

# CRAVATEX LIMITED

Corporate Office : 2nd Floor, Matulya Center, Senapati Bapat Marg, Lower Parel, Mumbai - 400013  
CIN : L93010MH1951PLC008546, Tel No.+91 22 66667474, Fax No. +91 22 24973210  
Email : investors@cravatex.com, Website : www.cravatex.com

## POSTAL BALLOT NOTICE

**Pursuant to Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014 and further amendments made thereunder.**

Dear Member(s),

**NOTICE** is hereby given pursuant to provisions of Section 110 and other applicable provisions, if any, of the Companies Act, 2013 (the “**Act**”), read with Rule 22 of the Companies (Management and Administration) Rules, 2014 (including any statutory modifications, amendments or re-enactment thereof for the time being in force), for seeking consent of the members of Cravatex Limited (“**Company**”) by passing resolution by way of postal ballot and/or e-voting.

The explanatory statement pertaining to the said resolutions setting out the material facts concerning the items and the reasons thereof, as required in terms of Section 102 of the Act, is annexed hereto along with a postal ballot form (the “**Form**”) for your consideration.

The Company is seeking consent of its members, for the following items of special business:

### **SPECIAL BUSINESS:**

#### **Item No. 1: Re-appointment of Mr. Rajesh Batra (DIN: 00020764) as a Managing Director**

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

“**RESOLVED THAT** in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), approval of the Members of the Company be and is hereby accorded to the re-appointment of Mr. Rajesh Batra (DIN : 00020764) as the Managing Director of the Company, for a period of 3 (three) years with effect from June 1, 2019 on the terms and conditions including remuneration as set out in the Explanatory Statement annexed to the Notice, with liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said re-appointment and / or remuneration as it may deem fit and as may be agreed between the Board and Mr. Rajesh Batra, subject to the same not exceeding the limits specified under Schedule V of the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper and expedient to give effect to this resolution.”

#### **Item No. 2: Re-appointment of Mr. N. Santhanam (DIN: 00027724) as an Independent Director**

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 or any other rules made there under (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 applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. N. Santhanam (DIN: 00027724), who was appointed as an Independent Director and holds office of Independent Director upto March 31, 2019, in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, and who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and who is eligible for re-appointment as an Independent Director, be and is hereby re-appointed as an Independent Director, not liable to retire by rotation, on the board of the Company to hold office for second term of five consecutive years with effect from April 1, 2019 to March 31, 2024.”

**RESOLVED FURTHER THAT** pursuant to Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 (“Amendment Regulations, 2018”), to be effective from April 1, 2019 and other applicable regulations (including any statutory modifications or re-enactment thereof for the time being in force), consent of the Members of the Company be and is hereby accorded to Mr. N. Santhanam (DIN: 00027724), Independent Director of the Company, to continue to hold office notwithstanding, that he will attain the age of 75 years on November 11, 2023.

### **Item No. 3: Re-appointment of Dr. S.D. Israni (DIN: 00125532) as an Independent Director**

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

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 or any other rules made there under (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 applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any statutory modification(s) or re-enactment thereof for the time being in force), Dr. S.D. Israni (DIN: 00125532), who was appointed as an Independent Director and holds office of Independent Director upto March 31, 2019, in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director and who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and who is eligible for re-appointment as an Independent Director, be and is hereby re-appointed as an Independent Director, not liable to retire by rotation, on the board of the Company to hold office for second term of five consecutive years with effect from April 1, 2019 to March 31, 2024.”

