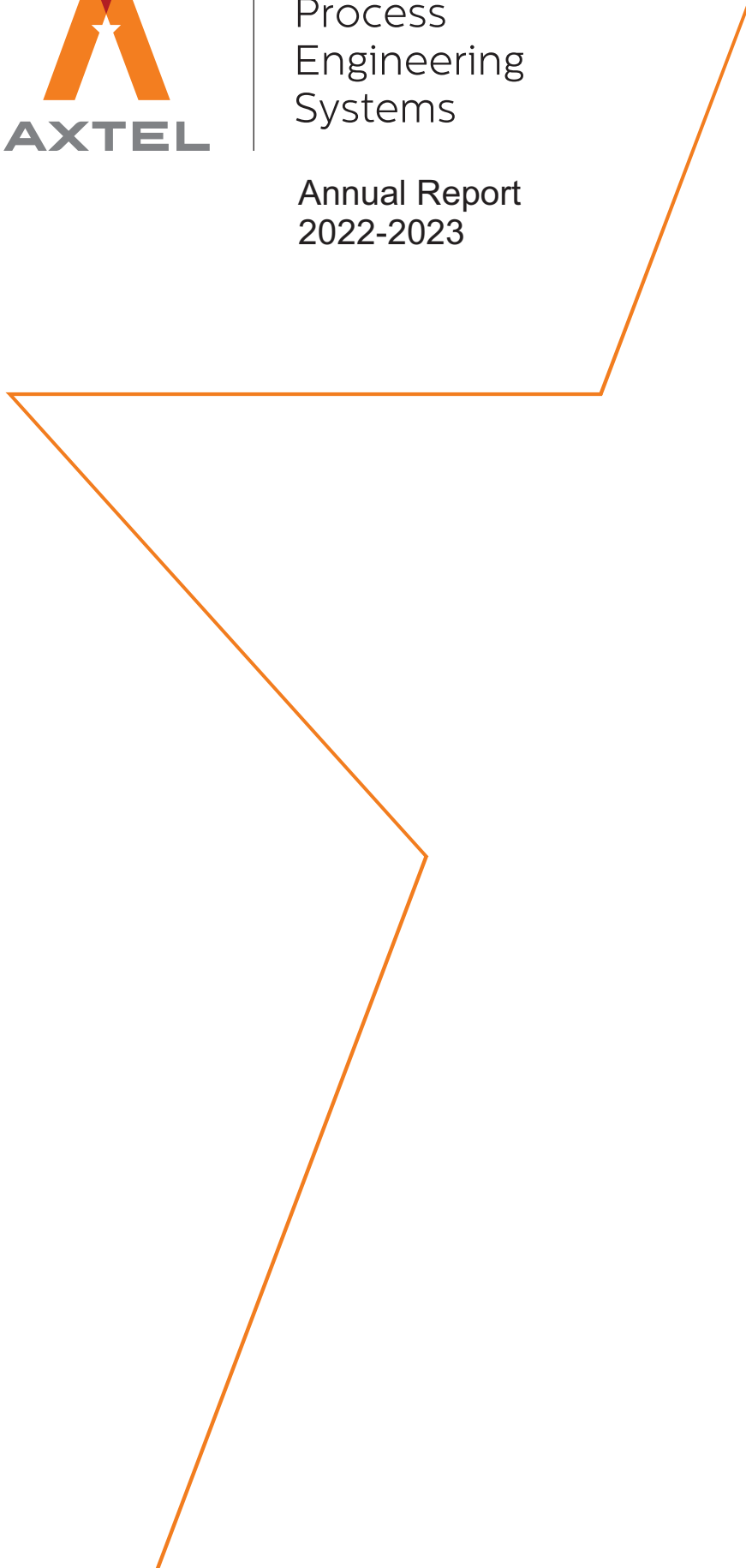




Process  
Engineering  
Systems

Annual Report  
2022-2023





# AXTEL INDUSTRIES LIMITED

## 31<sup>th</sup> ANNUAL REPORT 2022-2023

BOARD OF DIRECTORS	: 1. Mr. Ajay Naishad Desai, Executive Director 2. Mr. Ajay Nalin Parikh, Executive Director 3. Mr. Ajit Singh Bubber, Non-Executive Director 4. Mr. Ameet Nalin Parikh, Non-Executive Director 5. Mr. Sandeep Lalwani, Independent Director 6. Mr. Nimish Patel, Independent Director 7. Ms. Deepti Sharma, Independent Director
COMPANY SECRETARY	: CS Prerna Sudeep Bokil
CHIEF FINANCIAL OFFICER	: Mr. Rajendra K. Bhavsar
AUDITORS	: VRCA & Associates, Chartered Accountants, Vadodara.
BANKERS	: Bank of Baroda, Halol
REGISTERED OFFICE & WORKS	: Vadodara-Halol Highway, Baska, Panchmahal-389350, Gujarat Tel : [02676] 247900 Fax : [02676] 247125
Corporate Identification Number (CIN)	: L91110GJ1991PLC016185
E-mail address	: <a href="mailto:info@axtelindia.com">info@axtelindia.com</a>
Website	: <a href="http://www.axtelindia.com">www.axtelindia.com</a>

## NOTICE

**NOTICE** is hereby given that the 31<sup>st</sup> Annual General Meeting of the members of Axtel Industries Limited will be held at 11.00 a.m. on Monday, 10<sup>th</sup> July, 2023 through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the audited financial statements of the Company for the financial year ended on 31st March, 2023 and the reports of the Board of Directors and the Auditors thereon.
2. To re-appoint Mr. Ajitsingh Mohansingh Bubber (DIN 00454111), as Director who retires by rotation and being eligible offers himself for re-appointment.
3. To declare dividend for the financial year ended on 31st March, 2023.

### SPECIAL BUSINESS :

4. To consider and if thought fit, to pass the following resolutions as special resolution:

