

27<sup>th</sup>  
ANNUAL  
REPORT **2015-16**



**aarvee**

**DENIMS & EXPORTS LTD.**

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### **IMPORTANT COMMUNICATION TO MEMBERS**

The Ministry of Corporate Affairs has taken a “Green Initiative in the Corporate Governance” by allowing paperless compliances by the companies and has issued circulars stating that service of notice / documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respects of electronic holding with the Depository through their concerned Depository Participants.

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Corporate Identification Number (CIN) : L17110GJ1988PLC010504

**BOARD OF DIRECTORS**

Mr. Vinod P. Arora	Chairman & Managing Director
Mr. Ashish V. Shah	Managing Director
Mr. Kalpesh V. Shah	Whole Time Director
Mr. Parmanand T. Arora	Director
Mr. Rajesh P. Arora	Director
Mr. Sanjay S. Majmudar	Independent Director
Mr. Ashok C. Gandhi	Independent Director
Mr. Arvind D. Sanghvi	Independent Director
Mr. Amol R. Dalal	Independent Director
Mrs. Komal S. Majmudar	Independent Director (up to 29-05-2015)
Ms. Shivani Shah	Independent Director (w.e.f. 13-08-2015)

**SENIOR EXECUTIVES**

Mr. Nipun V. Arora	Vice President (Administration)
Mr. Pankaj V. Arora	Vice President (Marketing)
Mr. Pankil K. Shah	Vice President (Garment)
Mr. Suketu Shah	CEO (w.e.f.06-04-2015)
Mr. Bhavik Shukla	CFO (w.e.f.07-11-2015)
Mr. Hardik Modi	Company Secretary (up to 04-07-2016)

**BANKERS**

Bank of Baroda  
State Bank of India  
IDBI Bank Ltd  
Standard Chartered Bank  
Bank of India

**AUDITORS**

Deloitte Haskins & Sells	Joint Statutory Auditors
N.C. Shah & Associates	Joint Statutory Auditors

**REGISTERED OFFICE & MILLS****Unit I**

188/2, Ranipur Village,  
Opp. CNI Church, Narol,  
Ahmedabad 382 405.

**Unit II**

S .No. 215-217, Village Sari,  
Sarkhej Bavla Highway,  
Ta. Sanand, Dist. Ahmedabad.

**UNIT IV**

S. No. 212/2 - 212/4,  
Village Sari,  
Sarkhej Bavla Highway,  
Ta. Sanand, Dist. Ahmedabad.

**DELHI OFFICE**

11-A/2, Court Road,  
Civil Lines, Delhi – 110 054.

**REGISTERED OFFICE & UNIT- III**

191, Moje Shahwadi,  
Narol- Sarkhej Highway,  
Ahmedabad – 382 405.

**MUMBAI OFFICE**

102, Techno Residency, Plot No.84,  
Junction of L.N Road and Hindu Colony  
Road No.2, Dadar (E), Mumbai – 400014

**SHARE TRANSFER AGENT****Link Intime India Pvt. Ltd.**

Unit No. 303, 3rd Floor, Shoppers Plaza V,  
Opp. Municipal Market, Behind Shoppers Plaza II,  
Off C. G. Road, Ahmedabad, Gujarat, 380009,  
Tel. Nos.079-26465179  
Fax No 079-26465179  
Email: ahmedabad@linkintime.co.in

**ANNUAL GENERAL MEETING**

Wednesday, 28<sup>th</sup> September, 2016

**TIME**

10:00 A.M.

**VENUE**

191, Shahwadi, Nr. Old Octroi Naka,  
Narol-Sarkhej Highway, Narol,  
Ahmedabad-382 405

**NOTICE OF 27<sup>TH</sup> ANNUAL GENERAL MEETING**

(CIN: L17110GJ1988PLC010504)

**NOTICE** is hereby given that the 27<sup>th</sup> Annual General Meeting of the Members of **AARVEE DENIMS AND EXPORTS LIMITED** will be held on Wednesday, 28<sup>th</sup> September, 2016 at 10:00 A.M. at Registered office of the Company situated at 191, Shahwadi, Nr. Old Octroi Naka, Narol - Sarkhej Highway, Narol, Ahmedabad - 382 405, Gujarat 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 31<sup>st</sup> March, 2016 together with the Reports of the Board of Directors and Auditors thereon;
2. To appoint a Director in place of Mr. Parmanand T. Arora (DIN: 00093659), who retires by rotation and being eligible, offers himself for reappointment; and
3. To ratify the Appointment of Statutory Auditors

