

Wires and Fabriks (S.A.) Limited

(CIN: L29265WB1957PLC023379)

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

www.wirefabrik.com, cs@wirefabrik.com, +91 33 4012-4012

Notice

Notice of the 59th Annual General Meeting – 2016

NOTICE is hereby given that the 59th Annual General Meeting of the Members of the Company will be held at Seminar Hall, Science City, JBS Halden Avenue, Kolkata - 700 046 on Tuesday, the 9th day of August, 2016 at 12.00 Noon to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 31st March, 2016 together with Directors' Report and Auditors' Report thereon.
2. To declare dividend on the equity shares for the year ended 31st March, 2016.
3. To appoint a Director in place of Mr. Devesh Khaitan (DIN 00820595), who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration.

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

"RESOLVED that pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Companies (Audit and Auditors) Rules, 2014, (the Rules), (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Messrs S. S. Kothari & Co., Chartered Accountants, (Firm Registration Nr. 302034E), who have offered themselves for re-appointment and have confirmed their eligibility to be appointed as Auditors, in terms of provisions of Section 141 of the Act, and Rule 4 of the Rules, be and are hereby re-appointed as Statutory Auditors of the Company for the financial year 2016-17, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as may be agreed upon by the Board of Directors and the Auditors, in addition to service tax and re-imburement of out of pocket expenses incurred by them in connection with the audit of Accounts of the Company."

Special Business:

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

Item Nr. 5

"RESOLVED that pursuant to the provisions of Section 196, 197, 203, Schedule V and other applicable provisions of the Companies Act, 2013, 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 for re-appointment of Mr. Kishan Kumar Khaitan (DIN 00514864) as the Chairman cum Managing Director of the Company for a further period of 5 (five) years with effect from 1st April, 2017 to 31st March, 2022 and payment of remuneration to Mr. Kishan Kumar Khaitan (DIN 00514864) for the period of 3 (three) years from 1st April, 2017 to 31st March, 2020 as set out in the Explanatory Statement to this Resolution and also contained in the draft agreement to be executed between the Company and Mr. Kishan Kumar Khaitan (DIN 00514864), 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. 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 for the period of 3 (three) years with effect from 1st April, 2017 to 31st March, 2020."

"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 Nr. 6

"RESOLVED that pursuant to the provisions of Section 196, 197, 203, Schedule V and other applicable provisions of the Companies Act, 2013, 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 for re-appointment of Mr. Mahendra Kumar Khaitan (DIN 00459612) as a Managing Director of the

Company for a further period of 5 (five) years with effect from 1st April, 2017 to 31st March, 2022 and payment of remuneration to Mr. Mahendra Kumar Khaitan (DIN 00459612) for the period of 3 (three) years from 1st April, 2017 to 31st March, 2020 as set out in the Explanatory Statement to this Resolution and also contained in the draft agreement to be executed between the Company and Mr. Mahendra Kumar Khaitan (DIN 00459612), 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. 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 for the period of 3 (three) years with effect from 1st April, 2017 to 31st March, 2020."

"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 Nr. 7

"RESOLVED that pursuant to the provisions of Section 196, 197, 203, Schedule V and other applicable provisions of the Companies Act, 2013, 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 for re-appointment of Mr. Devesh Khaitan (DIN 00820595) as an Executive Director of the Company for a further period of 5 (five) years with effect from 1st April, 2017 to 31st March, 2022 and payment of remuneration to Mr. Devesh Khaitan (DIN 00820595) for the period of 3 (three) years from 1st April, 2017 to 31st March, 2020 as set out in the Explanatory Statement to this Resolution and also contained in the draft 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 for the period of 3 (three) years with effect from 1st April, 2017 to 31st March, 2020."

"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."

