

# NOTICE

NOTICE is hereby given that the Annual General Meeting of the members of the Company will be held on Wednesday, the 30<sup>th</sup> July, 2014 at 9:30 a.m. at Thakorebhai Desai Hall, Near Law Garden, Ellisbridge, Ahmedabad- 380 006 to transact the following Business:

## ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Statements of Accounts for the financial year ended on 31<sup>st</sup> March, 2014 and the Reports of the Directors and Auditors thereon.
2. To declare a dividend on equity shares.
3. To appoint a Director in place of Mr. Sanjay S. Lalbhai (holding DIN 00008329), who retires by rotation in terms of Article 129 of the Articles of Association of the Company and being eligible, offers himself for reappointment.
4. To appoint M/S Sorab S. Engineers & Co., Chartered Accountants (ICAI Registration No.110417W) 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 and authorize the Board to fix their remuneration.

## SPECIAL BUSINESS

5. 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 Sections 149, 150, 152 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 IV to the Companies Act, 2013, Dr. Bakul H. Dholakia (holding DIN 00005754), Director of the Company whose period of office is liable to determination by retirement of directors by rotation and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to 31st July, 2019.
6. 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 Sections 149, 150, 152 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 IV to the Companies Act, 2013, Ms. Renuka Ramnath (holding DIN 00147182), Director of the Company whose period of office is liable to determination by retirement of directors by rotation and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to 31st July, 2019.
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 Sections 149, 150, 152 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 IV to the Companies Act, 2013, Mr. Dileep C. Choksi (holding DIN 00016322) in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to 11th May, 2019 and that his office as Independent Director shall not be subject to retirement by rotation.

8. 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 Sections 149, 150, 152 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 IV to the Companies Act, 2013, Mr. Vallabh Bhanshali (holding DIN 00184775) in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to 11th May, 2019 and that his office as Independent Director shall not be subject to retirement by rotation.
9. To consider and if thought fit to pass, with or without modification(s) the following resolution as a Special Resolution:  
RESOLVED THAT pursuant to the provisions of Sections 196, 197 and 203 and other applicable provisions, if any, of the Companies Act, 2013, (including any amendment thereto or 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), the consent of the Company be and is hereby accorded to the terms of reappointment of Mr. Jayesh K. Shah (holding DIN 00008349) as Wholetime Director and Chief Financial Officer of the Company for a period of five years from 1<sup>st</sup> October, 2014 to 30<sup>th</sup> September, 2019 on the terms and conditions of appointment and remuneration as set out in the draft agreement of the reappointment submitted to the meeting and initiated by the Chairman for identification and that he be paid remuneration by way of salary, perquisites, allowances and commission as approved by the Board of Directors of the Company and the Nomination & Remuneration Committee and as set out in the Explanatory Statement annexed hereto.  
RESOLVED FURTHER THAT the Board of Directors and the Nomination & Remuneration Committee be and are hereby severally authorized to alter and vary such terms of reappointment and remuneration so as to not exceed the limits specified in Schedule V to the Companies Act, 2013 (corresponding to Schedule XIII to the Companies Act, 1956), as may be agreed to by the Board of Directors and Mr. Jayesh K. Shah.
10. To consider and if through fit to pass, with or without modification(s) the following resolution as a Special Resolution:  
RESOLVED THAT in supersession of the resolution passed by the Company at the Annual General Meeting held on 30th September, 2006 with respect to the borrowing powers of the Board of Directors, consent of the Company be and is hereby accorded pursuant to Section 180(1)(c) and other applicable provisions, if any, of the Companies Act 2013 (hereinafter referred to as the "Act"), or

any statutory modification or re-enactment thereof, to the Board of Directors, borrowing moneys (apart from temporary loans from time to time obtained from the Company's Bankers in the ordinary course of business) in excess of the aggregate of paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, as the Board may, from time to time deem necessary, provided that the sum or sums so borrowed and remaining outstanding at any one time shall not exceed in the aggregate ₹ 5,000 Crores (Rupees five thousand crores only).

