

## NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE ANNUAL GENERAL MEETING OF GINZA INDUSTRIES LIMITED WILL BE HELD ON SATURDAY, SEPTEMBER 29<sup>TH</sup>, 2018 AT 11.00 A.M AT THE REGISTERED OFFICE OF THE COMPANY SITUATED AT A-501 & 502, LOTUS CORPORATE PARK, JAY COACH LANE, OFF.WESTERN EXPRESS HIGHWAY, GOREGOAN EAST MUMBAI - 400063 TO TRANSACT THE FOLLOWING BUSINESS:

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### Ordinary Business:

1. To receive, consider and adopt the audited Financial Statements and audited consolidated financial statements of the Company for the year ended 31<sup>st</sup> March, 2018 including and the Reports of the Board of Directors and Auditors' thereon.
2. To appoint a Director in place of Mr. Arvind Kumar Sethia (holding DIN No. 02502282) who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and 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 the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and all the applicable rules made there under (and subject to any enactment, re-enactment or amendment thereof) consent of the shareholders of the Company be and is hereby accorded to appoint M/s. Bhuwania & Agrawal Associates, Chartered Accountants bearing Firm Registration No. 101483W as the Statutory Auditors of the Company for a continuous period of five years from the conclusion of ensuing this Annual General Meeting till the conclusion of sixth Annual General Meeting on such remuneration as may be mutually agreed between the Board of Directors and the Auditors.

**RESOLVED FURTHER THAT** consent for appointment and a certificate of eligibility under Section 139 (1) of the Companies Act, 2013 received from M/s. Bhuwania & Agrawal Associates, Chartered Accountants be and is hereby noted.

**RESOLVED FURTHER THAT** any Director of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary to give effect to the above resolution, to issue certified copy of the same and to file necessary e-forms with the Registrar of Companies."

### Special Business:

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

**"RESOLVED THAT** pursuant to provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and read together with the Companies (Audit and Auditors) Rules, 2014, M/s NKJ and Associates, Cost Accountants appointed as the Cost Auditors of the Company bearing membership no. 18869, for the conduct of the audit of the cost accounting records of the Company for the Financial Year 2018-19, as per their scope of work and be paid remuneration of Rs. 50,000/- exclusive of GST and reimbursement of out of pocket expenses incurred, if any.

**RESOLVED FURTHER THAT** any one of the Directors of the Company be and is hereby authorized to file Form CRA-2 with the Central Government and to do all acts, deeds including filing of any e-forms with Registrar of Companies and take steps as may be necessary, proper or expedient to give effect to this resolution."

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

**Alteration of Article of Association and Increase in Sitting fees to Directors**

**"RESOLVED THAT** pursuant to provisions of Section 14 and any other applicable provisions of the Companies Act, 2013, existing Article 63 of the Articles of Association of the Company be substituted with the following new Article:

"63. Each Director shall be entitled to receive out of the funds of the Company for attending meetings of the Board or a Committee thereof such sum as fees as shall be determined from time to time by the Directors for every such meeting attended by him. The Directors may also be paid any travelling and other expenses of attending and returning from meeting of the Board (including hotel expenses) and any other expenses properly incurred by them in connection with the business of the Company"

**RESOLVED FURTHER THAT** any Director of the company be and is hereby authorized to take all such steps and actions for the purpose of making all such filings and registration as may be required in relation to aforesaid amendment to the Article of Association and further to do all such acts, deeds and things as may be necessary to give effect to the aforesaid resolution."

**RESOLVED FURTHER THAT** Upto INR 50,000/- (Rupees Fifty Thousand only) paid to the Directors by way of sitting fees over and above the amount mentioned in the Articles of Association of the Company be and is hereby ratified by the shareholders

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

**Increase in remuneration of Mr. Amrit Sethia, Assistant Vice President of the Company.**

**"RESOLVED THAT** in supersession of earlier resolution passed and pursuant to the provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013 and the rules thereunder, including any statutory modification(s) or re-enactment thereof for the time being in force and as may be enacted from time to time and on the recommendation/approval of Nomination and Remuneration Committee and the Board of Directors at their respective meeting held on 05.09.2018 and such approvals as may be required, the consent of the Company be and hereby accorded to Mr. Amrit Sethia, who is relative of the Director i.e. Son of Mr. Ashok Kumar Sethia and Mrs. Rita Sethia with its present designation as Assistant Vice President of the Company, the Board of Directors decide to increase their remuneration upto Rs. 30,00,000/- (Rupees Thirty Lakhs Only) per annum with increase upto Rs. 6,00,000/- (Rupees Six Lakhs Only) per annum as set out in the explanatory statement attached hereto which shall be deemed to form part hereto

with liberty and authority to the Board of Directors to alter and vary the terms and conditions of the said appointment and remuneration from time to time, within the limits approved by the members and subject to such approvals as may be necessary.

