

**NOTICE**

Notice is hereby given that the 26<sup>th</sup> Annual General Meeting of members of FAIRDEAL FILAMENTS LIMITED will be held on **Friday, 30<sup>th</sup> day of September, 2016 at 11:00 A.M.** at the Registered Office of the company situated at 3<sup>rd</sup> Floor, Dawer Chambers, Nr. Sub Jail, Ring Road, Surat-395002 to transact the following Business:

**Ordinary Business:**

1. To receive, consider and adopt the Audited Financial Statement for the year ended 31<sup>st</sup> March, 2016, together with the Report of the Board of Directors and Auditors thereon.
2. To declare Dividend on Equity Shares for the financial year ended 31st March, 2016.
3. To appoint a Director in place of Shri Dhirajlal R. Shah (DIN 00010480), Director who retires by rotation and being eligible, offers himself for re-appointment.

**4. To ratify the appointment of Auditors**

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT the appointment of M/s Natvarlal Vepari & Co., Chartered Accountants (having Firm Registration No.123626W), who were appointed as Statutory auditors of the Company at the Annual General Meeting of the company held on 30.09.2014 from the conclusion of that meeting till the conclusion of the 27<sup>th</sup> Annual General Meeting pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under, be and are hereby ratified at a remuneration as may be fixed by the Board of Directors.”

**Special Business:**

**5. To ratify the Remuneration of Cost Auditors.**

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013, Companies (Cost records and Audit Rules) 2014 and The Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration payable to M/s. Kannaujiya & Co., Cost Accountants having Firm Registration No.102990 appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year 2016-2017, amounting to Rs.25,000/- (Rupees Twenty Five Thousand) as also the payment of service tax as applicable and reimbursement of out of pocket expenses incurred by them in connection with the aforesaid audit be and is hereby ratified and confirmed.”

**6. Re-appointment of Shri Dhirajlal R. Shah as the Managing Director:**

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

‘RESOLVED that pursuant to the provisions of sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013, The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Schedule V of the Companies Act,

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Website: www.fairdealfilaments.com

2013 (including any amendment or statutory modification thereto for the time being in force) and subject to approval of requisite authorities, if any, approval be and is hereby accorded to re-appointment of Shri Dhirajlal R. Shah as Managing Director of the Company for a three year term commencing from October 1, 2016 till September 30, 2019 on the terms and conditions including remuneration as set out in the draft agreement as approved by the Nomination and Remuneration Committee as also the Board of Directors of the Company at its respective meeting held on 12<sup>th</sup> August 2016.

FURTHER RESOLVED that the Board of Directors shall have liberty to vary any terms and conditions relating to appointment of and remuneration payable to Shri Dhirajlal R. Shah as a Managing Director.

FURTHER RESOLVED THAT in case of absence or inadequacy of profit, aforesaid remuneration shall be treated as minimum remuneration.

AND FURTHER RESOLVED that the Board of Directors of the Company be and is hereby authorised to take such steps as may be necessary to give effect to this resolution.'

#### **7. Re-appointment of Shri Arvind R. Shah as the Whole-time Director:**

To consider and, if thought fit, to pass the following resolution as a **Special Resolution:**

'RESOLVED that pursuant to the provisions of sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013, The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Schedule V of the Companies Act, 2013 (including any amendment or statutory modification thereto for the time being in force) and subject to approval of requisite authorities, if any, approval be and is hereby accorded to re-appointment of Shri Arvind R. Shah as Whole-time Director of the Company for a three year term commencing from October 1, 2016 till September 30, 2019 on the terms and conditions including remuneration as set out in the draft agreement as approved by the Nomination and Remuneration Committee as also the Board of Directors of the Company at its respective meeting held on 12<sup>th</sup> August 2016.

FURTHER RESOLVED that the Board of Directors shall have liberty to vary any terms and conditions relating to appointment of and remuneration payable to Shri Arvind R. Shah as a Whole-time Director.