**RESOLVED THAT** pursuant to the provisions of section 149, 150, 152 and any other provisions applicable, if any, of the Companies Act, 2013 and the rules made thereunder read with schedule IV of the Companies Act, 2013, Mr. Nimish Patel (DIN: 00029353), whose first term of five years as an independent director shall expire on 4th November, 2023 and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of independent director, be and is hereby re-appointed as Independent Director of the Company to hold office for five consecutive years from 5th November, 2023 to 4th November, 2028.

5. To consider and if thought fit, to pass the following resolutions as special resolution:

**RESOLVED THAT** pursuant to the provisions of section 149, 150, 152 and any other provisions applicable, if any, of the Companies Act, 2013 and the rules made thereunder read with schedule IV of the Companies Act, 2013, Ms. Deepti Sharma (DIN: 03630613), whose first term of five years as an independent director shall expire on 4th November, 2023 and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of independent director, be and is hereby re-appointed as Independent Director of the Company to hold office for five consecutive years from 5th November, 2023 to 4th November, 2028.

6. To consider and if thought fit, to pass the following resolutions as special resolution:

**RESOLVED** that pursuant to section 197, 198, 200 and other provisions applicable, if any and schedule V of the Companies Act, 2013 and rules made thereunder, consent of the members of the Company be and is hereby accorded to fix remuneration of Mr. Ajay Naishad Desai, (DIN: 00452821), Whole-time Director of the Company with effect from the 1st August, 2023 within the limits prescribed hereunder from time to time:

[i] Salary:

Not exceeding Rs. 20,00,000 (Rupees Twenty Lac Only) per month [including perquisites and other allowance, if any]

[ii] Perquisites and other allowances:

Perquisites and other allowances shall also be allowed in addition to salary. However, total managerial remuneration by way of salary, perquisites and other allowances shall not exceed the overall limit of Rs. 2,40,00,000 (Rupees Two Crore Forty Lac Only) per annum.

[iii] Gratuity payable should not exceed half a month's salary for each completed year of service.