**RESOLVED FURTHER THAT** the Board of Directors of the Company and any person authorized by the Board of Directors and is hereby authorized to fix the remuneration subject to the rules and regulations of the Company from time to time as may be required in this regard.

**RESOLVED FURTHER THAT** any Director of the Company be and hereby authorized to execute and perform such acts, deeds, matters and things as may be necessary to give directions as may be desirable that may be arise to give effect to this resolution."

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

**Increase in remuneration of Mr. Rohit Sethia, Assistant Vice President of the Company.**

**"RESOLVED THAT** in supersession of earlier resolution passed and pursuant to the provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013 and the rules thereunder, including any statutory modification(s) or re-enactment thereof for the time being in force and as may be enacted from time to time and on the recommendation/approval of Nomination and Remuneration Committee and the Board of Directors at their respective meeting held on 05.09.2018 and such approvals as may be required, the consent of the Company be and hereby accorded to Mr. Rohit Sethia, who is relative of the Director i.e. Son of Mr. Ashok Kumar Sethia and Mrs. Rita Sethia with its present designation as Assistant Vice President of the Company, the Board of Directors decide to increase their remuneration upto Rs. 30,00,000/- (Rupees Thirty Lakhs Only) per annum with increase upto Rs. 6,00,000/- (Rupees Six Lakhs Only) per annum as set out in the explanatory statement attached hereto which shall be deemed to form part hereto with liberty and authority to the Board of Directors to alter and vary the terms and conditions of the said appointment and remuneration from time to time, within the limits approved by the members and subject to such approvals as may be necessary.

**RESOLVED FURTHER THAT** the Board of Directors of the Company and any person authorized by the Board of Directors and is hereby authorized to fix the remuneration subject to the rules and regulations of the Company from time to time as may be required in this regard.

**RESOLVED FURTHER THAT** any Director of the Company be and hereby authorized to execute and perform such acts, deeds, matters and things as may be necessary to give directions as may be desirable that may be arise to give effect to this resolution."

**Place: Mumbai**  
**Date: 05.09.2018**

**By Order of the Board of Directors**

**Ashok Kumar Sethia**  
**Managing Director**  
**(DIN 01283310)**

## Notes:

1. The Explanatory statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting under Item No's 4 to 7 of the Notice, is annexed hereto.
2. A member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint proxy to attend and vote instead of himself and the proxy need not be a Member of the Company. The instrument appointing the proxy, in order to be effective, must be lodged with the Company at the registered office, duly completed and signed at least 48 hours before the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
3. Members /Proxies should bring duly-filled Attendance Slips to attend the meeting along with their copy of Annual Report to the meeting.
4. In case of joint holders attending the Meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
5. Corporate Members intending to send their authorized representatives to attend the meeting are requested to send to the Company, a duly certified copy of the Board Resolution authorizing such a representative to attend and vote on their behalf at the Annual General meeting.
6. Members are requested to notify changes, if any, in their registered addresses to the Company's Registrars.
7. All documents referred to in the notice and explanatory statement will be made available for inspection in physical or electronic form between 11. a.m. to 2.00 p.m at the Head Office as well as Corporate Office of the Company.
8. The Notice of the AGM along with the Annual Report 2017-18 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
9. To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with Company/Depositories.

10. Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of Companies Act, 2013 and Register of Contracts or arrangements in which directors are interested maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the members at the Annual General Meeting.

**Place: Mumbai**  
**Date: 05.09.2018**

**By Order of the Board of Directors**

**Ashok Kumar Sethia**  
**Managing Director**  
**(DIN- 01283310)**

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

The following Explanatory Statement, as required by Section 102 of the Companies Act, 2013, sets out all material facts relating to the businesses mentioned under item 3 to 7 of the accompanying notice dated 05.09.2018.

**ITEM NO 3:**

In accordance with the provisions of Section 139 of the Companies Act, 2013 read with Rule 6 of The Companies (Audit and Auditors) Rules, 2014, every Company shall appoint Statutory Auditors to hold office for one term of 5 years and such appointment is subject to ratification by the Members every year in the annual general meeting. The Act further makes it mandatory to rotate the statutory auditors after two terms of 5 years, in case of a firm of auditors.

M/s. Bhuwania & Agrawal Associates., Chartered Accountants (Firm Registration No. 101483W) as the Statutory Auditors of the Company at the ensuing Annual General Meeting till the conclusion of the sixth Annual General Meeting and the necessary resolution in this regard be passed by the members of the Company at the ensuing Annual General Meeting.

None of the Directors and Key Managerial personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 3. The Board of Directors accordingly recommend the resolution set out at Item No. 3 of the accompanying Notice for the approval of the members.