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. A person can act as Proxy on behalf of Members not exceeding Fifty (50) and holding in the aggregate not more than 10% of the Total Share Capital of the Company carrying voting power. A member holding more than 10% 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.**
- 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. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 concerning the Special Business in the notice is annexed hereto and forms part of this Notice.
- D. The Register of Members and Share Transfer Books of the Company shall remain closed from **Tuesday, the 3rd day of August, 2016 to Tuesday the 9th day of August, 2016 (both days inclusive)**, for the purpose of payment of dividend for the financial year ended 31st March, 2016. 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 **2nd day of August, 2016** and in case of dematerialised shares to those Beneficiaries appearing at the close of **2nd day of August, 2016**, in the records of National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) as beneficial owners as on that date.

E. **Shareholders who have so far neither received nor encashed dividend warrants for any of the financial years ended 31st March, 2009 and thereafter, may claim or approach the Company for payment.** Pursuant to provisions of Section 205A of the Companies Act, 1956, as amended, dividend for the financial year 2008-2009 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 2007-2008 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.***

F. As required by Regulation 36(3) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the information relating to Directors who are proposed to be re-appointed are given in following order: Name of the Director, Age, Educational Qualification, Date of Appointment, Brief Profile and Area of Expertise, Other Directorships & Committee Memberships (in listed entities), relationship with other Directors and Shareholding.

Mr. Devesh Khaitan (DIN 00820595), aged 35 years, is a M.SC. (Finance & Management) from the University of Exter, U.K. He did PGDBEM from the EDII, Ahmedabad and B.Com (Hons.) from the St. Xavier's College, Kolkata. Mr. Khaitan joined the Company in the year 2009 and was first appointed as Business Executive then promoted as Deputy Chief Operating Officer - Chemicals in the year 2009 itself. He was continuing at that position since 17.03.2009. He was appointed and designated as the Executive Director of the Company since 27.06.2014. His leadership made the Company an established player of the industry and has diversified successfully into various products. He is responsible for policy implementation and management of various functions. He sets Company's strategic direction while overseeing all operations and management matters. During his tenure as Executive Director the Company has progressed well. Mr. Khaitan has rich experience in Paper Industry and varied experience in diversified fields. Mr. Devesh Khaitan does not hold Directorships or the Committee Memberships in any other listed entities. Mr. Khaitan is the son of Mr. Kishan Kumar Khaitan, Chairman cum Managing Director of the Company and holds 100 Equity Shares of the Company in his name.

G. 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 SH-13 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.

H. 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.

I. 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.

J. 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.

K. 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.

L. 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.

M. 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.

N. Members/proxies are requested to bring their Attendance Slips duly filled in along with their copy of Annual Report to the Meeting.

- O. Members holding physical shares in multiple folios' are requested to consolidate their holdings for overall convenience.
- P. 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/updation to the concerned Depository Participant, where the demat account is maintained.
- Q. 1. i. Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide to its members facility to exercise their right to vote on resolutions proposed to be passed in the Meeting by electronic means. The members may cast their votes using an electronic voting system from a place other than the venue of the Meeting ('remote e-voting').
- ii. The facility for voting through Ballot ('Insta Poll') shall be made available at the Meeting and the members attending the Meeting who have not cast their vote by remote e-voting shall be able to vote at the Meeting through 'Insta Poll'.
- iii. The members who have cast their vote by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote again. In case a member casts his vote by remote e-voting and ballot, then voting through remote e-voting shall prevail.
- iv. The Company has engaged the services of NSDL as the Agency to provide e-voting facility.
- v. The Board of Directors of the Company has appointed Mr. B. N. Khandelwal, Company Secretary (Membership No. A 1148), Practicing Company Secretaries as Scrutinizer to scrutinize the Insta Poll and remote e-voting process in a fair and transparent manner and he has communicated his willingness to be appointed and will be available for same purpose.
- vi. 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 remote 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 remote e-Voting: Active Voting Cycles.
 - vii. Select "EVEN" of Wires & Fabriks (S.A.) Limited.
 - viii. Now you are ready for remote 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 (Remote 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.
2. 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 or call on Toll Free No. : 1800 222 990
3. 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.
4. 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).
5. The remote e-voting period commences on 6th August, 2016 (9:00 am) and ends on 8th August, 2016 (5:00 pm). During this period, shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 2nd August, 2016, 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.
6. Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forget your password, you can reset your password by using "Forgot User Details / Password" option available on www.evoting.nsdl.com or call on Toll Free No. : 1800 222 990
7. 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 of 2nd August, 2016.
A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-Voting, as well as voting at the meeting through ballot.
8. The Scrutinizer, after scrutinising the votes cast at the meeting (Insta Poll) and through remote e-voting, will, not later than two days of conclusion of the Meeting, make a consolidated scrutinizer's report and submit the same to the Chairman.
9. The results declared along with the Consolidated Scrutinizer's Report shall be placed on the website of the Company www.wirefabrik.com and on the website of NSDL [https:// evoting.nsdl.com](https://evoting.nsdl.com). The results shall simultaneously be communicated to the Stock Exchanges. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting, i.e. August 9, 2016.

