

AXTEL INDUSTRIES LIMITED

NOTICE

NOTICE is hereby given that the Twenty Fifth Annual General Meeting of the members of Axtel Industries Limited will be held at 11.00 a.m. on Thursday, 28th September, 2017 at the Registered Office of the Company situated at Plot No. 43/1, Village Nulpura, P.O. Baska, Tal. Halol – 389 350, Dist. Panchmahals, Gujarat to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited financial statements of the Company for the financial year ended 31st March, 2017 and the reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Shri Ameet Nalin Parikh (DIN 00007036), who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Shri Kirit Kumar Pathak (DIN 01849295), who retires by rotation and being eligible offers himself for re-appointment.
4. Appointment of M/s. VCA & Associates as Statutory Auditors of the Company and fix their remuneration.

To consider and if thought fit, to pass the following resolutions as Ordinary Resolution:

RESOLVED that pursuant to section 139, 141 142 and other provisions applicable, if any, of the Companies Act, 2013 and the Companies (Audit & Auditors) Rules, 2014, M/s. VCA & Associates, Chartered Accountants be and are hereby appointed as statutory auditors of the Company till the conclusion of the sixth annual general meeting with this annual general meeting counted as the first meeting, on a remuneration as may be agreed between the Board of Directors of the Company and M/s. VCA & Associates.

SPECIAL BUSINESS :

5. Re-appointment of Shri Ajay Nalin Parikh as Executive Director.

To consider and if thought fit, to pass the following resolutions as Special Resolutions:

RESOLVED that pursuant to section 196, 197, 204 and other provisions applicable, if any and schedule V of the Companies Act, 2013 consent of the members of the Company be and is hereby given for the re-appointment of Shri Ajay Nalin Parikh (DIN: 00453711) as Executive Director of the Company

for a period of five years with effect from the 1st August, 2018 on the terms and conditions as detailed hereunder, with a liberty to the Board of Directors

of the Company to modify the said terms and conditions within the limits prescribed/which may be prescribed in schedule V of the Companies Act, 2013 and any amendment thereof from time to time:

[i] Salary:

Not exceeding Rs.7,00,000 [Rupees Seven Lac Only] per month [including perquisites and other allowance, if any].

[ii] Perquisites and other allowances:

Perquisites and other allowances shall also be allowed in addition to salary. However, total managerial remuneration by way of salary, perquisites and other allowances shall not exceed the overall limit of Rs.84,00,000 per annum.

[iii] Contribution to provident fund, superannuation fund and annuity fund will not be included in the computation of the ceiling on managerial remuneration to the extent these either singly or put together are not taxable under the Income-Tax Act. Gratuity payable should not exceed half a month's salary for each completed year of service.

[iv] Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.

[v] Provision of car with driver for use on Company's business and telephone at residence will not be considered as perquisites/remuneration. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the individual appointee concerned.

"RESOLVED FURTHER THAT, where in any financial year, during the currency of tenure of Shri Ajay Nalin Parikh as Executive Director, the Company has no profit or its profits are inadequate, it may pay him minimum remuneration by way of salary, perquisites and allowances not exceeding the limits specified above.

RESOLVED FURTHER THAT remuneration payable as above is fixed for a period of 3 years (i.e. from 1st August, 2018 to 31st July,2021) and thereafter remuneration for remaining period of his term as Executive Director will be fixed by passing special resolution at the general meeting as per schedule V of the Companies Act, 2013.

By the Order of the Board of Directors

Date: 22/05/2017

Registered Office :

Plot No.43/1, Village: Nurpura,
P.O. Baska, Tal. Halol - 389 350
Dist. Panchmahals, Gujarat

Ajay Naishad Desai
Executive Director
DIN: 00452821

NOTES:

- 1) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL ONLY TO VOTE INSTEAD OF HIM. SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING. A PROXY FORM IS SENT HEREWITH.

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.

Proxy submitted on behalf of the companies, societies etc. must be supported by an appropriate resolution/ authority as applicable.