#### **ITEM NO. 4**

In accordance with the provisions of Section 148 of the Companies Act, 2013 and all other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force and the Companies (Audit and Auditors) Rules, 2014 (the Rules), the Company is required to appoint cost auditor to audit the cost records for the applicable products of the Company. The remuneration payable to the Cost Auditors is required to be ratified by the members of the Company in accordance to the provisions of the Act and Rule 14 of the Rules.

The Board of Directors of the Company at its meeting held on 05.09.2018, on the recommendation of the Audit Committee had approved the appointment of M/s NKJ and Associates, Practicing Cost Accountants as the Cost Auditor of the Company for the financial year 2018-19 at a remuneration of Rs. 50,000/- exclusive of GST and all out of pocket expenses incurred, if any, in connection with the cost audit.

Accordingly, consent of members is sought for approving the Ordinary Resolution as set out in Item No. 4 for ratification of remuneration payable to the Cost Auditor for conducting the Audit of the Cost records of the Company, for the financial year ended 31<sup>st</sup> March, 2018.

None of the Directors of the Company or Key Managerial Personnel or their relatives are concerned or interested directly or indirectly in the proposed Ordinary Resolution as set out at Item No. 4.

The Board of Directors approved the Resolution set out at Item No. 4 of the Notice for ratification by the Members.

#### **ITEM NO. 5**

Article 63 of the Articles of Association of the Company entitles the Directors to sitting fees upto Rs. 50000 for meetings of Board and Committee attended by him. It was recommended to consider the alteration of Articles of Association as per Section 14 of the Companies Act, 2013 to revise the sitting fees which shall be in limits of Rule 4 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 or any other amendment or modification thereof.

The Directors of the Company were paid sittings fees over and above the amount mentioned in the Articles of Association of the Company and the same is proposed to be ratified by the shareholders of the Company.

None of the Directors / Key Managerial Personnel are concerned or interested (whether financially or otherwise) in this resolution.

The Board recommends resolutions under Item No. 5 to be passed as special resolution.

## **ITEM NO. 6**

At the Annual General Meeting of the Company, the members to approve by special resolution for the increase of remuneration of Rs. 6,00,000 per annum which amounting to Rs. 30,00,000 per annum of Mr. Amrit Sethia, Vice President of the Company subject to the special resolution passed by the members of the Company.

After enactment of the Companies Act, 2013, the provisions of Section 188 of the Companies Act, 2013 ("the Act"), the appointment of Mr. Amrit Sethia to hold office or place of profit in the Company no longer requires approval of Central Government. Hence the Company is hereby seeking approval of members by special resolution in accordance with the provisions of Section 188 of the said Act.

The Audit Committee and Nomination and Remuneration Committee have recommended the appointment and remuneration of Mr. Amrit Sethia at their respective meetings held on 05.09.2018.

Given Below is the statement of disclosures as required under the Companies (Meeting of Board and its Powers) Rules, 2014:

- i. Name of the related party: Mr. Amrit Sethia
- ii. Name of the Director or Key Managerial Personnel who is related, if any: Mr. Ashok Kumar Sethia.
- iii. Nature of relationship: Mr. Amrit Sethia, relative (son) of Mr. Ashok Kumar Sethia, Managing Director.
- iv. Nature, material terms, monetary value and particulars of the contract or arrangement: Mr. Amrit Sethia is an Assistant Vice President on the remuneration payable upto maximum limit of Rs. 30,00,000 (Rupees Thirty Lacs Only) per annum as may be approved by the Board or any person authorized by the Board.
- v. Any other information relevant or important for the members to take a decision on the proposed resolution: None.

## **ITEM NO. 7**

At the Annual General Meeting of the Company, the members to approve by special resolution for the increase of remuneration of Rs. 6,00,000/- per annum which amounting to Rs. 30,00,000/- per annum of Mr. Rohit Sethia, Assistant Vice President of the Company subject to the special resolution passed by the members of the Company.

After enactment of the Companies Act, 2013, the provisions of Section 188 of the Companies Act, 2013 ("the Act"), the appointment of Mr. Rohit Sethia to hold office or place of profit in the Company no longer requires approval of Central Government. Hence the Company is hereby seeking approval of members by special resolution in accordance with the provisions of Section 188 of the said Act.

The Audit Committee and Nomination and Remuneration Committee have recommended the appointment and remuneration of Mr. Rohit Sethia at their respective meetings held on 05.09.2018.

