

NOTICE is hereby given that the **Thirty Eighth Annual General Meeting** of the Members of **Arihant Industrial Corporation Limited** ("The Company") will be held at the Registered Office of the Company at **Survey 21, Opp. Bhulani Industrial Estate, Palghar-Manor Road, Netali, Palghar 401404** on **Monday, 31st day July, 2023** at 3.00 P.M. to transact the following business:

ORDINARY BUSINESS:

1. A. To receive, consider and adopt audited Standalone Financial Statement of the Company for the financial year ended 31st March, 2023 together with the report of the Board of Directors and Auditors thereon; and
B. To receive, consider and adopt audited Consolidated Financial Statement of the Company for the financial year ended 31st March, 2023 together with the report of the Auditors thereon.
2. To appoint a Director in place of Mr. Rajen Shah (DIN: 00154495), Managing Director who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

3. **To consider and, if thought fit, to pass, with or without modification/s the following resolution as an Ordinary Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Section 149, 152 and all other applicable provisions of the Companies Act, 2013, and Rules made there under, (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Hardik S. Shah (DIN 00210840), who was appointed as an Additional Director w.e.f. 01.01.2023 pursuant to the provisions of Sections 161 of the Companies Act, 2013 ('the Act') whose term of appointment expires at this Annual General Meeting and in respect of whom the Company has received necessary letter proposing his candidature as a Director, and being eligible for appointment, be and is hereby appointed as a Director of the Company whose term of office shall be liable to retire by rotation."

RESOLVED FURTHER THAT any Directors of the Company be and are hereby severally authorized to sign and file requisite e-forms with the Registrar of Companies intimating said appointment and to so such acts, things, matters and deeds as may be required in order to give effect to this resolution."

4. **To consider and, if thought fit, to pass, with or without modification/s the following resolution as an Ordinary Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Section 149, 152 and all other applicable provisions of the Companies Act, 2013, and Rules made there under, (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Darpan R. Shah (DIN 09755609), who was appointed as an Additional Director w.e.f. 01.01.2023 pursuant to the provisions of Sections 161 of the Companies Act, 2013 ('the Act') whose term of appointment expires at this Annual General Meeting and in respect of whom the Company has received necessary letter proposing his candidature as a Director, and being eligible for appointment, be and is hereby appointed as a Director of the Company whose term of office shall be liable to retire by rotation."

RESOLVED FURTHER THAT any Directors of the Company be and are hereby severally authorized to sign and file requisite e-forms with the Registrar of Companies intimating said appointment and to so such acts, things, matters and deeds as may be required in order to give effect to this resolution."

5. **To consider and, if thought fit, to pass, with or without modification/s the following resolution as Special Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198 and other applicable provisions, if any of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, read with Schedule V to the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to the requisite approval of the Central Government, if any required, the consent of the Company be and is hereby accorded for re-appointment of Mr. Rajen Shah (DIN: 00154495) as Managing Director of the Company from 1st April, 2023 to 31st March, 2024 on payment of remuneration not exceeding Rs.

7,00,000/- per month including Basic Salary, House Rent Allowance and other Perquisites, Bonus, Performance Incentives, Commission and other additional perquisites as approved by Board from time to time as per the rules of the Company, in the exercise of its discretion, to grant increments and to alter and vary from time to time the terms and conditions of the said appointment, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof, if any.

The following perquisites however shall not be included in the computation of the ceiling on remuneration:

- (a) Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- (b) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service, and
- (c) Encashment of leave at the end of the tenure.

RESOLVED FURTHER THAT Mr. Rajen Shah shall be entitled to the re-imbursement of all out of pocket expenses which may be incurred by him for and in the course of business of the Company.”

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, proper, expedient or desirable to give effect to this Resolution and/or to make modification as may be deemed to be in the best interest of the Company.”

6. To consider and, if thought fit, to pass, with or without modification/s the following resolution as Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198 and other applicable provisions, if any of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, read with Schedule V to the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to the requisite approval of the Central Government, if any required, the consent of the Company be and is hereby accorded for appointment of Mr. Hardik Shah (DIN: 00210840) as a Whole-Time Director of the Company for the period of Three years with effect from 1st January, 2023 on payment of remuneration not exceeding Rs. 500,000/- per month including Basic Salary, House Rent Allowance and other Perquisites, Bonus, Performance Incentives, Commission and other additional perquisites as approved by Board from time to time as per the rules of the Company, in the exercise of its discretion, to grant increments and to alter and vary from time to time the terms and conditions of the said appointment, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof, if any.