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

RESOLVED THAT in supersession of the resolution passed by the Company at the Annual General Meeting held on 30th September, 2006 with respect to mortgaging and/or charging by the Board of Directors, consent of the Company be and is hereby accorded in terms of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as the "Act"), or any statutory modification or re-enactment thereof, to the Board of Directors to mortgage and/or charge (by way of first, second or other subservient charge as may be agreed to between the Company and the lenders and/or Debenture Trustees), all the immovable and movable properties, present and future, pertaining to anyone or more of the Company's Units and any other undertaking of the Company wheresoever situate and the whole or substantially the whole of any one or more of the said undertakings of the Company, with the right to take over the management and concern of the undertaking(s) whose properties are agreed to be mortgaged and/or charged in certain events, to or in favour of any Financial Institutions, Banks and other lending Institutions or Funds, Trustees for Debentures, to secure their respective Rupee and Foreign Currency Loans or other Financial Assistance lent, granted and advances or agreed to be lent, granted and advanced to the Company or the Debentures, Bonds or other financial instruments issued and allotted or as may be issued by the Company and subscribed to or agreed to be subscribed to by such Institutions/Banks/Funds, or any other persons, of such amount or amounts not exceeding ₹ 5,000 Crores in the aggregate on account of principal, together with interest thereon at the respective agreed rates, compound interest, additional interest, liquidated damages, commitment charges, premia on prepayment, remuneration of the Trustees, costs, charges and other moneys payable by the Company to the respective Financial Institutions, Banks and other lending institutions and Debenture holders and/or Trustees under the Loan/ Subscription Agreement(s) entered into/to be entered into by the Company in respect of the said term loans, debentures or other financial instruments or assistance.

RESOLVED FURTHER THAT the Board of Directors of the Company including a Committee thereof, be and is hereby authorized to finalize with the Financial Institutions, Banks and other lending Institutions or Debenture Trustees, the documents for creating mortgage(s) and/or charge(s) as aforesaid and to do all acts, deeds and things in connection therewith and incidental thereto.

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

RESOLVED THAT pursuant to the provisions of Section 94, other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any amendment thereto or enactment thereof for the time being in force), consent of the Company be and is hereby accorded to keep the Register and Index of Members,

Register and Index of Debenture Holders and copies of all Annual Returns under Section 92 of the Companies Act, 2013 together with the copies of certificates and documents required to be annexed thereto or any other documents as may be required, at the office of the Registrar and Share Transfer Agent of the Company viz. Sharepro Services (India) Pvt. Ltd., 4th Floor, Devnandan Mall, Opp. Sanyas Ashram, Ellisbridge, Ahmedabad - 380 006 or any other its office or place within the Ahmedabad city, instead of the Registered Office of the Company.

RESOLVED FURTHER THAT the Board of Directors or any Committee thereof of the Company be and are hereby authorized to do all such things and take all such actions as may be required from time to time for giving effect to the above resolution and matters related thereto.

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

RESOLVED THAT pursuant to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013, the Articles of Association of the Company be and is hereby altered in the manner following:

After Article 149, the following new article 149A be inserted:

**Powers to appoint Director of the Company as Chairperson as well as the Managing Director or Chief Executive Officer at the same time.**

"149A- Subject to provisions of the Companies Act, 2013, the Directors or the Company in General Meeting, may from time to time, appoint any Director as the chairperson as well as the Managing Director or Chief Executive Officer of the Company at the same time and remove him or her from the office and appoint another Director in his or her place."

14. 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 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Cost Auditors, Kiran J. Mehta & Co., Cost Accountants, Ahmedabad, appointed by the Board of Directors of the Company, to conduct the audit of the cost records maintained by the Company in respect of textiles and telecommunication products for the financial year ending March 31, 2015, on a remuneration of ₹3.75 lacs plus service tax and out of pocket expenses, be and is hereby ratified.

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

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

Resolved not to fill for the time being the vacancy caused by the retirement of Mr. Sudhir Mehta, Director, who retires by rotation at the Annual General Meeting and does not seek re-appointment.