To consider and if thought fit, to pass with or without modification(s), following resolution as an **Ordinary Resolution:**

**“RESOLVED THAT** pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, the appointment of M/s. Deloitte Haskins & Sells, Chartered Accountants, Ahmedabad (Registration No. 117365W) and M/s. N. C. Shah & Associates, Chartered Accountants, Ahmedabad (Registration No. 109692W), as Joint Auditors of the Company, by resolution passed at the 25<sup>th</sup> Annual General Meeting of the Company, to hold office from the conclusion of the 25<sup>th</sup> Annual General Meeting until the conclusion of the 28<sup>th</sup> Annual General Meeting, be and is hereby ratified in this Annual General Meeting until the conclusion of the next Annual General Meeting to be held in the year 2017 on such remuneration plus applicable service tax and out of pocket expenses incurred by them for the purpose of audit of the company, as may be decided by the Board of Directors.”

**SPECIAL BUSINESS:-****4. TO APPROVE COST AUDITORS’ REMUNERATION**

To consider and if thought fit, to pass, with or without modification(s), following resolution as an **Ordinary Resolution:**

**“RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. N. D. Birla & Co., Cost Accountants (Firm Registration Number - 000028), appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year ending 31<sup>st</sup> March, 2017, be paid the remuneration of ₹ 60,000/- plus service tax and out of pocket expenses, if any, incurred during the course of above audit.”

**5. RELATED PARTY TRANSACTIONS**

To consider and, if thought fit, to pass, with or without modification(s), following resolution(s) as **Special Resolution:**

**“RESOLVED THAT** pursuant to the provisions of Section 188 of the Companies Act, 2013 and all other applicable provisions, if any, of the Companies Act, 2013 read with applicable Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and in terms of applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the consent of the members of the Company be and is hereby accorded for approval of material related party transactions entered into by the Company with related parties as set out under Item No. 5 of Explanatory Statement annexed to the notice convening this meeting.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby severally authorized to perform and execute all such acts, deeds, matters and things including delegate such authority, as may be deemed

**AARVEE DENIMS AND EXPORTS LTD.**

necessary, proper or expedient to give effect to this resolution and for the matters connected herewith or incidental hereto.”

**6. ACCEPTANCE OF UNSECURED DEPOSITS UNDER THE COMPANIES (ACCEPTANCE OF DEPOSITS) RULES, 2014**

To consider and, if thought fit, to pass, with or without modification(s), following resolution(s) as **Special Resolution:**

**“RESOLVED THAT** pursuant to the provisions of section 73 and 76 of the Companies Act, 2013 (the Act) read with the Companies (Acceptance of Deposits) Rules, 2014 (the Rules) and other applicable provisions, if any, and subject to such conditions, approvals, permissions, as may be necessary, consent of the members be and is hereby accorded to the Company for inviting/accepting/renewing unsecured deposits from its members and from public.

**RESOLVED FURTHER THAT** board of directors of the company be and is hereby authorised to prepare a circular or a circular in the form of advertisement in the form prescribed under the Companies (Acceptance of Deposits) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) for inviting and accepting the deposits from general public and shareholders of the company and file the same with the office of the registrar of companies for registration thereof duly signed by the majority of the directors of the company and one month thereafter issue the circular or circular in the form of an advertisement in an English newspaper (in English language) and in a vernacular newspaper (in a vernacular language) having wide circulation in the state of Gujarat wherein the Registered Office of the Company is situated and a copy of the same be uploaded on the website of the Company.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this Resolution, the Board of Directors be and is hereby authorised to do such acts, deeds, matters and things as they may in their absolute discretion consider necessary, proper, expedient, desirable or appropriate and take all necessary and desirable steps for the aforesaid purpose and matters incidental thereto.”

