

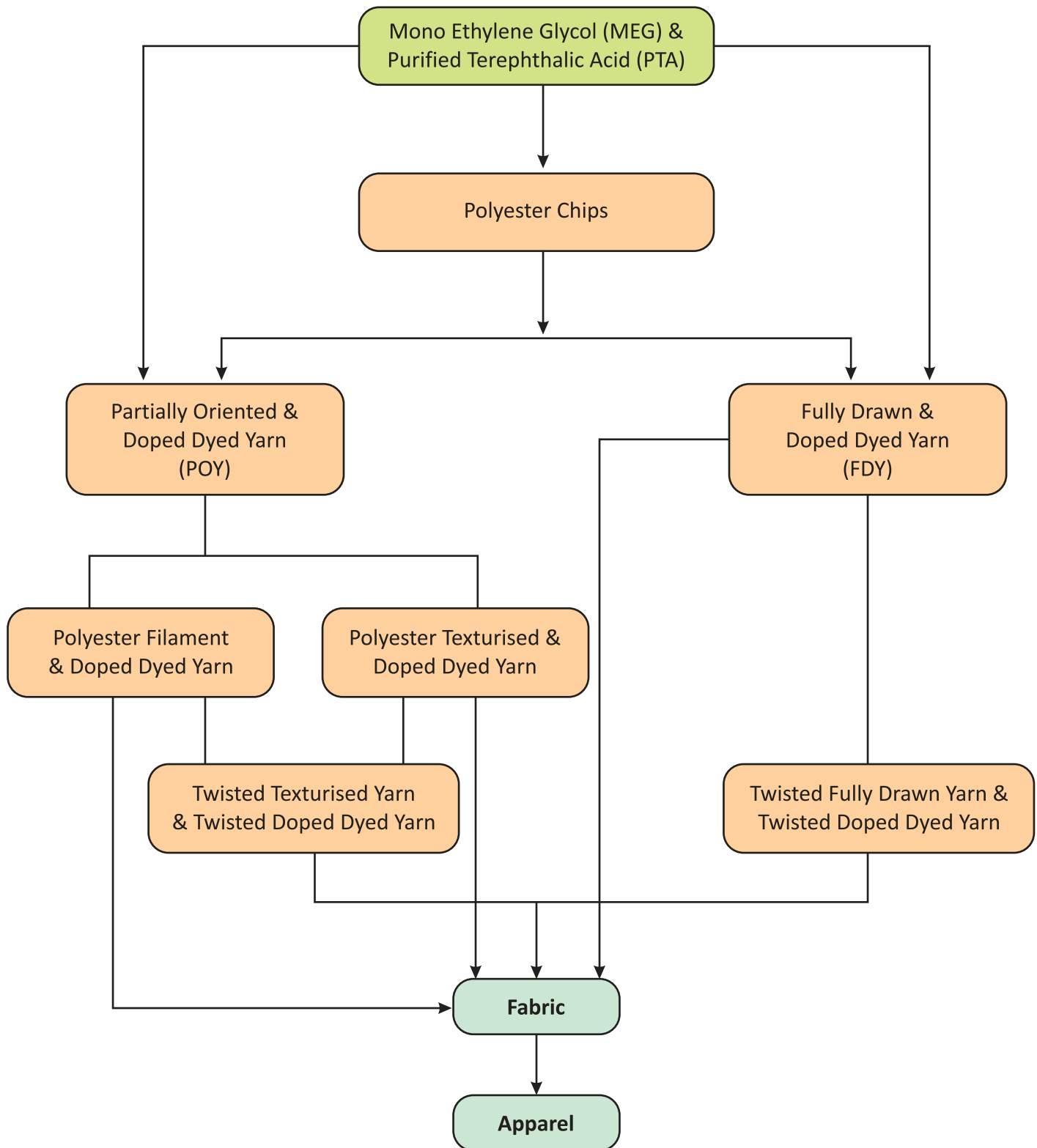


RAJ RAYON INDUSTRIES LIMITED

"Spinning the Quality of Perfection"