FURTHER RESOLVED THAT in case of absence or inadequacy of profit, aforesaid remuneration shall be treated as minimum remuneration.

AND FURTHER RESOLVED that the Board of Directors of the Company be and is hereby authorised to take such steps as may be necessary to give effect to this resolution.'

By Order of Board of Directors of  
Fairdeal Filaments Limited

Place: Surat  
Date: 12.08.2016

Jitesh R. Varkal  
Company Secretary

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## Notes:

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

A person can act as proxy on behalf of members not exceeding 50 (fifty) and holding in the aggregate not more than 10 (ten) percent of the total share capital of the Company carrying voting rights. A member holding more than 10 (ten) percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the time of holding the meeting. A Proxy form is enclosed herewith. Corporate members are requested to send a duly certified copy of the Board resolution/authority letter, authorizing their representative(s) to attend and vote on their behalf at the meeting.

2. The Explanatory statement pursuant to Section 102 of the Companies Act, 2013 setting out material facts relating to Special Businesses to be transacted at the Annual General Meeting ("AGM") is annexed hereto.
3. Brief details of the directors, who are seeking appointment/re-appointment, are annexed hereto as per requirements of regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
4. Pursuant to the provisions of section 91 of the Companies Act, 2013, the register of members and share transfer books of the Company will remain closed from Saturday, 17 September, 2016 to Friday, 30 September, 2016, both days inclusive.
5. Dividend on equity shares, if declared at the annual general meeting, will be credited/dispatched on or after 30 September, 2016 as under:
  - a. to all those beneficial owners holding shares in electronic form, as per the beneficial ownership data made available to the Company by National Securities Depository Ltd. (NSDL) and the Central Depository Services (India) Ltd. (CDSL) as of the close of business hours on Friday, 16 September, 2016; and
  - b. to all those shareholders holding shares in physical form whose names stand on the Register of Members as on Friday, 16 September, 2016.
6. Members are requested immediately to notify any change in their address:
  - To their Depository Participants (DPs) in respect of shares held electronically and
  - To Company at its Registered Office or MCS Share Transfer Agent Limited, the Registrar and Share Transfer Agent of Company, in respect of shares held physically, by sending duly filled and signed "INTIMATION FORM FOR CHANGE/CORRECTION IN ADDRESS OF COMMUNICATION", along with all evidential documents as mentioned in the said form, on or before 16 September, 2016. The above said form is available at the end of this Annual Report as well as on the website of the Company.
7. Members, who still hold share certificates in physical form are advised to dematerialise their shareholding to avail the numerous benefits of dematerialisation, which include easy liquidity,

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ease of trading and transfer, savings in stamp duty and elimination of any possibility of loss of documents etc.

8. The Securities and Exchange Board of India (SEBI) has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in dematerialized form are requested to submit their PAN details to their Depository Participant (DP) and members holding shares in physical form are requested to submit their PAN details to the Company / MCS Share Transfer Agent Limited, Registrar and Share Transfer Agent of Company.

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

Pursuant to the provisions of section 205A and 205C of the Companies Act, 1956 the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of transfer to the Unpaid Dividend Account of the company shall be transferred to the Investor Education and Protection Fund ("the Fund") set up by the Central Government and thereafter no claims shall lie against the company or the Fund and no payments shall be made in respect of any such claim.

Pursuant to Section 205C of the Companies Act, 1956, the company has transferred all amounts of unclaimed and unpaid dividends to "the Fund", from time to time for the respective financial years till financial year ended on 31.03.2008.

Members who have not yet en-cashed their dividend warrant(s) pertaining to the dividend for the financial year ended on 31.03.2009 onwards are requested to lodge their unpaid dividend claims immediately with the Company. It may be noted that the unclaimed Dividend for the financial year ended on 31.03.2009 declared by the Company on September 30, 2009 is due for transfer to "the Fund" by November 6, 2016.