- 2) Members should notify change in the address, if any, specifying full address in block letters with pin code of the post office.
- 3) Members seeking further information on the accounts or any other matter contained in the notice are requested to write to the Company at least 7 days before the meeting, so that relevant information can be kept ready at the meeting.
- 4) The register of members and share transfer book will remain closed from Friday, the 22nd September, 2017 to Thursday, the 28th September, 2017 [both days inclusive].
- 5) Members attending the meeting are requested to bring their copy of the Annual Report.
- 6) Pursuant to Section 72 of the Companies Act, 2013, members who hold shares in the physical form can nominate a person in respect of all the shares held by them singly or jointly. Members who hold shares in single name are advised, in their own interest, to avail of the nomination facility by filing required form.
- 7) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in physical form can submit their PAN details to the Company/Registrar and Share Transfer Agent.
- 8) The company has created an exclusive E-mail. Id: investors@axtelindia.com for quick redressal of shareholders/investors grievances.
- 9) In terms of the Circulars No. 17/2011 of 21st April, 2011 and 18/2011 of 29th April, 2011 issued by the Ministry of Corporate Affairs (MCA) as part of its "green initiative in Corporate Governance", MCA allows paperless compliances including service of a notice/document by companies to their members through electronic mode. Therefore as was done last year, the Company proposes to send documents required to be sent to the members like Notices of General Meetings

(including AGM), Audited Financial Statements, Report of the Directors, Independent Auditor's Report etc. to the members in electronic form to the e-mail IDs provided by them and made available to the Company by the Depositories. This will also ensure prompt receipt of communication and avoid loss in postal transit. These documents will also be available on the Company's website www.axtelindia.com for download by the Members. The physical copies of the annual report will be made available upon receipt of a requisition from the members, any time as a member of the Company.

10) In terms of Section 152 of the Companies Act, 2013, Shri Ameet Nalin Parikh (DIN 00007036) and Shri Kirit Kumar Pathak (DIN 01849295) Directors, retire by rotation at the ensuing annual general meeting and being eligible, offer themselves for reappointment.

11) Voting through electronic means: E-voting: Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of the SEBI (Listing and Disclosure Requirements), 2015, the Company is pleased to provide E-voting facility through Central Depository Services (India) Limited (CDSL) as an alternative for all the members of the Company to enable them to cast their votes electronically. The instructions for E-voting are attached herewith.

12) The Board of Directors of the Company has appointed Mr. Dineshchandra Mangaldas Mehta of M/s. Dinesh Mehta & Co., Company Secretary in Practice as Scrutinizer to scrutinize the e-voting process in a fair and transparent manner and he has communicated his willingness to be appointed and will be available for same purpose.

13) Voting rights shall be reckoned on the paid up value of shares registered in the name of the member as on the cut-off date i.e 21st September, 2017.

14) A person, whose name is recorded in the register of members by the depositories as on the cut-off date, i.e. 21st September, 2017 only shall be entitled to avail the facility of e-voting / Poll.

15) The e-voting facility will be available during the following period:
Commencement of e-voting: From 9.00 a.m. (IST) on 25th September, 2017

End of e-voting: Up to 5.00 p.m. (IST) on 27th September, 2017

The e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled by (CDSL) upon expiry of aforesaid period.

16) The Scrutinizer, after scrutinising the votes cast at the meeting on poll and through e-voting will, not later than 48 hours of conclusion of the meeting, make a consolidated scrutinizer's report and submit the same to the Chairman. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company www.axtelindia.com

and the results shall simultaneously be communicated to the Bombay Stock Exchange.

- 17) Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the meeting.
- 18) A route map along with prominent landmark for easy location to reach the venue of AGM is annexed herewith.
- 19) Explanatory statement setting out all material facts concerning the special business u/s 102 of the Companies Act, 2013 is annexed hereto :

The instructions for shareholders voting electronically are as under:

- (i) The e-voting period begins From 9.00 a.m. (IST) on 25th September, 2017 and end e-voting at 5.00 p.m. (IST) on 27th September, 2017. 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 21st September, 2017, 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.
- (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 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:

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

	<ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Attendance Slip indicated in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.