The following perquisites however shall not be included in the computation of the ceiling on remuneration:

- (a) Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- (b) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service, and
- (c) Encashment of leave at the end of the tenure.

RESOLVED FURTHER THAT Mr. Hardik Shah shall be entitled to the re-imbursement of all out of pocket expenses which may be incurred by her for and in the course of business of the Company.”

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, proper, expedient or desirable to give effect to this Resolution and/or to make modification as may be deemed to be in the best interest of the Company.”

7. To consider and, if thought fit, to pass, with or without modification/s the following resolution as Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198 and other applicable provisions, if any of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, read with Schedule V to the Companies Act, 2013 (including any

statutory modification(s) or re-enactment thereof for the time being in force) and subject to the requisite approval of the Central Government, if any required, the consent of the Company be and is hereby accorded for appointment of Mr. Darpan Shah (DIN: 09755609) as a Whole-Time Director of the Company for the period of Three years with effect from 1st January, 2023 on payment of remuneration not exceeding Rs. 500,000/- per month including Basic Salary, House Rent Allowance and other Perquisites, Bonus, Performance Incentives, Commission and other additional perquisites as approved by Board from time to time as per the rules of the Company, in the exercise of its discretion, to grant increments and to alter and vary from time to time the terms and conditions of the said appointment, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof, if any.

The following perquisites however shall not be included in the computation of the ceiling on remuneration:

- (a) Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- (b) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service, and
- (c) Encashment of leave at the end of the tenure.

RESOLVED FURTHER THAT Mr. Darpan Shah shall be entitled to the re-imbusement of all out of pocket expenses which may be incurred by her for and in the course of business of the Company.”

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, proper, expedient or desirable to give effect to this Resolution and/or to make modification as may be deemed to be in the best interest of the Company.”

<p>Registered Office: Survey 21, Opp. Bhulani Industrial Estate, Palghar Manor Road, Village Netali, Palghar 401104</p> <p>Place: Palghar</p> <p>Date: 3rd July, 2023</p>	<p>By Order of the Board of Directors For Arihant Industrial Corporation Ltd.</p> <p>Rajen S. Shah Managing Director (DIN: 00154495)</p>
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NOTES:

a) The statement pursuant to Section 102(1) of the Companies Act, 2013 with respect to the special businesses set out in the Notice is annexed.

b) A member entitled to attend and vote is entitled to appoint a proxy or proxies to attend and vote instead of himself / herself and that proxy need not be a member of the Company. Proxies in order to be effective, should reach duly completed, stamped and must be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting. A person shall not act as a Proxy for more than 50 members and holding in the aggregate not more than ten percent of the total voting share capital of the Company. However, a single person may act as a proxy for a member holding more than ten percent of the total voting share capital of the Company provided that such person shall not act as a proxy for any other person.

c) Members are requested to note that as per section 124 of the Companies Act, 2013, dividends not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account shall be transferred to the Investor Education and Protection Fund of the Government. Unclaimed Dividends as per details given in the table below has been initiated for transfer to the 'Investor Education and Protection Fund' on the date mentioned below. Those members who have so far not encashed these

dividend warrants or any subsequent dividend warrants may claim or approach the Company for the payment thereof.

Dividend Period	Due date for transfer
Dividend 2015-16 paid in Sep 2016	11 th October, 2023

d) Relevant documents referred to in accompanying Notice and statement are open for the inspection by the members at the Registered Office of the Company on all working day (except Saturday) during business hours up to date of the Annual General Meeting.

e) **Note on Dematerialisation of Shares Held in Physical Form** - As per the 'Companies (Prospectus and Allotment of Securities) Third Amendment Rules, 2018' notified by Ministry of Corporate Affairs, all Unlisted Public companies are required to issue/ transfer Shares in Dematerialized form only, w.e.f. 2 October, 2018 and also required to dematerialize the existing securities. We would request you to kindly convert your shares from physical form to demat form at the earliest possible. Dematerialization facility is available on Central Depository Services (India) Limited (CDSL). Company's ISIN is INE09A101010. In order to give effect to the above, you are requested to dematerialize your shares, as the Company shall not be able to entertain any request for transfer of securities in physical form. For the purpose of dematerialization, you are requested to contact your Depository Participant (DP) with whom you have opened your Demat Account. In case you have not yet opened your Demat Account, you are requested to contact any DP of your local/preferable area having connectivity with CDSL and do the needful. In case you need any assistance kindly contact Ms. Kavita Botadara on 9168649954 or investor.relations@arihant.com.