Registered Office:  
Naroda Road  
Ahmedabad-380025

By Order of the Board

SANJAYS. LALBHAI  
CHAIRMAN & MANAGING DIRECTOR

Date: May 15, 2014

## NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.  
A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy or any other person or shareholder.
2. Proxies, in order to be effective, should be duly stamped, completed, signed and deposited at the Registered Office of the Company not less than 48 hours before the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.
3. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
4. Members are requested to bring their copies of the Annual Report to the meeting. The Members/Proxies should bring the Attendance Slip sent herewith duly filled in for attending the meeting.
5. Members intending to require information about Accounts to be explained in the Meeting are requested to inform the Company at least 7 days in advance of the Annual General Meeting.
6. The members, holding shares in physical form, are requested to intimate any change in their addresses or bank details to the Company or its Registrar and Transfer Agent (RTA) viz. Sharepro Services (India) Pvt. Ltd., Unit: Arvind Limited, 416-420, 4th Floor, Devnandan Mall, Opp. Sanyas Ashram, Ellisbridge, Ahmedabad – 380 006. Those holding shares in dematerialized form may intimate any change in their addresses or bank details / mandates to their Depository Participants (DP) immediately. Members holding shares in dematerialized form may note that bank details registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its RTA cannot act on any request directly received from any member holding shares in dematerialized form for any change in such details. Such changes are to be advised only to the DP of the members.
7. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, the 26<sup>th</sup> July, 2014 to Wednesday, the 30<sup>th</sup> July, 2014 (both days inclusive).
8. The dividend on equity shares for the year 31st March, 2014, if declared at the meeting, will be paid / dispatched on due date to those members whose names appear on the Company's Register of Members on 30<sup>th</sup> July, 2014 or on records of National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on 25<sup>th</sup> July, 2014.
9. Pursuant to Section 125 of the Companies Act, 2013 corresponding to Section 205A of the Companies Act, 1956, all unclaimed dividends up to the financial year ended 31st March, 1998 and for the financial years 2004-05 and 2005-06 have been transferred to the Investor Education and Protection Fund (IEPF) of the Central Government. The Company did not declare any dividends on equity shares for the financial years 1998-99 to 2003-04. Unclaimed and unpaid dividend for the financial year 2011-12 will be transferred to this fund in the month of November, 2019. Those members who have so far not encashed their dividend warrants for the financial year 2011-12 are requested to approach the Company or RTA for payment thereof. Kindly note that once unclaimed and unpaid dividend is transferred to the Investor Education and Protection Fund, members will have to approach IEPF for such dividend.
10. Documents referred to in the Notice and the Explanatory Statement attached hereto are available for inspection by the shareholders at the Registered Office of the Company during business hours on any working day up to and including the date of the Annual General Meeting of the Company.
11. The Notice of the Annual General Meeting and Annual Report of the Company for the year ended 31st March, 2014 is uploaded on the Company's website [www.arvind.com](http://www.arvind.com) and may be accessed by the members.
12. Details under Clause 49 of the Listing Agreement with the Stock Exchanges in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.
13. Electronic copy of the Annual Report for 2013-14 is being sent to all the members whose email IDs are registered with the Company/ Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2013-14 is being sent in the permitted mode.
14. Electronic copy of the Notice of the Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/ Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
15. **Instructions for e-voting**  
A separate sheet containing the complete details of the instructions for e-voting is being sent to all the shareholders alongwith the Annual Report for the year 2013-14 to enable them to cast their votes through e-voting.

Registered Office:  
Naroda Road  
Ahmedabad-380 025

By Order of the Board  
  
SANJAY S. LALBHAI  
CHAIRMAN & MANAGING DIRECTOR

Date: May 15, 2014

## EXPLANATORY STATEMENT UNDER SECTION 102(1) OF THE COMPANIES ACT, 2013

### Item No. 5

Dr. Bakul H. Dholakia is a Non-Executive-Independent Director of the Company. He joined the Board of Directors of the Company in July, 2010. Dr. Bakul H. Dholakia is a member of the Nomination and Remuneration Committee, Investors' Grievance Committee and Audit Committee of the

Board of Directors of the Company. His appointment as director is subject to retirement by rotation.

Dr. Bakul H. Dholakia is a Gold Medalist from Baroda University and he has a Doctorate in Economics. He has 41 years of professional experience including 33 years at IIM, Ahmedabad. He has been a consultant to various

national and international organizations. He was awarded many awards including Padma Shri by the Government of India in recognition of his distinguished services in the field of education in 2007, Bharat Asmita National Award for his contribution to management education and teaching by the Hon'ble Chief Justice of India in 2008 etc.

In 2005, Dr. Bakul Dholakia was rated as one of the most powerful personalities of Gujarat by two separate media groups. Global Associations of Business Schools have also honoured Dr. Bakul Dholakia for his sterling contribution in the field of management education. The Global Foundation for Management Education (GFME), jointly formed by the Associations of American and European Business Schools, has nominated Dr. Bakul Dholakia as a Member of the Board of GFME representing Asia. Dr. Dholakia has been a Board Member of Reserve Bank of India, Western Area Board from 1993 to 2001. He was appointed as the Chairman of the National Board of Accreditation for Technical Education in India. Over the last two decades, Dr. Dholakia has worked on numerous government committees. He has also been a member of the Jury for various Corporate Excellence Awards and Selection Committees for CEOs. Dr. Dholakia is the author of 12 books. Currently, Dr. Dholakia is leading the educational initiatives of Adani Group.

He is holding 16,855 equity shares of the Company and is not related to any Director of the Company.

The details of Directorships, Memberships/Chairmanships of Committees of Other Companies held by Dr. Bakul Dholakia are as under:

Sr. No.	Name of the Company in which holding Directorship	Name of the Committee	Committee Membership
1	Ashima Limited	- Audit Committee - Remuneration Committee	Chairman Chairman
2	Ashima Dyecot Limited	- Audit Committee - Remuneration Committee	Chairman Chairman
3	L&T Power I/C	-	-

Dr. Bakul H. Dholakia is a director whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Dr. Bakul H. Dholakia being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term upto 31st July, 2019. A notice has been received from a member proposing Dr. Bakul H. Dholakia as a candidate for the office of Director of the Company.

