

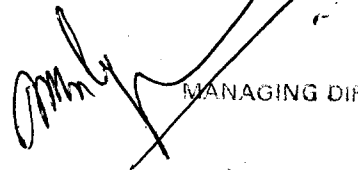


Arex Industries Limited

10TH ANNUAL REPORT 1998-99

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FOR, AREX INDUSTRIES LIMITED


MANAGING DIRECTOR

We weave brands

AREX INDUSTRIES LIMITED

Board of Directors :

Shri Dinesh A. Bilgi	<i>Chairman & Managing Director</i>
Shri Pragnesh K. Shah	<i>Director</i>
Shri Laxman C. Tilani	<i>Director</i>
Shri Niranjana J. Shah	<i>Director</i>
Shri Vasant R. Shah	<i>Director</i>
Shri K.V. Ramkrishnan	<i>Nominee Director (GIIC)</i>

Bankers :

State Bank of India

Auditors :

M/S. Paresh Vakil & Co.
Chartered Accountants
Ahmedabad.

Corporate Office :

S/10, Vikram Chambers,
Ashram Road,
Ahmedabad - 380 009.

Sales Offices :

Ahmedabad
Mumbai
Bangalore
Chennai
Tirupur
Hyderabad
Salem

10TH ANNUAL GENERAL MEETING

Date : 15th September, 1999

Day : Wednesday

Time : 10.30 A.M.

Place : Hotel Rajvee, 3317, G.I.D.C.
Chhatral - 382 729

Registered Office & Plant :

612, GIDC,
Chhatral.
Dist. : Mehsana -382 729

Notice of the 10th Annual General Meeting of the Company to be held on Wednesday, 15th September 1999 at 10.30 a.m. (S.T.) at Hotel Rajvee, 3317, G.I.D.C. Chhatral-382 729. to transact the business mentioned therein is enclosed herewith.

Shareholders are requested to bring their copy of the Annual Report while attending the Meeting.

Arex Industries Ltd.**NOTICE**

NOTICE is hereby given that the Tenth Annual General Meeting of members of **AREX INDUSTRIES LIMITED** will be held on Wednesday, 15th September, 1999 at 10.30 a.m. at Hotel Rajvee, 3317, G.I.D.C. Phase IV, Chhatral -382 729, to consider and transact the following business :

1. To receive, consider and adopt audited Profit and Loss Account for the year ended on 31st March, 1999 and the Balance Sheet as on that date together with the reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri Niranjana J. Shah, who retires by rotation at this meeting and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri Vasant R. Shah, who retires by rotation at this meeting and being eligible, offers himself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to authorise Board of Directors to fix their remuneration.

Special Business

To consider and, if thought fit, to pass with or without modification(s), the following resolutions, as ordinary Resolutions.

5. "RESOLVED THAT subject to the provisions of Sections 198, 269, 309, 310, 311, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, consent of the Company, be and is hereby given for the re-appointment of Shri Dinesh A. Bilgi, as Chairman and Managing Director of the Company for a further period of five years with effect from 1st May, 1999 upon terms and conditions including remuneration, as set out in the draft Agreement to be entered into between the Company and Shri Bilgi, (a copy whereof duly authenticated is placed before this meeting for the purpose of identification) AND THAT the Board of Directors of the Company, be and is hereby authorised to vary, revise or alter terms and conditions including remuneration / benefits so that the same should not exceed the limits laid down in Schedule XIII to the Companies Act, 1956 as amended from time to time and to do all such acts, deeds, matters and things as may be considered necessary or expedient for the purpose."
6. "RESOLVED that subject to the provisions of Sections 198, 269, 309, 310, 311, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 consent of the Company, be and is hereby given for the appointment of Shri Niranjana J. Shah, as Whole Time Director of the Company for a period of 12 months with effect from 1st October, 1999 upon terms and conditions including remuneration, as set out in the draft Agreement to be entered into between the Company and Shri Niranjana Shah, (a copy whereof duly authenticated is placed before this meeting for the purpose of identification) AND THAT the Board of Directors of the Company, be and is hereby authorised to vary, revise or alter terms and conditions including remuneration/ benefits so that the same should not exceed the limits laid down in Schedule XIII to the Companies Act, 1956 as amended from time to time and to do all such acts, deeds, matters and things as may be considered necessary or expedient for the purpose."
7. "RESOLVED THAT subject to the provisions of Sections 198, 269, 309, 310, 311, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, consent of the Company, be and is hereby given for the appointment of Shri Vasant R. Shah, as Whole Time Director of the Company for a period of 12 months with effect from 1st October, 1999 upon terms and conditions including remuneration, as set out in the draft Agreement to be entered into between the Company and Shri Vasant Shah, (a copy whereof duly authenticated is placed before this meeting for the purpose of identification) AND THAT the Board of Directors of the Company, be and is hereby authorised to vary, revise or alter terms and conditions including remuneration/benefits so that the same should not exceed the limits laid down in Schedule XIII to the Companies Act, 1956 as amended from time to time and to do all such acts, deeds, matters and things as may be considered necessary or expedient for the purpose."



