



Arex Industries Limited

28th ANNUAL REPORT 2016-17



We weave brands

Board of Directors	Shri Dinesh A Bilgi (DIN:00096099) Shri Neel D Bilgi (DIN:00096180) Shri Chirag D Bilgi (DIN:02094970) Shri Pragnesh K Shah (DIN:00228223) Shri Laxman C Tilani (DIN:00532516) Shri Vasant R Shah (DIN:00371634) Shri Balkrishna I Makwana (DIN:00287931) Shri Dinesh H Pande (DIN:03147549) Smt Harsha H Parikh (DIN:06931405)	Managing Director & CFO Managing Director Managing Director Whole-time Director Director Director Independent Director Independent Director Independent Director
Company Secretary & Compliance Officer	Smt Kairavi Bilgi (ACS 21519)	
Bankers	State Bank of India	
Auditors	M/s SWETA PATEL & ASSOCIATES Chartered Accountants Ahmedabad Firm Regn No.139165W	
Registrars and Transfer Agent	Link Intime India Pvt Ltd 506-508, Amarnath Business Centre-1 (ABC-1), Beside Gala Business Centre, Near St. Xavier's College Corner, Off. C. G. Road, Ellisbridge, Ahmedabad - 380006, Gujarat. Tel: 079 26465179 / 86 / 87 Email: ahmedabad@linkintime.co.in Web Site: www.linkintime.co.in	
Registered Office & Plant	612, G. I. D. C. Estate Chhatral, Tal.: Kalol Dist : Gandhinagar - 382 729	

28 th ANNUAL GENERAL MEETING	
Date	: 21 st September, 2017
Day	: Thursday
Time	: 12.30 P.M.
Place	: The Grand Amrit Mehsana Kalol Highway, Chhatral, Tal.: Kalol, Gandhinagar – 382 729

Notice of the 28th Annual General Meeting of the Company to be held on Thursday, 21st day of September, 2017 at 12:30 p.m. at The Grand Amrit, Mehsana Kalol Highway, Chhatral, Tal.: Kalol, Dist.: Gandhinagar – 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.

NOTICE

NOTICE is hereby given that the 28th Annual General Meeting of members of the Company, will be held on Thursday, 21st day of September, 2017 at 12.30 p.m. at The Grand Amrit, Mehsana-Kalol Highway, Chhatral, Ta. Kalol, Dist. Gandhinagar- 382 729, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt audited financial statements for the year ended on 31st March, 2017 and the reports of the Directors and Auditors thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in place of Shri Neel Dinesh Bilgi (DIN:00096180), Director who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Vasant R Shah (DIN:00371634), Director who retires by rotation and being eligible, offers himself for re-appointment.
5. To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to Section 139, 142 and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, M/s Sweta Patel & Associates, Chartered Accountants of Ahmedabad having Firm Registration No.139165W, be and are hereby appointed as Statutory Auditors of the Company, in place of M/s C R Shreedalal & Co., Chartered Accountants of Ahmedabad having Firm Registration No. 109943W, retiring Auditors and whose term expires at the conclusion of the ensuing Annual General Meeting, for a term of five years to hold office from the conclusion of this 28th Annual General Meeting until the conclusion of the 33rd Annual General Meeting of the Company, subject to ratification by the members at every subsequent Annual General Meeting, on a remuneration to be determined by the Board of Directors plus reimbursement of out of pocket expenses and applicable taxes on actual basis."

"RESOLVED FURTHER THAT the Board of Directors of the Company or Committee thereof, be and is hereby authorized to do all such acts, deeds and things as may be necessary or expedient for the purpose."

SPECIAL BUSINESS:

6. To consider and, if thought fit, to pass with or without modification, the following resolution as Special Resolution:

"RESOLVED THAT in partial modification of the special resolution passed by the members of the Company in their 25th Annual General Meeting held on 11th September, 2014, and pursuant to the provisions of Sections 196, 197, 203, 188 & any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule V to the Companies Act, 2013 and further subject to such approvals as may be required from time to time, of the appropriate Authorities, Shri Dinesh Apparao Bilgi (DIN:00096099) who is relative of Shri Neel Dinesh Bilgi (DIN:00096180), and Shri Chirag Dinesh Bilgi (DIN:02094970), be and is hereby re-appointed as Managing Director cum Chief Financial Officer of the Company for a period of three years with effect from 1st August, 2017 on the terms and conditions set out in the draft agreement initiated by the Chairman for the purpose of identification and major terms and conditions of which are set out in the Explanatory Statement annexed hereto."