In the opinion of the Board, Dr. Bakul H. Dholakia fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Dr. Bakul H. Dholakia as an Independent Director would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Sunday.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Dr. Bakul H. Dholakia as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Dr. Bakul H. Dholakia as an Independent Director, for the approval by the shareholders of the Company.

Except Dr. Bakul H. Dholakia, being an appointee, none of the Directors and

Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No.5. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

#### Item No. 6

Ms. Renuka Ramnath is a Non-Executive-Independent Director of the Company. She joined the Board of Directors of the Company in October, 2010. Her appointment as director is subject to retirement by rotation.

Ms. Renuka Ramnath is the Founder and Managing Director of Multiples Alternate Asset Management Pvt. Ltd., Which seeks to manage circa \$450 million of Indian and International capital.

In her career spanning nearly two and a half decades in the Indian financial sector, Ms. Renuka Ramnath has been involved with building several businesses from scratch in the ICICI Group which include Investment Banking, Structured Finance and e-Commerce in the 1990s and Private Equity in 2000; much before each of these terms became ubiquitous in Indian marketplace.

Ms. Renuka Ramnath led ICICI Venture to become India's largest private equity fund whilst transforming the firm from a bank's investment arm to a traditional blue-chip private equity fund managing substantial amounts of third party capital – both domestic and international. All four funds raised by her (aggregating to US\$1.5 billion) have been the then largest domestic funds raised in the Indian market.

Time and again, Ms. Renuka Ramnath has demonstrated her ability to identify and conceptualize new business opportunities, create high quality teams and quickly build these businesses to scale. As a result, she has featured in many prestigious listings, including the Top 25 Most Powerful Women in Business (Business Today, India), India's most Powerful CEO's (Economic Times) and in the Top 25 Non Bank Women in Finance (US Banker's global list).

She is not holding any equity shares of the Company and is not related to any Director of the Company.

The details of Directorships, Memberships/Chairmanships of Committees of Other Companies held by Ms. Renuka Ramnath are as under:

Sr. No.	Name of the Company in which holding Directorship	Name of the Committee	Committee Membership
1	Multiple Alternate Asset Management Pvt. Ltd.	-	-
2	Multiples Equity Fund Trustee Private Limited	-	-
3	Shri Nath G Corporate Management Services Private Limited	-	-
4	Indian Energy Exchange Limited	-	-
5	Mogae Media Private Limited	-	-
6	PVR Limited	-	-
7	Cinemax India Limited	-	-
8	B2R Technologies Private Limited	-	-
9	Air India Limited	-	-

Ms. Renuka Ramnath is a director whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Ms. Renuka Ramnath being eligible and offering herself for appointment, is proposed

to be appointed as an Independent Director for five consecutive years for a term upto 31st July, 2019. A notice has been received from a member proposing Ms. Renuka Ramnath as a candidate for the office of Director of the Company.

In the opinion of the Board, Ms. Renuka Ramnath fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for her appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Ms. Renuka Ramnath as an Independent Director would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Sunday.

The Board considers that her continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Ms. Renuka Ramnath as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Ms. Renuka Ramnath as an Independent Director, for the approval by the shareholders of the Company.

Except Ms. Renuka Ramnath, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 6. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

#### Item No. 7

Pursuant to the provisions of Sections 149, 150, 152 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 IV to the Companies Act, 2013 and subject to the approval of shareholders of the Company, Mr. Dileep C. Choksi was appointed as an Independent Director of the Company by the Directors w.e.f 12th May, 2013 to hold the office for five consecutive years up to 11th May, 2019. A notice has been received from a member proposing Mr. Dileep C. Choksi as a candidate for the office of Director of the Company.

Mr. Dileep C. Choksi is a Chartered Accountant by profession and has been in practice for over 35 years. He is also qualified as a Lawyer and a Cost Accountant. Mr. Choksi's areas of specialization include tax advisory and litigation, the structuring of collaborations and joint ventures, executive advisory and decision support and corporate restructuring with a focus on start-up, turnaround and change management strategies. He also advises some of India's largest business houses on various strategic matters, including family succession and on wills and trusts.

Mr. Choksi began his career with C.C. Chokshi & Co., and was the Firm's Managing Partner and Joint Managing Partner of Deloitte in India till 2008, before the setting up of C.C. Chokshi Advisors Pvt. Ltd. of which Mr. Choksi is the Chief Mentor. C. C. Chokshi Advisors aims to provide complete solutions for all business needs, including accounting, legal, tax and trustee and executor services through strategic alliances.

Mr. Choksi is on the Board of various companies like Hexaware Technologies Limited, ICICI Bank Limited, ICICI Home Finance Company Limited, ICICI Lombard General Insurance Company Limited and Lupin Limited. He is also a member of the Investment Committee of Aditya Birla Real Estate Fund and an Independent Advisor of the Investment Committee of Knight Frank India Portfolio Advisory Service. He has also served as director on the Board of State Bank of India.

