

**45th  
ANNUAL REPORT  
2016-2017**



***perfectpac limited***



***perfectpac limited***

## BOARD OF DIRECTORS

R.K. Rajgarhia	Chairman
S.L. Keswani	
Harpal Singh Chawla	
Ruchi Vij	
Sanjay Rajgarhia	Managing Director

**COMPANY SECRETARY**

Preeti

## STATUTORY AUDITORS

Jagdish Sapra & Co. LLP  
Chartered Accountants

**REGISTERED OFFICE**

910, Chiranjiv Tower,  
43, Nehru Place,  
New Delhi - 110 019

**SHARES LISTED AT**

BSE Limited &amp; Calcutta Stock Exchange Limited

**REGISTRAR & SHARE TRANSFER  
AGENT**

M/s Skyline Financial Services Pvt. Limited  
D-153A, 1st Floor  
Okhla Industrial Area, Phase-1  
New Delhi - 110 020  
Telephone: 011-64732681 to 88,  
Fax: 011-26812683,  
E-mail: [admin@skylinerta.com](mailto:admin@skylinerta.com)

## WORKS

Plot No. 1B/1C, Udyog Vihar, Greater Noida - 201 306

**WEBSITE**

[www.perfectpac.com](http://www.perfectpac.com)

## BANKERS

Canara Bank

**NOTICE TO MEMBERS:**

NOTICE is hereby given that the **45<sup>th</sup>** Annual General Meeting of the Members of **PERFECTPAC LIMITED** will be held on **Monday the 18<sup>th</sup> day of September, 2017 at 11.30 A.M., at The Executive Club, Dolly Farms & Resorts Pvt. Ltd., 439, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi - 110074** to transact the following business:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31st March 2017, including the Audited Balance Sheet as at 31st March, 2017 and the statement of Profit and Loss and Cash Flow Statement for the year ended on that date and the Reports of the Board and Auditors thereon.
2. To appoint a Director in place of Shri R K Rajgarhia (DIN 00141766), who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint M/s. VSSA & Associates, Chartered Accountants (Firm Registration No:012421N), as Statutory Auditors of the Company in place of retiring Statutory Auditors and to fix their remuneration and in this connection to pass with or without modification, the following resolution as an **ORDINARY RESOLUTION**.

**"RESOLVED THAT** pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. VSSA & Associates, Chartered Accountants (Firm Registration No:012421N) be and is hereby appointed as Statutory Auditors of the Company in place of M/s. Jagdish Sapra & Co., Chartered Accountants (Firm Registration No. 001378N), the retiring Statutory Auditors, to hold office from the conclusion of this Annual General Meeting until the conclusion of the 50th Annual General Meeting of the Company, at such remuneration and terms and conditions as may be decided by the Board of Directors of the Company".

**SPECIAL BUSINESS**

4. Payment of Remuneration to Shri Sanjay Rajgarhia (DIN:00154167) as Managing Director of the Company and in this regard to consider and, if thought fit, to pass the following Resolution as **SPECIAL RESOLUTION**:

**"RESOLVED THAT** pursuant to the provisions of Sections 197 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") (including any statutory modification or re-enactment thereof for the time being in force) read with Schedule V of the Act and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Articles of Association of the Company and subject to such approvals, permissions and sanctions, as may be required, consent of the Company be and is hereby accorded to the payment of remuneration to Shri Sanjay Rajgarhia (DIN:00154167) as Managing Director of the company for the period of three years w.ef. 1st July, 2017, on the revised terms and conditions of remuneration as set out in the explanatory statement, which is hereby specifically approved at the liberty to the Board of Directors (including committee thereof) to alter and vary the terms and conditions of the said remuneration, as may be agreed to between the company and the Managing Director and subject to necessary approvals as may be required under relevant provisions of the Act."

**"RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, things and execute all such documents, instruments, writings as, in its absolute discretion, it may be considered necessary, expedient or desirable, including power to sub-delegate, in order to give effect to the foregoing resolution or otherwise as considered by the Board to be in the best interest of the Company as it may deem fit."