"RESOLVED FURTHER THAT the Board of Directors or Committee thereof, be and are hereby severally authorised to alter, revise, amend, vary, enhance or modify, from time to time, the terms and conditions including terms of agreements and remuneration payable to Shri Dinesh Apparao Bilgi (DIN:00096099), as Managing Director cum Chief Financial Officer of the Company, however subject to the ceilings laid down in Schedule V of the Companies Act, 2013."

"RESOLVED FURTHER THAT the Board of Directors or Committee thereof, be and are hereby severally authorised to do all such acts, deeds, matters and things as may be deemed necessary to give effect to the above resolutions."

7. To consider and, if thought fit, to pass with or without modification, the following resolution as Special Resolution:

"RESOLVED THAT in partial modification of the special resolution passed by the members of the Company in their 25th Annual General Meeting held on 11th September, 2014, and pursuant to the provisions of Sections 196, 197, 203, 188 & any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule V to the Companies Act, 2013 and further subject to such approvals as may be required from time to time, of the appropriate Authorities, Shri Neel Dinesh Bilgi (DIN:00096180), a relative of Shri Dinesh Apparao Bilgi (DIN:00096099) and Shri Chirag Dinesh Bilgi (DIN:02094970), be and is hereby re-appointed as Managing Director (Sales & Marketing) of the Company for a period of three years with effect from 1st August, 2017 on the terms and conditions set out in the draft agreement initiated by the Chairman for the purpose of identification and major terms and conditions of which are set out in the Explanatory Statement annexed hereto."

"RESOLVED FURTHER THAT the Board of Directors or Committee thereof, be and are hereby severally authorised to alter, revise, amend, vary, enhance or modify, from time to time, the terms and conditions including terms of agreements and remuneration payable to Shri Neel Dinesh Bilgi (DIN:00096180), as Managing Director of the Company, however subject to the ceilings laid down in Schedule V of the Companies Act, 2013."

"RESOLVED FURTHER THAT the Board of Directors or Committee thereof, be and are hereby severally authorised to do all such acts, deeds, matters and things as may be deemed necessary to give effect to the above resolutions."

8. To consider and, if thought fit, to pass with or without modification, the following resolution as Special Resolution:

"RESOLVED THAT in partial modification of the special resolution passed by the members of the Company in their 25th Annual General Meeting held on 11th September, 2014, and pursuant to the provisions of Sections 196, 197, 203, 188 & any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule V to the Companies Act, 2013 and further subject to such approvals as may be required from time to time, of the Appropriate Authorities, Shri Chirag Dinesh Bilgi (DIN:02094970), a relative of Shri Dinesh Apparao Bilgi (DIN:00096099) and Shri Neel Dinesh Bilgi (DIN:00096180), be and is hereby re-appointed as Managing Director (Production and Technical) of the Company for a period of three years with effect from 1st August, 2017 on the terms and conditions set out in the draft agreement initialed by the Chairman for the purpose of identification and major terms and conditions of which are set out in the Explanatory Statement annexed hereto."

"RESOLVED FURTHER THAT the Board of Directors or Committee thereof, be and are hereby severally authorised to alter, revise, amend, vary, enhance or modify, from time to time, the terms and conditions including terms of agreements and remuneration payable to Shri Chirag Dinesh Bilgi (DIN:02094970), as Managing Director of the Company, however subject to the ceilings laid down in Schedule V of the Companies Act, 2013."

"RESOLVED FURTHER THAT the Board of Directors or Committee thereof, be and are hereby severally authorised to do all such acts, deeds, matters and things as may be deemed necessary to give effect to the above resolutions."