**Notes:-**

- 1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him/her self and proxy need not be a member. The instrument appointing a proxy must be deposited at the Registered Office of the Company not later than 48 hours before the commencement of the meeting.**  
**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 a proxy for any other person or shareholder.**
2. A route map giving directions to reach the venue of the 27<sup>th</sup> Annual General Meeting is annexed.
3. Corporate Members intending to send their authorized representatives are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, 21<sup>st</sup> September, 2016 to Wednesday, 28<sup>th</sup> September, 2016 (both days inclusive).
5. A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
6. The relevant details of the Directors seeking re-appointment/ appointment under Item Nos. 2, pursuant to Regulation 36 (3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) are annexed.
7. Members/Proxies are requested to bring their attendance slip for attending the meeting.
8. Members, who hold shares in Physical / Dematerialised Form, are requested to bring their Folio No./ Depository Account Number and Client I.D. Number for identification.

9. Members seeking any information with regard to accounts of the Company are requested to write to Company at its Registered Office, so as to reach at least 10 days before the date of Meeting to enable Management to keep information ready.
10. Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered office of the Company on all working days, except Saturdays, during business hours up to the date of the Meeting.
11. Members are requested to notify immediately change of address, if any, to their Depository Participants (DPs) in respect of their shareholding in Demat Accounts and to the Company's Registrar & Share Transfer Agent in respect of their shareholding in physical segment by mentioning folio nos., etc.

Members are requested to convert their share(s) lying in physical form to the Demat form for easy transferability of shares. For any help the shareholders may contact Registrar & Transfer Agent of the Company, i.e. Link Intime India Pvt. Ltd.

12. 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 electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company or its Share registrars and Transfer Agents.
13. The Ministry of Corporate Affairs has taken 'Green Initiative in the Corporate Governance' by allowing paperless compliances by the Companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. In this regard we solicit your co-operation to update our databank. Members who have not registered so far, are requested to register their e-mail address, contact telephone number, PAN and Bank Account details, ECS Mandate in respect of electronic holdings with the Depository through their concerned Depository Participants PAN and Bank Account details.

Members who hold shares in physical form are requested to intimate their e-mail address, contact telephone number, PAN and Bank Account details at e-mail address at [ahmedabad@linkintime.co.in](mailto:ahmedabad@linkintime.co.in).

14. The Register of Directors & Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 will be made available for inspection at venue of meeting by members attending meeting.
15. Voting Through electronic means:-

In terms of Sections 107 and 108 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014, the Company is providing its members facility to exercise their right to vote at the meeting by electronic means on any or all of the businesses specified in the accompanying Notice. Necessary arrangements have been made by the Company with CDSL to facilitate e-voting. E-voting is optional and members shall have the option to vote either through e-voting or in person at the General Meeting.

In compliance with the provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide the members the facility to exercise their right to vote at the 27<sup>th</sup> Annual General meeting (AGM) by electronic means and the business may be transacted through the e-voting services provided by Central Depository Services (India) Limited (CDSL).

**The procedure and instructions for voting through electronic means are as follows:-**

#### **SECTION A - E-VOTING PROCESS**

**Step 1** - Open your web browser during the voting period and log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)

**Step 2** - Click on "Shareholders" to cast your vote(s)

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- Step 3** - Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"
- Step 4** - Please enter User ID
- For account holders in CDSL :- Your 16 digits beneficiary ID
  - For account holders in NSDL :- Your 8 Character DP ID followed by 8 Digits Client ID
  - Members holding shares in Physical Form should enter Folio Number registered with the Company.
- Step 5** - Enter the image Verification as displayed and Click on Login.
- Step 6** - 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 voting of any Company, then your existing password is to be used.
- Step 7** - If you are a first time user follow the steps given below
- Enter your 10 digit alpha-numeric PAN issued by Income Tax Department  
For members who have not updated their PAN with the Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field. In case the folio number is less than 8 digits enter the applicable number of '0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ajay with folio number 100 then enter AJ00000100 in the PAN field
  - Enter the date of birth recorded in the demat account or registered with the company for the demat account in DD/MM/YYYY format\*
  - Enter your dividend bank details (Account Number) recorded in the demat account or registered with the company for the demat account\*  
\* Any one of the details i.e. DOB or Dividend bank details should be entered for logging in to the account. If Dividend Bank details and Date of Birth are not recorded with the Depository or Company please enter the number of shares held by you as on the cut off date (record date) i.e. 21<sup>st</sup> September, 2016 in the Dividend Bank details field.
- Step 8** - After entering these details appropriately, click on "SUBMIT" tab.
- Step 9** - First time user holding shares in Demat form will now reach Password Generation menu wherein they are required to create their login password in the password field. Kindly note that this password is to be also used by the Demat holders for voting for resolution 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. The password has to be minimum eight characters consisting of one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character.  
Members holding shares in physical form will then directly reach the Company selection screen.
- Step 10** - Click on the EVSN of Aarvee Denims and Exports Ltd.
- Step 11** - On the voting page, you will see RESOLUTION DESCRIPTION and against the same the option 'YES/NO' for voting.  
Select the relevant option as desired YES or NO and click on submit. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- Step 12** - Click on the "RESOLUTION FILE LINK" if you wish to view the Notice.
- Step 13** - 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.