Given Below is the statement of disclosures as required under the Companies (Meeting of Board and its Powers) Rules, 2014:

- i. Name of the related party: Mr. Rohit Sethia
- ii. Name of the Director or Key Managerial Personnel who is related, if any: Mr. Ashok Kumar Sethia.
- iii. Nature of relationship: Mr. Rohit Sethia, relative (son) of Mr. Ashok Kumar Sethia, Managing Director.
- iv. Nature, material terms, monetary value and particulars of the contract or arrangement: Mr. Rohit Sethia is an Assistant Vice President on the remuneration payable upto maximum limit of Rs. 30,00,000 (Rupees Thirty Lacs Only) per annum as may be approved by the Board or any person authorized by the Board.
- v. Any other information relevant or important for the members to take a decision on the proposed resolution: None

**Place: Mumbai**  
**Date: 05.09.2018**

**By order of the Board**

**Ashok Kumar Sethia**  
**Managing Director**  
**(DIN- 01283310)**



## INFORMATION / DISCLOSURE STATEMENT

Annexure to the Notice convening the Annual General Meeting to be held on Saturday, September 29<sup>th</sup>, 2018 pursuant to Section II, Part II of Schedule V (iv) of the Companies Act, 2013 (the Act) in respect of items of the accompanying Notice pertaining to the revision in remuneration of Managerial Personnel.

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### I. **GENERAL INFORMATION:**

#### **(1) Nature of Industry:**

Ginza Industries Limited, a Company incorporated on 24<sup>th</sup> July, 1986, under the Companies Act, 1956, is a leading manufacturer of Warp & Raschel Knitted Fabrics, Laces, Elastic Tapes, Processing, Value Added Fabrics, home textiles and garments (lingerie & Ladies Garment).

#### **(2) Date or expected date of commencement of commercial production:**

Not applicable as the Company is an existing Company.

#### **(3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:**

Not applicable.

#### **(4) Financial performance based on given indicators – as per audited financial results for the year ended March 31, 2018.**

Particulars	2017-18 Rs. in lacs
Income from operations	33487.63
Other Income	158.51
Profit/(Loss) before interest, depreciation and taxation	4745.19
Net Profit /(Loss)	830.85

#### **(5) Export performance and net foreign exchange collaborations –**

Rs. 6691.92 lacs (F.Y. 2017-18)

**(6) Foreign Investments or collaboration, if any-**

With the aim of establishing the Company's brand SOIE US in overseas market, Ginza Industries Limited has a Joint Venture in the name and style of SOIE US LLC with the overseas partner Mr. Vivek Baid in the State of New York, U.S.A.

The arrangement is that 51% shares is of Ginza Industries Limited and 49% is of Mr. Vivek Baid. There were no transactions during the Financial Year. 2017-18.

**II (A). INFORMATION ABOUT MR. AMRIT SETHIA**

1.	<b>Background details</b>	<b>Mr. Amrit Sethia</b> is an Assistant Vice President of the Company
2.	<b>Past remuneration</b>	Salary of Rs. 24 Lakhs p.a
3.	<b>Recognition or awards</b>	-
4.	<b>Job Profile and his suitability</b>	Same as above in point II (A) 1.
5.	<b>Remuneration proposed</b>	Same as mentioned in body of Resolution at Item No. 6
6.	<b>Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person</b>	Taking into consideration the size of the Company, the profile of Mr. Amrit Sethia, Assistant Vice President, in appreciation of their dedicated efforts which contributed in achieving an excellent performance by the Company and having regard to the increased responsibilities for further improving the Company's performance in a competitive market, the remuneration proposed is commensurate with the remuneration packages paid to similar senior level counterparts in the companies.
7.	<b>Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any.</b>	Mr. Amrit Sethia is a son of Mr. Ashok Kumar Sethia, Managing Director of the Company is concerned or interested in this resolution.

**(B). INFORMATION ABOUT MR. ROHIT SETHIA**

1.	<b>Background details</b>	<b>Mr. Rohit Sethia</b> is an Assistant Vice President of the Company
2.	<b>Past remuneration</b>	Salary of Rs. 24 Lakhs p.a
3.	<b>Recognition or awards</b>	-
4.	<b>Job Profile and his suitability</b>	Same as above in point II (B) 1.
5.	<b>Remuneration proposed</b>	Same as mentioned in body of Resolution at Item No. 7

6.	<b>Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person</b>	Taking into consideration the size of the Company, the profile of Mr. Rohit Sethia, Assistant Vice President in appreciation of their dedicated efforts which contributed in achieving an excellent performance by the Company and having regard to the increased responsibilities for further improving the Company's performance in a competitive market, the remuneration proposed is commensurate with the remuneration packages paid to similar senior level counterparts in the companies.
7.	<b>Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any.</b>	Mr. Rohit Sethia is a son of Mr. Ashok Kumar Sethia, Managing Director of the Company is concerned or interested in this resolution.

**Place: Mumbai**  
**Date: 05.09.2018**

**By order of the Board**

**Ashok Kumar Sethia**  
**Managing Director**  
**(DIN: 01283310)**