9. To consider and, if thought fit, to pass with or without modification, the following resolution as Special Resolution:

"RESOLVED THAT in partial modification of the special resolution passed by the members of the Company in their 25th Annual General Meeting held on 11th September, 2014, and pursuant to the provisions of Sections 196, 197, 203, 188 & any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule V to the Companies Act, 2013 and further subject to such approvals as may be required from time to time, of the Appropriate Authorities, Shri Pragnesh Kantilal Shah (DIN:00228223), Whole-time Director of the Company, be and is hereby re-appointed for a further period of three years with effect from 1st November, 2017 on the terms and conditions set out in the draft agreement initialed by the Chairman for the purpose of identification and major terms and conditions of which are set out in the Explanatory Statement annexed hereto."

"RESOLVED FURTHER THAT the Board of Directors or Committee thereof, be and are hereby severally authorised to alter, revise, amend, vary, enhance or modify, from time to time, the terms and conditions including terms of agreements and remuneration payable to Shri Pragnesh Kantilal Shah (DIN:00228223), as Whole-time Director of the Company, however subject to the ceilings laid down in Schedule V of the Companies Act, 2013."

"RESOLVED FURTHER THAT the Board of Directors or Committee thereof, be and are hereby severally authorised to do all such acts, deeds, matters and things as may be deemed necessary to give effect to above resolutions."

10. To consider and, if thought fit, to pass with or without modification, the following resolution as Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 94 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the Company be and is hereby accorded to keep the Register of Members and Index of Members and/or copies of all Annual Returns under Section 92 of the Companies Act, 2013 together with the copies of certificates and documents as may be required, at the office of the Registrar and Share Transfer Agent of the Company i.e. M/s Link Intime India Pvt Ltd at its office at 506-508, Amarnath Business Centre-1 (ABC-1), Beside Gala Business Centre, Near St. Xavier's College Corner, Off C G Road, Ellisbridge, Ahmedabad -380006 or its any other office/s or place/s within the city of Ahmedabad instead of keeping the registers and records at the Registered Office of the Company."

"RESOLVED FURTHER THAT the Board of Directors or Committee thereof, be and are hereby severally authorised to instruct Registrar and Share Transfer Agent of the Company i.e. M/s Link Intime India Pvt Ltd to carry out the duties for better compliances and to enter into such agreements and deeds, for appointment of suitable Registrars and Share Transfers and to keep the registers and other records at any other place or places accordingly and to do all such acts, deeds, matters and things as may be deemed necessary for the purpose."

By Order of the Board

Regd Office:
612, GIDC Estate
Chhatral, Tal : Kalol
Dist : Gandhinagar-382 729
Date : 25th July, 2017

Dinesh A Bilgi
Mg. Director/CFO
DIN:00096099

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE AT THE MEETING INSTEAD OF HIMSELF AND THAT A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder. Proxies in order to be effective, should be stamped, completed, signed and deposited at the registered office of the Company not less than 48 hours before the meeting. A proxy form is sent herewith. Proxies submitted on behalf of the companies and other bodies corporate must be supported by appropriate resolution/authorities.
2. The Share Transfer Books and the Register of Members of the Company shall remain closed from Monday, 18th September, 2017 to Thursday, 21st September, 2017 (both days inclusive) for determining the names of members eligible for dividend, if declared at the meeting.
3. The Dividend as recommended by the Board of Directors, if declared at the Annual General Meeting, will be paid to those Members whose names appear in the Register of Members of the Company as on 21st September, 2017, in respect of shares held in Physical form and in respect of shares held in the electronic form, to those "Deemed Members" whose names appear in the statement of Beneficial Ownership furnished by the National Securities Depository Services Ltd (NSDL) and the Central Depository Services (India) Ltd (CDSL) at the end of business hours on Friday, 15th September, 2017.
4. The relevant Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of special business is annexed herewith.
5. Members desirous of any information or clarification on accounts are requested to write to the Company at least 10 days in advance of the meeting.
6. As per the provisions of Section 124 & 125 of the Companies Act, 2013 corresponding to Section 205A & 205C of the Companies Act, 1956 and the Rules made thereunder, the Company has to transfer the dividend amount remaining unpaid and/or unclaimed for a period of seven years along with relevant shares (if applicable), to the Investor Education and Protection Fund (IEPF). Therefore, you are hereby advised to claim your dividend entitlement at the earliest. For your kind information, the particulars of declaration of dividend(s) by the Company and due date of transfer of unpaid dividend to IEPF are as under:

Financial Year	Date of Declaration	Dividend (%)	Dividend Type	Amount (Rs) per share	Tentative date of Transfer to IEPF
2009-10	23.09.2010	9	Final Dividend	0.90	22.10.2017
2010-11	17.09.2011	9	Final Dividend	0.90	16.10.2018
2011-12	18.09.2012	9	Final Dividend	0.90	17.10.2019
2012-13	29.08.2013	9	Final Dividend	0.90	30.09.2020
2013-14	11.09.2014	9	Final Dividend	0.90	10.10.2021
2014-15	19.09.2015	9	Final Dividend	0.90	18.10.2022
2015-16	27.09.2016	30	Final Dividend	3.00	26.10.2023

7. As per the provisions of Section 124 of the Companies Act, 2013 and the Rules made thereunder, the Company has transferred whole of the unpaid and/or unclaimed Final dividend amount for the year 2008-09 to the Investor Education and Protection Fund (IEPF) on 10.11.2016. Pursuant to the provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has also uploaded the details of unpaid and unclaimed amounts lying with the Company as on 27th September, 2016 (date of last AGM).
8. The Securities and Exchange Board of India (SEBI) has mandated submission of Permanent Account Number (PAN) by every participant in Securities Market. Members holding shares in electronic form are, therefore, advised to submit PAN details to their respective Depository Participant (DP) and the members holding shares in physical form can submit PAN details to the Company or its Registrar, M/s Link Intime India Pvt Ltd.
9. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to the Registrar, M/s Link Intime (India) Pvt Ltd, for consolidation into a single folio.
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/document including Annual Report can be sent by email to its members. To support this green initiative of the Government in full measure, members who have not registered their email addresses, so far, are requested to register their email addresses, in respect of electronic holding with the Depository through their concerned Depository Participants.
11. Members are requested to notify immediately any change in their addresses to the Company at its Registered Office or its Registrar & Share Transfer Agent M/s Link Intime India Pvt Ltd, at its office at 506-508, Amarnath Business Centre-1 (ABC-1), Beside Gala Business Centre,

Near St. Xavier's College Corner, Off C G Road, Ellisbridge, Ahmedabad -380006 Telephones: 079 26465179 / 86 / 87, Email: ahmedabad@linkintime.co.in, Web Site: www.linkintime.co.in

12. Electronic copy of the Annual Report for Financial Year 2016-17 and the Notice convening 28th Annual General Meeting of the Company indicating, inter alia, the process and manner of e-voting alongwith Attendance Slip and Proxy Form are being sent to all members whose email IDs are registered with the Registrars and Share Transfer Agent/Depository Participants for communication purposes unless any member has requested for a hard copy of the said documents. For members who have not registered their email address, physical copies of the Annual Report for Financial Year 2016-17 is being dispatched in the permitted mode and also placed on Company's website: www.arex.co.in.
13. Kindly note that the members can opt only one mode for voting, i.e. either by Physical Ballot or e-voting. In case of voting by both modes, voting through electronic mode shall prevail.
14. The results shall be declared on or after the AGM of the Company. The results declared along with Scrutinizer's Report shall be placed on the Company's Website www.arex.co.in and on the website of the CDSL within two(2) days of passing of the resolutions at the AGM of the Company and will also be forwarded to BSE Ltd, Mumbai.
15. Voting through electronic means:
In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time, the Company is pleased to offer e-voting facility to all its members the facility of 'remote e-voting' (e-voting from a place other than the venue of the AGM) to exercise their right to vote on the resolutions proposed at the 28th Annual General Meeting (AGM). The business may be transacted through e-voting services rendered by Central Depository Services (India) Limited (CDSL).

The facility for voting, either through ballot/polling paper shall also be available at the venue of 28th AGM. The members attending the meeting, who have not already cast their vote through remote e-voting shall be able to exercise their voting rights at the meeting. The members who have already cast their vote through remote e-voting may attend the meeting but shall not be entitled to cast their vote again at the AGM.

The Company has appointed Shri Narendra B Shah, practicing Company Secretary of Ahmedabad as a Scrutinizer for conducting the remote e-voting and the voting process at the AGM in a fair and transparent manner.