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

**(AMIT DHANUKA)
Company Secretary**

Jaipur
Dated, the 25th day of May, 2016

ANNEXURE TO NOTICE

Explanatory Statement Pursuant to Section 102 of the Companies Act, 2013

ITEM NO. 5

The present term of office of Mr. Kishan Kumar Khaitan as a Chairman cum Managing Director of the Company will expire on 31st March, 2017. The Board of Directors, upon the recommendations of the Nomination and Remuneration Committee, at their meeting held on 25th May, 2016 has subject to the approval of the Shareholders in the General Meeting and approval of the Central Government, if applicable re-appointed Mr. Kishan Kumar Khaitan as a Chairman cum Managing Director of the Company for a further period of 5 (five) years with effect from 1st April, 2017, on terms and conditions as to the re-appointment and payment of remuneration for a period of 3 (three) years as mentioned below and more particularly mentioned in the draft agreement to be entered into between the Company and Mr. Kishan Kumar Khaitan. The Nomination and Remuneration Committee of the Company at their Meeting held on 25th May, 2016 approved the terms and conditions of payment of remuneration to Mr. Kishan Kumar Khaitan after taking into account the financial position of the Company, trend, his 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, if applicable as under:

Salary for the F-Y 2017-18: Rs. 1,92,00,000 per annum, Salary for the F-Y 2018-19: Rs.2,40,00,000 per annum and Salary for the F-Y 2019-20: Rs. 2,88,00,000 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.

- Insurance (Medical, Personal Accident, Liability, Life, etc.) Premium for self and family.

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 relating to remuneration payable to Mr. Kishan Kumar Khaitan, Chairman cum 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)		
Particulars	2013-2014	2014-2015	2015-2016
Turnover	10,030.49	10,779.40	10,803.29
PBIDT	1,408.23	1,400.46	1,323.25
PAT	299.23	378.59	141.64
Dividend (%)	18.00	18.00	18.00

- Export performance and Net foreign exchange earnings:**

	(Rs. In lacs)		
Particulars	2013-2014	2014-2015	2015-2016
Export Performance	2,697.36	2,360.28	2,329.38
Net Foreign Exchange Earnings	(212.31)	(585.56)	(2,723.38)

- 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. Kishan Kumar Khaitan joined the Company in the year 1978 and was first appointed as whole-time director designated as Jt. Managing Director since 01.10.1984. He was elevated and re-designated as the Managing Director of the Company since 27.06.2014. He was appointed as the Chairman of the Board w.e.f. 31st October, 2015. He is a renowned industrialist. He is on the Board of several companies. Mr. Kishan Kumar Khaitan has rich experience in Paper Industry and varied experience in diversified fields.