**24th Annual Report
2016 - 2017**

Product Flow Chart of Raj Rayon Industries Limited



 Raw Materials Purchased by Company from outside

 Products Manufactured by Company

**COMPANY INFORMATION**

BOARD OF DIRECTORS	:	Mrs. Rajkumari Kanodia Mr. Naval Babulal Kanodia Mr. Jugal Kishore Pooranmal Pareek Mr. Prahlad Rai Jajodia Mr Bibhuti Bhusan Das Mr. Rajubhai Bababhai Chokidar	Non Executive Chairperson & Director Whole Time Director Independent Director Independent Director Nominee Director Additional Independent Director
CEO & CFO	:	MR. SUSHIL KUMAR KANODIA	
AUDITORS	:	M/S. K.M. GARG & CO.	
REGISTERED OFFICE	:	Survey No. 177/1/3, Village – Surangi, Dist-Silvassa, Dadra and Nagar Haveli (U.T.) - 396 230 (INDIA) Tel: 91- 07096038229 Fax:-91-0260-2699185 Website: www.rajrayon.com Email: mumbai@rajrayon.com/ investors@rajrayon.com	
CORPORATE OFFICE	:	5- C, 196 & 197, “AKSHAY”, Mittal Industrial Estate, Sakinaka, Andheri (East), Mumbai- 400 059, Maharashtra (INDIA) Tel: 91-22- 4034 3434 Fax: 91-22- 4034 3400 Website: www.rajrayon.com Email: mumbai@rajrayon.com/ investors@rajrayon.com	
PLANT LOCATIONS	:	(i) Survey No. 272/1/1, Plot No. 1, Village -Dadra, Dadra-Demani Road, Dist-Silvassa, Dadra & Nagar Haveli (U.T.) – 396 230 (INDIA) (ii) Survey No. 185/1/1, Plot No.17, Dokmandi, Village- Amli, Dist- Silvassa, Dadra & Nagar Haveli (U.T.) - 396 230 (INDIA) (iii) Survey Number 177/1/3, Village – Surangi, Dist-Silvassa, Dadra & Nagar Haveli (U.T.)-396 230 (INDIA)	
REGISTRAR & SHARE TRANSFER AGENT	:	Link Intime India Private Limited 247, LalBahadurShastri Marg, Surya Nagar, Gandhi Nagar, Vikhroli West, Mumbai – 400083(INDIA) Tel: 91-22- 25946970-78, Fax: 91-22- 25946969 Email: rnt.helpdesk@linkintime.co.in Website: www.linkintime.co.in	

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RAJ RAYON INDUSTRIES LIMITED

NOTICE

Notice is hereby given that the 24th Annual General Meeting of the Members of Raj Rayon Industries Limited will be held on Wednesday, 20th September, 2017 at the registered office of the Company at Survey No. 177/1/3, Village – Surangi, Dist – Silvassa, Dadra & Nagar Haveli (U.T.) – 396 230, at 10:00 a.m. to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Annual audited Financial Statement of the Company for the Financial Year ended 31st March, 2017, the reports of the Board of Directors and Auditors thereon;
2. To appoint a Director in place of Mr. Naval Babula Kanodia (Din No: 03063554) who retires by rotation and being eligible offers himself for re-appointment.
3. To ratify the appointment of auditors of the Company, and to fix their remuneration and in this regard, to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT**, pursuant to Section 139, 142 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, pursuant to the recommendations of the audit committee of the Board of Directors, and pursuant to the resolution passed by the members at the Annual General Meeting held on 30th September, 2014, the appointment of **M/s. K.M. Garg & Co., Chartered Accountants (Firm Registration No. 120712W)** as the Statutory Auditors of the Company to hold office till the conclusion of the Annual General Meeting to be held in the calendar year 2018 be and are hereby ratified and the Board of Directors be and is hereby authorised to fix the remuneration payable to them for the financial year ending 31st March, 2018, as may be recommended by the Audit Committee in consultation with the Auditors”

Special Business:

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

“**RESOLVED THAT** pursuant to the provisions of Section 188 and other applicable provisions of the Companies Act, 2013 read with the rules made there under and Regulation 23 of SEBI(Listing Obligations & Disclosure Requirement) Regulations, 2015 the consent of the Members of the Company be and is hereby accorded to enter into transactions with the following Related Party on arm length basis for the maximum amount of Rs. 150.00 cores per annum details as mentioned herein below:

Sr. No.	Nature of transactions as per Companies Act, 2013	Name of Director/ KMP who is related and nature of relationship	Name of Related Party	Relationship	Particulars of the transactions
1.	Sale of Materials	Mr. Naval Babulal Kanodia	Fine Fashion Private Limited	Director is Relative of Director	Sale of Polyester Yarns/Fabrics

RESOLVED FURTHER THAT the Board of Directors of the Company and/or a Committee thereof, be and are hereby, severally authorised to do or cause to be done all such acts, matters, deeds and things and to settle any queries, difficulties, doubts that may arise with regard to any transaction with the related party(ies) and execute such agreements, documents and writings and to make such filings, as may be necessary or desirable for the purpose of giving effect to this resolution, in the best interest of the Company.”

