



# **Arex Industries Limited**

**31<sup>ST</sup> ANNUAL REPORT 2019-2020**



*We weave brands*

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<b>Board of Directors</b>	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 Makwana (DIN:00287931) Shri Dinesh H Pande (DIN:03147549) Smt Harsha H Parikh (DIN:06931405)	<i>Managing Director &amp; CFO</i> <i>Managing Director</i> <i>Managing Director</i> <i>Whole-time Director</i> <i>Director</i> <i>Director</i> <i>Independent Director</i> <i>Independent Director</i> <i>Independent Director</i>
<b>Company Secretary &amp; Compliance Officer</b>	Smt Kairavi Bilgi (Membership No.ACS 21519)	
<b>Bankers</b>	State Bank of India	
<b>Auditors</b>	M/s Sweta Patel & Associates <i>Chartered Accountants</i> Ahmedabad Firm Regn No.139165W	
<b>Registrars and Transfer Agent</b>	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 Tel: 079 26465179 / 86 / 87 Email: ahmedabad@linkintime.co.in Web Site: www.linkintime.co.in	
<b>Registered Office &amp; Plant</b>	612, GIDC Industrial Estate Chhatral, Tal.: Kalol Dist : Gandhinagar - 382 729	

### 31<sup>st</sup> ANNUAL GENERAL MEETING

Date	:	24 <sup>th</sup> September, 2020
Day	:	Thursday
Time	:	12.30 P.M. (IST)
Place	:	Registered Office (through video conference)

Notice of the 31<sup>st</sup> AGM along with the Annual Report for Financial Year 2019-20 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company / National Securities Depository Limited and Central Depository Services (India) Limited ('the Depositories').

## NOTICE

NOTICE is hereby given that the 31<sup>st</sup> Annual General Meeting of members of the Company, will be held on Thursday, 24<sup>th</sup> day of September, 2020 at 12.30 p.m. (IST) through video conference (VC)/ OAVM to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt audited financial statements for the year ended on 31<sup>st</sup> March, 2020 and the reports of the Directors and Auditors thereon.
2. 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.
3. To appoint a Director in place of Shri Laxman Chetandas Tilani (DIN: 00532516), Director who retires by rotation and being eligible, offers himself for re-appointment.

**SPECIAL BUSINESS:**

4. 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 196, 197, 203, 188 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder read with the provisions of Schedule V to the Companies Act, 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR), as amended from time to time (including any statutory modification(s) or re-enactment thereof for the time being in force) 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 further period of three years with effect from 1<sup>st</sup> August, 2020 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 Dinesh Apparao Bilgi (DIN:00096099), as Managing Director cum Chief Financial Officer of the Company, however subject to the provisions as 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."

5. 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 196, 197, 203, 188 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder read with the provisions of Schedule V to the Companies Act, 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR), as amended from time to time (including any statutory modification(s) or re-enactment thereof for the time being in force) 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 further period of three years with effect from 1<sup>st</sup> August, 2020 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 Neel Dinesh Bilgi (DIN:00096180), as Managing Director of the Company, however subject to the provisions as 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."

6. 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 196, 197, 203, 188 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder read with the provisions of Schedule V to the Companies Act, 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR), as amended from time to time (including any statutory modification(s) or re-enactment thereof for the time being in force) 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 further period of three years with effect from 1<sup>st</sup> August, 2020 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 provisions as 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 pursuant to the provisions of Sections 196, 197, 203, 188 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder read with the provisions of Schedule V to the Companies Act, 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR), as amended from time to time (including any statutory modification(s) or re-enactment thereof for the time being in force) 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 as Whole-Time Director of the Company for a further period of three years with effect from 1<sup>st</sup> November, 2020 to look after day to day administrative matters at Mumbai Office, 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 provisions as 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."