5. Renewal of borrowing limit of the Company under Section 180 (1) (c) of the Companies Act, 2013 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **SPECIAL RESOLUTION**:-

**"RESOLVED THAT** pursuant to Section 180 (1) (c) of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 and in supersession of all the resolution passed by the Shareholders of the Company in this regard, consent of the Company be and is hereby accorded to the Board of Directors of the Company to borrow from time to time, for the purpose of the Company's business, such sum or sums of money, as they in their absolute discretion think fit, notwithstanding that the monies so borrowed together with the monies already borrowed by the Company and remaining outstanding shall be in excess of the aggregate of the paid-up share capital and free reserves, but not exceeding Rs.20 Crore /- (Rupees Twenty Crore only)."



CIN No.: L72100DL1972PLC005971

6. Renewal of Creation of charge / mortgage etc. on Company's movable or immovable properties in terms of Section 180(1)(a) of the Companies Act, 2013 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **SPECIAL RESOLUTION**:-

**"RESOLVED THAT** pursuant to Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 and in supersession of all the resolution passed by the Shareholders of the Company in this regard, consent of the Company be and is hereby accorded to the Board of Directors of the Company to pledge, mortgage and/or charge by the Board of Directors and/or Committee of Directors of the Company, by way of charge on all the immovable and movable properties of the Company in favour of the Banks, Financial Institutions, any other lenders or debenture trustees to secure the amount borrowed by the Company or any third party from time to time for the due payment of the Principal together with interest, charges, costs, expenses and all other monies payable by the Company provided that the maximum extent of the indebtedness secured by the properties of the Company does not exceed Rs.20 Crore/- (Rupees Twenty Crore only) at any time."

**"RESOLVED FURTHER THAT** Shri R K Rajgarhia, Chairman and/or Sanjay Rajgarhia, Managing Director of the Company be and are hereby severally and/or individually authorised to finalise with Banks/Financial Institutions the documents for creating aforesaid mortgage and/or the charge and to do all such acts and things as may be necessary for giving effect to the above resolution."

By order of the Board

**Registered Office:**

910, Chiranjiv Tower,  
43-Nehru Place, New Delhi-110019

Place : New Delhi

Dated : July 29, 2017

**PREETI**  
**Company Secretary**  
**Membership No. 42842**

**NOTES :**

1. The relevant Explanatory Statement pursuant to section 102 (1) of the Companies Act, 2013, in respect of Special Business for Item No. 4 to 6 is annexed hereto and forms part of this notice.
2. A statement giving the relevant details of the Director seeking re-appointment under Item No. 2 of the accompanying Notice, as required by Regulation 36 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 is annexed herewith.
3. **A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member. Proxies in order to be effective must be received by the company not later than forty eight (48) hours before the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions / authority, as applicable.**  
**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. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.**
4. Relevant documents referred to in the accompanying Notice and in the Explanatory Statements are open for inspection by the Members at the Company's Registered Office on all working days of the Company, during business hours upto the date of the Meeting.
5. Members seeking any information with regard to the Accounts are requested to write to the Company at an early date, so as to enable the Management to keep the information ready at the meeting.
6. Members holding shares in physical form are requested to convert their holding to dematerialized form to eliminate all risk associated with physical shares. Members can contact the RTA for assistance in this regard.
7. The Register of Directors and Key Managerial Personnel and their shareholdings, register of proxies, register of contacts or arrangements in which Directors are interested, will be available for inspection at the Meeting.
8. The Securities Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in demat form are, therefore requested to submit the PAN to their Depository Participant with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company's Registrar and Transfer Agent.

9. Pursuant to the provisions of Section 72 of the Act read with the Rules made thereunder, Members holding shares in single name may avail the facility of nomination in respect of shares held by them. Members holding shares in physical form may avail this facility by sending a nomination in the prescribed Form No. SH-13 (enclosed with this Annual Report) duly filled to the Registrar and Transfer Agents, M/s. Skyline Financial Services Private Limited. Members holding shares in electronic form may contact their respective Depository Participant(s) for availing this facility.
10. 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 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 send their e-mail address to the following:
- a) **admin@skylinerta.com**  
b) **complianceofficer@perfectpac.com**

The Notice of the AGM along with the Annual Report 2016-17 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. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode. The Annual Report will also be made available on the Company's website at [www.perfectpac.com](http://www.perfectpac.com).

