

## NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE ANNUAL GENERAL MEETING OF GINZA INDUSTRIES LIMITED WILL BE HELD ON FRIDAY 30<sup>th</sup> SEPTEMBER, 2016 AT 2.30 P.M AT THE REGISTERED OFFICE OF THE COMPANY SITUATED AT 11, CLIVE ROW, 4<sup>TH</sup> FLOOR, ROOM NO 1/A/A, KOLKATA, WEST BENGAL – 700001 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, 2016 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 M/s. Agarwal Sanganeria & Co, Chartered Accountants (ICAI Registration No. 317224E) as Statutory Auditors of the Company and fix their remuneration.

**“RESOLVED THAT** that pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modification, re-enactment and amendments made from time to time) consent of members be and is hereby accorded to re-appoint M/s Agarwal Sanganeria & Co., Chartered Accountants bearing Registration Number 317224E, as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the members, on such remuneration as may be mutually agreed by the Board of Directors in consultation with the Auditors, in addition to reimbursement of service tax and all out of pocket expenses in connection with the audit of the Accounts of the Company.”

### 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 2016-17, as per their scope of work and be paid remuneration of Rs. 50,000/- exclusive of Service tax 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 authorised 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 alter capital clause of Memorandum of Association of the Company and in this regard to consider and if thought fit, to pass the following resolution with or without modification(s) as an Ordinary Resolution:**

“**RESOLVED THAT** pursuant to the provisions of Section 391-394 of the Companies Act, 1956 and Section 13, 61 and 64 of Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof) and the rules framed thereunder, the consent of the members are hereby given to Board of Directors, for substituting Clause V of the Memorandum of Association of the Company with the following clause.

- V. The Authorised Share Capital of the Company is Rs. 26,00,00,000/- (Rupees Twenty-Six Crores only) divided into 2,60,00,000 (Two Crores Sixty Lakhs) Equity shares of Rs. 10/- each.

**RESOLVED FURTHER THAT** Mr. Ashok Kumar Sethia, Managing Director of the Company be and is hereby authorised to take necessary steps to give effect to the increase in the Authorized Share Capital as above and for alteration of the capital clause of the Memorandum of Association of the Company, including without limitation, filing all necessary forms, meeting of shareholders in this regard and to do all such acts, deeds, matters and things as may be necessary, desirable, expedient for giving effect to the aforesaid resolution.”

6. **To appoint Mr. Ajay Kumar Agrawal (holding DIN 00278298) as an Independent Director and in this regard to consider and if thought fit, to pass the following resolution with or without modification(s) as Ordinary Resolution:**

“**RESOLVED THAT** pursuant to provision of Section 149, 152 read along with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Ajay Kumar Agrawal (DIN 00278298), an Independent Director, requires appointment under the Companies Act, 2013 in pursuance of General Circular No. 14/2014 dated June 9, 2014, who has submitted a declaration that he meets the criteria of Independence under

Section 149(6) of the Companies Act, 2013 and has submitted a notice in writing under section 160 of the Companies Act, 2013 to the Company proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for the term upto 31<sup>st</sup> March, 2021, not liable to retire by rotation.”

7. **To regularize Mrs. Rita Ashok Sethia (holding DIN: 07334680) as Whole Time Director of the Company and in this regard to consider and if thought fit, to pass the following resolution with or without modification(s) as an Ordinary Resolution:**

“**RESOLVED THAT** Mrs. Rita Ashok Sethia (holding DIN: 07334680), who was appointed as an Additional Director with effect from November 6<sup>th</sup>, 2015 on the Board of the Company in terms of Section 161 of the Companies Act, 2013 (hereinafter called as “the Act”) read with The Companies (Appointment & Qualification of Directors) Rules, 2014 and Article 54 of Article of Association of the Company and who holds office up to the date of ensuing Annual General Meeting, and in respect of whom a notice has been received from him, under Section 160 of the Companies Act, 2013 along with requisite deposit, proposing her candidature for the office of a Director, be and is hereby appointed as a director of the company.”