[iv] Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.

[v] Provision of car with driver for use on Company's business and telephone at residence will not be considered as perquisites/ remuneration. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the individual appointee concerned.

**RESOLVED FURTHER THAT**, where in any financial year, during the currency of tenure of Mr. Ajay Naishad Desai as Whole-time Director, the Company has no profit or its profits are inadequate, it may pay him minimum remuneration by way of salary, perquisites and allowances not exceeding the limits specified above for a period from 1st August, 2023 to 31st July, 2026.

7. To consider and if thought fit, to pass the following resolutions as special resolutions:

**RESOLVED** that pursuant to section 197, 198, 200 and other provisions applicable, if any and schedule V of the Companies Act, 2013 and rules made thereunder, consent of the members of the Company be and is hereby accorded to fix remuneration of Mr. Ajay Nalin Parikh (DIN: 00453711), Whole-time Director of the Company with effect from the 1st August, 2023 within the limits prescribed hereunder from time to time:

[i] Salary:

Not exceeding Rs. 20,00,000 (Rupees Twenty Lac Only) per month [including perquisites and other allowance, if any]

[ii] Perquisites and other allowances:

Perquisites and other allowances shall also be allowed in addition to salary. However, total managerial remuneration by way of salary, perquisites and other allowances shall not exceed the overall limit of Rs. 2,40,00,000 (Rupees Two Crore Forty Lac Only) per annum.

- [iii] Gratuity payable should not exceed half a month's salary for each completed year of service.
- [iv] Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.
- [v] Provision of car with driver for use on Company's business and telephone at residence will not be considered as perquisites/ remuneration. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the individual appointee concerned.

**RESOLVED FURTHER THAT**, where in any financial year, during the currency of tenure of Mr. Ajay Nalin Parikh (DIN: 00453711), Whole-time Director of the Company has no profit or its profits are inadequate, it may pay him minimum remuneration by way of salary, perquisites and allowances not exceeding the limits specified above for a period from 1st August, 2023 to 31st July, 2026.

8. To consider and if thought fit, to pass the following resolutions as special resolutions:

**RESOLVED THAT** pursuant to section 180(1)(c) and other provisions applicable, if any, of the Companies Act, 2013, consent of the members of the company be and is hereby accorded to the Board of Directors of the Company to borrow the money from banks, financial institutions, other companies / persons as may be required from time to time on such terms and conditions as may be considered suitable by the Board of Directors, any sum or sums of monies which together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid-up capital, free reserves of the Company, or Rs. 150,00,00,000/- (Rupees One Hundred Fifty Crores only), whichever is higher.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do and execute all such acts, deeds and things as may be necessary for giving effect to the above resolution.

9. To consider and if thought fit, to pass the following resolutions as special resolutions:

**RESOLVED THAT** pursuant to section 180(a) and other provisions applicable, if any, of the Companies Act, 2013, consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company to mortgage and / or charge all the immovable and movable properties where so ever situate, present and future of the Company as security with the bank, financial institutions, other companies as may be required to avail loans, various fund base and / or non-fund base credit facilities from time to time not exceeding Rs. 100,00,00,000/- (Rupees One Hundred Crore only).

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do and execute all such acts, deeds and things as may be necessary for giving effect to the above resolution.

10. To consider and if thought fit, to pass the following resolution as special Resolutions:

**RESOLVED THAT** pursuant to the provisions of Sections 197 & 198, and other applicable provisions of the Companies Act, 2013 read with Schedule V and the Rules made thereunder, consent of the members of the company be and is hereby accorded to the Board of the Directors of the Company to determine & pay, collectively to all the Non-Executive Directors, or non-executive directors to be appointed in future (including Independent Directors), of the Company (i.e Directors other than Managing Director and / or Whole-time Director), the remuneration by way of fees or commission or otherwise, in addition to the sitting fee for attending the meetings of the Board of Directors or Committees thereof, as the Board of Directors may determine from time to time, not exceeding of one percent of the Net Profits of the Company per annum as computed in the manner laid down in Section 198 of the Companies Act, 2013 for the financial year 2023-24 and thereafter.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do and execute all such acts, deeds and things as may be necessary for giving effect to the above resolution.