The Ministry of Corporate Affairs ('MCA') on May 10, 2012 notified the Investor Education and Protection Fund (Uploading of information regarding Unpaid and Unclaimed amounts lying with Companies) Rules, 2012 (IEPF Rules), which is applicable to the Company. The objective of the IEPF Rules is to help the shareholders ascertain status of the unclaimed dividend amounts. In terms of the said IEPF Rules, the Company has uploaded the information in respect of the Unclaimed Dividends as on the date of last AGM i.e. September 30, 2015, on the website of the IEPF viz. [www.iepf.gov.in](http://www.iepf.gov.in).

10. Members/Proxy Holders should bring Attendance Slips duly filled in for attending the meeting. Members are requested to bring their copy of Annual Report at the Meeting.
11. Members seeking any information concerning the accounts and operations are requested to send their queries to the company at least 10 days before the date of the meeting, so that information required can be made available at the meeting.
12. Members holding shares in dematerialised mode are requested to intimate all changes with respect to their bank details, mandate, nomination, power of attorney, change of address, e-mail address, change in name etc. to their depository participant. These changes will be automatically reflected in the Company's records which will help the Company to provide efficient and better service to the members.
13. Members holding shares in physical form are requested to intimate changes with respect to their bank account (viz. name and address of the branch of the bank, MICR code of branch, type of account and account number), mandate, nomination, power of attorney, change of address, e-mail address, change in name etc. immediately to the Company.

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14. In compliance with the provisions of Section 108 of the Act and the Rules framed thereunder, as amended from time to time, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by CDSL, on all the resolutions set forth in this Notice. The instructions for e-voting are given herein below. Resolution(s) passed by Members through e-voting is/are deemed to have been passed as if they have been passed at the AGM.
15. The Board of Directors has appointed Shri Bhairav H. Shukla, Practicing Company Secretary (Membership No. FCS 6212) as the Scrutinizer to scrutinize the voting at the meeting and remote e-voting process in a fair and transparent manner.
16. The facility for voting, either through electronic voting system or ballot or polling paper shall also be made available at the AGM and the Members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right to vote at the AGM.
17. The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
18. The instructions and manner for availing e-Voting facility are as under:

**The instructions for shareholders voting electronically are as under:**

- (i) The voting period begins on 27th September, 2016 (9.00 AM) and ends on 29th September, 2016 (5.00 PM). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 23rd September, 2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
- a. For CDSL: 16 digits beneficiary ID,  
b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,  
c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)

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	<ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.</li> </ul>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant Fairdeal Filaments Ltd on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from**

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**Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.**

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

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

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

19. Electronic copy of the Notice of the 26<sup>th</sup> 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 Participant(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 26<sup>th</sup> 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.
20. Pursuant to section 101 and section 136 of the Companies Act, 2013 read with relevant rules made thereunder, Companies can serve annual reports and other communications through electronic mode to those members who have registered their e-mail address with the Company, Share Transfer Agent or with the Depository. Members who have not registered their e-mail address with the Company can now register the same by submitting the duly filled in “E-mail Registration Form”, available on the website of the Company, to the Company. Members holding shares in demat form are requested to register their e-mail address with their Depository Participant(s) only. Members of the Company, who have registered their e-mail address, are entitled to receive such communication in physical form upon request.

The Notice of annual general meeting and the copies of audited financial statements, directors’ report, auditors’ report etc. will also be displayed on the website ([www.shahlon.com](http://www.shahlon.com)) of the Company.

21. The route map showing directions to reach the venue of the twenty-sixth AGM is annexed.

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## **ANNEXURE TO THE NOTICE**

### ***BRIEF RESUME OF DIRECTOR SEEKING RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING PURSUANT TO REGULATION 36(3) OF THE SEBI LISTING REGULATIONS, 2015 AND***

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

#### **Item No. 5 of the Notice**

Pursuant to provisions of Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Board shall appoint an individual/ firm of cost accountant(s) in practice as cost auditor on the recommendations of the Audit Committee, which shall also recommend remuneration for such cost auditor. The remuneration recommended by the Audit Committee shall be considered and approved by the Board of Directors and ratified subsequently by the shareholders.