A. In case of members receiving e-mail:

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on Monday, 18th September, 2017 (10.00 am) and ends on Wednesday, 20th September, 2017 (5.00 pm). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on Friday, 15th September, 2017, being the cut-off date, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:
For Members holding shares in Demat Form and Physical Form
PAN Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
 - ☐ Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Sticker affixed on the envelop indicated in the PAN field.
 - Dividend Bank Details OR Date of Birth (DOB)** Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.
 - ☐ If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction
- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant AREX INDUSTRIES LIMITED on which you choose to vote.

- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDCL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) Note for Non – Individual Shareholders and Custodians
 - ☐ Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - ☐ A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - ☐ After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - ☐ The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - ☐ A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 and Information on Directors retiring by rotation seeking re-appointment at this Annual General Meeting as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Item No.4

Shri Vasant R Shah (DIN:00371634) aged about 71 years is a Non Matriculate. He has wide experience in the marketing of woven label industry. He has been a Director with effect from 11th July, 1994. He has been providing valuable guidance and expert advice to the Company from time to time. He is a member of Nomination and Remuneration Committee. He does not hold any shares in the share capital of the Company. He is a Director in Vasants Labels Private Limited.

None of the Directors Key Managerial Personnel, except Shri Vasant R Shah is interested or concerned in the resolution.

Item No.5

In view of the provisions of Section 139 of the Companies Act, 2013 and the Rules made thereunder, M/s C R Sharedalal & Co., Chartered Accountants of Ahmedabad having Firm Registration No. 109943W, retires as Statutory Auditors of the Company and their term also expires at the conclusion of the ensuing Annual General Meeting. The Audit Committee and the Board of Directors in their meeting held on 25th July, 2017 have recommended the appointment of M/s Sweta Patel & Associates, Chartered Accountants of Ahmedabad having Firm Registration No.139165W, as Statutory Auditors of the Company for a term of five years, however subject to, ratification of the appointment at every Annual General Meeting held during their tenure of office. They have consented to the said appointments and also confirmed that their appointment, if made, would be within the limits mentioned under the provisions of Section 141 of the Companies Act, 2013 and the Rules made thereunder.

None of the Directors, Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise in the resolution set out at item No.5.

Item No.6

Shri Dinesh Apparao Bilgi (DIN:00096099) has been a promoter Director and working as a Chairman and Managing Director since incorporation of the Company. Shri Dinesh Apparao Bilgi is a Textile Engineer and holding B.Tech Degree. He is aged about 65 years. He has been in the field of textile industry for more than 4 decades. As required under the provisions of Section 203 of the Companies Act, 2013 and the Rules made thereunder regarding appointment of Key Managerial Personnel, the Board of Directors, upon recommendation of the Nomination and Remuneration Committee, considered him fit and proper person and re-designated him as Managing Director cum Chief Financial Officer (MD/CFO) of the Company and accordingly appointed him as Managing Director cum Chief Financial Officer (MD/CFO) of the Company for a period of three years with effect from 1st August, 2014, by the member of the Company in their 25th Annual General Meeting held on 11th September, 2014. His tenure expires on 31st July, 2017. The Board of Directors, in their meeting held on 25th July, 2017, considered his continued services and association with the Company necessary for further growth of the Company. He does not hold directorship in any other Company. He is holding 610060 equity shares in the capital of the Company.

The major terms and conditions of appointment are as under:

1. Name : Shri Dinesh Apparao Bilgi
2. DIN : 00096099
3. Nationality: Indian
4. Date of Birth: 12.01.1952
5. Educational Qualification: B.Tech, Textile Engineer
6. Designation: Managing Director cum Chief Financial Officer (MD/CFO)
7. Tenure of present appointment : Three years from 1st August, 2017 to 31st July, 2020
8. Languages known: English, Gujarati and Hindi
9. Experience : 43 years
10. Remuneration:
 - (1) Salary : Rs.2,50,000/- per month with Increment not exceeding Rs.1,00,000/- per month
 - (2) Perquisites : (The aggregate value of perquisites and other benefits shall not exceed Rs.45,00,000/- per annum)
 - 1) Provident Fund: 12% of the basic salary. The contribution to provident fund, superannuation fund, annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
 - 2) Car: Provision of Company cars for official and for personal purpose of the appointee.
 - 3) Telephone: Provision of 2 (two) telephones at the residence of the appointee and internet broadband and reimbursement of mobile telephone expenses.