11. To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

**RESOLVED THAT** pursuant to Section 148 and other applicable provisions, if any, of the Companies Act 2013 and rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration of Rs. 60,000 (Rupees Sixty Thousand Only) per annum and reimbursement of out-of-pocket expenses, which may be incurred by M/s K. H. Shah & Co., Cost Accountants in Practice, who has been appointed by the Board of Directors on the recommendation of Audit Committee, as the Cost Auditor of the Company for the financial year 2023-24, be and is hereby ratified.

**By the Order of the Board of Directors**

Date: 29/05/2023  
Registered Office :  
Vadodara-Halol Highway  
Baska, Panchmahal-389350  
Gujarat

**Ajay Nalin Parikh**  
Executive Director  
DIN: 00453711

**NOTES:**

- 1) In view of the continuing outbreak of COVID-19 pandemic situation, the Ministry of Corporate Affairs ("MCA") has vide its General Circular No. 10/2022 dated December 28, 2022 read with circulars dated May 5, 2022, January 31, 2021, May 5, 2020, April 8, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars") & SEBI Circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 5, 2023 read with SEBI Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022, Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and SEBI Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 (collectively referred to as "SEBI Circulars") for further extending the period of holding AGM through VC permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue to follow social distancing norm and the continuing restriction on movement of persons at several places in the country.

In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA and SEBI Circulars issued from time to time, the AGM of the Company is being held through VC / OAVM.

- 2) The relevant details, pursuant to Regulations 36(3) of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking re-appointment at this AGM is annexed.
- 3) Pursuant to the provisions of the Act, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of 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 and Attendance Slip are not annexed to this Notice.
- 4) Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to [investors@axtelindia.com](mailto:investors@axtelindia.com) with a copy marked to [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in).
- 5) The register of members and share transfer book will remain closed from Tuesday, the 4th July, 2023 to Monday, 10th July, 2023 [both days inclusive]. Members may join the 31st AGM through VC/OAVM Facility by following the procedure as mentioned below which shall be kept open for the Members from 10:30 a.m. IST i.e. 30 minutes before the time scheduled to start the 31st AGM and the Company may close the window for joining the VC/OAVM Facility 30 minutes after the scheduled time to start the 31st AGM.

Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

- 6) As per Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, Link Intime India Private Limited ("LIPL") for assistance in this regard.
- 7) To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with LIPL in case the shares are held by them in physical form.
- 8) Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to LIPL in case the shares are held by them in physical form.

The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in physical form can submit their PAN details to the Company/Registrar and Share Transfer Agent.

- 9) Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company before 7 days of the date of AGM through email on [investors@axtelindia.com](mailto:investors@axtelindia.com). The same will be replied by the Company suitably.
- 10) Pursuant to Section 72 of the Companies Act, 2013, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. Members are requested to submit the said details to their DP in case the shares are held by them in electronic form and to LIPL in case the shares are held in physical form.