**By order of the Board of Directors of Cravatex Limited**

Sd/-

**Sudhanshu Namdeo**

**Company Secretary**

Membership No.: A17132

Date: February 13, 2019

Place: Mumbai

**CIN:** L93010MH1951PLC008546

**Registered office:**

Sahas, 4<sup>th</sup> Floor, 414/2, Veer Savarkar Marg, Prabhadevi, Mumbai – 400025

**Phone:** 022 – 66667474; **Fax:** 022 – 24973210

**Website:** <http://www.cravatex.com>; **E-mail:** [investors@cravatex.com](mailto:investors@cravatex.com)

#### **NOTES:**

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 setting out material facts and reasons for the proposed resolutions at item nos. 1, 2 and 3 above is appended herein below along with the Form for your consideration.
2. In compliance with the provisions of Sections 108 and 110 of the Companies Act, 2013, read with Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has also extended e-voting facility as an alternate, for its members to enable them to cast their votes electronically instead of dispatching postal ballot form. Voting by electronic mode is more convenient means of exercising the voting rights and may help to increase the members' participation in the decision-making process. It may be noted that e-voting is optional. The Company has signed an agreement with and engaged the services of National Securities Depository Limited (“NSDL”) for the purpose of providing e-voting facility to the members.
3. The postal ballot notice is being sent to all the members of the Company, whose names appear on the register of members / list of beneficial owners, as received from NSDL/Central Depository Services Limited, as on cut-off date i.e. February 14, 2019.
4. Voting rights shall be reckoned in proportion to the paid-up equity shares registered in the name of the member / beneficial owner as on cut-off date i.e. February 14, 2019.
5. The Board, having received consent in writing, has appointed Mr. Hemanshu Kapadia, Proprietor of M/s. Hemanshu Kapadia & Associates, Practising Company Secretaries, (Membership No. F3477/ CP No. 2285) Mumbai, as the Scrutinizer for conducting the postal ballot process (including e-voting process) in accordance with the law and in a fair and transparent manner.
6. A member desiring to exercise vote by e-voting or physical postal ballot form, are requested to carefully read the instructions printed on the Form and in the postal ballot notice, as applicable, and cast their votes in electronic mode/return the duly completed form in the attached self-addressed business reply envelope so as to reach the scrutinizer M/s. Hemanshu Kapadia & Associates, Practising Company Secretaries, on or before Friday, March 22, 2019 by 5.00 p.m. (IST). The postal ballot received after 5.00 p.m. (IST) on Friday, March 22, 2019 will be

treated as if the reply from the member has not been received. The e-voting facility is available from Thursday, February 21, 2019 (9:00 a.m. onwards) till Friday, March 22, 2019 (up to 5:00 pm). The e-voting module shall also be disabled by NSDL for voting thereafter.