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

“**RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modification (s) or re-enactment thereof, for the time being in force), **M/S S. S. Sawant & Company, Practicing Cost Accountant, Membership No. A 11811** be appointed as **Cost Auditor** by the Board of Directors of the Company, to conduct the audit of the Cost Records of the Company for the year 2017-2018 and issue Cost Audit Report on the same at a remuneration of Rs. 30,000/- (apart from service tax including applicable taxes as applicable and reimbursement of actual travel and out-of-pocket expenses)

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013('Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for time being in force), and Regulation



16 and 17 of SEBI (LODR) regulations 2015, Mr. Rajubhai BabaBhai Chokidar (DIN: 07865389) who was appointed as an Additional Independent Director of the Company by the Board of Directors with effect from 30th June, 2017 and who holds office up to the date of this Annual General Meeting, in terms of Section 161(1) of the Companies Act 2013 and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Rajubhai BabaBhai Chokidar (DIN: 07865389) as a candidate for the office of an Independent Director of the Company, be and is hereby appointed as an Independent Director of the Company for a period up to 29th June 2022, not liable to retire by rotation."

RESOLVED FURTHER THAT Board of the Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things and execute all documents or writings as may be necessary, proper or expedient for the purpose of giving effect to this resolution and for matters connected therewith or incidental thereto."

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

"**RESOLVED THAT** pursuant to the provisions of Section 179, 196, 197, 203 of the Companies Act, 2013 and pursuant to Article 85 of the Articles of Association of the Company, Mr. Naval Babulal Kanodia (Din No: 03063554), who was re-appointed as an Whole-Time Director of the Company and whose term of office expires on 31st May, 2017 and who was appointed as a Whole-Time Director at a Board of Directors meeting held on 30th May, 2017 subject to approval of members and who is liable to retire by rotation.

A) **RESOLVED FURTHER THAT** pursuant to the provisions of Section 196, 197, 203, Schedule V and other applicable provisions of the Companies Act, 2013 and (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the approval of Members be and is hereby accorded for the re-appointment of Mr. Naval Babulal Kanodia, as a Whole-time Director of the Company for a period of five years w.e.f. 01st June, 2017 to 31st May, 2022 subject to revision of remuneration after 3 years in compliance of Schedule V of The Companies Act, 2013. And following are the terms and conditions:-

B) Salary: Rs. 1,92,000 (Rupees One Lakh Ninety Two thousand Only) per annum.

C) Perquisites: These shall be restricted to the extent as mentioned in Schedule V of The Companies Act, 2013.

D) Encashments of leave will be paid at the end of the year .

E) General Terms:

a. Where in any financial year, during the currency of tenure of the Whole Time Director, the Company has adequate profits the Whole Time Director will be paid remuneration subject to the limits of 5% of the net profits, as the case may be, and the overall limits of 11% of the net profits as laid down in sub-Section (1) of Section 197 of the Companies Act, 2013 and in case of no profit or inadequacy of profit the remuneration shall be within the limit specified in the Schedule V of the Companies Act, 2013.

b. The Whole Time Director shall not be paid any sitting fees for attending the meeting of the Board of Directors or committee thereof from the date of his appointment.

RESOLVED FURTHER THAT in the event of there being loss or inadequacy of profit in any financial year during his tenure, the aforesaid remuneration payable to Mr. Naval Babulal Kanodia shall be the minimum remuneration payable by the Company.

RESOLVED FURTHER THAT Board of the Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things and execute all documents or writings as may be necessary, proper or expedient for the purpose of giving effect to this resolution and for matters connected therewith or incidental thereto."

By order of the Board of Directors

Sd/-

Place: Mumbai

Date: 14th August, 2017

Registered Office:

Survey No. 177/1/3,

Village – Surangi, Dist –Silvassa,

Dadra & Nagar Haveli (U.T.) – 396 230

Rajkumari Kanodia

Chairperson & Director



RAJ RAYON INDUSTRIES LIMITED

Email: investors@rajrayon.com

CIN: L17120DN1993PLC000368

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT PROXY/PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF. SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY.