11. In accordance with the provision of section 108 of the Companies Act, 2013 read with Companies (Management & Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, the shareholders may exercise their option to participate through electronic voting system and the company is providing the facility for voting by electronic means (e-voting) to all its members. The company has engaged the services of National Securities Depository Limited (NSDL) to provide remote e-voting facilities and enabling the members to cast their vote in a secured manner. It may be noted that this remote e-voting facility is optional. This facility will be available at the link [www.evoting.nsdl.com](http://www.evoting.nsdl.com) during the following voting period:

Commencement of remote e-voting	:	From 9.00 A.M. on <b>September 15, 2017 (Friday)</b>
End of remote e-voting	:	Upto 5.00 P.M. on <b>September 17, 2017 (Sunday)</b>

E-voting shall not be allowed beyond 5.00 P.M., on **September 17, 2017 (Sunday)**. During the E-voting period, the shareholders of the company, holding shares either in physical form or dematerialized form, as on the closing of business hours of the cutoff date, may cast their vote electronically. The cut-off date for eligibility for e-voting is **September 11, 2017 (Monday)**.

A person who is not a member as on cut-off date should treat this notice for information purpose only. The e-voting rights of the shareholders shall be in proportionate to their shares of the paid up equity share capital of the Company as the cut off date September 11, 2017

A member can opt for only one mode i.e. through remote e-voting or voting at Annual General Meeting. If a member casts votes by both modes, then voting done through remote e-voting shall prevail and the voting at Annual General Meeting shall be treated as invalid.

A facility for voting by Poll or otherwise will also be made available to the Members attending the Meeting and who have not already cast their votes by remote e-voting prior to the Meeting. Members who have cast their votes by remote e-voting prior to the Meeting may attend the Meeting but shall not be entitled to cast their votes at the meeting.

Contact details of concerned person for e-voting:

**Preeti**  
**Company Secretary & Compliance Officer**  
**Ph. No. 011-26441015**

The login ID and password for remote e-voting are being sent to the members, who have not registered their e-mail IDs with the company, along with physical copy of the notice. Those members who have registered their e-mail IDs with the company / their respective Depository Participants are being forwarded the login ID and password for e-voting by e-mail.



CIN No.: L72100DL1972PLC005971

**The process and manner for remote 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; "Perfectpac Limited 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 remote 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 remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
  - (vii) Select "EVEN" of "Perfectpac 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 [info@csrms.com](mailto:info@csrms.com) with a copy marked to [evoting@nsdl.co.in](mailto: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 in the e-voting instructions 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.
- iii. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990.
- iv. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- v. 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).

The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of **September 11, 2017**.

- 12. The register of members and share transfer books of the Company will remain closed from **September 11, 2017 (Monday) to September 18, 2017 (Monday) both days inclusive**.
- 13. The company has engaged the services of National Securities Depository Limited as the Agency to provide e-voting facilities. Instruction for remote e-voting is annexed with the Notice of AGM.
- 14. Any person, who becomes a member of the Company after dispatch of the Notice of the meeting and holding shares as on the cut-off date i.e. September 11, 2017 (Monday), may obtain the User ID and password from our RTA:

**M/s Skyline Financial Services Private Limited**

D-153 A, First Floor, Okhla Industrial Area,  
Phase-I, New Delhi-110020

Telephone: 011-64732681-88,

Fax: 011-26812682

Email: [admin@skylinerta.com](mailto:admin@skylinerta.com)