- 11) The company has created an exclusive E-mail Id: investors@axtelindia.com for quick redressal of shareholders/investors grievances.
- 12) In compliance with the aforesaid MCA Circulars dated December 28, 2022 and SEBI Circular dated January 5, 2023 read with circular issued by MCA dated May 5, 2022, January 13, 2021 and May 12, 2020 and SEBI Circular dated May 13, 2022 read with Circular dated January 15, 2021, notice of the AGM along with the Annual Report 2022-23 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2022-23 will also be available on the Company's website [www.axtelindia.com](http://www.axtelindia.com).
- 13) In terms of Section 152 of the Companies Act, 2013, Mr. Ajitsingh Mohansingh Bubber (DIN 00454111), Director retires by rotation at the ensuing annual general meeting and being eligible, offers himself for reappointment.
- 14) Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements), 2015, the Company is pleased to provide E-voting facility through Link Intime India Private Limited (LIPL) for all the members of the Company to enable them to cast their votes electronically.
- 15) The Board of Directors of the Company has appointed Mr. Dineshchandra Mangaldas Mehta of M/s. Dinesh Mehta & Co., Company Secretary in Practice as Scrutinizer to scrutinize the e-voting process in a fair and transparent manner and he has communicated his willingness to be appointed and will be available for same purpose.
- 16) Voting rights shall be reckoned on the paid-up value of shares registered in the name of the member as on the cut-off date i.e 3rd July, 2023. A person, whose name is recorded in the register of members by the depositories as on the cut-off date, i.e. Monday, 3rd July, 2023 only, shall be entitled to avail the facility of e-voting / Poll.
- 17) The Scrutinizer, after scrutinising the votes cast at the meeting through e-voting and through remote e-voting will, not later than 48 hours of conclusion of the meeting, make a consolidated scrutinizer's report and submit the same to the Chairman. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company [www.axtelindia.com](http://www.axtelindia.com) and the results shall simultaneously be communicated to the Bombay Stock Exchange.
- 18) **DIVIDEND:** The dividend, as recommended by the Board of Directors, if approved at the AGM, would be paid subject to deduction of tax at source, as may be applicable, after 10th July, 2023, to those persons or their mandates:
  - a) whose names appear as Beneficial Owners as at the end of the business hours on Monday, 3rd July, 2023 in the list of Beneficial Owners to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited in respect of the shares held in electronic form; and b) whose names appear as Members in the Register of Members of the Company as at the end of the business hours on Monday, 3rd July, 2023 after giving effect to valid request(s) received for transmission/ transposition of shares.
- 19) **DIVIDEND THROUGH ELECTRONIC MODE:** SEBI has made it mandatory for listed companies to make all payments to investors including dividend to Members, by using any RBI approved electronic mode of payment viz. Electronic Clearing Service / Direct Credit / Real Time Gross Settlement / National Electronic Fund Transfer etc. Members are, therefore, requested to add / update their bank account details as under:
  - a) In case of holding of shares in demat form, update your bank account details with your Depository Participant(s) (DP) immediately.
  - b) In case of physical shareholding, submit bank details such as name of the bank, branch details, bank account number, MICR code, IFSC code etc to the Link In time India Private Limited, Registrar & Transfer Agent in prescribed Form ISR-1 and other forms pursuant to SEBI Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/ CIR/2021/655 dated 3rd November, 2021 (SEBI Circular). This will facilitate the remittance of the dividend amount, as and when declared by the Company, in the Bank Account electronically. In case, the Company is unable to pay the dividend to any Member by electronic mode, due to non-availability of the details of the bank account, the Company shall dispatch the dividend warrant / demand draft / cheque to such members by post / speed post/ registered post/ courier.
- 20) **TDS ON DIVIDEND:** Pursuant to the Income-tax Act, 1961, as amended by the Finance Act, 2020, dividend income will be taxable in the hands of Members w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to Members at the prescribed rates. For the prescribed rates for various categories, please refer to the Finance Act, 2020 and the amendments thereof.
- 21) Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the meeting.
- 22) Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this notice.
- 20) Explanatory statement setting out all material facts concerning the special business u/s 102 of the Companies Act, 2013 is annexed hereto.

**Explanatory statement in respect of the special business u/s Section 102 of the Companies Act, 2013, Regulation 36 of SEBI (LODR) Regulations, 2015 & Secretarial Standard 2 issued by ICSI****Item No. 4**

Mr. Nimish Patel was appointed as an Additional Non-Executive Independent Director of the Company with effect from 5th November, 2018 at the meeting of the Board of Directors of the Company held on 5th November, 2018 and regularized at the annual general meeting held on 25th September, 2019. He is a member of Audit Committee, and Nomination & Remuneration Committee of the Company.