7. Members can opt for only one mode of voting i.e. either by physical ballot or by electronic mode. If any Member opts for voting by electronic mode, then he/she should not vote by physical ballot also and vice versa. However, in case member(s) cast vote, both by physical ballot and by electronic mode, then voting done by electronic mode will prevail and voting by physical ballot will be invalid.
8. Incomplete, unsigned, improperly or incorrectly tick marked postal ballot form will be rejected. There will be only 1 Postal Ballot form for every registered folio/client ID irrespective of the number of joint Members.
9. In compliance with the provisions of Sections 101, 108, 110 and all other applicable provisions of the Act, read with the Companies (Management and Administration) Rules, 2014 and all other applicable rules made under the Act, the postal ballot notice is being sent by e-mail to those members who have registered their e-mail addresses with the Depository Participants (in case of shares held in demat form) or with the Company's Registrar & Share Transfer Agent (in case of shares held in physical form). For members, whose e-mail IDs are not registered, physical copies of the postal ballot notice along with postal ballot form are being sent by permitted mode, along with a self-addressed postage – prepaid envelope. Members who have received postal ballot notice by e-mail and who wish to vote through physical postal ballot form may download the Form from the link <https://www.evoting.nSDL.com> or from the 'Investors' Section on the Company's website [www.crvatex.com](http://www.crvatex.com).
10. Members who have not received the postal ballot form or who have misplaced the postal ballot form may request for duplicate postal ballot form or for any queries/grievances connected with voting through postal ballot may write to the Company Secretary at the registered office address of the Company or send an e-mail at [investors@cravatex.com](mailto:investors@cravatex.com) or contact on phone No.: 022-66667474.
11. As per Rule 22 of the Companies (Management and Administration) Rules, 2014, details of dispatch of notice and postal ballot form to the shareholders will be published in Business Standard (English) and Sakal (Marathi) newspaper.
12. Resolutions passed by the members through postal ballot are deemed to have been passed effectively at a general meeting of the members. The Ordinary Resolution shall be declared as passed if the number of votes cast in favour of the Ordinary Resolution is more than the number of votes cast against it. The Special Resolution shall be declared as passed if the number of votes cast in favour of the Special Resolution is three times more than the number of votes cast against the Special Resolution.
13. Upon completion of the scrutiny of the Forms, the Scrutinizer will submit his report to the Chairman and Managing Director or the authorised person of the Company. The results of the postal ballot will be announced by the Chairman & Managing Director or the authorised person on March 27, 2019 on or before 5.00 p.m. at the registered office of the Company and will be intimated to the BSE Limited. The aforesaid result would also be displayed on the notice board at the registered office and corporate office of the Company along with the scrutinizer's report and also on the Company's website viz. [www.crvatex.com](http://www.crvatex.com) and the website of NSDL viz. <https://nsdl.co.in/>.
14. The date of declaration of results of the postal ballot i.e. March 27, 2019 shall be date on which the resolutions would be deemed to have been passed, if approved by the requisite majority.
15. Members who wish to be present at the time of declaration of the result may do so.
16. As per Sections 101 and all other applicable provisions of the Act, read with the rules made under the Act and circulars issued by the Ministry of Corporate Affairs, the Company can now serve/ send various reports, documents, communications, etc. to its members through electronic mode at their e-mail addresses.
17. All documents referred to in this postal ballot notice and explanatory statement setting out material facts are open for inspection by the members at the Registered Office of the Company between 9.30 a.m. to 6.00 pm on all working days except Saturdays, Sundays and national holidays, from the date hereof up to March 22, 2019.
18. Members who have not registered their e-mail addresses, so far, are requested to register their e-mail id with their depository participants, in respect of electronic holdings. Members holding shares in physical form are requested to kindly register their e-mail addresses with the Company's Registrar and Transfer Agents (R&TA), viz. Sharex Dynamic (India) Pvt. Ltd., Unit No.1, Luthra Ind. Premises, Safed Pool Andheri Kurla Road, Andheri (East), Mumbai – 400 072.
19. Members are requested to furnish/ update the details of their address, e-mail address, bank account details, relevant information for availing various approved/ permissible modes of electronic funds transfer facilities viz. Electronic Clearing Services (ECS), National Electronic Funds Transfer (NEFT), Real Time Gross Settlement (RTGS), etc:
  - to their depository participants in respect of their shareholdings in electronic (dematerialized) form;
  - to R&TA, in respect of their shareholdings in physical form, quoting their folio numbers.

20. **Instructions to members for e - voting are as under:**

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

**Step 1 : Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>**

**Step 2 : Cast your vote electronically on NSDL e-Voting system.**

**Details on Step 1 is mentioned below:**

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
  - c) How to retrieve your ‘initial password’?
    - (i) If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.
    - (ii) If your email ID is not registered, your ‘initial password’ is communicated to you on your postal address.
6. If you are unable to retrieve or have not received the “ Initial password” or have forgotten your password:
  - a) Click on “**Forgot User Details/Password?**”(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

**Details on Step 2 is given below:**

**How to cast your vote electronically on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to hemanshu@hkacs.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in

**By order of the Board of Directors of Cravatex Limited**

Sd/-

**Sudhanshu Namdeo**

**Company Secretary**

Membership No.: A17132

Date: February 13, 2019

Place: Mumbai

**CIN:** L93010MH1951PLC008546

**Registered office:**

Sahas, 4<sup>th</sup> Floor, 414/2, Veer Savarkar Marg, Prabhadevi, Mumbai – 400025

**Phone:**022 – 66667474;**Fax:** 022 – 24973210

**Website:**<http://www.cravatex.com>; **E-mail:** investors@cravatex.com

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

### Item No.1

The Members of the Company at its 59<sup>th</sup> Annual General Meeting held on July 8, 2011 appointed Mr. Rajesh Batra as the Managing Director, for a period of five years from June 1, 2011 at a remuneration of Rs.54 lacs per annum.