f) All the members are requested to register their e-mail id with the Registrar and Share Transfer Agent of the Company for the purpose of service of documents under Section 20 of the Act, by e-mode instead of physical service of documents.

g) Corporate members intending to send their authorized representatives at the Annual General Meeting are requested to send a certified true copy of the board resolution authorizing their representative to attend and vote on their behalf at the Annual General Meeting.

h) Attached is a proxy form with instructions for filling, stamping, signing and depositing the proxy form.

i) Route map of the venue of Annual General Meeting is annexed to the notice.

j) As per Secretarial Standards (SS) -2 issued by the Institute of Company Secretaries of India, details in respect of a director seeking re-appointment at the Annual General Meeting are separately annexed to this Notice.

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

ITEM NO. 3

Re-appointment of Mr. Hardik Shah as Director:

Mr. Hardik Shah (having confirmed DIN – 00210840) was appointed as an Additional Director u/s 161 of the Companies Act, 2013 w.e.f. 1.1.2023. As an Additional Director, his term of appointment expires at the ensuing Annual General Meeting.

In view of the provisions of Shareholders Agreement dated 4th September, 2017 entered by the Company (as amended from time to time), he was appointed as a Director as a representative of Mr. Sharad N. Shah Family, an Investor group and as such needs to continue on the Board.

Pursuant to the provisions of Section 149 and 152, it is proposed to obtain approval of members of the Company for his appointment as Director of the Company by way of ordinary resolution.

Details of Director being appointed at the 38th Annual General Meeting as required under Secretarial Standard on General Meetings (SS-2) is annexed herewith as Annexure I.

The Board recommends his appointment as a Director of the Company.

None of the Directors, Key Managerial Personnel except Mr. Hardik Shah himself (who may be deemed to be interested in the respective resolutions, to the extent of his shareholdings, if any, in the Company) none of the Directors, Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution proposed in Item Nos. 3.

ITEM NO. 4

Re-appointment of Mr. Darpan Shah as Director:

Mr. Darpan R. Shah (having confirmed DIN – 09755609) was appointed as an Additional Director u/s 161 of the Companies Act, 2013 w.e.f. 1.1.2023. As an Additional Director, his term of appointment expires at the ensuing Annual General Meeting.

In view of the provisions of Shareholders Agreement dated 4th September, 2017 entered by the Company (as amended from time to time), he was appointed as a Director as a representative of Mr. Shantilal Shah Investor Group, and as such needs to continue on the Board.

Pursuant to the provisions of Section 149 and 152, it is proposed to obtain approval of members of the Company for his appointment as Director of the Company by way of ordinary resolution.

Details of Director being appointed at the 38th Annual General Meeting as required under Secretarial Standard on General Meetings (SS-2) is annexed herewith as Annexure I.

The Board recommends his appointment as a Director of the Company.

None of the Directors, Key Managerial Personnel except Mr. Darpan Shah himself and Mr. Rajen S. Shah (who may be deemed to be interested in the respective resolutions, to the extent of their shareholdings, if any, in the Company) none of the Directors, Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution proposed in Item Nos. 4.

ITEM NO. 5

Re-appointment of Mr. Rajen S. Shah, Managing Director:

The members of the Company had approved re-appointment of Mr. Rajen S. Shah as Managing Director of the Company at Annual General Meeting held on 30th December, 2021 w.e.f. 01.04.2022 for 12 months. The term of appointment expired on 31.03.2023.

Considering the progress made by the Company under the able guidance and supervision of Mr. Rajen S. Shah and considering the current situation of the Company; in compliance with the provisions of Shareholders Agreement and Articles of Association, it is proposed to re-appoint him as Managing Director and payment of managerial remuneration w.e.f. 01.04.2023 for further period of 12 months (i.e. 01.04.2023 to 31.03.2024). The Proposed remuneration has been approved by the Board of Directors and the same is in compliance with the conditions of Schedule V to the Companies Act, 2013, as amended. The Company has not made any default in repayment of any of its debt (including public deposits) or debentures in the past one year.