Mr. Choksi was also on the Advisory Board of foreign banks as well as Ex-

Chairman of Banque Nationale De Paris, Bombay.

Mr. Choksi was a trustee of Child Relief and You (CRY), an organization that is dedicated to the education and welfare of underprivileged children. He is a passionate rider and a sports enthusiast.

Mr. Choksi enjoys teaching when his professional commitments allow and has contributed various papers on mergers and acquisitions, valuation of business enterprises, company law, and taxation. He has been a speaker at various seminars and conferences of professional interests organized by the Reserve Bank of India, the Institute of Chartered Accountants, Bombay Chartered Accountants' Society, etc.

Mr. Choksi contributed in the preparation of Kanga and Palkhivala's The Law and Practice of Income Tax (Eighth Edition) by late Mr. N.A. Palkhivala and Mr. B.A. Palkhivala.

He is not holding any equity shares of the Company and is not related to any Director of the Company.

The details of Directorships, Memberships/Chairmanships of Committees of Other Companies held by Mr. Dileep Choksi are as under:

Sr. No.	Name of Company in which holding Directorship	Name of the Committee	Committee Membership
1	ICICI Lombard General Insurance Co. Ltd.	- Audit Committee - Nomination & Remuneration Committee	Chairman Member
2	ICICI Home Finance Co. Ltd.	- Audit & Risk Management Committee - Nomination & Remuneration Committee - Corporate Social Responsibility Committee	Chairman Chairman Member
3	Lupin Limited	- Audit Committee	Member
4	ICICI Bank Limited	- Audit Committee - Fraud Monitoring Committee - Risk Committee	Member Member Member
5	Hexaware Technologies Limited	- Audit, Governance & Compliance Committee - Banking, Investments, Operations and Forex Committee - Shareholders/ Investor Grievance Committee - Special Committee for Internal Automation	Chairman Member Member Member
6	AIA Engineering Limited	- Audit Committee	Member

In the opinion of the Board, Mr. Dileep Choksi fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment

as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr. Dileep Choksi as an Independent Director would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Sunday.

The Board considers that his association would be of immense benefit to the Company and it is desirable to avail services of Mr. Dileep Choksi as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Dileep Choksi as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. Dileep Choksi, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 7. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

#### Item No.8

Pursuant to the provisions of Sections 149, 150, 152 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 IV to the Companies Act, 2013 and subject to the approval of shareholders of the Company, Mr. Vallabh Bhanshali was appointed as an Independent Director of the Company by the Directors w.e.f 12<sup>th</sup> May, 2013 to hold the office for five consecutive years up to 11<sup>th</sup> May, 2019. A notice has been received from a member proposing Mr. Vallabh Bhanshali as a candidate for the office of Director of the Company.

Mr. Vallabh Bhanshali is the Chairman and co-founder of Enam Securities Pvt. Ltd. – a very reputed home grown investment Banking and investor groups of India.

Recently, ENAM merged its investment banking business with Axis Bank, India's third largest private sector bank.

Under the leadership of Mr. Bhanshali, ENAM had been involved in some of the most innovative and pioneering Capital Market and advisory transactions in the country. ENAM played a significant role in the development of leading business houses such as Infosys, Reliance, Sterlite, Zee, etc. and public/joint sector companies such as NTPC, PTC, PFC, PGCIL, etc. ENAM had one of the largest retail and institutional networks and is often credited with pioneering equity research in the country. ENAM and its founders are amongst the longest term investors in the country. ENAM had been voted the "best domestic equity house" several times in surveys by leading media.

Mr. Bhanshali has a degree in law and is also a Chartered Accountant. He is a keen student of India's spiritual and cultural traditions and modern subjects such as development economics, behavioral science, communication, etc. He is a keen Vipassana meditator.

A man of many parts he is a much sought after speaker and contributor in diverse fields. Amongst other positions he is the Trustee and former chairman of the Global Vipassana Foundation, a founder director of FLAME-- India's newest and innovative liberal arts university and member of SEBI's Primary Market Advisory Committee. He was also a Trustee of the Bombay Stock Exchange.

Some time back he anchored a much acclaimed and popular TV show focused on reviving voluntarism and patriotic feeling amongst the countrymen — Kaun Hai Bharat Bhagya Vidhata.

He is not holding any equity shares of the Company and is not related to any Director of the Company.

The details of Directorships, Memberships/Chairmanships of Committees of Other Companies held by Mr. Vallabh Bhanshali are as under:

Sr. No.	Name of the Company in which holding Directorship	Name of the Committee	Committee Membership
1	Enam Financial Consultants Private Limited	-	-
2	Bhanshali Stock Brokers Private Limited	-	-
3	Indore Composite Private Limited	-	-
4	Enam Securities Private Limited	-	-
5	Foundation for Liberal and Management Education	-	-
6	Diamond India Limited	-	-
7	Suroop Fresh Private Limited	-	-
8	Survatra Technologies Private Limited	-	-
9	Enam Investment Services Private Limited	-	-

In the opinion of the Board, Mr. Vallabh Bhanshali fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr. Vallabh Bhanshali as an Independent Director would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Sunday.