8. **To re-appoint Mr. Laxmipat Banthia (holding DIN: 02464903), Whole Time Director of the Company and in this regard to consider and if thought fit, to pass the following resolution with or without modification(s) as Special Resolution:**

“**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 (corresponding to Sections 198, 269, 309 and any other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the Companies Act, 1956) and recommended by Nomination and Remuneration Committee, the consent of the members is hereby given to the Board to re-appoint Mr. Laxmipat Banthia, (DIN: 02464903), as Whole Time Director of the Company for a term of further 5 (Five) years with effect from April 1<sup>st</sup>, 2016 to March 31<sup>st</sup>, 2021 as per same terms and conditions.

9. **To re-appoint and fix remuneration of Mr. Ashok Kumar Sethia (holding DIN 01283310), Managing Director of the Company and in this regard to consider and if thought fit, to pass the following resolution with or without modification(s) as a Special Resolution:**

“**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 (corresponding to Sections 198, 269, 309 and any other applicable provisions of the Companies Act, 1956 read

with Schedule XIII to the Companies Act, 1956) and recommended by Nomination and Remuneration Committee, the consent of the members is hereby given to the Board to re-appoint Mr. Ashok Kumar Sethia (DIN 01283310), as Managing Director of the Company for a term of further 5 (Five) years with effect from April 1<sup>st</sup>, 2016 to March 31<sup>st</sup>, 2021 with remuneration of Rs. 65 lakhs (Rupees Sixty-Five Lakhs) per annum and perquisites upto Rs. 25 Lakhs with increase of Rs. 6 lakhs (Rupees Six Lakhs) every year.

10. **To re-appoint and fix remuneration of Mr. Arvind Kumar Sethia (holding DIN 02502282), Jt. Managing Director of the Company and in this regard to consider and if thought fit, to pass the following resolution with or without modification(s) as a Special Resolution:**

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 (corresponding to Sections 198, 269, 309 and any other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the Companies Act, 1956) and recommended by Nomination and Remuneration Committee, the consent of the members is hereby given to the Board to re-appoint of Mr. Arvind Kumar Sethia, (DIN- 02502282), as Jt. Managing Director of the Company for a term of further 5 (Five) years with effect from April 1<sup>st</sup>, 2016 to March 31<sup>st</sup>, 2021 with remuneration of Rs. 57 lakhs (Rupees Fifty-Seven Lakhs) per annum (inclusive of perquisites) with increase of Rs. 6 lakhs (Rupees Six Lakhs) every year.

11. **To re-appoint and fix remuneration of Mr. Manoj Kumar Sethia (holding DIN 02528442), Jt. Managing Director of the Company and in this regard to consider and if thought fit, to pass the following resolution with or without modification(s) as a Special Resolution:**

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 (corresponding to Sections 198, 269, 309 and any other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the Companies Act, 1956) and recommended by Nomination and Remuneration Committee, the consent of the members is hereby given to the Board to re-appoint Mr. Manoj Kumar Sethia, (DIN: 02528442), as Jt. Managing Director of the Company for a term of further 5 (Five) years with effect from April 1<sup>st</sup>, 2016 to March 31<sup>st</sup>, 2021 with remuneration of Rs. 57 lakhs (Rupees Fifty-Seven lakhs) per annum (inclusive of perquisites) with increase of Rs. 6 lakhs (Rupees six lakhs) every year.

12. **To fix remuneration of Mrs. Rita Ashok Sethia (holding DIN: 07334680), Whole Time Director of the Company, and in this regard to consider and if thought fit, to pass the following resolution with or without modification(s) as Special Resolution:**

**“RESOLVED THAT** pursuant to the provisions of Sections 152, 196, 197, 198, Schedule V and Section 188 (1)(f) and other applicable provisions, if any, of the Companies Act, 2013, (including any amendment/modification thereof) and subject to such other necessary approval(s), consent(s) or permission(s), as may be required, and as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors, the consent of the Members of the Company be and is hereby accorded to appoint Mrs. Rita Ashok Sethia (holding DIN: 07334680), as Whole-time Director of the Company, liable to retire by rotation, for a period of three years with immediate effect on the terms and condition of appointment and remuneration as mentioned in the statement annexed hereto.