- Step 14** - Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.
- Step 15** - You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- Step 16** - Note for Non – Individual Members and Custodians:
- Non-Individual Members (i.e. other than Individuals, HUF, NRI, etc.) and Custodian are required to log on to [www.evotingindia.com](http://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](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 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 scan 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.

#### **SECTION B - COMMENCEMENT OF E-VOTING PERIOD AND OTHER E-VOTING INSTRUCTIONS**

- i. A member may exercise his vote at any general meeting by electronic means and the business may be transacted through such voting. Company may pass any resolution by electronic voting system in accordance with the Rule 20 of the Companies (Management and Administration) Rules, 2014.
- ii. The facility for voting, either through electronic voting system or polling paper, as may be decided by Chairman of the meeting, shall also be made available at the meeting and members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting. The members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
- iii. The e-voting period commences on Sunday, 25<sup>th</sup> September, 2016 (9.00 a.m. IST) and ends on Tuesday, 27<sup>th</sup> September, 2016 (5.00 p.m. IST). During this period, Members holding shares either in physical form or in dematerialized form, as on 21<sup>st</sup> September, 2016 i.e. cut-off date, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the Member, he / she shall not be allowed to change it subsequently or cast vote again.
- iv. The voting rights of shareholders shall be in proportion to their shares in the paid up equity share capital of the Company as on the cut-off date. As per Explanation (ii) of Rule 20 of the Companies (Management and Administration) Rules, 2014, cut-off date means a date not earlier than 7 days before the date of general meeting.
- v. Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com). However, if you are already registered with CDSL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forget your password, you can reset your password by using "Forgot User Details / Password" option available on [www.evotingindia.com](http://www.evotingindia.com).
- vi. CS Tapan R. Shah, Practicing Company Secretary (Membership No.: FCS 4476; CP No: 2839) (816-818, Anand Mangal-3, Opp. Core House, Nr. Doctor House, Ellisbridge, Ahmedabad - 380006) has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner. The Board has also authorised Chairman to appoint one or more scrutinizers in addition to and/or in place of CS Tapan Shah.



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- vii. The Scrutinizer shall, immediately after the conclusion of voting at the general meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in employment of the Company and make, not later than three days from the conclusion of meeting, a consolidated scrutinizer's report of the total votes cast in favour or against, if any to the Chairman or a person authorised by him in writing who shall countersign the same. Thereafter, the Chairman or the person authorised by him in writing shall declare the result of the voting forthwith.
- viii. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.aarvee-denims.com](http://www.aarvee-denims.com) and on the website of CDSL immediately after the result is declared by the Chairman; and results shall also be communicated to the Stock Exchanges.
- ix. The resolutions shall be deemed to be passed on the date of the Annual General Meeting, subject to receipt of requisite number of votes.
- x. You can also update your mobile number and e-mail ID in the user profile details of the folio which may be used for sending communication(s) regarding CDSL e-Voting system in future. The same may be used in case the Member forgets the password and the same needs to be reset.
- xi. 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](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
16. Electronic copy of Annual Report 2015-16 is being sent to all the members whose email-ID are registered with the Company/Depository Participant(s) for communication purposes unless any member has required for hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report 2015-16 is being sent in the permitted mode.