**By Order of the Board**

**Regd Office:**

612, GIDC Industrial Estate

Chhatral, Tal : Kalol

Dist : Gandhinagar-382 729

**Date : 17<sup>th</sup> August, 2020**

Dinesh A Bilgi  
Mg. Director/CFO  
DIN:00096099

**Notes:**

1. The Explanatory Statement setting out material facts, pursuant to Section 102 of the Companies Act, 2013 ('the Act'), Secretarial Standard – 2 on General Meetings and Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR) in respect of the Special Business under Item Nos. 4 to 7 of the accompanying Notice is annexed hereto.
2. As per the directions of SEBI and MCA, the option of appointing proxies will not be available for this AGM. However, Institutional/Corporate Members intending to attend and vote at the said AGM, are requested to send a certified copy of the board resolution authorising their representative to attend and/or vote on their behalf, to the Company.
3. M/s Sweta Patel & Associates, Chartered Accountants of Ahmedabad having Firm Registration No.139165W were appointed as Statutory Auditors of the Company for a period of five years by the members of the Company in their 28<sup>th</sup> Annual General Meeting (AGM) held on 21<sup>st</sup> September, 2017. This appointment was subject to the ratification at every subsequent AGM held thereafter. However, in view of the amended provisions of Section 139, such ratification is not required with effect from 7<sup>th</sup> May, 2018.
4. M/s Sweta Patel & Associates, Chartered Accountants of Ahmedabad having Firm Registration No.139165W have submitted their willingness to continue to act as Statutory Auditor of the Company and certificate to the effect that they are eligible for such appointment and are not disqualified to act as such. The remuneration shall be determined by the Board of Directors upon recommendation by the Audit Committee and mutually agreed upon by the said Auditors.
5. A brief resume of each of the Directors seeking re-appointments are provided pursuant to the provisions of LODR and SS-2 and is given in the Explanatory Statement annexed hereto.
6. The venue of the meeting shall be deemed to be the registered office of the Company, i.e. 612, GIDC Industrial Estate, Chhatral, Ta: Kalol, Dist. Gandhinagar 382729.
7. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 19<sup>th</sup> September, 2020 to Thursday, 24<sup>th</sup> September, 2020 (both days inclusive) for the purpose of AGM.
8. In view of the ongoing COVID-19 pandemic, the MCA has vide its General Circular No. 20/2020 dated May 05, 2020 read with General Circular No. 14/2020 dated April 08, 2020 and General Circular No. 17/2020 dated April 13, 2020 (collectively referred to as 'MCA Circulars') permitted the holding of the AGM through Video Conference (VC)/OAVM without the physical presence of the Members at a common venue. In compliance with the provisions of the Act, provisions of LODR and MCA Circulars, the AGM of the Company is being held through VC. In accordance with the MCA Circulars, special business mentioned at Item Nos. 4 to 7, of the Notice are considered as unavoidable in nature by the Board of Directors of the Company.
9. Since this AGM is being held through VC, physical attendance of the members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form, Attendance Slip and Route Map are not annexed to this Notice.
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 /update their email addresses, in respect of electronic holding with the Depository through their concerned Depository Participants.
11. In compliance with the MCA Circulars and the Securities and Exchange Board of India ('SEBI') Circular No. SEBI/HO /CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, Notice of the 31<sup>st</sup> AGM along with the Annual Report for Financial Year 2019-20

is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company / National Securities Depository Limited and Central Depository Services (India) Limited ('the Depositories'). A copy of this Notice along with the Annual Report for Financial Year 2019-20 is uploaded on the Company's website [www.arex.co.in](http://www.arex.co.in), websites of the Stock Exchanges i.e. The BSE Limited at [www.bseindia.com](http://www.bseindia.com) and on the website of Central Depository Services (India) Limited at [www.evotingindia.com](http://www.evotingindia.com).

12. In case the shareholder's e-mail ID is already registered with the Company/Link Intime India Private Limited, the Registrar and Transfer Agent ('LIPL')/Depositories, log in details for e-voting shall be sent on the registered e-mail address.
13. In case the shareholder holding shares in physical mode has not registered his/her e-mail address with the Company/LIPL/Depositories, he/she may do so by sending a duly signed request letter to the Company by providing Folio No. and Name of shareholder 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](mailto:ahmedabad@linkintime.co.in), Web Site: [www.linkintime.co.in](http://www.linkintime.co.in)
14. In the case of shares held in demat mode, the shareholder may contact the Depository Participant ('DP') and register the e-mail address in the demat account as per the process followed and advised by the DP.
15. Relevant documents as required by law and referred to in the accompanying Notice and in the Explanatory Statement shall be available for inspection through electronic mode. Members may write to the Company on [mail@arex.in](mailto:mail@arex.in) for inspection of said documents and the same will also be available for inspection by the members during the AGM, upon login at CDSL e-voting system at [www.evotingindia.com](http://www.evotingindia.com).
16. With effect from April 01, 2019, in terms of SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 08, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018, requests for effecting transfer of securities (except in case of transmission or transposition of securities) are not being processed unless the securities are held in the dematerialized form with the depositories. Therefore, members holding shares in physical form are requested to dematerialize shares held in physical form at the earliest available opportunity.
17. Members are advised to avail the nomination facility in respect of shares held by them pursuant to the provisions of Section 72 of the Act. Members holding shares in physical form desiring to avail this facility may send their nomination in the prescribed Form No.SH-13 duly filled in to LIPL. Members holding shares in dematerialized form may contact their respective DP for availing this facility.
18. 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.
19. Members are requested to notify immediately any change in their addresses (including e-mail) to the Company at its Registered Office or its Registrar & Share Transfer Agent M/s Link Intime India Pvt Ltd, 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 Tele: 079 26465179 / 86 / 87, Email: [ahmedabad@linkintime.co.in](mailto:ahmedabad@linkintime.co.in), Web Site: [www.linkintime.co.in](http://www.linkintime.co.in)
20. The Securities and Exchange Board of India (SEBI) has mandated submission of Permanent Account Number (PAN) and Bank Details 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 holdings shares in physical form can submit PAN details to the Company or its Registrar, M/s Link Intime India Pvt Ltd.
21. As per the provisions of Section 124 & 125 of the Companies Act, 2013 corresponding to 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 consecutive seven years along with relevant shares, to the Investor Education and Protection Fund (IEPF).
22. Pursuant to the provisions of Section 124 of the Companies Act, 2013 and the IEPF Rules, all shares on which dividend has not been paid or claimed for seven consecutive years or more has been transferred to the Investor Education Protection Fund Authority as notified by the MCA.
23. Members/claimants whose shares and unclaimed dividend transferred to IEPF may claim the shares/ apply for refund by making an application to IEPF Authority in Form IEPF -5 (refer to [www.iepf.gov.in](http://www.iepf.gov.in)) alongwith requisite fees as may be decided from time to time. The member/claimant can file only consolidated claim in a financial year as per the IEPF Rules.
24. 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
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
2016-17	21.09.2017	20	Final Dividend	2.00	19.10.2024
2017-18	20.09.2018	20	Final Dividend	2.00	18.10.2025
2018-19	17.09.2019	20	Final Dividend	2.00	20.10.2026