He is B.S (Finance) from Bentley College, USA. He worked for Kiewit Construction Co. in Boston and New York after graduation. He was Director of Patel Engineering Limited, Mumbai for a period of 18 years.

Mr. Nimish Patel, whose first term of five years as independent director shall expire on 4th November, 2023. Your Company has received a notice in writing from a member proposing his candidature for the office of an independent director and Mr. Nimish Patel being eligible for re-appointment, is proposed to be re-appointed as an Independent Director of the Company Pursuant to section 149 and any other applicable provisions of the Companies Act, 2013 for a term of five consecutive years up to 4th November, 2028.

In the opinion of the Board, Mr. Nimish Patel fulfils the conditions specified in the Companies Act, 2013 and Rules made thereunder for his re-appointment as an Independent Director of the Company and he is independent of the management. A copy of the letter for appointment of Mr. Nimish Patel as an independent director setting out the terms and conditions would be available for inspection by members at the registered office of the company during normal business hours on any working day excluding Saturday and Sunday.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to re-appoint him for second term as Independent Director of your company.

Your Board recommends his re-appointment as Independent Director of your Company.

The Board of the Directors recommends the resolution for the approval of the members as special resolution.

No Director, Key Managerial Personnel or their relatives, except Mr. Nimish Patel is directly or indirectly concerned or interested in the above resolution.

The disclosures required under Secretarial Standard No. 2 & Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed at the end of explanatory statement, covering all disclosures required to be made.

**Item No. 5**

Mrs. Deepti Sharma was appointed as an Additional Non-Executive Independent Director of the Company with effect from 5th November, 2018 at the meeting of the Board of Directors of the Company held on 5th November, 2018 and regularized at the annual general meeting held on 25th September, 2019. She is a member of Audit Committee, Stakeholders Relationship Committee and Nomination & Remuneration Committee of the Company.

Mrs. Deepti Sharma is a graduate in Science (B.Sc. ), Physics, Chemistry, Mathematics, from University of Ajmer, post graduate degree in Management ( M.B.A.), Major -Finance, Minor - International Marketing, from FMS, Mohanlal Sukhadia University, Udaipur, passed financial advisor module test conducted by NSE for mutual funds (AMFI recognized), Certificate course in " Private Equity and Capital Market Financing " from IIM Bangalore. She has vast experience in project management, financial management, risk management implementing policies for cost control, merger and acquisitions, corporate governance. She is associated with M.S. University, Vadodara as external faculty for B.B.A and P.G.D.B.M. since 1998, examination panelist with M.S. University, Vadodara for Management Studies, Post Graduate Department, a member of Board of Studies, Post graduate courses, M S University, visiting faculty at PDPU, Management Department, Gandhinagar, visiting faculty at BJVM college, Vidyanagar for Graduate, Post Graduate and M Phil courses and a member jury, Federation of Gujarat Industries for various MSME awards.

Mrs. Deepti Sharma, whose first term of five years as an independent director shall expire on 4th November, 2023. Your Company has received a notice in writing from a member proposing his candidature for the office of an independent director and Mrs. Deepti Sharma being eligible for re-appointment, is proposed to be re-appointed as an Independent Director of the Company pursuant to section 149 and any other applicable provisions of the Companies Act, 2013 for a term of five consecutive years up to 4th November, 2028.

In the opinion of the Board, Mrs. Deepti Sharma fulfils the conditions specified in the Companies Act, 2013 and Rules made thereunder for her re-appointment as an Independent Director of the Company and she is independent of the management. A copy of the letter for appointment of Mrs. Deepti Sharma as an independent director setting out the terms and conditions would be available for inspection by members at the registered office of the company during normal business hours on any working day excluding Saturday and Sunday.

The Board considers that her continued association would be of immense benefit to the Company and it is desirable to re-appoint Her for second term as Independent Director of your company.



Your Board recommends her re-appointment as Independent Director of your Company.