The Board considers that his association would be of immense benefit to the Company and it is desirable to avail services of Mr. Vallabh Bhanshali as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Vallabh Bhanshali as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. Vallabh Bhanshali, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 8. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

#### Item No. 9

Resolution under Item No. 9 of the Notice relates to the reappointment of Mr. Jayesh K. Shah as Wholetime Director and Chief Financial Officer of the Company for a further period of five years from 1<sup>st</sup> October, 2014 to 30<sup>th</sup> September, 2019 and approval of his remuneration and terms of reappointment.

The Nomination and Remuneration Committee, at its meeting held on 15<sup>th</sup> May, 2014, had recommended the reappointment of Mr. Jayesh K. Shah as Wholetime Director and Chief Financial Officer of the Company and terms of remuneration payable to him for a further period of five years from 1<sup>st</sup> October, 2014 to 30<sup>th</sup> September, 2019. The Board of Directors, at its meeting held on 15<sup>th</sup> May, 2014, had approved the same. The Nomination and Remuneration Committee and the Board of Directors of the Company are of the opinion that he is fit and proper person to hold the said office and his reappointment will be in the interest of the Company.

The material terms of remuneration of Mr. Jayesh K. Shah effective from 1<sup>st</sup> October, 2014 to 30<sup>th</sup> September, 2019 as approved by both Nomination and Remuneration Committee and Board of Directors in their respective meetings held on 15<sup>th</sup> May, 2014 are as under:

## Remuneration:

### (a) Basic Salary :

₹ 4,77,500 (Rupees Four lacs seventy seven thousand five hundred only) per month with such increase as may be decided by the Board of Directors (which includes any Committee thereof) from time to time, but subject to maximum salary of ₹ 10,00,000 (Rupees Ten lacs only) per month.

### (b) Perquisites and Allowances:

In addition to salary, the following perquisites / allowances shall be allowed to the whole time Director & Chief Financial Officer:

#### CATEGORY – A

##### (i) Housing:

The Company shall provide furnished accommodation to the Wholetime Director & Chief Financial Officer. If the Wholetime Director & Chief Financial Officer is having his own accommodation, the Company shall pay house rent allowance at the rate of 40% of the Basic Salary.

The Company shall provide equipment and appliances, furniture, fixtures and furnishing at the residence of the Wholetime Director & Chief Financial Officer at the entire cost of the Company. The Company shall reimburse the expenses of maintenance, electricity, servants etc.

##### (ii) Other Allowances:

The Company shall pay other allowances as per the Company's policy.

##### (iii) Personal Accident Insurance:

The Company shall pay / reimburse Personal Accident Insurance Premium upto ₹25,000 for the Wholetime Director & Chief Financial Officer.

##### (iv) Club Fees:

The Company shall reimburse annual fees for a maximum of 2 clubs.

The aggregate value of perquisites for (i) to (iv) above for each year shall be computed as per the provisions of Income-tax Act, 1961. In case of benefits for which no specific rule of valuation is provided under the Income-tax Act, the perquisites value of such benefit shall be taken at actual cost.

##### (v) Medical Reimbursement:

Medical Expenses actually incurred for self and family shall be reimbursed by the Company.

#### CATEGORY – B

(i) The Company shall contribute towards Provident Fund/ Superannuation Fund/ Annuity Fund provided that such contributions either singly or put together shall not exceed the tax-free limit prescribed under the Income-tax Act.

(ii) The Company shall pay Gratuity as per rules of the Company.

(iii) Leave on full pay and allowances, as per rules of the Company, but not more than one month's leave for every eleven months of service. However, the leave accumulated but not availed of will be allowed to be encashed at the end of the term as per rules of the Company.

The above shall not be included in the computation of ceiling on remuneration or perquisites aforesaid.

#### CATEGORY – C

(i) The Company shall provide car(s) with driver at the entire cost of the Company for use on Company's business and the same will not be considered as perquisites.

(ii) The Company shall provide telephone and other communication facilities at the residence of the Wholetime Director & Chief Financial Officer at the entire cost of the Company.

#### CATEGORY – D

The Wholetime Director and Chief Financial Officer shall be entitled to Performance Linked Variable Pay/Special Allowance/ Role Award/Bonus/Commission on profits etc. or in any other form as the Nomination and Remuneration Committee and the Board of Directors may determine from time to time within the overall limit of 5% of net profit and the over all limits of remuneration prescribed under Sections 197 and other applicable provisions of the Companies Act, 2013.