On recommendation of the Audit Committee at its meeting held on 12th August, 2016, the Board has considered and approved appointment of M/s Kannaujiya & Co., Cost Accountants having Firm Registration No.102990, for the conduct of the Cost Audit of the Company's Textiles products for financial year commencing on 1st April, 2016 and ending on 31<sup>st</sup> March, 2017 at a remuneration of Rs.25,000 plus service tax as applicable and reimbursement of out-of-pocket expenses.

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

None of the Directors or Key Managerial Personnel of the Company or their relatives is in any way concerned or interested, financially or otherwise, in the said resolution.

#### **Item No. 3 & 6 of the Notice**

As regards re-appointment of Shri Dhirajlal R. Shah referred to in Item No. 3 and 6 of the notice, following necessary disclosures are made for the information of the shareholders:

- (a) a brief resume of the director AND nature of his expertise in specific functional areas;

Mr. Dhirajlal R. Shah is a commerce graduate aged about 60 years is having rich experience of more than 30 years in textile business. He is appointed as a Promoter-Director since inception of the company. He is associated with various business associations and has successfully represented various issues of the textile industry before government and other authorities from time to time.

He has been awarded "Outstanding Business person" for the year 2013-14 by Southern Gujarat Chamber of Commerce and Industry, Surat

- (b) disclosure of relationships between directors inter-se;

Brother of Shri Jayantilal R. Shah, Director of the Company and Shri Arvind R. Shah, Whole-time Director of the Company.

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(c) names of listed entities in which the person also holds the directorship and the membership of Committees of the board: Nil

(d) shareholding in the company:

Shri Dhirajlal R. Shah holds 2,90,170 equity shares of Rs.10/- each.

(e) Number of Meetings of Board attended during the year:

Shri Dhirajlal R. Shah had attended Four (4) Board Meetings out of Four (4) Board Meetings held during the year.

(f) Number of other Directorships:

Shri Dhirajlal R. Shah is holding directorships in the following companies as on financial year ended 31<sup>st</sup> March, 2016.

1. Fairdeal Textile Park Private Limited
2. Sayan Textile Park Ltd.
3. Global Texhub Limited
4. Fairdeal Eco Infra Private Limited
5. Shahlon Envirocare Private Limited
6. Jay Ambe Poly Fab Private Limited

(g) Number of Membership/Chairmanship of Committees of other Boards:

Shri Dhirajlal R. Shah is not holding any Membership/Chairmanship of Committees of other Boards as on financial year ended 31<sup>st</sup> March, 2016.

Further, Shri Dhirajlal Raichand Shah was re-appointed as a Managing Director of the company for a period of 3 years with effect from 01 October, 2013 by Board of Directors at their meeting held on 07.08.2013. The members at their Annual General Meeting held on 30 September, 2013 approved his re-appointment. Further, the members at their Annual General Meeting held on 30 September, 2015 approved increase in his remuneration w.e.f. 1<sup>st</sup> October, 2015 for his residual term expiring on 30.09.2016.

Taking into consideration the industry scenario, performance and growth of the company under his management and based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors at their meeting held on August 12, 2016 has decided to re-appoint him as Managing Director of the Company for a period of three years w.e.f. 01 October, 2016 with remuneration as mentioned in draft agreement approved by the Nomination and Remuneration Committee and the Board, subject to the approval of the Members. The Directors are of the view that re-appointment of Shri Dhirajlal R Shah as Managing Director will be beneficial for the smooth operations of the company.

Pursuant to Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V of the Companies Act, 2013 and rules made thereunder, approval of members is required by way of Special Resolution for re-appointment of Shri Dhirajlal R. Shah, Managing Director of the Company.