The Board of the Directors recommends the resolution for the approval of the members as special resolution.

No Director, Key Managerial Personnel or their relatives, except Mrs. Deepti Sharma is directly or indirectly concerned or interested in the above resolution.

The disclosures required under Secretarial Standard No. 2 & Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed at the end of explanatory statement, covering all disclosures required to be made.

#### **Item No. 6**

Mr. Ajay Naishad Desai was re-appointed as Whole-time Director of the Company for a period of five years w.e.f. 1st March, 2022 as per special resolutions passed by the members of the Company at the annual general meeting of the Company held on 15th September, 2021.

He is looking after the marketing and administration department of the Company. He is paid remuneration of Rs. 15,00,000 per month with effect from 1st April, 2023 as approved by the Board of Directors at their meeting held on 18th May, 2023 and as per special resolution passed at the annual general meeting of the members of the Company held on 15th September, 2021. Looking to the responsibilities shouldered by Mr. Ajay Naishad Desai, nomination and remuneration committee of the Company has recommended to take approval of members to increase his remuneration to Rs. 20,00,000 per month.

The information required as per clause iv of proviso of section II of part II of schedule V of the Companies Act, 2013 is furnished hereunder:

#### **I. General Information:**

1. Nature of Industry & commencement of commercial production: Engineering industry manufacturing food processing plant, machinery and equipment and dairy machinery since 1993.

2. Financial Performance: The Company's net profit after taxation is Rs. 1730.28 lacs for the year ended 31st March, 2023. The Company has made export of Rs. 2050.93 lacs during the year ended 31st March, 2023.

3. Foreign investments or collaborations, if any: NA

#### **II. Information about Mr. Ajay Naishad Desai:**

**1. Back Ground Details:** He is a 1st Class graduate in Electrical Engineering. He possesses over 40 years of wide and rich experience in the field of process and equipment design for food and pharmaceutical industries.

**2. Past remuneration:** He is paid remuneration of Rs. 15,00,000/- per month with effect from 1st April, 2023 as approved by the Board of Directors at their meeting held on 18th May, 2023 and as per limit sanctioned by passing special resolutions at the annual general meeting held on 15th September, 2021.

**3. Recognition or awards:** Nil

#### **4. Job profile and his suitability:**

• Graduated from The Maharaja Sayajirao University at Vadodara in the year 1981 as an Electrical Engineer and having scored a first class. He possesses over 40 years of experience in the field of process and equipment design for food and pharmaceutical industries. A brief overview of his career profile is as follows:

• 1981-83: Worked as a marketing and sales engineer with M/s Finex Sieves Pvt. Limited, who were at that time a leading company for supply of knowhow and equipment for sieving and straining applications in food, pharmaceutical, chemical, paint, paper and other industries. Mr. Ajay Naishad Desai was instrumental in increasing the turnover of the company manifold, which was achieved in a short period.

• 1985-86: Together with others, he formed a partnership company, Aro-Grad Engineering and set up a workshop to manufacture equipment for food and dairy industries. The first customer of Aro-Grad Engineering was Amul Dairy followed by the National Dairy & Development Board. Mr. Ajay Naishad Desai worked closely with eminent personalities such as Dr. Verghese Kurien, Dr. V. H. Shah and others to develop various dairy and food equipment as import substitutes for many large dairies all over India. During this period he gained rich experience in the design, development, manufacture and use of GMP equipment for the dairy, food and pharmaceutical sectors.

• 1986-92: Promoted Age Technologies Pvt. Limited which was a larger version of Aro-Grad Engineering. This company continued the activities of Aro-Grad Engineering, with a substantially increased manufacturing facility. Age Technologies successfully commissioned various equipment and plants for dairies, food, animal feed and other similar industries. Many of these were import substitutes, eliminating the need for importing similar equipment from advanced countries.