Benefits and Amenities:

- 4) Gratuity: Benefits shall not exceed a half month's salary for each completed year of service.
- 5) Leave: Leave on full pay and allowances at the rate of one month for every eleven months of service with liberty to accumulate such leave. The appointee shall be entitled to Leave encashment at the end of tenure of his appointment.
- 6) The appointee shall be entitled to the benefits of Bonus and Incentives as per Rules of the Company.
- 7) The perquisites like (1) contribution to provident fund, (2) gratuity entitlement and (3) encashment of leave at the end of tenure, shall not be included in the computation of ceiling on remuneration specified in Section II of Part II of Schedule V to the Companies Act, 2013.

In the event of absence or inadequacy of profits in any financial year, the above remuneration including salary, perquisites, benefits and other amenities or benefits shall be paid to the appointee as minimum remuneration, subject however, to the ceilings laid down in Section II of Part II of Schedule V to the Companies Act, 2013.

Other Terms and Conditions:

1. The Managing Director shall devote his valuable time and attention to the overall affairs of the Company and shall use his best endeavour to promote its interest and welfare.
2. The Managing Director shall maintain confidentiality for any information or knowledge in connection with the business affairs of the Company, obtained by him during the course of his current tenure or at any time thereafter.
3. The Managing Director shall act in accordance with superintendence, control and direction of the Board of Directors of the Company.
4. The appointment may be terminated by giving two months notice either side.
5. The Managing Director shall not be liable to retire by rotation and he shall not be reckoned as a Director for the purpose of determining the rotation or retirement of Directors in fixing the number of Director to retire.
6. The Managing Director shall not be paid sitting fees for attending meetings of the Board of Directors or Committees thereof.
7. Reimbursement of costs, charges, and expenses: The Company shall pay to or reimburse the Managing Director and he shall be entitled to be paid and/or to be reimbursed by the Company, all cost, charges and expenses that may have been or may be incurred by them for the purpose of or on behalf of the Company.

The above terms and conditions of appointment and payment of remuneration to Shri Dinesh A Bilgi, have been recommended/approved by the Nomination and Remuneration Committee/ Board of Directors in their respective meetings held on 25th July, 2017. The Company has not raised money through public deposits nor through issue of debentures and has not made any default in repayment of any of its debts including interest payable during the financial year ended on 31st March, 2017.

Additional Information as per Schedule V: The Company has been engaged in manufacturing of woven and other labels. The label enhances brand image of any product and largely depend on other ancillary industries. The Company's gross turnover is around Rs.34.94 Crores (including export of Rs.1,52,11,873/-) for the year ended on 31st March, 2017. The Company's project for manufacture of labels has been financed partly out of owned funds of share capital and internal accruals and partly out of borrowed funds from the Company's bankers. During the year ended on 31st March, 2017, the Company has earned profit (before taxes) of Rs.4,90,02,675/- as compared to profit of Rs.4,51,13,579/- earned during the previous year. The Company's products are very low value items as against the turnover of Rs.34.94 Crores and profit is not the indicator of the turnover. There are four executive Directors in the Company and hence, profit earned by the Company may be inadequate to compensate the appointee looking to the expertise and the inflationary trend prevailing since long. However, the Company proposes to take suitable steps to strengthen its marketing team to boost up turnover and ultimate profits. The other information is given elsewhere in the Annual Report for the year 2016-17.

The Company has not made any foreign investment nor have any foreign collaborators. The Company's equity shares are listed with the BSE Ltd, Mumbai. Shri Dinesh A Bilgi holds 610060 equity shares in the share capital of the Company. He does not hold directorship in other Companies.

A copy of the draft of the agreement containing terms and conditions relating to the appointment and payment of remuneration to Shri Dinesh A Bilgi as Managing Director cum Chief Financial Officer is available for inspection without any fee by the members at the registered office of the Company during business hours.

In terms of the provisions of the Companies Act, 2013 read with Section II of Part II of Schedule V thereto, your approval is required by way of special resolution for the aforesaid appointment and payment of remuneration to Shri Dinesh A Bilgi as Managing Director/CFO of the Company. The Board hereby recommends the special resolution.