Further, the Members of the Company at its 64<sup>th</sup> Annual General Meeting held on August 12, 2016 re-appointed Mr. Rajesh Batra as the Managing Director, for a period of three years from June 1, 2016 at a remuneration upto Rs.42 lacs per annum.

It is proposed to seek the members' approval for the re-appointment of Mr. Rajesh Batra for a further period of 3 (three) years with effect from June 1, 2019 and remuneration payable to Mr. Rajesh Batra as the Managing Director in terms of the applicable provisions of the Act.

The Company has received a notice in writing from a member under Section 160 of the Act proposing the candidature of Mr. Rajesh Batra as the Managing Director of the Company. Mr. Rajesh Batra is not disqualified from being appointed as a Managing Director in terms of Section 164 of the Act and has given his consent to act as a Managing Director.

Details of Mr. Rajesh Batra are provided in the "Annexure" to the Notice pursuant to the provisions of (i) the Listing Regulations and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

Schedule V of the Companies Act, 2013 provides that where in any financial year during the currency of tenure of a Managing Director, a Company has no profits or its profits are inadequate, a Company having effective capital more than Rs. 5 Crores and less than Rs.100 Crores may, without Central Government approval, pay remuneration to the Managing Director not exceeding Rs.84 lacs per annum subject to approval of Nomination and Remuneration Committee, Board of Directors and Members by way of an Ordinary Resolution.

The Nomination and Remuneration Committee and the Board of Directors at their meetings held on February 13, 2019, approved re-appointment of Mr. Rajesh Batra as the Managing Director of the Company for a further period of 3 (three) years with effect from June 1, 2019 and payment of remuneration of Rs. 36 lacs to Mr. Rajesh Batra.

The principal terms and conditions of re-appointment are given below:

- a) Remuneration of Rs. 36 lacs per annum which shall be inclusive of the usual allowances, benefits, amenities, perquisites and facilities as per the rules of the Company for the time being in force, but excluding contribution to provident fund & superannuation fund, gratuity and leave encashment.
- b) Company's contribution to provident fund & superannuation fund, benefits under gratuity and encashment of leave at the end of the tenure will be permitted, in accordance with the rules of the Company.
- c) Mr. Rajesh Batra shall be entitled to an annual increase in the remuneration and the Board of Directors is authorised to vary the terms and conditions of appointment including determination of remuneration payable to Mr. Rajesh Batra, in such manner as the Board in their absolute discretion deems fit, provided that the remuneration payable to Mr. Rajesh Batra shall not exceed the maximum limits for payment of Managerial Remuneration specified under Part II Section II of Schedule V to the Companies Act, 2013 or any amendments thereto as may be made from time to time.
- d) Notwithstanding anything contained herein, Mr. Rajesh Batra shall be entitled to remuneration upto Rs.84 lacs, which is within the limits of Section II of Part II of Schedule V to the Companies Act, 2013 or within such ceiling limits as may be prescribed under Schedule V from time to time or under the Companies Act or the rules made there under as may be recodified.
- e) Mr. Rajesh Batra, as Managing Director, shall have the overall responsibility for the operations of the Company and shall carry out such functions, exercise such powers and perform such duties as the Board may, from time to time, in its absolute discretion, determine and entrust to him.
- f) Mr. Rajesh Batra shall not be paid any sitting fees for attending Meetings of the Board or any Committee thereof.
- g) Mr. Rajesh Batra will be bound by non-compete and confidentiality provisions.
- h) Either party shall be entitled to terminate the employment by giving not less than six calendar months prior notice in writing in that behalf to the other party.

In terms of provisions of Section 197 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V of the Companies Act 2013, the appointment and payment of remuneration to Mr. Rajesh Batra as the Managing Director on remuneration of Rs. 36 lacs per annum requires approval of Members by way of an Ordinary Resolution. A copy of the draft letter for re-appointment of Mr. Batra as the Managing Director setting out terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours (9:30 am to 6:00 pm) on any working day upto and including the date of closure of postal ballot.