**RESOLVED FURTHER THAT** pursuant to Section II of Part II of Schedule V and other applicable provisions, if any, of the Act, (including any amendment/modification thereof) and subject to such approvals as may be necessary, the Company is authorized to pay remuneration of Rs. 26 lakhs (Rupees Twenty-Six Lakhs) to Mrs. Rita Sethia, Whole-time Director for the financial year from 30.09.2016 till 29.09.2019.

**RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorized to increase, vary or amend the remuneration (within the limits of Schedule V) including salary, allowances, perquisites and benefits, minimum remuneration and other terms of his appointment, from time to time, as deemed expedient or necessary.”

**Place: Mumbai**  
**Date: 02.09.2016**

**By Order of the Board of Directors**

SD/-

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

**Address:** Flat No.305, 306, 307,  
Meghdoot Towers, B-Wing,  
Lokhandwala back road,  
Andheri (W), Mumbai- 400053.

**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 12 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 2015-16 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: 02.09.2016**

**By Order of the Board of Directors**

SD/-

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

**Address:** Flat No.305, 306, 307,  
Meghdoot Towers, B-Wing,  
Lokhandwala back road,  
Andheri (W), Mumbai- 400053.

## **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 4 to 12 of the accompanying notice dated 02<sup>nd</sup> September, 2016.

### **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 July 23rd, 2016, 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 2016-17 at a remuneration of Rs. 50,000/- exclusive of service tax 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, 2017.

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**

In order to reflect the increase authorised share capital of the Company, and in order to conform to the requirements of the Companies Act, 2013, Clause V of the Memorandum of Association of the Company must be amended.

A draft of the amended Memorandum of Association with the following Clause V was tabled for discussion:

**“V. The Authorised Share Capital of the Company is Rs. 26,00,00,000/- (Rupees Twenty-Six Crores only) divided into 2,60,00,000 (Two Crores Sixty Lakhs) Equity shares of Rs. 10/- each.**

As Per section 13 of Companies Act, 2013, the alteration of the memorandum of association of the Company requires the approval of shareholders. The Board now seeks the approval of shareholders for the same.

None of the Directors are in any way concerned or interested in the said resolution except to the extent of their shareholdings in the Company.

Your Directors hence seek your consent for amending the provisions contained in the Memorandum of Association in the General Meeting by passing of the said resolution as an **Ordinary Resolution**.

#### **ITEM NO. 6**

As per the provisions of section 149 of the Companies Act, 2013 (the Act), read with Rule 4 of The Companies (Appointment and Qualifications of Directors) Rules, 2014, every Public Company having paid up share capital of ten crores rupees or more or every Public Company having a turnover of hundred crores rupees or more or public company which have, in aggregate, outstanding loans, debentures and deposits exceeding 50 crores rupees is required to have at least two directors as independent directors.

In view of the above Company having being falling under the criteria of turnover of more than INR hundred crore and outstanding loans exceeding INR fifty crores is required to have atleast two directors as independent directors, who are not liable to retire by rotation.

The Remuneration Committee has recommended the appointment of Mr. Ajay Kumar Agrawal as Independent Directors.

Mr. Ajay Kumar Agrawal, Director of the Company, has given a declaration to the Board that he meets the criteria of independence as stated under section 149(6) of the Act. In the opinion of the Board, Mr. Ajay Kumar Agrawal fulfill the conditions specified in the Act and the Rules framed thereunder for appointment as Independent Director.

Mr. Ajay Kumar Agrawal have proposed his candidature for the office of Director along with the deposit of one lakh rupees as per section 160 of the Companies Act, 2013.

In compliance with the provisions of section 149 and section 152 read with Schedule IV of the Act, the appointment of Mr. Ajay Kumar Agrawal as Independent Directors is now being placed before the Members for their approval.