15. Shri Ravi Sharma (FCS 4468), Practicing Company Secretary, CP No. 3666, has been appointed as 'scrutinizer' for conducting and scrutinizing the e-voting process in a fair and transparent manner.
- (a) **"Voting by electronic means"** or **"electronic voting system"** means a 'secured system' based process of display of electronic ballots, recording of votes of the members and the number of votes polled in favour or against, such that the entire voting exercise by way of electronic means gets registered and counted in an electronic registry in the centralized server with adequate 'cyber security'.
- (b) **"Remote e-voting"** means the facility of casting vote by a member using an electronic voting system from a place other than venue of a General Meeting; It also helps the shareholders to cast their vote from anywhere and at any time during E-voting period.
- (c) The facility for voting through ballot paper shall also be available at the AGM and the members attending the meeting shall be able to exercise their right to vote at the meeting through ballot paper in case they have not casted their vote by remote e-voting.
16. **Voting Results**
- The Scrutinizer shall immediately after the conclusion of voting at the Meeting will first count the votes cast at the meeting and thereafter, unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than two days of the conclusion of the Meeting, a consolidated Scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman of the General Meeting, who shall countersign the same and declare the result of the voting forthwith.
- Once declared, the results along with the consolidated Scrutinizer's report shall be placed on the Company's website [www.perfectpac.com](http://www.perfectpac.com) and on the website of NSDL i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com). The Company shall also forward the results to BSE Limited and Calcutta Stock Exchange Limited, where the shares of the Company are listed. Subject to the receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting i.e. 18<sup>th</sup> September, 2017.
17. The route map showing directions to reach the venue of the 45<sup>th</sup> AGM is annexed.

**ANNEXURE TO ITEM NO. 2, OF THE NOTICE**

Details of Director seeking re-appointment at the forthcoming Annual General Meeting  
[in pursuance of Regulation 36 of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 and Secretarial Standard 2]

Particulars	Item No. 2
<b>Name of the Director</b>	Shri R K Rajgarhia
<b>Director Identification Number (DIN)</b>	00141766
<b>Date of Birth</b>	14/08/1938
<b>Age</b>	78 Years
<b>Nationality</b>	Indian
<b>Date of Appointment on Board</b>	1 <sup>st</sup> April, 1973
<b>Qualification</b>	Graduate
<b>Experience</b>	56 Years
<b>Nature of his expertise in specific functional areas</b>	Investment decision, financing activities, strategic planning in capital budgeting and overall decision.
<b>Shareholding in Perfectpac Limited</b>	Nil
<b>Directorships held in other listed companies</b>	APM Industries Limited
<b>List of Directorships held in other Companies</b>	Rajgarhia Leasing and Financial Services Pvt. Ltd.
<b>Memberships / Chairmanships of Committees in Perfectpac Limited</b>	Nil
<b>Memberships / Chairmanships of Committees in other Public Companies</b>	1. Chairman of Corporate Social Responsibility Committee, APM Industries Limited 2. Member in Nomination and Remuneration Committee, APM Industries Limited
<b>Relationship with other directors</b>	Related to Shri Sanjay Rajgarhia, Managing Director
<b>Number of Meetings of the Board attended during the year</b>	Refer to Corporate Governance Report
<b>Remuneration last drawn</b>	Refer to Corporate Governance Report



CIN No.: L72100DL1972PLC005971

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

The following Explanatory Statements, as required under Section 102 (1) of the Companies Act, 2013, set out all material facts relating to the business under Item No. 4 to 6 of the accompanying Notice.

## **ITEM NO. 4**

In the Board Meeting held on July 29, 2017, the Board has, on the recommendation of Nomination and Remuneration Committee, approved remuneration of Shri Sanjay Rajgarhia, Managing Director of the Company for a period of 3 (Three) years from July 1, 2017 to June 30, 2020, under the provisions of Sections 197 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory amendment(s) or modification(s) or re-enactment(s) thereof, for the time being in force), read with Schedule V to the Companies Act, 2013.

The Effective Capital of the Company as per the last audited Balance Sheet as on 31st March, 2017 is Rs. 17.98 Crores and accordingly, Shri Sanjay Rajgarhia, Managing Director is eligible for a minimum remuneration of Rs. 84.00 Lakh per annum, which can be doubled by passing special resolution by the members of the company. However, in view of the current financial position of the Company, it is proposed to pay remuneration as given below. The Board/ Nomination and Remuneration Committee is entitled to revise the salary, allowances and perquisites payable to Shri Sanjay Rajgarhia at any time, such that the overall remuneration payable shall not exceed the limits specified in Schedule V to the Act and as approved by the members.