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 Mr. Rajesh Batra as the Managing Director. Accordingly, the Board recommends passing of the Ordinary Resolution in relation to re-appointment of Mr. Rajesh Batra as the Managing Director for another term of three years with effect from June 1, 2019 to May 31, 2022, for the approval by the Members of the Company.

Except Mr. Rajesh Batra, being an appointee and his relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No.1 of the Notice. None of the Directors or Key Managerial Persons are related to Mr. Rajesh Batra except Mr. Rajiv Batra who are related to each other as brothers.

**Item No. 2:**

Mr. N. Santhanam was appointed as an Independent Director by the Members of the Company at the 62<sup>nd</sup> Annual General Meeting of the Company held on August 13, 2014 for a period of five consecutive years for a term upto March 31, 2019.

As per Section 149(10) of the Act, an Independent Director shall hold office for a term of upto five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a special resolution by the Company for another term of upto five consecutive years on the Board of a Company. The Company has received notice in writing from a member under Section 160 of the Act proposing the candidature of Mr. N. Santhanam

Further, Mr. N. Santhanam will attain the age of 75 years on November 11, 2023. In terms of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, the consent of the Members by way of Special Resolution is required w.e.f. from April 1, 2019, for continuation of a Non-Executive Director beyond the age of 75 years.

The Board of Directors in the meeting held on February 13, 2019, on the recommendation of Nomination and Remuneration Committee and in terms of the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, decided to re-appoint Mr. Santhanam, being eligible for re-appointment as an Independent Director and offering himself for re-appointment, for second term of five consecutive years from April 1, 2019 upto March 31, 2024.

The Company has received declaration from him stating that he meets the criteria of Independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. He has also given his consent to continue to act as Director of the Company, if so appointed by the members. In the opinion of the Board, Mr. Santhanam fulfils the conditions specified under Section 149 (6) of the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for his re-appointment as an Independent Director of the Company and is independent of the management.

Details of Mr. N. Santhanam for re-appointment as Independent Directors are provided in the "Annexure" to the Notice pursuant to the provisions of (i) the Listing Regulations and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

Copy of the draft letter for appointment of Mr. N. Santhanam as an Independent Director setting out terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours (9:30 am to 6:00 pm) on any working day upto and including the date of closure of postal ballot.

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 Mr. Santhanam as an Independent Director. Accordingly, the Board recommends passing of the Special Resolution in relation to re-appointment of Mr. Santhanam as an Independent Director for another term of five consecutive years with effect from 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2024, for the approval by the Members of the Company.

Except Mr. Santhanam, being an appointee and his relatives, none of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 2 of the Notice.

This statement may also be regarded as an appropriate disclosure under the Listing Regulations.

**Item No. 3:**

Dr. S.D. Israni was appointed as an Independent Director by the Members of the Company at the 62<sup>nd</sup> Annual General Meeting of the Company held on August 13, 2014 for a period of five consecutive years for a term upto March 31, 2019.

As per Section 149(10) of the Act, an Independent Director shall hold office for a term of upto five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a special resolution by the Company for another term of upto five consecutive years on the Board of a Company. The Company has received notice in writing from a member under Section 160 of the Act proposing the candidature of Dr. S.D. Israni.

The Board of Directors in the meeting held on February 13, 2019, on recommendation of Nomination and Remuneration Committee and in terms of the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, decided to re-appoint Dr. Israni, being eligible for re-appointment as an Independent Director and offering himself for re-appointment, for second term of five consecutive years from April 1, 2019 upto March 31, 2024, subject to the approval of members.

The Company has received declaration from him stating that he meets the criteria of Independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. He has also given his consent to continue to act as Director of the Company, if so appointed by the members. In the opinion of the Board, Dr. Israni fulfils the conditions specified under Section 149 (6) of the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for his re-appointment as an Independent Director of the Company and is independent of the management.