None of the Directors or Key Managerial Personnel of the Company is concerned or interested (whether financially or otherwise) in the said resolution except for the concerned director.

#### **ITEM NO. 7**

Mrs. Rita Ashok Sethia who was appointed as an Additional Director of the Company pursuant to the provision of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company effective from November 6<sup>th</sup>, 2015 holds office upto the date of this Annual General Meeting and is eligible for appointment as a Director.

Mrs. Rita Ashok Sethia is not disqualified from being appointed as Director in terms of Section 164 of Companies Act, 2013 and has given his consent to act as Director.

Accordingly, the Board recommends the resolution in relation to appointment of Mrs. Rita Ashok Sethia as Whole Time Director of the company as recommended by Nomination and Remuneration Committee, for the approval by the shareholders of the Company.

Except Mr. Ashok Kumar Sethia, Mr. Arvind Kumar Sethia, Mr. Manoj Kumar Sethia and Mrs. Rita Ashok Sethia, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, in the resolution set out at Item No. 7

#### **ITEM NO. 8**

The new Companies Act, 2013 has widened the role of the Whole Time Director and has also conferred the additional functions and responsibilities on the Whole Time Director. Since his appointment, the Company has made significant progress under the leadership of Mr. Laxmipat Banthia. The Company's operations have grown multi fold during this period, and has also achieved profitability.

The contribution made by Whole Time Director to the activities of the Company and the role which he has been playing as Whole Time Director since the date of his appointment is of immense appreciation and value. Considering the same, Nomination and Remuneration Committee and Board of Directors at their Meeting held on March 31<sup>st</sup>, 2016 respectively, have approved the re- appointment of Mr. Laxmipat Banthia as Whole Time Director of the Company, for a further period of 3 years with effect for 1<sup>st</sup> April, 2016.

Information required on the matter pursuant to Section II, Part II of Schedule V to the Act is given as Annexure II D to this notice.

None of the Directors/ Key Managerial Personnel, except Mr. Laxmipat Banthia is concerned or interested (whether financially or otherwise) in this resolution.

The Board commends the Resolution as set out at Item No. 8 of the Notice for your approval.

#### **ITEM NO. 9**

The new Companies Act, 2013 has widened the role of the Managing Director and has also conferred the additional functions and responsibilities on the Managing Director. Since his appointment, the Company has made significant progress under the leadership of Mr. Ashok Kumar Sethia. The Company's operations have grown multi fold during this period, and has also achieved profitability.

The contribution made by Managing Director to the activities of the Company and the role which he has been playing as a Managing Director since the date of his appointment is of immense appreciation and value. Considering the same, the Nomination and Remuneration Committee and Board of Directors at their Meeting held on March 31<sup>st</sup>, 2016 respectively, have approved and proposed increment in the remuneration of the Managing Director by Rs. 6,00,000 Lakhs of total remuneration per annum, subject to ratification by Nomination and Remuneration Committee. Shareholders' approval is required for the proposed increment in terms of Section 197, 198 and Schedule V read with Rule 7 (2) of (Appointment and Remuneration of Managerial Personnel) Rules, 2014 of the Companies Act, 2013.

The Board of Directors recommends the resolution set out at item no. 9 of the accompanying notice by way of passing special resolution.

Information required on the matter pursuant to Section II, Part II of Schedule V to the Act is given as Annexure II A to this notice.

None of the Directors/ Key Managerial Personnel or their relatives, except Mr. Ashok Kumar Sethia, Manoj Kumar Sethia, Arvind Kumar Sethia and Mrs. Rita Ashok Sethia are concerned or interested (whether financially or otherwise) in this resolution.

The Board recommends resolutions under Item No. 9 to be passed as special resolution.

#### **ITEM NO. 10**

The new Companies Act, 2013 has widened the role of the Managing Director and has also conferred the additional functions and responsibilities on the Managing Director. Since his appointment, the Company has made significant progress under the leadership of Mr. Arvind

Kumar Sethia. The Company's operations have grown multi fold during this period, and has also achieved profitability.