This explanatory statement may be regarded as a disclosure under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Shri Dinesh Apparao Bilgi and his relatives Shri Neel Dinesh Bilgi, Shri Chirag Dinesh Bilgi, Smt Kairavi Neel Bilgi, (all being Key Managerial Personnel) are interested or concerned, financially or otherwise, in these special resolutions.

Item No.3 & 7

Shri Neel Dinesh Bilgi (DIN:00096180) was associated with the Company as Executive Director with effect from 1st August, 2005. He is a MBA (Marketing) and is aged about 39 years. He was appointed as Vice-Chairman and Joint Managing Director of the Company for a period of three years with effect from 1st June, 2013 by the members of the Company in their Annual General Meeting held on 29th August, 2013. As required under the provisions of Section 203 of the Companies Act, 2013 and the Rules thereunder regarding appointment of Key Managerial Personnel, the Board of Directors further considered his contribution given to the Company and considered his promotion as Managing Director upon recommendation of the Nomination and Remuneration Committee and accordingly, appointed him as Managing Director of the Company for a period of three years with effect from 1st August, 2014, by the member of the Company in their 25th Annual General Meeting held on 11th September, 2014. His tenure expires on 31st July, 2017. The Board of Directors, in their meeting held on 25th July, 2017, considered his continued services and association with the Company necessary for further growth of the Company. The Board upon recommendation of the Nomination and Remuneration Committee, re-appointed him as Managing Director (Sales and Marketing) of the Company for a period of three years with effect from 1st August, 2017. He does not hold directorship in any other Company. He is holding 252800 equity shares in the capital of the Company.

The major terms and conditions of appointment are as under:

1. Name : Shri Neel Dinesh Bilgi
 2. DIN : 00096180
 3. Nationality: Indian
 4. Date of Birth: 06.10.1978
 5. Educational Qualification: MBA (Marketing)
 6. Designation: Managing Director
 7. Tenure of present appointment : Three years from 1st August, 2017 to 31st July, 2020
 8. Languages known: English, Gujarati and Hindi
 9. Experience : 11 years
 10. Remuneration:
 - (1) Salary : Rs.2,50,000/- per month with Increment not exceeding Rs.1,00,000/- per month
 - (2) Perquisites : (The aggregate value of perquisites and other benefits shall not exceed Rs.45,00,000/- per annum)
 - 1) Provident Fund: 12% of the basic salary. The contribution to provident fund, superannuation fund, annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
 - 2) Car: Provision of Company cars for official and for personal purpose of the appointee.
 - 3) Telephone: Provision of 2 (two) telephones at the residence of the appointee and internet broadband and reimbursement of mobile telephone expenses.
- Benefits and Amenities:
- 4) Gratuity: Benefits shall not exceed a half month's salary for each completed year of service.
 - 5) Leave: Leave on full pay and allowances at the rate of one month for every eleven months of service with liberty to accumulate such leave. The appointee shall be entitled to Leave encashment at the end of tenure of his appointment.
 - 6) The appointee shall be entitled to the benefits of Bonus and Incentives as per Rules of the Company.
 - 7) The perquisites like (1) contribution to provident fund, (2) gratuity entitlement and (3) encashment of leave at the end of tenure, shall not be included in the computation of ceiling on remuneration specified in Section II of Part II of Schedule V to the Companies Act, 2013.

In the event of absence or inadequacy of profits in any financial year, the above remuneration including salary, perquisites, benefits and other amenities or benefits shall be paid to the appointee as minimum remuneration, subject however, to the ceilings laid down in Section II of Part II of Schedule V to the Companies Act, 2013.

Other Terms and Conditions:

1. The Managing Director shall devote his valuable time and attention to the overall affairs of the Company and shall use his best endeavour to promote its interest and welfare.
2. The Managing Director shall maintain confidentiality for any information or knowledge in connection with the business affairs of the Company, obtained by him during the course of his current tenure or at any time thereafter.
3. The Managing Director shall act in accordance with superintendence, control and direction of the Board of Directors of the Company.
4. The appointment may be terminated by giving two months notice either side.
5. The Managing Director shall not be paid sitting fees for attending meetings of the Board of Directors or Committees thereof.
6. Reimbursement of costs, charges, and expenses: The Company shall pay to or reimburse the Managing Director and he shall be entitled to be paid and/or to be reimbursed by the Company, all cost, charges and expenses that may have been or may be incurred by them for the purpose of or on behalf of the Company.