The terms and conditions of the draft agreement are set out herein below:

Period of Appointment: 01.04.2023 to 31.03.2024

Terms of Appointment: Remuneration not exceeding Rs. 7,00,000/- per month including Basic Salary, House Rent Allowance and other Perquisites, Bonus, Performance Incentives, Commission and other additional perquisites as approved by Board from time to time as per the rules of the Company, in the exercise of its discretion, to grant increments and to alter and vary from time to time the terms and conditions of the said appointment, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof, if any.

For the purpose of computing ceiling on perquisites, the same will be valued as per Income Tax Rules, 1962 wherever applicable.

The following perquisites however shall not be included in the computation of the ceiling on remuneration as stated above.

- (a) contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961;
- (b) gratuity payable at a rate not exceeding half a month's salary for each completed year of service; and
- (c) encashment of leave at the end of the tenure.

STATEMENT OF INFORMATION AS REQUIRED UNDER SCHEDULE V, PART II, SECTION II (B) (IV):

I: General Information about the Company:

As per Annexure II

II: Information about the Appointee:

1. Brief Profile of Appointee: Mr. Rajen Shah holds B.Com Degree from Mumbai University. He has been instrumental in formation of "Arihant". He has widely travelled globally. He has introduced innovative concepts in Recreation Division (Comprising of playground equipments, waterslides, toys & Water Park). These pioneering efforts have led to retaining consistent leadership position in playground equipments & waterslides. His core competency is building organizational team. He has been founder member, secretary General for 4 years, Vice president for 2 Years in Indian Association of Amusement Parks & Industries (IAAPI). His contribution to IAAPI has put the Company on firm grounds in the Recreation Industry. Mr. Rajen Shah has been involved in the activities of the Company since incorporation. He is pioneer in the set up, management and operation of the Recreation Division of the Company.

2. Past remuneration: In the past, Mr. Rajen Shah has drawn Remuneration not exceeding Rs. 7,00,000/- p.m. from the Company.

3. Recognition and Award received in past:

The following are the Awards received by the Company under his guidance

Year	Category
2021	Our MD Mr. Rajen Shah awarded for outstanding Service
2020	CII Design Awards 2020
2019	IAAPA Brass Ring Award for Best Exhibit
2019	Award for 'Play Equipment (SME) for ThunderBay' at The Economic Times POLYMERS Awards 2019.(Excellence In Plastic)
2017	ASSOCHAM - ICAI - CMA - 4th SMEs Excellence Award
2016	2015 Leaders Awards (Enterprise Edition) presented by 24 MRC in partnership with IBN7
2016	Runner Up of Third ASSOCHAM - ICAI SME's Excellence Award - 2015 for SME of the year
2016	Recognized by Government of India as Star Export House
2016	Arihant in INC. List of 100 Most Innovative Mid-Size Companies
2015	Arihant in INC. List of 100 Most Innovative Mid-Size Companies
IAAPI Awards	
2023	National Awards for Excellence - Best Wet Ride
2019	National Awards for Excellence - Wet Rides
2017	IAAPI National Awards for Excellence 2016-17 - Best Exhibition Booth
2016	Best Booth Display
2016	Best Wet Ride
2015	2015 Best Booth Design
2014	2014 Best manufacturing Wet Ride - Funnel Slide
2013	2013 Best manufacturing product of Wet Rides
2011	2011 Business Excellence
2011	2011 Innovative/ New Product
2011	2011 Wet Ride
2009	2009 Best Stall Designing
2009	2009 PTC WORLD
2007	2007 Best product Design
2003	2003 Best Manufacturing product
2002	2002 Best Quality indigenous new product
2001	2001 Best manufacturing product of Wet Rides

4. Job Profile and Suitability: Mr. Rajen S. Shah being at the top of management and executive position in the Company, works for charting the blueprint and roadmap - growth path and implements them for the improvement of the Company. He acts as a head of the Company scrutinizing, assessing and monitoring various departments. The heads of all departments are answerable to him and he is answerable to the customers, board of directors about the company's performance. As a head executive he ensures that the work culture and working environment in the office is conducive to promote positive work environment. Since he is the representative of the Company's ideologies and mission statement, he regulates, modifies and implements changes that are aimed to boost employee efficiency and garner profits to the Company.

5. Remuneration proposed: It is proposed to pay Managerial Remuneration to Mr. Rajen Shah for an amount not exceeding Rs. 7,00,000/- per month.