The contribution made by Jt. Managing Director to the activities of the Company and the role which he has been playing as a Jt. Managing Director since the date of his appointment is of immense appreciation and value. Considering the same, the Nomination and Remuneration Committee and Board of Directors at their Meeting held on March 31<sup>st</sup>, 2016 respectively, have approved and proposed increment in the remuneration of the Jt. Managing Director by Rs. 6,00,000 Lakhs of total remuneration per annum, subject to ratification by Nomination and Remuneration Committee. Shareholders' approval is required for the proposed increment in terms of Section 197, 198 and Schedule V read with Rule 7 (2) of (Appointment and Remuneration of Managerial Personnel) Rules, 2014 of the Companies Act, 2013.

The Board of Directors recommends the resolution set out at item no. 10 of the accompanying notice by way of passing special resolution.

Information required on the matter pursuant to Section II, Part II of Schedule V to the Act is given as Annexure II B to this notice.

None of the Directors/ Key Managerial Personnel or their relatives, except Mr. Ashok Kumar Sethia, Manoj Kumar Sethia, Mrs. Rita Ashok Sethia and Arvind Kumar Sethia are concerned or interested (whether financially or otherwise) in this resolution.

The Board recommends resolutions under Item No. 10 to be passed as special resolution.

#### **ITEM NO. 11**

The new Companies Act, 2013 has widened the role of the Managing Director and has also conferred the additional functions and responsibilities on the Managing Director. Since his appointment, the Company has made significant progress under the leadership of Mr. Manoj Kumar Sethia. The Company's operations have grown multi fold during this period, and has also achieved profitability.

The contribution made by Jt. Managing Director to the activities of the Company and the role which he has been playing as a Jt. Managing Director since the date of his appointment is of immense appreciation and value. Considering the same, Nomination and Remuneration Committee and Board of Directors at their Meeting held on March 31<sup>st</sup>, 2016 respectively, have approved and proposed increment in the remuneration of the Jt. Managing Director by Rs. 6,00,000 Lakhs of total remuneration per annum, subject to ratification by Nomination and Remuneration Committee. Shareholders' approval is required for the proposed increment in

terms of Section 197, 198 and Schedule V read with Rule 7 (2) of (Appointment and Remuneration of Managerial Personnel) Rules, 2014 of the Companies Act, 2013.

The Board of Directors recommends the resolution set out at item no. 11 of the accompanying notice by way of passing special resolution.

Information required on the matter pursuant to Section II, Part II of Schedule V to the Act is given as Annexure II C to this notice.

None of the Directors/ Key Managerial Personnel or their relatives, except Mr. Ashok Kumar Sethia, Mr. Manoj Kumar Sethia, Mrs. Rita Ashok Sethia and Mr. Arvind Kumar Sethia are concerned or interested (whether financially or otherwise) in this resolution.

The Board recommends resolutions under Item No. 11 to be passed as special resolution.

#### **ITEM NO. 12**

Mrs. Rita Ashok Sethia who was appointed as Additional Director in the Company on November 6<sup>th</sup>, 2015 and with her support and guidance the Company has developed presence in the markets and also the proposal of regularizing Mrs. Rita Ashok Sethia was accepted.

The contribution made by her and the efforts put in by her after her appointment was commendable. Considering the same, Nomination and Remuneration Committee and Board of Directors at their Meeting held on March 31<sup>st</sup>, 2016 respectively, have approved and proposed the remuneration of Mrs. Rita Ashok Sethia of Rs. 26,00,000 per annum, subject to ratification by Nomination and Remuneration Committee.

Shareholders' approval is required for the proposed increment in terms of Section 197, 198 and Schedule V read with Rule 7 (2) of (Appointment and Remuneration of Managerial Personnel) Rules, 2014 of the Companies Act, 2013.

The Board of Directors recommends the resolution set out at item no. 12 of the accompanying notice by way of passing special resolution.