Arex Industries Ltd.

8. "RESOLVED THAT subject to the provisions of Sections 198, 269, 309, 310, 311, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, consent of the Company, be and is hereby given for the appointment of Shri Laxman C. Tilani, as Whole Time Director of the Company for a period of 12 months with effect from 1st October, 1999 upon terms and conditions including remuneration, as set out in the draft Agreement to be entered into between the Company and Shri Laxman Tilani, (a copy whereof duly authenticated is placed before this meeting for the purpose of identification) AND THAT the Board of Directors of the Company, be and is hereby authorised to vary, revise or alter terms and conditions including remuneration/benefits so that the same should not exceed the limits laid down in Schedule XIII to the Companies Act, 1956 as amended from time to time and to do all such acts, deeds, matters and things as may be considered necessary or expedient for the purpose."
9. To consider and if thought fit, to pass with or without modifications, the following resolution as a Special Resolution :
- "RESOLVED THAT pursuant to the guidelines of the Securities and Exchange Board of India (SEBI) and subject to such approvals, consents, permissions and sanctions as may be necessary or expedient and subject to such conditions and modifications, as may be prescribed, imposed or suggested while granting such approvals, consents, permissions and sanctions which may be agreed to by the Board of Directors of the Company with such Stock Exchanges and / or authorities as may be deemed necessary, consent of the Company be and is hereby given for voluntary delisting of Company's equity shares with the following Stock Exchanges, namely,

- (1) The Delhi Stock Exchange Association Ltd., New Delhi
- (2) Bangalore Stock Exchange Ltd, Bangalore, and
- (3) Vadodara Stock Exchange Ltd., Vadodara

AND FURTHER RESOLVED THAT the Board of Directors of the Company, be and is hereby authorised to make necessary application (s) to the aforesaid Stock Exchanges for voluntary delisting and to fix up the record date(s), Offer Price, make arrangement with any person or persons including promoters for buying / purchasing equity shares for the purpose and deal with such other matters as may be necessary in consultation with the respective Stock Exchanges for giving an exit Opportunity to the concerned shareholders for such delistings and to resolve any query or dispute and to take all suitable steps, do all such acts, deeds, matters and things as may be necessary for the purpose of delisting of Company's equity shares from the aforesaid Stock Exchanges."

By Order of the Board of Directors

Regd. Office :

612, GIDC Industrial Estate,
Chhatral, Taluka Kalol,
District Mehsana - 382 729.
GUJARAT.

Date : July 30, 1999.

Dinesh Bilgi

Chairman & Managing Director

NOTES :

1. 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 OF THE COMPANY.
2. The Share Transfer Books and the Register of Members of the Company shall remain closed from Monday, 6th September, 1999 to Tuesday, 14th September, 1999 (Both days inclusive).
3. The relative Explanatory Statements pursuant to Section 173 in respect of special business under item No. 5 to 9, are annexed hereto.
4. The Company is Y2K Compliant.
5. Members desiring to seek any information on the Annual Accounts to be explained at the meeting are requested to send their queries in writing to the Company at the Registered office so as to reach at least, 7 days before the date of the Meeting to make the required information available.



Annual Report 1998-99

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956

ITEM NO. 5

The tenure of Shri Dinesh A. Bilgi as Chairman and Managing Director of the Company expired on 30th April, 1999 and looking to the contribution and valuable guidance and services provided to promote and develop the Company with recent Expansion Project, your Directors considered his continuous services necessary and in their meeting held on 14.4.99, re-appointed him to look after day to day affairs of the Company, upon terms and conditions, within the ceilings laid down in Schedule XIII to the Companies Act, 1956, as per the draft Agreement to be entered into between the Company and Shri Dinesh A. Bilgi. The major terms and conditions of the draft agreement are as under :

1. **Name of Appointee** : Shri Dinesh A. Bilgi
2. **Designation** : Chairman and Managing Director
3. **Tenure** : Five Years w.e.f. 1st May, 1999
4. **Remuneration**

Salary : Rs. 50, 000 per month

Perquisites :

PART A :

- i) **Housing** : The Company shall provide furnished accommodation to Shri Bilgi.
- ii) **Car** : Provision of Company's Car with driver
- iii) **Telephone** : Provision of telephones at residence of the appointee.
- iv) **Medical Reimbursement** : Reimbursement of expenses incurred for Shri Bilgi and his family subject to a ceiling of one month's salary in a year or five month's salary in the aggregate.
- v) **Leave Travel Concession** : For Self and family once in a year subject to a ceiling of one month's salary or once in two years subject to a ceiling of two months salary.

vi) **Children's Education Allowance :**

An allowance limited to a maximum of Rs. 5000/- per month per child upto two children.

- vii) **Holiday Passage** : Once in a year by economy class or once in two years by first class to children and to the members of the family from the place of their study or stay abroad to India, if they are not residing in India with Shri Bilgi.

- viii) **Leave** : Leave on full pay and allowances as per Rules of the Company for the time being in force.

PART B

- (i) Gratuity and (ii) Leave Encashment (These Shall not be included in the computation of the ceiling on remuneration).