Members may also note that the notice of the 27<sup>th</sup> Annual General Meeting and Annual Report for 2015-16 will also be available on the company's website [www.aarvee-denims.com](http://www.aarvee-denims.com), for their download. The physical copies of the aforesaid documents will also be available at the registered office of the company during office hours on all working days between 12:00 p.m. to 2.00 p.m., except Saturday, Sunday and holidays.

17. Transfer of Unclaimed/Unpaid amounts to the Investor Education and Protection Fund (IEPF):

Pursuant to sections 205A and 205C and other applicable provisions, if any, of the Companies Act, 1956, all unclaimed/unpaid dividend, for a period of seven years from the date, have been transferred to the IEPF established by the Central Government. Members who have not en-cashed their dividend warrant(s) for the financial year ended 31<sup>st</sup> March, 2010 or any subsequent financial year(s), are requested to lodge their claims with the Company or Link Intime India Pvt. Ltd.

Members are advised that once the unclaimed dividend is transferred to IEPF no claims shall lie against the Company in respect thereof.

**BY ORDER OF BOARD OF DIRECTORS**

**Vinod P. Arora**  
**Chairman & Managing Director**  
**DIN:00007065**

Place : Ahmedabad  
Date : 10/08/2016

**Registered office:**

191, Shahwadi,  
Nr. Old Octroi Naka, Narol-Sarkhej Highway,  
Narol, Ahmedabad - 382 405  
CIN: L17110GJ1988PLC010504

**Explanatory Statement  
(Pursuant to section 102 of the Companies Act, 2013)**

As required by Section 102 of the Companies Act, 2013 (Act), following explanatory statement sets out all material facts relating to Special Business mentioned in the accompanying Notice:

**ITEM No. 4:**

The Board of Directors have approved appointment and remuneration of Cost Auditors to conduct audit of cost records of the Company for financial year ending 31<sup>st</sup> March, 2017 at a remuneration of ₹ 60,000/- plus service tax and out of pocket expenses, if any, incurred during course of audit.

In accordance with provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, remuneration payable to Cost Auditors has to be ratified by shareholders of the Company.

Accordingly, consent of members is sought for passing an Ordinary Resolution as set out at Item No. 4 of the Notice for ratification of remuneration payable to Cost Auditors for financial year ending 31<sup>st</sup> March, 2017.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in resolution set out at Item No. 4 of Notice.

The Board recommends Ordinary Resolution set out at Item No. 4 of Notice for approval by the shareholders.

**ITEM No. 5:**

The Board of Directors of the Company, at its meeting held on 10<sup>th</sup> August, 2016 has approved a proposal for entering into related party transactions with the related entities of Mr. Vinod P. Arora, Chairman & Managing Director, Mr. Rajesh P. Arora, Director, Mr. Parmanand T. Arora, Director, Mr. Ashish V. Shah, Managing Director and Mr. Kalpesh V. Shah, Whole-time Director. The nature of transactions, amount of transactions and other related information as envisaged under Companies (Meeting of Board and its powers) Rules, 2014 are furnished in "TABLE- A"

All proposed related parties transactions shall be related to weaving job work, purchase and sale of raw material and finished goods, commission on sales and lease rent income. All related parties transactions shall be carried out at the competitive rate in the interest of the Company.

All the proposed transactions with related parties will be carried out on prevailing market conditions and on arm's length basis.

The Board recommends the resolution set forth in Item Nos. 5 of the Notice for approval of the unrelated shareholders of the Company.

**ITEM No. 6:**

The Companies Act, 2013 and Companies (Acceptance of Deposits) Rules, 2014 allows the company to invite and accept deposits to the extent of 25% of its paid up capital and free reserves from general public and to the extent of 10% of its paid up capital and free reserves from its shareholders after passing a resolution at the Annual General Meeting of the company and after complying with various requirements as mentioned in section 73 and section 76 of the Companies Act, 2013 and Companies (Acceptance of Deposits) Rules, 2014. The consent of members of the company is accordingly sought for purpose of inviting and accepting deposits by way of passing an Special resolution as mentioned in item no. 6.

It is also proposed to authorize the board of directors of the Company to invite, accept and renew unsecured deposits and take all necessary steps to ensure compliance of the provisions of Section 73 and 76 of the Companies Act, 2013 and Companies (Acceptance of Deposits) Rules, 2014 for purpose of accepting and