#### Overall and Minimum Remuneration Limit:

The overall limit of remuneration payable to Directors including Managing Directors, Whole time Directors and Managers in a financial year is 11% of the net profit of the company computed in accordance with Section 198 of the Companies Act, 2013. The aforesaid remuneration is subject to the limit of 5% of the annual net profit of the Company and subject further to the overall limit of 10% of the annual net profit of the Company computed in accordance with Section 198 of the Companies Act, 2013.

Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of tenure of the Wholetime Director & Chief Financial Officer, the Company has no profits or its profits are inadequate, the Company will pay remuneration for a period not exceeding three years by way of salary, commission and perquisites as provided above or the maximum remuneration payable as per the limits set out in Section II of Part II of Schedule V of the Companies Act, 2013.

The abovementioned remuneration may be altered, amended, varied, enhanced or modified from time to time by the Board of Directors of Company or the Nomination and Remuneration Committee as it may, in its discretion, deem fit, within the maximum amount payable to Managing and Whole time Directors in accordance with the provisions of the Companies Act, 2013, including those of Schedule V or any amendments thereto made hereafter in this regard within the overall limits approved by the Company in General Meeting.

The resolution at Item No. 9 is put before the members as a Special Resolution.

As required under Schedule V to the Companies Act, 2013, the relevant details for Item No. 9 to be sent alongwith the notice calling the general meeting are as under:

#### I. General Information

- 1 Nature of industry: Textiles Industry
- 2 Date or expected date of commencement of commercial production:  
The Company was incorporated on 1st June, 1931 and commenced commercial production thereafter.
- 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 statements for the year ended 31.03.2014)

Particulars	₹ in Crores
Sales & Other Income	4775.48
EBIDTA	878.94
Net Profit	361.39

- 6 Foreign investments or collaborators, if any: Not Applicable.

## II. Information about the appointee

- 1 Background details:

Mr. Jayesh K. Shah, a commerce graduate and Chartered Accountant has been in employment with the Company since 1st July, 1993 and prior to his employment with the Company he was associated with group companies for seven years.

- 2 Past remuneration:

Particulars	FY. 13-14	FY. 12-13
Salary	52,37,100	47,61,000
Perquisites/allowances	1,13,16,555	2,15,48,924
Commission/Bonus	2,10,00,000	40,00,000
Total	3,75,53,655	3,03,09,924

Note: Remuneration includes contribution to Provident Fund and Superannuation.

- 3 Recognition or awards: ----

- 4 Job profile and his suitability:

Mr. Jayesh K. Shah has been appointed as the Wholtime Director and Chief Financial Officer of the Company and he will carry out such duties as may be entrusted to him by the Chairman and Managing Director but subject to supervision and control of Board of Directors, from time to time.

Taking into consideration his qualifications and expertise in the relevant fields, he is suited for the responsibilities assigned to him by the Board of Directors.

- 5 Remuneration proposed: Since the same have been already explained in detail hereinabove, the same are not repeated.

- 6 Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin):

Considering the size of the Company, the profile of Mr. Jayesh K. Shah, the responsibilities shouldered by him and the industry benchmarks, the remuneration proposed to be paid to him is commensurate with the remuneration packages paid to similar appointees in other companies.

- 7 Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:

Besides the remuneration proposed, Mr. Jayesh K. Shah does not have any pecuniary relationship with the Company and its managerial personnel.

## III. Other Information:

- Reasons of loss or inadequate profits: N.A.
- Steps taken or proposed to be taken for improvement: N.A.

- Expected increase in productivity and profits in measurable terms: N.A.

In view of the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013, the Board recommends the Special Resolution set out at item no. 9 of the accompanying Notice for the approval of the Members.

The Draft of Agreement to be entered into between the Company and Mr. Jayesh K. Shah for remuneration is available for inspection by the shareholders at the Registered Office of the Company during business hours on any working day.

Since the resolution at Item No. 9 relates to payment of remuneration to Mr. Jayesh K. Shah, he is deemed to be concerned or interested in the said resolution. None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 9. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

### Item No. 10

The Company, at its Annual General Meeting held on 30th September, 2006 (AGM), authorized the Board of Directors of the Company by way of Ordinary Resolution under Section 293(1)(d) of the Companies Act, 1956 to borrow for the purpose of the Company moneys in excess of the paid-up capital of the Company and its free reserves provided the sum or sums so borrowed and remaining outstanding at any point of time shall not exceed ₹ 3,000 Crores.

However, pursuant to the provisions of Section 180(1)(c) of the Companies Act, 2013 (the 'Act'), since notified, the Board can exercise such borrowing powers only with the approval of Members of the Company by way of Special Resolution. Keeping in view the company's business requirements and growth plans, it is considered to increase the said borrowing limit from ₹3000 crores to ₹5000 crores. The resolution is accordingly recommended for approval as a Special Resolution under the Act.