Information required on the matter pursuant to Section II, Part II of Schedule V to the Act is given as Annexure II E to this notice.

None of the Directors/ Key Managerial Personnel or their relatives, except Mr. Ashok Kumar Sethia, Mr. Manoj Kumar Sethia, Mrs. Rita Ashok Sethia and Mr. Arvind Kumar Sethia are concerned or interested (whether financially or otherwise) in this resolution.

The Board recommends resolutions under Item No. 12 to be passed as special resolution.

**Place: Mumbai**  
**Date: 02.09.2016**

**By order of the Board**

SD/-

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

**Address:** Flat No.305, 306, 307,  
Meghdoot Towers, B-Wing,  
Lokhandwala back road,  
Andheri (W), Mumbai- 400053.

## INFORMATION / DISCLOSURE STATEMENT

Annexure to the Notice convening the Annual General Meeting to be held on September 30<sup>TH</sup>, 2016 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 Person.

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

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

Ginza Industries Ltd, 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, 2016.**

Particulars	2015-16 Rs. in lacs
Income from operations	33801.69
Other Income	525.01
Profit/(Loss) before interest, depreciation and taxation	4823.67
Net Profit /(Loss)	868.95

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

Rs. 5239.38 lacs (F.Y. 2015-16)

**(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. The Company has contributed USD 25,000 as its capital contribution in the share of USD 76,500 of the total capital of USD 1,50,000 in the F.Y. 2015-16.

**II.(A) INFORMATION ABOUT MR. ASHOK KUMAR SETHIA**

1.	<b>Background details</b>	<b>Mr. Ashok Kumar Sethia</b> , a Chartered Accountant, was responsible to steer GIL in the direction of progress with his vast business experience in the textile industry. Mr. Sethia has been in-charge of the overall business since inception. He has also been instrumental in spearheading the entry into new and innovative products through in-house R&D efforts. He has expanded the product portfolio by introducing the lingerie business to the existing product range which has enormous scope in the Indian market Mr. Sethia has extensive industry knowledge and has been a mentor to all his employees.
2.	<b>Past remuneration</b>	Salary of Rs. 59 Lakhs p.a along with perquisites of Rs. 5 Lakhs p.a
3.	<b>Recognition or awards</b>	NIL
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. 9
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. Ashok Kumar Sethia, Managing Director, the responsibilities shouldered on him and industry benchmarks and 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</b>	None of the Directors or relatives, except Mr. Ashok Kumar Sethia, Mr. Manoj Kumar Sethia,

<b>Company or relationship with the managerial personnel, if any.</b>	Mr. Arvind Kumar Sethia and Mrs. Rita Ashok Sethia are concerned or interested in this resolution.
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## II (B) INFORMATION ABOUT MR. ARVIND KUMAR SETHIA

1.	<b>Background details</b>	<b>Shri Arvind Kumar Sethia</b> , is a commerce graduate and has experience of over 29 years and looks after overall administration and maintenance of accounts along with supply chain management.
2.	<b>Past remuneration</b>	Salary of Rs. 51 Lakhs p.a along with perquisites of Rs. 3 Lakhs p.a
3.	<b>Recognition or awards</b>	NIL
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. 10
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. Arvind Kumar Sethia, Jt. Managing Director, the responsibilities shouldered on him and industry benchmarks and 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>	None of the Directors or relatives, except Mr. Arvind Kumar Sethia, Mr. Ashok Kumar Sethia, Mr. Manoj Kumar Sethia and Mrs. Rita Ashok Sethia are concerned or interested in this resolution.