- (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 <Company Name> 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 out print of the voting done by you by clicking on “Click here to print” option on the Voting page.

(xvii) If Demat account holder has forgotten the same 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) Note for Non – Individual Shareholders and Custodians

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

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

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

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

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

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

Explanatory statement in respect of the special business u/s 102 of the Companies Act, 2013

Item No.4:

This statement is provided though strictly not required as per section 102 of the Act.

The present statutory auditor M/s. V.K.Shastri & Co., Chartered Accountants has completed more than five years in the Company. Pursuant to the provisions of section 139 of the Companies Act 2013, the said auditor is not eligible for re-appointment as statutory auditor of the Company for a period of five years now onwards. The audit committee of the Company has considered the qualifications and experience of M/s. VCA & Associates, Chartered Accountants, Vadodara and recommended their appointment.

The Board of Directors of the Company agrees with the recommendation of the audit committee of the Company and propose to appoint M/s. VCA & Associates, Chartered Accountants, Vadodara as statutory auditor of the Company till the conclusion of the sixth annual general meeting with this annual general meeting is counted as the first meeting.

The Board of Directors recommends the resolution for the approval of the members.

Item No.5:

Shri Ajay Nalin Parikh was re-appointed as Executive Director of the Company for a period of five years w.e.f. 1st August, 2013 as per special resolutions passed by the members of the Company at the annual general meeting of the Company held on 31st July, 2013. His term as Executive Director will expire on 31st July, 2018. Your Board propose to reappoint him as Executive Director for a further period of five years with effect from 1st August, 2018.

Shri Ajay Nalin Parikh is looking after the design and production departments of the Company. The audit committee has recommended to re-appoint him as Executive Director of the Company for a period of five years w.e.f. 1st August, 2018. Nomination and remuneration committee of the Company has recommended to pay him remuneration of Rs.7,00,000 per month.

The information required as per clause iv of proviso of section II of part II of schedule V of the Companies Act,2013 is furnished hereunder:

I. General Information:

- 1. Nature of Industry :** Engineering industry manufacturing food processing plant, machinery and equipment and dairy machinery since 1993.
- 2. Financial Performance :** The Company's net profit after taxation is Rs.683.45 lacs for the year ended 31st March, 2017
- 3. Export Performance:** The Company has made export of Rs.1693.83 lacs during the year ended 31st March, 2017.

II. Information about Shri Ajay Nalin Parikh:

1. Back Ground Details: He is a Bachelor of Engg. (Mechanical) with distinction from The Maharaja Sayjirao University at Vadodara in the year 1980. He possesses over 36 years of experience in the field of design, engineering and manufacturing of high quality process equipment and plant for the food and pharmaceutical industries.

2. Past remuneration: He is paid remuneration of Rs. 7,00,000 per month with effect from 1st April,2014 as per special resolutions passed at the annual general meeting held on 29th September,2014.

3. Recognition or awards : Nil

4. Job profile and his suitability:

Shri Ajay Nalin Parikh is a Bachelor of Engg. (Mechanical) with distinction from The Maharaja Sayjirao University at Vadodara in the year 1980. He possesses over 36 years of experience in the field of design, engineering and manufacturing of high quality process equipment and plant for the food and pharmaceutical industries. A brief overview of his career profile is as follows:

- 1980-82 worked as a Design Engineer with M/s Vulcan Engineers Pvt. Ltd., Mumbai, who are engaged in providing complete heat treatment plant and furnaces for large steel manufacturers and for wheel and axle plants of the Indian Railways. As a design engineer, he was responsible for heat and mass transfer calculations, machine and equipment design, structural design, P & IDs and plant drawings and leading a team of draftsmen to produce detailed manufacturing drawings.

- 1982-84 worked as Design Engineer for Finex Sieves Pvt. Ltd. at Vadodara, manufacturing rotary and gyratory sieving and straining equipment for the food, pharmaceutical and chemical industries.