25. The Company has transferred whole of the unpaid and/or unclaimed dividend amount for the year 2011-12 to the Investor Education and Protection Fund (IEPF) on 19.12.2019. Pursuant to the provisions of Investors Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has also uploaded the details of unpaid and unclaimed amounts lying with the Company as on 17<sup>th</sup> September, 2019 (date of last AGM). The Company has also transferred 11551 equity shares on which dividend remain unpaid/ unclaimed for seven years, to the IEPF on 19.3.2020.
26. The Company has appointed Shri Abraham Pingle, 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.
27. The results of e-votings 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](http://www.arex.co.in) and on the website of the CDSL within 48 hours of passing of the resolutions at the AGM of the Company and will also be forwarded to BSE Ltd, Mumbai.

#### **CDSL e-Voting System – For Remote e-voting and e-voting during AGM**

##### **INSTRUCTIONS FOR E-VOTING**

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.arex.co.in](http://www.arex.co.in). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com). The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM i.e. [www.evotingindia.com](http://www.evotingindia.com)).
7. The AGM is proposed to be convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.

##### **THE INSTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING ARE AS UNDER:**

- (i) The voting period begins on 21<sup>st</sup> September, 2020 at 10.00 am and ends on 23<sup>rd</sup> September, 2020 at 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 (record date) of 17<sup>th</sup> September, 2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on "Shareholders" module.
- (v) 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. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

OR

Alternatively, if you are registered for CDSL's **EASI/EASIEST** e-services, you can log-in at <https://www.cdslindia.com> from **Login - Myeasi** using your login credentials. Once you successfully log-in to CDSL's **EASI/EASIEST** e-services, click on **e-Voting** option and proceed directly to cast your vote electronically.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

##### **For Shareholders 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)

Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip / communicated by mail indicated in the PAN field.

Dividend Bank Details	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.
OR Date of Birth (DOB)	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 (v).

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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.
- (xi) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for AREX INDUSTRIES LIMITED on which you choose to vote.
- (xiii) 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.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) 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.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) 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.
- (xix) Shareholders can also cast their vote using CDSL's mobile app "**m-Voting**". The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **Company/RTA email id**.
2. For Demat shareholders -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to **Company/RTA email id**.

**INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 10 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 10 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

**INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
3. If any votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
4. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

**(xx) Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](https://www.evotingindia.com) and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto: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](mailto: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.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [mail@arex.in](mailto:mail@arex.in), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact Mr. Nitin Kunder (022- 23058738 ) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, Central Depository Services (India) Limited (CDSL), A Wing, 25<sup>th</sup> Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai – 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

**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.3**

Shri Laxman C Tilani (DIN:00532516) aged about 68 years (DOB: 25.4.1952) is under Graduate having vast experience in marketing and other areas in woven, printed fabrics and label industries. He has been a Director of the Company since 14<sup>th</sup> December, 1990. He was member of the Audit Committee. He has provided valuable services to the Company. He does not hold directorship in other Companies. He holds 78500 equity shares in the capital of the Company.