Details of Dr. S.D. Israni for re-appointment as Independent Directors are provided in the "Annexure" to the Notice pursuant to the provisions of (i) the Listing Regulations and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

Copy of the draft letter for appointment of Dr. Israni as an Independent Director setting out terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours (9:30 am to 6:00 pm) on any working day upto and including the date of closure of postal ballot.

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. Israni as an Independent Director. Accordingly, the Board recommends passing of the Special Resolution for re-appointment of Dr. Israni as an Independent Director for another term of five consecutive years with effect from April 1, 2019 to March 31, 2024, for the approval by the Members of the Company.

Except Dr. Israni, being an appointee and his relatives, none of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 3 of the Notice.

This statement may also be regarded as an appropriate disclosure under the Listing Regulations.

**By order of the Board of Directors of Cravatex Limited**

Sd/-

**Sudhanshu Namdeo**

**Company Secretary**

Membership No.: A17132

Date: February 13, 2019

Place: Mumbai

**CIN:** L93010MH1951PLC008546

**Registered office:**

Sahas, 4<sup>th</sup> Floor, 414/2, Veer Savarkar Marg, Prabhadevi, Mumbai – 400025

**Phone:** 022 – 66667474; **Fax:** 022 – 24973210

**Website:** <http://www.cravatex.com>; **E-mail:** [investors@cravatex.com](mailto:investors@cravatex.com)

Encl.: 1) Postal Ballot Form

2) Self Addressed Postage pre-paid envelope.

**ANNEXURE TO NOTICE**

Details of Directors seeking re-appointment pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2).

<b>Particulars</b>	<b>Mr. Rajesh Batra</b>	<b>Mr. N. Santhanam</b>	<b>Dr. S.D. Israni</b>
Age	63 years	70 years	69 years
Qualifications	Schooling from Campion School, Mumbai and graduated from Elphinstone College, in 1975. Diploma in Systems Management from Jamnalal Bajaj Institute in 1978.	Chartered Accountant by profession and also a qualified Company Secretary.	Corporate Lawyer and also qualified in the field of Company Secretaryship and Management.
Experience/ Expertise	Mr. Rajesh Batra, along with his brother Mr. Rajiv Batra, founded PROLINE in 1983. The brand has a national presence and is sold through major department stores, company stores and several hundred points of sale. A keen tennis enthusiast, Mr. Rajesh Batra was the Maharashtra State Champion during 1970s and was ranked number 6 in India at that time. He has also represented India in the Asian Junior Championships in 1973 where he was a finalist and at the World University Games in 1973 in Moscow.	Mr. N. Santhanam has over 46 years of corporate experience in handling different businesses as also in Corporate Accounts, Finance, Treasury, Taxation, Secretarial and Legal, Mergers & Aquisitions. Mr. Santhanam started his career with the Tata Group and later joined the Wadia Group where he served for nearly 22 years. In 2001 he joined Piramal Healthcare Limited as its Group Chief Financial Officer. In this role he was instrumental in completing many acquisitions both in India and overseas. In 2008, in Piramal Healthcare Limited he was elevated as its Chief Operating Officer in Piramal. He was also a Member of the Board of the company. He had total responsibility of the overall operations of its Healthcare Business including Pharma Solutions, Global Critical Care, Vitamins and Fine Chemicals and Diagnostic Equipments Business. He managed business activities spread across the globe including USA, Canada, UK and China. In May 2010, he was the key member of a small team that handled the successful divestiture of Piramal's Healthcare Solutions Business to Abbott Laboratories. This was a landmark deal, which fetched a sale consideration of US\$ 3.8 billion (at a valuation of 9 multiple of sales and 30 multiple of EBIDTA). Post retirement from Piramal, in 2012 he joined as the CEO of Breach Candy Hospital Trust.	Dr. S.D. Israni has over 45 years of experience in the field of Corporate Laws and Business Advisory services. He is also qualified in the field of Company Secretaryship and Management. He is the founder and Senior Partner of SD Israni Law Chambers, Advocates & Solicitors (UK). He is the former member of SEBI's Committee on Disclosures (Malegam Committee), Central Council of the ICSI (4 Terms), Naresh Chandra Committee for simplification of Law relating to Private Companies, SEBI's Committee on Buy-Back of Shares, Several Committees of the Central Council of the ICSI and IMC's Task Force on Company Law. He is also a former chairman of the Capital Markets Committee of the ICSI and CCRT Management Committee of the ICSI. Dr Israni is a Director on the Board of several companies. Besides this, he is a trustee on several charitable trusts and author of few books and hundreds of articles.