- 1984-85 He ventured out on his own and was partner in a company called Wynsales. Wynsales represented various engineering goods

manufacturing companies for sales in the State of Gujarat. Here he was responsible in selling material handling equipment, non-destructive testing equipment and other engineered equipment.

- 1985-86 He formed another company, Aro-Grad Engineering and set up a workshop to manufacture equipment for the food and dairy industry. The first customer of Aro-Grad Engineering was Amul Dairy followed by the National Dairy & Development Board. Mr. Parikh worked closely with eminent personalities such as Dr. V. H. Vyas, Dr. Kurien and others to develop various dairy and food equipment as import substitutes for many large dairies all over India. During this period he gained rich experience in the design, development, manufacture and use of GMP equipment for the dairy, food and pharmaceutical sectors.

- 1986-92 Promoted and managed Age Technologies Pvt. Ltd. which continued the activities of Aro-Grad Engineering with a much larger manufacturing facility at Vadodara. Age Technologies successfully commissioned various cattle feed, dairy and powder handling plant and equipment. Many of these substituted the need for importing such equipment from Europe and other developed countries.

- 1992-till date, as Executive Director with Axtel Industries Ltd. since its inception. He was involved in setting up the company, its manufacturing facilities and subsequent expansion of the same. During his tenure Shri Ajay Nalin Parikh Parikh has to his credit the development of a very large range of equipment, plant and machinery, most of which are import substitutes. Axtel today has a state-of-the-art manufacturing facility and is the preferred supplier to many multi-national and large FMCG and food processing companies in India and abroad. Axtel, under the leadership of Shri Ajay Nalin Parikh, has over the last 23 years developed and manufacture these equipment equivalent to the best in class that are made in the developed nations. Various innovative ideas have also been applied for indigenization and cost reduction. All of these have been completely developed in-house without any foreign collaboration. Axtel exports these equipment and machinery to Europe, Middle East, Far East and our neighbouring countries to the various food manufacturing companies there.

5. Remuneration proposed: Rs.7,00,000 per month with effect from 1st August, 2018 till 31st July, 2021.

6. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person: Figure with respect to industry is not available. However, proposed remuneration payable to Shri Ajay Nalin Parikh is low comparing his efforts and responsibility as Executive Director of the Company.

7. Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel: Shri Ajay Nalin Parikh

has no pecuniary relationship directly or indirectly with the Company as managerial personnel except remuneration as Executive Director drawn by him and dividend on equity shares, declared if any, by the Company for his shareholding in the Company

III. Other information:

8. Reasons for inadequate profit: Due to recessionary trend prevailing in India and abroad the Company could not procure more orders and as a result sale and profit could not be increased as expected

9. Steps taken or proposed to be taken for improvement: The Company has expanded its production capacity by expansion of its existing factory shed and installed more machineries to cope with the rise in orders from the clients.

10. Expected increase in productivity and profits in measurable terms: As Company is manufacturing tailor made plants / machinery, it is very difficult to give expected production and profits in measurable terms.

IV. Disclosures:

Other disclosures have been mentioned in the Board of Directors' report under the heading "Corporate Governance" attached to the annual report.

The Board of Directors recommends the resolution for the approval of the members.

No Director, Key Managerial Personnel or their relatives, except Shri Ajay Nalin Parikh for drawing his remuneration and Shri Ameet Nalin Parikh, Director being a relative of Shri Ajay Nalin Parikh are directly or indirectly concerned or interested in the above resolution except to the extent of his shareholding (including his relatives), if any, in the Company.

This explanatory statement together with the accompanying notice may also be considered as an abstract of terms and conditions of the contract for the appointment of Shri Ajay Nalin Parikh as Executive Director.

By the Order of the Board of Directors

Date: 22/05/2017

Registered Office:

Plot No.43/1, Village: Nurpura,
P.O. Baska, Tal. Halol - 389 350
Dist. Panchmahals, Gujarat

Ajay Naishad Desai
Executive Director
DIN: 00452821