• 1992-till date, as Executive Director with Axtel Industries Limited since its inception. Due to Mr. Ajay Desai's efforts, Axtel today is the preferred supplier to Indian and MNC food processing companies such as Kraft Foods, Nestle, Cadbury, Glaxo Smith Kline, Heinz, ITC, Unilever and several others in India and abroad. Axtel, under the leadership of Mr. Ajay Desai, has over the last 28 years designed processes/systems equivalent to the best in class.

**5. Remuneration proposed:** Not exceeding Rs.20,00,000/- (Rupees Twenty Lacs only) per month.

#### **6. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person:**

The remuneration is proposed to be paid is purely based on merit. Nomination and remuneration committee before recommending remuneration, perused the remuneration of managerial person in other companies comparable with the size of the Company, industry benchmarks, profile

and responsibilities by comparing his efforts and responsibility as Executive Director of the Company.

**7. Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel:** Mr. Ajay Naishad Desai has no pecuniary relationship directly or indirectly with the Company as managerial personnel except remuneration as Executive Director drawn by him and dividend on equity shares, declared if any, by the Company for his shareholding in the Company

**III. Other information:**

**1. Reasons for inadequate profit:** The Company is earning profits which may be deemed inadequate for purpose of limits of managerial remuneration.

**2. Steps taken or proposed to be taken for improvement:** The Company is always looking forward to take steps and measures and also has expanded its production capacity by expansion of its existing factory shed and installed more machineries to cope with the rise in orders from the clients. The company shall make all possible efforts to improve margins and measures such as expansion, diversification, restructuring which can be best in interest of the company.

**3. Expected increase in productivity and profits in measurable terms:** The Company is constantly concerned about improvement in productivity and take constant measures to improve. However, it is not measurable in terms to predict profits of the company.

**4. Disclosures:**

Other disclosures have been mentioned under head 'Remuneration of Directors' of Corporate Governance, mentioned as Annexure G of Board of Directors' report.

The Board of Directors recommends the resolution for the approval of the members as special resolution.

No Director, Key Managerial Personnel or their relatives, except Mr. Ajay Naishad Desai for drawing his remuneration is directly or indirectly concerned or interested in the above resolution, except to the extent of his shareholding (including his relatives), if any, in the Company.

This explanatory statement together with the accompanying notice may also be considered as an abstract of terms and conditions of the contract for the remuneration of Mr. Ajay Naishad Desai as Executive Director.

**DETAILS OF DIRECTORS AS PER SECRETARIAL STANDARDS 2 ON GENERAL MEETING ISSUED BY INSTITUTE OF COMPANY SECRETARIES OF INDIA**

Name of the Director	Mr. AJAY NAISHAD DESAI
DIN	00452821
Date of Birth	09/09/1958
Age	65 Years
Date of Appointment/ Reappointment	28/08/1991 - Appointment 01/03/2022 - Last re-appointment
Terms of appointment	Appointed as Whole-time Director of the Company with effect from 01/03/2022 for a period of five years on remuneration of Rs. 15 lacs per month.
Details of last remuneration	Rs. 15.00 lacs per month with effect from 1st April, 2023
Details of sought to be paid	Rs. 20.00 lacs per month with effect from 1st August, 2023
Areas of Specialization	Engineering, marketing and administration
Qualifications	B.E.
No. of Shares Held in the Company	9,21,935
List of Directorship held in other Companies	1. Mannk Foods (India) Private Limited
Chairman/member of the Committee of the Board of Directors of this Company	1. Vigil Mechanism Committee 2. Stakeholders Committee
Chairman/member of the Committee of the Board of Directors of other Companies	NA
Relation with Key Managerial Personnel and Directors	NA

**Item No. 7**

Mr. Ajay Nalin Parikh was re-appointed as Whole-time Director of the Company for a period of five years w.e.f. 1st August, 2018 as per special resolutions passed by the members of the Company at the annual general meeting of the Company held on 28th September, 2017.

Further, prior approval for his re-appointment is accorded from the shareholders at the annual general meeting of the Company held on 29th September, 2022 for a period of five years with effect from 1st August, 2023.