant to Section II(B) of Part II of Schedule V of the Companies Act, 2013 (Section II(C) of Part II of Schedule XIII of the Companies Act, 1956) relating to remuneration payable to Mr. Kishan Kumar Khaitan, Managing Director:

I. GENERAL INFORMATION:

- Nature of Industry:

Manufacturing of products for paper industry (Technical Textile & Chemicals) and wind power generation.

- Date or expected date of commencement of commercial production:

Already in commercial production.

- In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: N. A.

- Financial performance based on given indicators:

The financial performance of the Company in brief is as under:

	(Rs. In lacs)		
	2011-2012	2012-2013	2013-2014
Turnover	8768.44	9075.98	10030.49
PBIDT	1919.10	1401.13	1408.23
PAT	506.38	161.66	299.23
Dividend (%)	18.00	18.00	18.00

- Export performance and Net foreign exchange earnings:

	(Rs. In lacs)		
	2011-2012	2012-2013	2013-2014
Export Performance	2440.98	2440.49	2697.36
Net Foreign Exchange Earnings	668.78	183.79	(212.31)