A person can act as proxy on behalf of members not exceeding fifty (50) in number and holding in the aggregate not more than ten percent (10%) 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 cannot act as a proxy for any other person or shareholder. Proxies in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than forty eight hours before the commencement of the Meeting. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable. A proxy form is attached hereto.

2. Proxies, in order to be effective, must be duly filled, stamped, signed and must reach the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
3. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business to be transacted at the Annual General Meeting, setting out material facts, is annexed hereto.
4. Additional information, pursuant to Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and Secretarial Standard 2 in respect of the Directors seeking appointment / re-appointment at the AGM is furnished as annexure to the Notice of AGM. The Directors have furnished consent / declaration for their appointment / re-appointment as required under the Companies Act, 2013 and the Rules made thereunder.
5. Corporate Members intending to send their authorised representatives to attend the Annual General Meeting are requested to send a duly certified copy of their Board Resolution authorising their representative to attend and vote on their behalf at the Annual General Meeting.
6. Members/Proxies/Representatives are requested to bring the enclosed Attendance Slip, duly filled in, for attending the Annual General Meeting.
7. Relevant documents referred to in the accompanying Notice are available for inspection at the Registered Office of the Company on all working days except Saturdays,

between 11:00 a.m. and 1:00 p.m. up to the date of the meeting.

8. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the company.
9. Register of Members and Share Transfer Books of the Company shall remain closed from Thursday, 14th September, 2017 to Wednesday, 20th September, 2017 (both days inclusive) for the 24th Annual General Meeting of the Company.
10. Pursuant to provisions of Section 124 (Section 205A of the erstwhile companies act, 1956) and section 125 and other applicable provisions, if any of the companies act, 2013, the dividend which remains unclaimed for a period of seven years, will be transferred by the company to the Investor Education and Protection Fund (IEPF).

Information in respect Financial Year ended Date of declaration of Dividend Last Date for claiming unpaid Dividend Due date for transfer to IEPF such unclaimed dividend when due for transfer to the said fund is given below:

Financial Year ended	Date of declaration of Dividend	Last Date for claiming unpaid Dividend	Due date for transfer to IEPF
31-03-2010	07-08-2010	06-08-2017	06-09-2017
31-03-2011	15-09-2011	14-09-2018	14-10-2018

Members, who have not so far encashed the dividend warrant(s), are requested to seek issue of duplicate Warrant(s)/Demand Draft by writing to the Company or to the Company's R&TA immediately.

11. Members, who hold shares in physical form, in multiple folios, in identical names or joint accounts in the same order of names, are requested to send the Share Certificates to the Company's R&TA for consolidation into a single folio.
12. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to Company or Registrar and Transfer Agents (RTA).
13. Further, Members are requested to address all



correspondence to Company's R&TA at the address mentioned below so as to enable the Company to dispatch dividend warrants and any further communication at their correct addresses:

LINK INTIME INDIA PRIVATE LIMITED

247, Lal Bahadur Shastri Marg, Surya Nagar, Gandhi Nagar, Vikhroli West, Mumbai, Maharashtra 400083

022 4918 6000

Email: rnt.helpdesk@linkintime.co.in

Website: www.linkintime.co.in

A Member desirous of getting any information on the accounts or operations of the Company is required to forward his/her queries to the Company at least seven days prior to the meeting so that the required information can be made available by the Management at the meeting. 13. Investors may address their queries/communication at investors@rajrayon.com.

To promote and support "Green Initiative", Members are requested to register their e-mail addresses through their Depository Participants for sending the future communications by e-mail. Members holding the shares in physical form may register their e-mail addresses through the Company's R&TA – Link Intime Private Limited giving reference of their Folio Number.

Members may also note that the Annual report (including the Notice of 24th AGM) for 2016-17 will be available on the Company's website, www.rajrayon.com. The physical copies of the documents will also be available at the Company's registered office for inspection during normal business hours on working days, except Saturday. Members who require communication in physical form in addition to e-communication or have any queries, may write to us at investors@rajrayon.com

Relevant documents referred to in the accompanying Notice and the statements are open for inspection by the members at the registered office of the Company on all working days, except Saturday, during business hours up to the date of the meeting.