None of the Directors, Key Managerial Personnel of the Company, and/or their relatives may be deemed to be concerned or interested in the proposed resolution.

### Item No. 11

The Company, at its Annual General Meeting held on 30th September, 2006 (AGM), authorized the Board of Directors of the Company by way of Ordinary Resolution under Section 293(1)(a) of the Companies Act, 1956, to create mortgage and/or charge on the immovable and movable properties of the Company in favour of the lenders to secure the financial assistance not exceeding ₹3,000 crores as mentioned in the above Resolution.

However, pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013 (the 'Act'), since notified, the Board can exercise such power to create mortgage and/or charge on the immovable and movable properties of the Company, only with the approval of Members of the Company by way of Special Resolution. Keeping in view the company's business requirements and growth plans, it is considered to increase the said borrowing limit from ₹3000 crores to ₹5000 crores. The resolution is accordingly recommended for approval as a Special Resolution under the Act.

None of the Directors, Key Managerial Personnel of the Company, and/or their relatives may be deemed to be concerned or interested in the proposed resolution.

### Item No. 12

As required under the provisions of Section 94 the Companies Act, 2013,



certain documents such as the Register of Members, Index of Members and certain other registers, certificates, documents etc., are required to be kept at the registered office of the Company. However, these documents can be kept at any other place within the city, town or village in which the registered office is situated or any other place in India in which more than one-tenth of the total members entered in the register of members reside, if approved by a Special Resolution passed at a general meeting of the Company.

Accordingly, the approval of the members is sought in terms of Section 94(1) of the Companies Act, 2013, for keeping the aforementioned registers and documents at the office of the Registrar and Transfer Agent ("RTA"), Sharepro Services (India) Pvt. Ltd., 416-420, 4th Floor, Devnandan Mall, Opp. Sanyas Ashram, Ellisbridge, Ahmedabad – 380 006 or any other its office or place within the Ahmedabad city.

A copy of the proposed resolution is being forwarded in advance to the Registrar of Companies, Gujarat, Ahmedabad, as required under the said Section 94 (1) of the Companies Act, 2013.

The Directors recommend the said resolution proposed vide Item No. 12 to be passed as Special Resolution by the members.

None of the Directors, Key Managerial Personnel of the Company, and/or their relatives may be deemed to be concerned or interested in the said resolution.

#### **Item No. 13**

There was no restriction in the Companies Act, 1956 with respect to appointment of Chairperson as well as the Managing Director or Chief Executive Officer at the same time. So the Company has been appointing Mr. Sanjay S. Lalbhai as the Chairman and Managing Director of the Company. The Ministry of Corporate Affairs (MCA) has introduced the new Companies Act, 2013 and as per the provisions of Section 203 of the Companies Act, 2013, an individual cannot be appointed as the chairperson as well as the Managing Director or Chief Executive Officer of the Company at the same time, unless articles of the Company provides for such appointment. As the existing Articles of Association does not provide the said provision, it is proposed to amend the Articles of Association of the Company by inserting new Article 149A as stated in the resolution after Article 149 to comply with the provisions of the said Section of the Companies Act, 2013. Hence, the Directors commend this resolution for your acceptance. None of the Directors, Key Managerial Personnel of the Company, and/or their relatives may be deemed to be concerned or interested in the said resolution.

A copy of the Articles of Association of the Company is open for inspection of the members at the Registered Office of the Company during business hours on any working day.

#### **Item No. 14**

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of Kiran J. Mehta & Co., Cost Accountants, Ahmedabad as Cost Auditors to conduct the audit of the cost records maintained by the Company in respect of textiles and telecommunication products for the financial year ending March 31, 2015 at a remuneration of ₹3.75 lacs plus service tax and out of pocket expenses.

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

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 14 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2015. None of the Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 14 of the Notice.

The Board commends the Ordinary Resolution set out at Item No. 14 of the Notice for approval by the shareholders.

#### **Item No. 15**

Mr. Sudhir Mehta is a Non-Executive (Independent) Director of the Company. He joined the Board of Directors of the Company in October, 2005. Mr. Sudhir Mehta retires by rotation at the ensuing Annual General Meeting under the erstwhile applicable provisions of the Companies Act, 1956 and does not seek re-appointment owing to his preoccupations and other busy schedules. Accordingly, Mr. Sudhir Mehta retires at this Annual General Meeting and the Board has decided not to fill, for the time being, the vacancy caused due to his retirement.

No director, key managerial personnel or their relatives, is interested or concerned in the resolution.

The Board recommends the resolution set forth in Item no. 15 for approval of the members.

Registered Office:  
Naroda Road  
Ahmedabad-380 025

Date: May 15, 2014

By Order of the Board  
  
SANJAY S. LALBHAI  
CHAIRMAN & MANAGING DIRECTOR