Therefore, approval of the Members is accordingly sought for the payment of remuneration to Shri Sanjay Rajgarhia, Managing Director for a period of 3 (three) years, as set out in Item no. 4 of the accompanying Notice.

## **STATEMENT OF PARTICULARS (PURSUANT TO SCHEDULE-V OF THE COMPANIES ACT, 2013) Remuneration of Managing Director**

### **I. GENERAL INFORMATION**

S.No.	Particulars/Subject	Information
1.	Nature of Industry	Packaging Industry.
2.	Date or Expected date of commencement of commercial production.	Business commenced In the year 1972
3.	In case of new companies, expected date of commencement of activities as per Project approved by financial institutions appearing in the prospects.	Not applicable
4.	Financial performance based on given indicators	Financial Year 2016-17 Total Revenue : Rs 7412.64 Lacs Profit before Tax : Rs 295.76 Lacs Profit after Tax : Rs 191.61 Lacs
5.	Foreign Investments or collaborations, if any.	The Company has not made any foreign investments and neither entered into any foreign collaborations.

### **II. INFORMATION ABOUT THE APPOINTEE**

S.No.	Information													
1.	Background details	Shri Sanjay Rajgarhia, aged 54 years is a successful industrialist having over 29 years of experience in the field of paper and packaging industry. He has been associated with the Company for the last 28 years in different capacities and has been the Managing Director for the last 23 years.												
2.	Past Remunerations	<div>The remuneration drawn during the past two years is as follows:</div> <table><tr><th>Financial Year</th><th>Basic Salary (in Rs)</th><th>Perquisite &amp; Allowances (in Rs)</th><th>Total Salary (in Rs)</th></tr><tr><td>2015-16</td><td>19,50,000</td><td>15,99,829</td><td>35,49,829</td></tr><tr><td>2016-17</td><td>21,00,000</td><td>17,44,414</td><td>38,44,414</td></tr></table>	Financial Year	Basic Salary (in Rs)	Perquisite & Allowances (in Rs)	Total Salary (in Rs)	2015-16	19,50,000	15,99,829	35,49,829	2016-17	21,00,000	17,44,414	38,44,414
Financial Year	Basic Salary (in Rs)	Perquisite & Allowances (in Rs)	Total Salary (in Rs)											
2015-16	19,50,000	15,99,829	35,49,829											
2016-17	21,00,000	17,44,414	38,44,414											



S.No.	Information	
3.	Recognition or awards	–
4.	Job Profile and his suitability	<p>Shri Sanjay Rajgarhia is the Managing Director of the Company and is looking after all the overall activities of the Company and management and the Company has been seeing steady growth during his tenure.</p> <p>Shri Sanjay Rajgarhia is looking after all day to day activities of the Company. Despite of the difficult economic situation in the country, the Company has seen growth in the Financial Year 2016-17 due to his untiring and continuous efforts. The company is able to achieve the net profit of Rs 191.61 Lakh in the year 2016-17 as compared to Rs 62.18 Lakh in the previous year 2015-16.</p>
5.	Remunerations proposed	<p><b>a) Basic Salary</b> Rs.3,00,000 (Rupees Three Lacs only) per month with such increase as may be decided by the Board of Directors (which includes any Committee thereof ) from time to time, but subject to maximum salary of Rs 4,00,000 (Rupees Four Lacs only) per month.</p> <p><b>b) Perquisites and Allowances</b> In addition to salary, the following perquisites / allowances shall be allowed to the Managing Director:</p> <p>i) <b>Housing</b> The Company shall pay house rent allowance at the rate of 60% of the Basic Salary. The Company shall provide equipment and appliances, furniture, fixtures and furnishing at the residence of the Managing Director at the entire cost of the Company. The Company shall reimburse the expenses of maintenance, electricity, servants etc.</p> <p>ii) <b>Leave Travel Concession</b> The Company shall provide leave travel fare for the Managing Director and his family once in a year</p> <p>iii) <b>Other Allowances</b> The Company shall pay other allowances as per the Company's policy.</p> <p>iv) <b>Personal Accident Insurance</b> The Company shall pay / reimburse Personal Accident Insurance Premium upto Rs 4,000 for the Managing Director</p> <p>v) <b>Club Fees</b> The Company shall reimburse annual fees for a maximum of 2 clubs</p> <p>vi) <b>Medical Reimbursement</b> Medical Expenses of one month of basic Salary for self and family</p> <p>vii) The Company shall contribute towards Provident Fund/ Superannuation Fund/ Annuity Fund provided that such contributions either singly or put together shall not exceed the tax free limit prescribed under the Income-tax Act.</p> <p>viii) The Company shall pay Gratuity as per rules of the Company.</p> <p>ix) The Company shall provide car(s) with driver at the entire cost of the Company for use on Company's business and the same will not be considered as perquisites.</p> <p>x) The Company shall provide telephone, internet and other communication facilities at the residence for self and family at the entire cost of the Company.</p>