## II.(C) INFORMATION ABOUT MR. MANOJ KUMAR SETHIA

1.	<b>Background details</b>	<b>Mr. Manoj Kumar Sethia</b> , is a Commerce graduate. He has more than two decades of experience in the Industry. He is overall in-charge of Company's Manufacturing capabilities across different businesses.
2.	<b>Past remuneration</b>	Salary of Rs. 51 Lakhs p.a along with perquisites of Rs. 3 Lakhs p.a
3.	<b>Recognition or awards</b>	NIL
4.	<b>Job Profile and his suitability</b>	Same as above in point II (C) 1.
5.	<b>Remuneration proposed</b>	Same as mentioned in body of Resolution at Item No. 11
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. Manoj Kumar Sethia, Jt. Managing Director, the responsibilities shouldered on him and industry benchmarks and 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>	None of the Directors or relatives, except Mr. Manoj Kumar Sethia, Mr. Ashok Kumar Sethia, Mr. Arvind Kumar Sethia and Mrs. Rita Ashok Sethia are concerned or interested in this resolution.

## II (D). INFORMATION ABOUT MR. LAXMIPAT BANTHIA

1.	<b>Background details</b>	<b>Mr. Laxmipat Bantia</b> , is a Chartered Accountant, having 11 years of experience in the existing line of business and heads the elastic tapes and yarn manufacturing division of the Company. Further he recently took charge of the domestic apparel and lingerie brand, Soie.
2.	<b>Past remuneration</b>	Salary of Rs. 39 Lakhs p.a
2.	<b>Recognition or awards</b>	NIL
3.	<b>Job Profile and his suitability</b>	Same as above in point II (D) 1.

4.	<b>Remuneration proposed</b>	Same as mentioned in body of Resolution at Item No. 8
5.	<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. Laxmipat Banthia, Whole-Time Director, the responsibilities shouldered on him and industry benchmarks and 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.
6.	<b>Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any.</b>	None of the Directors or relatives, except Mr. Laxmipat Banthia, is concerned or interested in this resolution.

## II (E). INFORMATION ABOUT MRS. RITA ASHOK SETHIA

1.	<b>Background details</b>	<b>Mrs. Rita Ashok Sethia</b> , is a Bachelor of Science, she has done Diploma in Fashion Designing from S.N.D.T University. She has around 8 years of experience in Garment Industry. She is well versed with the entire gambit of apparels. She has exposure to International fashion trends and have great knowledge of Indian markets. She takes care of overall development of designs and apparels of SOIE.
2.	<b>Past remuneration</b>	Salary of Rs. 20 Lakhs p.a
2.	<b>Recognition or awards</b>	NIL
3.	<b>Job Profile and her suitability</b>	Same as above in point II (E) 1.
4.	<b>Remuneration proposed</b>	Same as mentioned in body of Resolution at Item No. 12
5.	<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 Mrs. Rita Ashok Sethia, Whole-Time Director, the responsibilities shouldered on her and industry benchmarks and in appreciation of their dedicated efforts which contributed in achieving an excellent performance by the Company, the

		remuneration proposed is commensurate with the remuneration packages paid to similar senior level counterparts in the companies.
6.	<b>Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any.</b>	None of the Directors or relatives, except Mr. Manoj Kumar Sethia, Mr. Ashok Kumar Sethia, Mr. Arvind Kumar Sethia and Mrs. Rita Ashok Sethia are concerned or interested in this resolution.

**III. OTHER INFORMATION: -**

**(1) Reasons for inadequate profits**

Uncertain economic conditions, poor economic growth, high inflation, slow-down in industrial growth severely affected the capital market. This had an adverse effect on profitability. There was drastic decrease in raw material prices in the financial year 2015-16. The company had to pass on the price decrease to its customers. Further the economic environment was also not conducive for the industry. Thus the overall stress was there on margins.

**(2) Steps taken for improvement and expected increase in productivity and profits in measurable terms:**

The Company is increasing the efficiency and adding more value added products. Further the company is increasing its brand presence by opening of the exclusive brand outlets and presence in large format stores. The Company has improved its raw material procurement practices in which the company is availing material on cash discounts and thus saving significantly on financial cost. Further the company has implement an ERP solution for creating better internal controls in its operations.

**Place: Mumbai  
Date: 02.09.2016**

**By order of the Board**

SD/-  
**Ashok Kumar Sethia  
Managing Director  
(DIN: 01283310)**