14. Information and other instructions relating to e-voting are as under

(a) 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 Obligation and Disclosure Requirements) Regulations 2015, the Company is pleased to provide to its members facility to exercise their right to vote on resolutions proposed to be passed in the Meeting by electronic means. The members may cast their votes using an electronic voting system from a place other than the venue of

the Meeting ('remote e-voting').

- (b) The facility for voting through polling paper shall also be made available at the venue of the AGM. The members who are attending the meeting who have not already cast their vote through remote e-voting shall be able to exercise their voting rights at the meeting.
- (c) The members who have cast their vote by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote again.
- (d) The Company has engaged the services of Central Depository Services Limited (CDSL) as the agency to provide e-voting facility.
- (e) Voting rights shall be reckoned on the paid up value of shares registered in the name of the member / beneficial owner (in case of electronic shareholding) as on the cut-off date i.e. 13th September, 2017.
- (f) A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date i.e. 13th September, 2017 only shall be entitled to avail the facility of remote e-voting / Poll.

Instructions for shareholders voting electronically are as under:

- (i) The voting period begins on September 17, 2017 from 9.00 A.M. and ends on September 19, 2017 5.00 P.M. 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 September 13, 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

The shareholders should log on to the e-voting website www.evotingindia.com.

- (ii) Click on Shareholders / Members
- (iii) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (iv) Next enter the Image Verification as displayed and Click on Login.

If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

- (v) If you are a first time user follow the steps given below:



RAJ RAYON INDUSTRIES LIMITED

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> Members 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 indicated in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> 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 (iv).

- (vi) After entering these details appropriately, click on "SUBMIT" tab.
- (vii) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (x) 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.
- (xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xii) 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.

- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xv) If a demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xvi) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.**

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

Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.

A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.

After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.

The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com



The Board of Directors of the Company has appointed Miss. Amisha Shah Proprietor of M/s A.V. Shah & Associates, Practicing Company Secretary (Membership No. A20745) Address: Unit no 5,6 ground floor, Papa Industrial Estate, Suren Road, Chakala, Andheri Kurla Road, Andheri east Mumbai – 400093 as Scrutinizer to scrutinize the entire voting process in a fair and transparent manner and she has communicated her willingness to be appointed and will be available for same purpose.

- (xviii) 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 the employment of the company and make not later than 48 hours of conclusion of meeting of conclusion of the 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 and the Chairman shall declare the results of the voting forthwith which shall not be later than 48 hours of conclusion of meeting.

The result declared, along with the Scrutinizer's Report shall be placed on the Company's website www.rajayon.com and on the website of CDSL after the result is declared by the Chairman and also be communicated to the Stock Exchanges where the Company is listed.

Explanatory Statement Pursuant to Section 102 of the Companies Act, 2013:

Item No. 4

The Companies Act, 2013 aims to ensure transparency in the transactions and dealings between the related parties of the Company. The provisions of Section 188(1) of the Companies Act, and provisions of Regulation 23 of SEBI Listing Regulations that govern the Related Party Transactions, requires that for entering into any contract or arrangement as mentioned herein below with the related party, the Company must obtain prior approval of the Board of Directors and of the Members by way of a ordinary Resolution, in case of material Related Party transactions threshold limits are exceeded:

1. Sale, purchase or supply of any goods or materials;
2. Selling or otherwise disposing of, or buying, property of any kind;
3. Leasing of property of any kind;
4. Availing or rendering of any services;

5. Appointment of any agent for purchases or sale of goods, materials, services or property;
6. Such related party's appointment to any office or place of profit in the company, its subsidiary company or associate company; and
7. Underwriting the subscription of any securities or derivatives thereof, of the Company.

In the light of provisions of Section 188 of Companies Act, 2013 read with Rules made there under and Regulation 23 of Listing Regulations, the Board of Directors of your Company has approved the proposed transactions along with annual limit that your Company may enter into with the related parties.

The particulars of the transaction pursuant to the provisions of Section 188 and the Companies (Meetings of Board and its Powers) Rules, 2014 are as under:

Sr. No.	Particulars	Details/ Remarks
1	Name of related party	Fine Fashion Private Limited
2	Name of the Director or Key Managerial Personnel who is related, if any	Mr. Naval Babulal Kanodia
3	Nature of Relationship	Director Relative
4	Nature, material terms, monetary value particulars of the contract or arrangement	Sale of Polyester Yarns/ Fabrics of Rs. 150.00 crores p.a.
5	Any other information relevant or important for the Board/Members to take a decision	-

The transactions are done on an ordinary course of business and on arm length basis.