S.No.	Information	
6.	Comparative remuneration profile with respect to industry, size of the company, profile of the position & person	The proposed remuneration is the minimum remuneration as per Schedule V of the Companies Act, 2013 which is comparable with the Companies of the same size and profitability.
7.	Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel, if any.	There is no pecuniary relationship of Shri Sanjay Rajgarhia with the Company or with any managerial personnel except as detailed in the Note no. 34 of Notes to Accounts.

**III. OTHER INFORMATION**

S.No.	Information	
1.	Reasons for loss or inadequate profits	The company has earned profits, but the profits are in-adequate as per section 197 of the Companies Act, 2013, to cover up the remuneration / payable to the Managing Director of the Company. There is no specific reason for inadequate profits. His Remuneration has been fixed under schedule within the limit specify therein.
2.	Steps taken or proposed improvement.	The Company is taking continuous steps for improvement.
3.	Expected increase in productivity and profits in measurable terms	Barring unforeseen circumstances, the Company hopes to increase the revenue and profits by improved margins in current year.

**IV. DISCLOSURES**

Necessary disclosures have been made with regard to remuneration details of the managerial personnel under the head Corporate Governance in the Annual Report.

Except Shri Sanjay Rajgarhia and Shri R K Rajgarhia, none of the Directors and Key Managerial Personnel of the Company or their respective relative is concerned or interested financially or otherwise in the Resolution at Item No. 4 of the accompanying Notice.

The Board recommends the Special Resolutions set out at Items No. 4 of the Notice for approval by the Members.

**ITEM NO. 5 & 6**

As per the provision of Section 180(1)(C) of the Companies Act, 2013, the Board may borrow money in excess of the aggregate of the paid up share capital and free reserves of the Company subject to approval of members by way of Special resolution. Accordingly, it is proposed to pass an enabling Special Resolution authorizing the Board to borrow money not exceeding Rs 20 Crore (Rs Twenty Crore only).

As per the provisions of Section 180(1)(a) of the Companies Act, 2013, the Board may create mortgage or charge on all or any part of the movable and/or immovable properties of the Company, may be deemed as the disposal of the whole or substantially the whole, of the undertaking of the Company and hence, requires approval from the members of the Company by way of a Special resolution. Accordingly, it is proposed to pass an enabling special resolution authorizing the Board to create charge on the moveable and immoveable properties of the Company for a value not exceeding Rs 20 Crore (Rs Twenty Crore only).

None of the Directors and Key Managerial Personnel of the Company or their respective relative is concerned or interested financially or otherwise in the Resolution at Item No. 5 & 6 of the accompanying Notice.

The Board recommends the Special Resolutions set out at Items No. 5 & 6 of the Notice for approval by the Members.

By order of the Board

**Registered Office:**

910, Chiranjiv Tower,  
43-Nehru Place, New Delhi-110019

Place : New Delhi

Dated : July 29, 2017

**PREETI**  
**Company Secretary**  
**Membership No. 42842**