Terms and Conditions of Appointment / Reappointment	As per the resolution at Item No. 1 of the Postal Ballot Notice dated February 13, 2019 read with explanatory statement thereto.	As per the resolution at Item No. 2 of the Postal Ballot Notice dated February 13, 2019 read with explanatory statement thereto.	As per the resolution at Item No. 3 of the Postal Ballot Notice dated February 13, 2019 read with explanatory statement thereto.
Remuneration last drawn (including sitting fees, if any)	Rs. 25 lacs per annum for the financial year 2018-19.	Sitting Fees of Rs.60,000/- for Board Meeting and Rs.50,000/- for Committee Meetings upto 13/02/ 2019.	Sitting Fees of Rs.80,000/- for Board Meeting and Rs.60,000/- for Committee Meetings upto 13/02/ 2019.
Remuneration proposed to be paid (if any)	Rs. 36 lacs per annum.	Rs.20,000/- sitting fees for each Board Meeting and Rs.10,000/- for each Committee Meeting or such as may be approved by the Board.	Rs.20,000/- sitting fees for each Board Meeting and Rs.10,000/- for each Committee Meeting or such as may be approved by the Board.
Date of first appointment on the Board	30/11/1981	10/02/2012	31/10/2003
Shareholding in the Company as on December 31, 2018	60 Equity Shares of Rs.10/- each and 2,72,500 4% Non-Convertible Cumulative Redeemable Preference Shares of Rs.10/- each	NIL	NIL
Relationship with other Directors/ Key Managerial Personnel	Brother of Mr. Rajiv Batra, Director of the Company	NIL	NIL
No. of Board Meetings attended during the Financial Year 2018-19 (upto 13/02/ 2019).	4 out of 4	3 out of 4	4 out of 4
Directorships of other Boards (as on 13/02/2019).	National Peroxide Ltd. B.R.T. Ltd. Proline India Ltd. Cravatex Brands Limited Bombay Burmah Trading Corporation Limited Proline Exports Pvt. Ltd. R.B. Fitness & Trading Pvt. Ltd. <u>Section 8 Companies:</u> Goodeed Charitable Foundation, Tristar Charitable Foundation, Northstar Charitable Foundation, Venus Charitable Foundation	Cravatex Brands Limited	Blossom Industries Ltd. Modern India Ltd., Advani Hotels and Resorts (India) Limited Verifact Services (P) Limited
Membership / Chairmanship of Committees of other Boards (as on 13/02/2019).	Cravatex Limited (Stakeholders Relationship Committee, CSR Committee); National Peroxide Ltd. (Audit Committee; Nomination & Remuneration Committee, Stakeholders Relationship Committee, CSR Committee)	Cravatex Limited (Audit Committee, Nomination & Remuneration Committee, CSR Committee)	Cravatex Limited (Audit Committee and Nomination & Remuneration Committee); Modern India Ltd. (Audit Committee)

**STATEMENT FORMING PART OF POSTAL BALLOT NOTICE DATED FEBRUARY 13, 2019 AS REQUIRED UNDER SECTION II OF PART II OF SCHEDULE V**

**I. GENERAL INFORMATION**

(1)	Nature of Industry		Wholesale and Retail trade of textile goods and sports
(2)	Date of commencement of commercial production		Date of Incorporation : June 22,1951 Date of commencement of commercial production: N.A.
(3)	In case of new Companies, expected date of commencement of activities as per project approved by Financial Institutions appearing in the prospectus.		N.A.
(4)	Financial performance based on given indicators.		(Rs. In Lacs)