(2) Past remuneration:

The past remuneration of Mr. Kishan Kumar Khaitan was governed by Resolution passed by the Shareholders at the Annual General Meeting held on 13th August, 2014 and approved by the Ministry of Corporate Affairs as minimum remuneration. The remuneration payable for the financial year ending 31st March, 2017 is Rs. 1,56,00,000

(3) Recognition or awards:

N. A.

(4) Job profile and his suitability:

His leadership made the Company an established player of the industry and has diversified successfully into various products. He is responsible for growth plans and corporate strategy. He sets company's strategic direction while overseeing all operations and management matters. During his tenure as Managing Director the Company has progressed well. His continued guidance will help the Company in touching new scales of success.

(5) Remuneration proposed:

The remuneration proposed to be paid to Mr. Kishan 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. Kishan Kumar Khaitan has no other pecuniary relationship with the Company except that Mr. Kishan Kumar

Khaitan is related to Mr. Devesh Khaitan who is the Executive Director 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 and expansion projects will result into overall improvement in the coming years.

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

After the completion of modernization and expansion projects and the improvement in economic scenario, company expects improved performance in the coming years.

IV. DISCLOSURES:

The remuneration package along with the corresponding details payable to Mr. Kishan 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. Kishan 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. Kishan Kumar Khaitan's experience and expertise of great value to the Company and recommend 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.

Except Mr. Kishan Kumar Khaitan and Devesh 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. 6

The present term of office of Mr. Mahendra Kumar Khaitan as a Managing Director of the Company will expire on 31st March, 2017. The Board of Directors, upon the recommendations of

the Nomination and Remuneration Committee, at their meeting held on 25th May, 2016 has subject to the approval of the Shareholders in the General Meeting and approval of the Central Government, if applicable re-appointed Mr. Mahendra Kumar Khaitan as a Managing Director of the Company for a further period of 5 (five) years with effect from 1st April, 2017, on terms and conditions as to the re-appointment and payment of remuneration for a period of 3 (three) years as mentioned below and more particularly mentioned in the draft agreement to be entered into between the Company and Mr. Mahendra Kumar Khaitan. The Nomination and Remuneration Committee of the Company at their Meeting held on 25th May, 2016 approved the terms and conditions of payment of remuneration to Mr. Mahendra Kumar Khaitan after taking into account the financial position of the Company, trend, his 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, if applicable as under:

Salary for the F-Y 2017-18: Rs. 1,92,00,000 per annum, Salary for the F-Y 2018-19: Rs.2,40,00,000 per annum and Salary for the F-Y 2019-20: Rs. 2,88,00,000 per annum.

Mr. Mahendra 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. Mahendra 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.
- Insurance (Medical, Personal Accident, Liability, Life, etc.) Premium for self and family.

Further, Mr. Mahendra 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 relating to remuneration payable to Mr. Mahendra 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)		
Particulars	2013-2014	2014-2015	2015-2016
Turnover	10,030.49	10,779.40	10,803.29
PBIDT	1,408.23	1,400.46	1,323.25
PAT	299.23	378.59	141.64
Dividend (%)	18.00	18.00	18.00

- Export performance and Net foreign exchange earnings:**

	(Rs. In lacs)		
Particulars	2013-2014	2014-2015	2015-2016
Export Performance	2,697.36	2,360.28	2,329.38
Net Foreign Exchange Earnings	(212.31)	(585.56)	(2,723.38)

- 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:

- Background details:**
Mr. Mahendra Kumar Khaitan joined the Company in the year 1989 and was first appointed as whole-time director designated as Executive Director in the year 1989. He was elevated and re-designated as the Jt. Managing Director of the Company on 27.06.2014. He was appointed as the Managing director of the Company w.e.f. 25.05.2016. He is a renowned industrialist. He is on the Board of several companies. Mr. Mahendra Kumar Khaitan has rich experience in Paper Industry and varied experience in diversified fields.