6. Comparative Remuneration in the Industry: Considering the nature of industry and specialty of services rendered by Mr. Rajen S. Shah and also considering the complex role performed by Mr. Rajen S. Shah no comparative remuneration of industry is available for information.

7. Material Pecuniary Relationship: Mr. Darpan Shah, relative of Mr. Rajen Shah is Whole Time Director and employee of the Company, drawing remuneration from the Company. Mr. Virendra S. Shah, relative of Mr. Rajen S. Shah is Non-Executive Chairman of the Company and Ms. Niral Shah relative of Mr. Rajen

S. Shah charges professional fees from the Company. Mr. Rajen Shah has provided short term / long term financial assistance to the Company, save and except receipt of interest for the same Mr. Rajen Shah, has no other material pecuniary relationship, directly or indirectly with the Company or with the Managerial Personnel.

III: Other information:

1. Reason for inadequate Profit and measures taken for improvement: The bottom-line of the company has been hit intensely due to several reasons. The company is in process of reviving the loss and has started focusing on dispatching the pending orders in hand and collecting the outstanding. The Company is taking every possible steps to increase the business volume and thereby profitability.

2. Expected Increase in Profits in Measurable Terms: Considering the proposed businesses and the projects of the Company it is not possible to ascertain and quantify the expected increase in profits in measurable terms at this stage. However, subject to market conditions, company expects 5% to 7 % growth in income and profitability in next 3 years.

The terms and conditions including remuneration may also be treated as an abstract of the terms of appointment of the Managing Director as required under Section 190 of the Companies Act, 2013.

The Directors recommend the Special Resolution for the approval of the member.

None of the Directors except Mr. Rajen S. Shah himself and Mr. Darpan R. Shah and Mr. Virendra S. Shah (who may be deemed to be interested in the respective resolutions, to the extent of their shareholdings, if any, in the Company) none of the Directors, Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution proposed in Item Nos. 5.

ITEM NO. 6

Appointment of Mr. Hardik S. Shah, Whole Time Director:

The Board of the Company have approved appointment of Mr. Hardik S. Shah as Whole Time Director of the Company held in its Meeting held on 22.12.2022 w.e.f. 01.01.2023 for 3 years.

Mr. Hardik Shah is a Bachelor of Engineering graduate and also holds a Masters Degree. He has been handling the US and Eastern Europe market for the Water Slide division and overlooks the development of The Great Escape Water Park. His role is instrumental in exploring the entire US Water Park industry and creating a dealer network in the US in order to be able to cater to the market and gain high margins.

Period of Appointment: 01.01.2023 to 31.12.2025

Terms of Appointment: Remuneration not exceeding Rs. 5,00,000/- per month including Basic Salary, House Rent Allowance and other Perquisites, Bonus, Performance Incentives, Commission and other additional perquisites as approved by Board from time to time as per the rules of the Company, in the exercise of its discretion, to grant increments and to alter and vary from time to time the terms and conditions of the said appointment, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof, if any.

For the purpose of computing ceiling on perquisites, the same will be valued as per Income Tax Rules, 1962 wherever applicable.

The following perquisites however shall not be included in the computation of the ceiling on remuneration as stated above.

- (a) contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961;
- (b) gratuity payable at a rate not exceeding half a month's salary for each completed year of service; and
- (c) encashment of leave at the end of the tenure.

STATEMENT OF INFORMATION AS REQUIRED UNDER SCHEDULE V, PART II, SECTION II (B) (IV):

I: General Information about the Company:

As per Annexure II

II: Information about the Appointee:

1. Brief Profile of Appointee: Mr. Hardik Shah is a Bachelor of Engineering graduate and also holds a Masters Degree. He was previously associated for 2 years with MNC. In the Company he has been handling the US and Eastern Europe market for the Water Slide division and overlooks the development of The Great Escape Water Park. His role is instrumental in exploring the entire US Water Park industry and creating a dealer network in the US in order to be able to cater to the market and gain high margins.

2. Past remuneration: Mr. Hardik Shah has been appointed as Whole Time Director for the first time w.e.f. 01.01.2023.

3. Job Profile and Suitability: Mr. Hardik Shah is responsible for handling the US and Eastern Europe market for the Water Slide division and overlooks the operations of The Great Escape Water Park. His role is instrumental in exploring the entire US Water Park industry and creating a dealer network in the US in order to be able to cater to the market and gain high margins.