	2017-18*	2016-17	2015-16	2014-15	2013-14
	IND AS		IGAAP		
Paid up Capital	258.42	258.42	258.42	258.42	258.42
Reserves & Surplus	2727.14	2659.47	2988.10	3910.68	3783.68
Secured Loans	264.57	275.35	6267.70	6404.93	6470.62
Turnover	74.08	15697.36	18590.98	18573.19	18514.52
Profit/(Loss) before tax	31.97	(660.20)	(901.47)	303.79	570.21
Dividend	25.84	None	None	51.68	90.45

\*The figures for the financial year 2017-18 are not comparable with the figures upto the financial year 2016-17 as the Company had sold its Fila and Fitness business under the slump sale basis to Cravatex Brands Limited, a subsidiary of the Company in the financial year 2016-17.

(5)	Foreign Investments or Collaborators, if any.		None
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**II. INFORMATION ABOUT THE APPOINTEE**

(1)	Background details	Mr. Rajesh Batra, 63 years of age, did his schooling in Champion School, Mumbai and graduated from Elphinstone College, in 1975. He then obtained a Diploma in Systems Management from Jamnalal Bajaj Institute in 1978. Son of Mr. Ram Batra, a leading Businessman and Sheriff of Bombay in 1978, Mr. Rajesh Batra, along with his brother Mr. Rajiv Batra, founded PROLINE in 1983.		
(2)	Past Remuneration	(Rs. In Lacs)		
	<b>Name</b>	<b>2017-18</b>	<b>2016-17</b>	<b>2015-16</b>
	Mr. Rajesh Batra	7.79	24.00	24.00
(3)	Recognition or awards	A keen tennis enthusiast, Mr. Rajesh Batra was the Maharashtra State Champion during 1970s and was ranked number 6 in India at that time. He has also represented India in the Asian Junior Championships in 1973 where he was a finalist and at the World University Games in 1973 in Moscow.		

(4)	Job Profile and his suitability	<p>a) Plan, direct and monitor the organisation's activities to achieve targets and standards for business performance.</p> <p>b) Direct functions and performance via the executive team.</p> <p>c) Maintain and develop organisational culture, values and reputation in its markets and with all stakeholders.</p> <p>d) Report to Board of Directors on organisational plans and performance.</p> <p>e) Ensure activities meet with and integrate with organisational requirements for quality management, health and safety, legal stipulations, environmental policies and general duty of care.</p> <p>Mr. Rajesh Batra has worked his way to the highest level of the corporate ladder from the grass roots. He has progressed by his sheer hard work, trustworthiness, experience and his ability to face new challenges. He is the man who constantly strives for success and being a sportsman enjoys working in a team environment.</p>
(5)	Remuneration proposed	Rs. 36 lacs per annum
(6)	Comparative remuneration profile with respect to industry, size of the Company, profile of the position of person (in case of expatriates the relevant details would be w.r.t. the country of his origin)	N. A.
(7)	Pecuniary relationship, directly and indirectly, with the Company or relation with the managerial person, if any.	Promoter

### III. OTHER INFORMATION

(1)	Reasons of loss or inadequacy of profits	:	Adverse Market Conditions.
(2)	Steps taken or proposed to be taken for improvement.	:	Monitoring of expenses and improvement in working capital management.
(3)	Expected increase in productivity and profits in measurable terms.	:	Around 15% improvement in performance and profitability.

### IV. DISCLOSURES

1. The details of annual remuneration package of Mr. Rajesh Batra is as follows:

(Rs. in Lacs)

Basic	HRA	Conveyance	Medical	Special Allowances	LTA	Bonus	Gratuity	Total P.A.
29.52	2.40	0.19	0.15	0.83	1.32	0.17	1.42	36.00

**By order of the Board of Directors of Cravatex Limited**

Sd/-

**Sudhanshu Namdeo**

**Company Secretary**

Membership No.: A17132

Date: February 13, 2019

Place: Mumbai

**CIN:** L93010MH1951PLC008546

**Registered office:**

Sahas, 4<sup>th</sup> Floor, 414/2, Veer Savarkar Marg, Prabhadevi, Mumbai – 400025

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