The Board accordingly recommends the resolution set out at Sr.No.6 of this Notice for the approval of the Members as a special resolution.

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Statement as required under Section II of Part II of Schedule V to the Companies Act, 2013:

**I. General Information:**

1.	Nature of Industry:	The Company is engaged in manufacturing and trading of synthetic textile yarn and fabrics, both for domestic and international markets.		
2.	Date or expected date of Commencement of commercial production	The company is already engaged in the business since its incorporation i.e. May'1990		
3.	In case of new companies, expected date of commencement of activities	Not Applicable		
4.	Financial performance based on given indicators	<b>Particulars</b>	<b>(Rs. In Lacs)</b>	
			<b>FY 2015-16</b>	<b>FY 2014-15</b>
		Paid up Capital	605.00	550.00
		Reserves & Surplus	1233.11	1218.89
		Income from operations	19312.50	18771.50
		EBIDTA	843.35	929.02
		Profit before Tax	241.43	311.70
		Profit after Tax	170.86	211.83
		Effective Capital	2815.71	1989.19
5.	Foreign investments, if any	<b>Particulars</b>	<b>FY 2015-16 (No. of shares)</b>	<b>FY 2014-15 (No. of shares)</b>
		Foreign Institutional Investors	-	-
		Non Resident Indians	584028	534691
		Foreign Nationals	-	-

**II. Information about the appointee:**

**(1) Background details**

Mr. Dhirajlal R. Shah is a commerce graduate aged about 60 years is having rich experience of more than 30 years in textile business. He is a Promoter-Director since inception of the company. He is associated with various business associations and has successfully represented various issues of the textile industry before government and other authorities from time to time.

**(2) Past remuneration**

The company has paid to him remuneration of Rs.2,50,000/- p.m. from 01/04/2015 to 30/09/2015 & Rs.3,50,000/- p.m. from 01/10/2015 to 31/03/2016.

**(3) Recognition or awards**

He has been awarded "Outstanding Business person" for the year 2013-14 by Southern Gujarat Chamber of Commerce and Industry, Surat.

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Fax : +91-261-2635550.

CIN : L17110GJ1990PLC013771  
E-mail : info@fairdealfilaments.com  
Website: www.fairdealfilaments.com

#### **(4) Job Profile and his suitability**

The Managing Director shall be responsible for the management of the whole of the affairs of the company and to do all acts and things, which in the ordinary course of business, he considers necessary or proper in the interest of the company. Considering the above and having regard to age, qualifications, ability and experience and looking to the business requirement, his proposed re-appointment is in the interest of the company.

#### **(5) Remuneration Proposed**

The Board of Directors of the company on the basis of recommendation of the Nomination and Remuneration Committee has proposed remuneration of Rs. 3,50,000 – 50,000 – 4,00,000 – 50,000 – 4,50,000 per month w.e.f. 01.10.2016 for a period of three years i.e. 30.09.2019, subject to the approval of the Members.

i.e. Rs. 3,50,000 p.m. from 01.10.2016 to 30.09.2017, Rs.4,00,000 p.m. from 01.10.2017 to 30.09.2018 and Rs.4,50,000 p.m. from 01.10.2018 to 30.09.2019.

#### **(6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person**

Compared to the remuneration with respect to industry, size of the company and profile of the position and person, the Directors are of the view that the remuneration proposed is commensurate with his experience and ability.

#### **(7) Pecuniary relationship directly or indirectly with the company, or relationship with managerial personnel if any.**

The company has no pecuniary relationship or transaction with Shri Dhirajlal R. Shah other than payment of his remuneration. He is a brother of Shri Jayantilal R. Shah and Shri Arvind R. Shah, Directors of the company.

### **III. Other information**

#### **(1) Reasons for loss or inadequate profits**

The company is in the competitive and fragmented segment of textile industry. Higher portion of trading sales in total turnover pulls down the profitability margin for the company due to limited value addition. Further profitability also remains susceptible to inherent commodity price fluctuation risk associated in business.