The above terms and conditions of appointment and payment of remuneration to Shri Neel D Bilgi have been recommended/ approved by the Nomination and Remuneration Committee/ Board of Directors in their respective meetings held on 25th July, 2017. The Company has not raised money through public deposits nor through issue of debentures and has not made any default in repayment of any of its debts including interest payable during the financial year ended on 31st March, 2017.

Additional Information as per Schedule V: The Company has been engaged in manufacturing of woven and other labels. The label enhances brand image of any product and largely depend on other ancillary industries. The Company's gross turnover is around Rs.34.94 Crores (including export of Rs.1,52,11,873/-) for the year ended on 31st March, 2017. The Company's project for manufacture of labels has been financed partly out of owned funds of share capital and internal accruals and partly out of borrowed funds from the Company's bankers. During the year ended on 31st March, 2017, the Company has earned profit (before taxes) of Rs.4,90,02,675/- as compared to profit of Rs.4,51,13,579/- earned during the previous year. The Company's products are very low value items as against the turnover of Rs.34.94 Crores and profit is not the indicator of the turnover. There are four executive Directors in the Company and hence, profit earned by the Company may be inadequate to compensate the appointee looking to the expertise and the inflationary trend prevailing since long. However, the Company proposes to take suitable steps to strengthen its marketing team to boost up turnover and ultimate profits. The other information is given elsewhere in the Annual Report for the year 2016-17.

The Company has not made any foreign investment nor have any foreign collaborators. The Company's equity shares are listed with the BSE Ltd, Mumbai. Shri Neel Bilgi holds 252800 equity shares in the share capital of the Company. He does not hold directorship in other Companies.

A copy of the draft of the agreement containing terms and conditions relating to the appointment and payment of remuneration to Shri Neel D Bilgi as Managing Director is available for inspection without any fee by the members at the registered office of the Company during business hours.

In terms of the provisions of the Companies Act, 2013 read with Section II of Part II of Schedule V thereto, your approval is required by way of special resolution for the aforesaid appointment and payment of remuneration to Shri Neel D Bilgi as Managing Director of the Company. The Board hereby recommends the special resolution.

This explanatory statement may be regarded as a disclosure under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Shri Neel Dinesh Bilgi and his relatives Shri Dinesh A Bilgi, Shri Chirag Dinesh Bilgi, Smt Kairavi Neel Bilgi, (all being Key Managerial Personnel) are interested or concerned, financially or otherwise, in these special resolutions.

Item No.8

Shri Chirag Dinesh Bilgi (DIN:02094970) was associated with the Company as Executive Director with effect from 1st July, 2007. He is a BBA (Marketing) and is aged about 34 years. He was appointed as Vice-Chairman and Joint Managing Director of the Company for a period of three years with effect from 1st June, 2013 by the members of the Company in their Annual General Meeting held on 29th August, 2013. As required under the provisions of Section 203 of the Companies Act, 2013 and the Rules thereunder regarding appointment of Key Managerial Personnel, the Board of Directors further considered his contribution given to the Company and considered his promotion as Managing Director, upon recommendation of the Nomination and Remuneration Committee and accordingly, appointed him as Managing Director of the Company for a period of three years with effect from 1st August, 2014, by the member of the Company in their 25th Annual General Meeting held on 11th September, 2014. His tenure expires on 31st July, 2017. The Board of Directors, in their meeting held on 25th July, 2017, considered his continued services and association with the Company necessary for further growth of the Company. The Board upon recommendation of the Nomination and Remuneration Committee, re-appointed him as Managing Director (Production and Technical) of the Company for a period of three years with effect from 1st August, 2017. He does not hold directorship in any other Company. He is holding 252800 equity shares in the capital of the Company.

The major terms and conditions of appointment are as under:

1. Name : Shri Chirag Dinesh Bilgi
2. DIN : 02094970
3. Nationality: Indian
4. Date of Birth: 17.03.1983