The Board of Directors hereby recommends his re-appointment.

None of the Directors Key Managerial Personnel, except Shri Laxman Tilani, is interested or concerned in the resolution.

**Item No.4**

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 68 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 and the provisions of regulations of LODR, 2015, 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 1<sup>st</sup> August, 2014, by the member of the Company in their 25<sup>th</sup> Annual General Meeting held on 11th September, 2014 and thereafter re-appointed for a further period of three years by the members in their Annual General Meeting held on 21<sup>st</sup> September, 2017. His tenure expired on 31<sup>st</sup> July, 2020. Upon recommendation by the Nomination and Remuneration Committee, the Board of Directors in their meeting held on 26<sup>th</sup> June, 2020, considered his continued services & association with the Company necessary for growth of the Company and re-appointed him for a further period of three years upon the following terms and conditions:

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 1<sup>st</sup> August, 2020 to 31<sup>st</sup> July, 2023
8. **Languages known**: English, Gujarati and Hindi
9. **Experience** : 46 years
10. **Remuneration**:
  - (1) **Salary** : Rs.3,50,000/- per month with Increment not exceeding Rs.1,00,000/- per month
  - (2) **Perquisites and Incentives**: (The aggregate value of perquisites, incentives and other benefits shall not exceed Rs.3,00,00,000/- 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 Conveyance Allowance and other allowances as per Rules of the Company.
- 7) The appointee shall be entitled to the benefits of Bonus as per Rules of the Company.
- 8) The appointee shall be entitled to the life insurance, key men insurance or other insurance by whatever name called and premium not to exceed Rs.1,00,00,000/- per annum.

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 provisions as 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.

**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 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. The revenue from operations increased to Rs.4716.75 lakhs (including export of Rs.333.14 lacs) for the year ended on 31<sup>st</sup> March, 2020 as against Rs.4071.93 lakhs during the previous year (including export of Rs.207.33 lacs). However, the cost of material consumption, borrowing cost, other overheads and expenses were increased during the year. The operations were marginally affected due to COVID-19 pandemic spread during last quarter. Therefore overall profitability was also affected. The Company has earned profit (before taxes) of Rs.144.54 lakhs during the year ended on 31<sup>st</sup> March, 2020, as compared to profit of Rs.348.36 lakhs earned during the previous year. The Company's products are very low value items 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 maintaining continuous services. In addition, there are 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 2019-20.

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 31<sup>st</sup> March, 2020.

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 508060 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 by the members during the meeting and thereafter 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 and provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR), 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 and Smt Kairavi Neel Bilgi, (all being Key Managerial Personnel) are interested or concerned, financially or otherwise, in these special resolutions.

#### Item No.2 & 5

Shri Neel Dinesh Bilgi (DIN:00096180) was associated with the Company as Executive Director with effect from 1<sup>st</sup> August, 2005. He is a MBA (Marketing) and is aged about 42 years (DOB: 6.10.1978). He was appointed as Vice-Chairman and Joint Managing Director of the Company for a period of three years with effect from 1<sup>st</sup> June, 2013 by the members of the Company in their Annual General Meeting held on 29<sup>th</sup> 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 1<sup>st</sup> August, 2014, by the members of the Company in their 25<sup>th</sup> Annual General Meeting held on 11<sup>th</sup> September, 2014 and thereafter re-appointed for a further period of three years by the members in their Annual General Meeting held on 21<sup>st</sup> September, 2017. His tenure expired on 31<sup>st</sup> July, 2020. He also retires by rotation at this annual general meeting and being eligible, offered himself for the re-appointment. Upon recommendation by the Nomination and Remuneration Committee, the Board of Directors in their meeting held on 26<sup>th</sup> June, 2020, considered his continued services & association with the Company necessary for growth of the Company and re-appointed him for a further period of three years upon the following terms and conditions:

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 1<sup>st</sup> August, 2020 to 31<sup>st</sup> July, 2023
8. **Languages known**: English, Gujarati and Hindi
9. **Experience** : 14 years
10. **Remuneration**:
  - (1) **Salary** : Rs.3,50,000/- per month with Increment not exceeding Rs.1,00,000/- per month
  - (2) **Perquisites and Incentives**: (The aggregate value of perquisites, incentives and other benefits shall not exceed Rs.3,00,00,000/- 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 Conveyance Allowance and other allowances as per Rules of the Company.
- 7) The appointee shall be entitled to the benefits of Bonus as per Rules of the Company.
- 8) The appointee shall be entitled to the life insurance, key men insurance or other insurance by whatever name called and premium not to exceed Rs.1,00,00,000/- per annum.

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 provisions as 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.