#### **(2) Steps taken or proposed to be taken for improvement**

The company proposes to improve its productivity and profitability through higher capacity utilization and better utilization of available resources. The company has recently added manufacturing capacity through modernization of technologies.

#### **(3) Expected increase in productivity and profits in measurable terms**

The Company has projected increase in its turnover from Rs.19312.50 Lacs for the financial year 2015-16 to Rs. 20105.98 Lacs for financial year 2016-17. Proposed increase in turnover for financial year 2016-17 would be 4.11 % as compared to actual turnover for financial year 2015-16.

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Your Directors expect to achieve net profit after tax of Rs.187.62 Lacs for financial year 2016-17 as compared to net profit of Rs.170.86 Lacs for financial year 2015-16.

The draft agreement between the company and Shri Dhirajlal R. Shah is available for inspection by the members of the company at registered office of the company between 11.00 A.M. to 1.00 P.M. on any working day of the company.

None of the Directors or Key Managerial Personnel of the Company except Shri Dhirajlal R. Shah and his relatives including Shri Jayantilal R. Shah and Shri Arvind R. Shah, Directors of the Company, is in any way concerned or interested, financially or otherwise, in the resolution set out at Sr. No.6 of this Notice.

Shri Dhirajlal R. Shah holds 2,90,170 equity shares constituting 4.80% of the total paid up share capital of the company.

#### **Item No. 7 of the Notice**

As regards re-appointment of Shri Arvind R. Shah referred to in Item No.7 of the notice, following necessary disclosures are made for the information of the shareholders:

- (a) a brief resume of the director AND nature of his expertise in specific functional areas;

Shri Arvind R. Shah is a science graduate aged about 56 years having rich experience of more than 30 years in textile business. He is appointed as a Promoter-Director since inception of the company. He is heading marketing department and has efficiently developed large number of local as well as export customer base.

- (b) disclosure of relationships between directors inter-se;

Brother of Shri Jayantilal R. Shah, Director of the Company and Shri Dhirajlal R. Shah, Managing Director of the Company.

- (c) names of listed entities in which the person also holds the directorship and the membership of Committees of the board: Nil

- (d) shareholding in the company:

Shri Arvind R. Shah holds 2,89,995 equity shares of Rs.10/- each.

- (e) Number of Meetings of Board attended during the year:

Shri Arvind R. Shah had attended Three (3) Board Meetings out of Four (4) Board Meetings held during the year.

- (f) Number of other Directorships:

Shri Arvind R. Shah is not holding directorship of any other companies as on financial year ended 31<sup>st</sup> March, 2016.

- (g) Number of Membership/Chairmanship of Committees of other Boards:

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Shri Arvind R. Shah is not holding any Membership/Chairmanship of Committees of other Boards as on financial year ended 31<sup>st</sup> March, 2016.

Further, Shri Arvind Raichand Shah was re-appointed as a Whole-time Director of the company for a period of 3 years with effect from 01 October, 2013 by Board of Directors at their meeting held on 07.08.2013. The members at their Annual General Meeting held on 30 September, 2013 approved his re-appointment. Further, the members at their Annual General Meeting held on 30 September, 2015 approved increase in his remuneration w.e.f. 1<sup>st</sup> October, 2015 for his residual term expiring on 30.09.2016.

Taking into consideration the industry scenario, performance and growth of the company under his management and based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors at their meeting held on August 12, 2016 has decided to re-appoint him as Whole-time Director of the Company for a period of three years w.e.f. 01 October, 2016 with remuneration as mentioned in draft agreement approved by the Nomination and Remuneration Committee and the Board, subject to the approval of the Members. The Directors are of the view that re-appointment of Shri Arvind R. Shah as Whole-time Director will be beneficial for the smooth operations of the company.

Pursuant to Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V of the Companies Act, 2013 and rules made thereunder, approval of members is required by way of Special Resolution for re-appointment of Shri Arvind R. Shah, Whole-time Director of the Company.