Members are hereby informed that no member of the company shall vote on such ordinary resolution to approve any contract or arrangement which may be entered into by the company, if such member is a related party.

The Directors recommend the Item No. 4 of the Notice for consent and approval by the Members.

None of the Directors or Key Managerial Personnel of the Company or their relatives except Mr. Naval Babulal Kanodia is in any way, concerned or interested, financial or otherwise, in the proposed special resolution except to the extent of their respective shareholding in the Company, if any.



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Item No. 5

In pursuance of Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Board shall appoint an individual who is a cost accountant in practice or a firm of cost accountants in practice, as cost auditor on the recommendations of the Audit Committee. The remuneration recommended by the Audit Committee shall be considered and approved by the Board of Directors and ratified by the shareholders.

The Board, on the recommendation of the Audit Committee, has approved the appointment of M/s S.S. Sawant & Company, Practicing Cost Accountant, as Cost Auditor of the Company to conduct Cost Audit for the year 2016-2017 at a remuneration of Rs. 30,000/-.

As per the provisions of Section 148 of Companies Act, 2014 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor has to be ratified by the shareholders of the Company.

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

The Resolution at item No.5 of the Notice is set out as an Ordinary Resolution for approval and ratification by the members in terms of Section 148 of the Companies Act, 2013.

Item No. 6

The Board of Directors of the Company has appointed Mr. Rajubhai Baba Chokidar (DIN: 07865389) as an Additional Independent Director of the Company with effect from 30th June, 2017 by a resolution passed by circular. Pursuant to provisions of Section 161(1) of the Companies Act, 2013, Mr. Rajubhai Bababhai Chokidar (DIN: 07865389) holds office up to the date of this Annual General Meeting of the Company. The Company has received notice in writing under the provision of Section 160 of the Companies Act, 2013 from a member, along with a deposit of requisite amount proposing the candidature of Mr. Rajubhai Bababhai Chokidar (DIN: 07865389) for the office of Director of the Company, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

The Company has received from Rajubhai Bababhai Chokidar (DIN: 07865389) (i) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014, (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014 to the effect that he is not disqualified under sub-Section (2) of Section 164 of the Companies Act, 2013, and (iii) a declaration to the effect that he meets the criteria of independence as provided in Sub-Section (6) of Section 149 of the Companies Act, 2013.

The resolution seeks the approval of members for the appointment of Mr. Rajubhai Bababhai Chokidar (DIN: 07865389) as an Independent Director of the Company for a period of five years up to 29th June 2022 pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder. he will not be liable to retire by rotation.

In the opinion of the Board, Mr. Rajubhai Bababhai Chokidar (DIN: 07865389), the Independent Director proposed to be appointed, fulfills the conditions specified in the Companies Act, 2013 and the Rules made thereunder and he is independent of the Management. A copy of the draft letter for the appointment of Rajubhai Bababhai Chokidar (DIN: 07865389) as an Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the Company's registered office during normal business hours on working days up to date of the Annual General Meeting.

None of the Directors and/or Key Managerial Personnel of the Company or their relatives, except Mr. Rajubhai Bababhai Chokidar (DIN: 07865389) whose appointment is proposed in this resolution are in any way concerned or interested in the resolution.

The Board recommends the resolution set forth in Item no. 6 for the approval of the members.

Item No. 7

The Board of Directors at its meeting held on 30th May, 2017 subject to members approval in general meeting has reappointed Mr. Naval Babulal Kanodia as Whole time Director of the Company for a period of five years commencing from 01st June, 2017 to 31st May, 2022 at a remuneration of Rs. 1,92,000 p.a. subject to revision of remuneration after three years in compliance of schedule V of Companies Act, 2013, he holds nil shares in the Company.

Mr. Naval Babulal Kanodia is HSC and has good experience and exposure in textile sector. He has extreme experience and exposure in textile sector. He is Member of Allotment Committee.

The resolution seeks the approval of the members in terms of Sections 196, 197 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 and (Appointment and Remuneration of Managerial Personnel) Rules, 2014, made thereunder for his appointment as Whole time Director.

The Directors recommended the resolution at item no. 7 of the Notice for your approval.

None of the Directors or Key Managerial Personnel (KMP) or their relatives other than Mr. Naval Babulal Kanodia is in any