(2) Past remuneration:

The past remuneration of Mr. Mahendra Kumar Khaitan was governed by Resolution passed by the Shareholders at the Annual General Meeting held on 13th August, 2014 and approved by the Ministry of Corporate Affairs as minimum remuneration. The remuneration payable for the financial year ending 31st March, 2017 is Rs. 1,56,00,000.

(3) Recognition or awards:

N. A.

(4) Job profile and his suitability:

His leadership made the Company an established player of the industry and has diversified successfully into various products. He is responsible for day to day activities of the Company and policy decisions. He sets company's strategic direction while overseeing all operations and management matters. During his tenure as Managing Director the Company has progressed well. His continued guidance will help the Company in touching new scales of success.

(5) Remuneration proposed:

The remuneration proposed to be paid to Mr. Mahendra 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. Mahendra Kumar Khaitan has no other pecuniary relationship with the Company except that Ms. Mahendra Kumar Khaitan is related to Ms. Pranika Khaitan Rawat who is a Non-Executive, Non- Independent Director 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 and expansion projects will result into overall improvement in the coming years.

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

After the completion of modernization and expansion projects and the improvement in economic scenario, company expects improved performance in the coming years.

IV. DISCLOSURES:

The remuneration package along with the corresponding details payable to Mr. Mahendra 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. Mahendra 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. Mahendra Kumar Khaitan's experience and expertise of great value to the Company and recommend 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.

Except Mr. Mahendra Kumar Khaitan and Ms. Pranika 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. 7

The present term of office of Mr. Devesh Khaitan as an Executive Director of the Company will expire on 31st March, 2017. The Board of Directors, upon the recommendations of the Nomination and Remuneration Committee, at their meeting held on 25th May, 2016 has subject to the approval of the Shareholders in the General Meeting and approval of the Central Government, if applicable re-appointed Mr. Devesh Khaitan as an Executive Director of the Company for a further period of 5 (five) years with effect from 1st April, 2017, on terms and conditions as to the re-appointment and payment of remuneration for a period of 3 (three) years as mentioned below and more particularly mentioned in the draft agreement to be

entered into between the Company and Mr. Devesh Khaitan. The Nomination and Remuneration Committee of the Company at their Meeting held on 25th May, 2016 approved the terms and conditions of payment of remuneration to Mr. Devesh Khaitan after taking into account the financial position of the Company, trend, his 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, if applicable as under:

Salary for the F-Y 2017-18: Rs. 1,68,00,000 per annum, Salary for the F-Y 2018-19: Rs.2,16,00,000 per annum and Salary for the F-Y 2019-20: Rs. 2,64,00,000 per annum.

Mr. Devesh 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. Devesh 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.
- Insurance (Medical, Personal Accident, Liability, Life, etc.) Premium for self and family.

Further, Mr. Devesh 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 relating to remuneration payable to Mr. Devesh Khaitan, Executive 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)		
Particulars	2013-2014	2014-2015	2015-2016
Turnover	10,030.49	10,779.40	10,803.29
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- Export performance and Net foreign exchange earnings:

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Export Performance	2,697.36	2,360.28	2,329.38
Net Foreign Exchange Earnings	(212.31)	(585.56)	(2,723.38)

- 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:

- Background details:

Mr. Devesh Khaitan joined the Company in the year 2009 and was first appointed as Business Executive then promoted as Deputy Chief Operating Officer - Chemicals in the year 2009 itself. He was continuing at that position since 17.03.2009. He was appointed and designated as the Executive Director of the Company since 27.06.2014. He is a renowned industrialist. He is on the Board of several companies. Mr. Devesh Khaitan has rich experience in Paper Industry and varied experience in diversified fields.

- Past remuneration:

The past remuneration of Mr. Devesh Khaitan was governed by Resolution passed by the Shareholders at the Annual General Meeting held on 13th August, 2014 and approved by the Ministry of Corporate Affairs as minimum remuneration. The remuneration payable for the financial year ending 31st March, 2017 is Rs. 1,07,47,500.