The Board accordingly recommends the resolution set out at Sr. No.7 of this Notice for the approval of the Members as a special resolution.

Statement as required under Section II of Part II of Schedule V to the Companies Act, 2013:

**I. General Information:**

1.	Nature of Industry:	The Company is engaged in manufacturing and trading of synthetic textile yarn and fabrics, both for domestic and international markets.		
2.	Date or expected date of Commencement of commercial production	The company is already engaged in the business since its incorporation i.e. May'1990		
3.	In case of new companies, expected date of commencement of activities	Not Applicable		
4.	Financial performance based on given indicators	<b>Particulars</b>	<b>(Rs. In Lacs)</b>	
			<b>FY 2015-16</b>	<b>FY 2014-15</b>
		Paid up Capital	605.00	550.00
		Reserves & Surplus	1233.11	1218.89
		Income from operations	19312.50	18771.50
		EBIDTA	843.35	929.02
		Profit before Tax	241.43	311.70
		Profit after Tax	170.86	211.83
		Effective Capital	2815.71	1989.19
5.	Foreign investments, if	<b>Particulars</b>	<b>FY 2015-16</b>	<b>FY 2014-15</b>

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	any		(No. of shares)	(No. of shares)
		Foreign Institutional Investors	-	-
		Non Resident Indians	584028	534691
		Foreign Nationals	-	-

## II. Information about the appointee:

### (1) Background details

Shri Arvind R. Shah is a science graduate aged about 56 years having rich experience of more than 30 years in textile business. He is a Promoter-Director since inception of the company. He is heading marketing department and has efficiently developed large number of local as well as export customer base.

### (2) Past remuneration

The company has paid to him remuneration of Rs.2,50,000/- p.m. from 01/04/2015 to 30/09/2015 & Rs.3,50,000/- p.m. from 01/10/2015 to 31/03/2016.

### (3) Recognition or awards- NIL

### (4) Job Profile and his suitability

Shri Arvind R. Shah as a whole-time director looks after marketing department and has efficiently developed large number of local as well as export customer base. An active member in the marketing at globe, he has been leading discussions across the globe regarding potential business opportunities.

Considering the above and having regard to age, qualifications, ability and experience and looking to the business requirement, the proposed re-appointment is in the interest of the company.

### (5) Remuneration Proposed

The Board of Directors of the company on the basis of recommendation of the Nomination and Remuneration Committee has proposed remuneration of Rs. 3,50,000 – 50,000 – 4,00,000 – 50,000 – 4,50,000 per month w.e.f. 01.10.2016 for a period of three years i.e. 30.09.2019, subject to the approval of the Members.

i.e. Rs. 3,50,000 p.m. from 01.10.2016 to 30.09.2017, Rs.4,00,000 p.m. from 01.10.2017 to 30.09.2018 and Rs.4,50,000 p.m. from 01.10.2018 to 30.09.2019.

### (6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person

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Your Directors expect to achieve net profit after tax of Rs.187.62 Lacs for financial year 2016-17 as compared to net profit of Rs.170.86 Lacs for financial year 2015-16.

The draft agreement between the company and Shri Arvind R. Shah is available for inspection by the members of the company at registered office of the company between 11.00 A.M. to 1.00 P.M. on any working day of the company.

None of the Directors or Key Managerial Personnel of the Company except Shri Arvind R. Shah and his relatives including Shri Jayantilal R. Shah and Shri Dhirajlal R. Shah, Directors of the Company, is in any way concerned or interested, financially or otherwise, in the resolution set out at Sr. No.7 of this Notice.

Shri Arvind R. Shah holds 2,89,995 equity shares constituting 4.79% of the total paid up share capital of the company.

By Order of Board of Directors of  
Fairdeal Filaments Limited

Place: Surat  
Date: 12.08.2016

Jitesh R. Varkal  
Company Secretary

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