4. Remuneration proposed: It is proposed to pay Managerial Remuneration to Mr. Hardik Shah for an amount not exceeding Rs. 5,00,000/- per month.

5. Comparative Remuneration in the Industry: Considering the nature of industry and speciality of services rendered by Mr. Hardik Shah and also considering the complex role performed by Mr. Hardik Shah no comparative remuneration of industry is available for information.

6. Material Pecuniary Relationship: Mr. Hardik Shah, has no other material pecuniary relationship, directly or indirectly with the Company or with the Managerial Personnel.

III: Other information:

1. Reason for inadequate Profit and measures taken for improvement: The bottom-line of the company has been hit intensely due to several reasons. The company is in process of reviving the loss and has started focusing on dispatching the pending orders in hand and collecting the outstanding. The Company is taking every possible steps to increase the business volume and thereby profitability.

2. Expected Increase in Profits in Measurable Terms: Considering the proposed businesses and the projects of the Company it is not possible to ascertain and quantify the expected increase in profits in measurable terms at this stage. However, subject to market conditions, company expects 5% to 7 % growth in income and profitability in next 3 years.

The terms and conditions including remuneration may also be treated as an abstract of the terms of appointment of the Whole Time Director as required under Section 190 of the Companies Act, 2013.

The Directors recommend the Special Resolution for the approval of the member.

None of the Directors except Mr. Hardik Shah himself, or his relatives or any of other officials of the Company as contemplated in the provisions of Section 102 of the Companies Act, 2013 is, in any way are, financially or otherwise, concerned or interested in the resolution.

ITEM NO. 7

Appointment of Mr. Darpan R. Shah, Whole Time Director:

The Board of the Company have approved appointment of Mr. Darpan R. Shah as Whole Time Director of the Company held in its Meeting held on 22.12.2022 w.e.f. 01.01.2023 for 3 years.

Mr. Darpan Shah is a Bachelor of Engineering graduate and also holds an MBA degree from Babson College, Boston. He has handled European markets for water slides business with a focus on market development. Currently he Heads Playtime business, Sales & Marketing of the Great Escape Water Park and handles some key water slide projects. He also leads the team on digital transformation within the company which aims to streamline processes and improve decision making through real time data reporting.

Period of Appointment: 01.01.2023 to 31.12.2025

Terms of Appointment: Remuneration not exceeding Rs. 5,00,000/- per month including Basic Salary, House Rent Allowance and other Perquisites, Bonus, Performance Incentives, Commission and other additional perquisites as approved by Board from time to time as per the rules of the Company, in the exercise of its discretion, to grant increments and to alter and vary from time to time the terms and conditions of the said appointment, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof, if any.

For the purpose of computing ceiling on perquisites, the same will be valued as per Income Tax Rules, 1962 wherever applicable.

The following perquisites however shall not be included in the computation of the ceiling on remuneration as stated above.

- (a) contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961;
- (b) gratuity payable at a rate not exceeding half a month's salary for each completed year of service; and
- (c) encashment of leave at the end of the tenure.

STATEMENT OF INFORMATION AS REQUIRED UNDER SCHEDULE V, PART II, SECTION II (B) (IV):

I: General Information about the Company:

As per Annexure II

II: Information about the Appointee:

1. Brief Profile of Appointee: Mr. Darpan Shah is a Bachelor of Engineering graduate and also holds an MBA degree from Babson College, Boston. He has 2 years experience of working in MNC. In the company he has handled European markets for water slides business with a focus on market development. Currently he Heads Playtime business and handles some key water slide projects. He also leads the team on digital transformation within the company which aims to streamline processes and improve decision making through real time data reporting.

2. Past remuneration: In the past, Mr. Darpan R. Shah has drawn Remuneration not exceeding Rs. 500,000/- p.m. from the Company.

3. Job Profile and Suitability: Mr. Darpan R. Shah is responsible for handling Playtime Division of the Company. He will also be responsible to develop and bring business from European markets. He also leads the team on digital transformation within the company which aims to streamline processes and improve decision making through real time data reporting.

4. Remuneration proposed: It is proposed to pay Managerial Remuneration to Mr. Darpan R. Shah for an amount not exceeding Rs. 5,00,000/- per month.

5. Comparative Remuneration in the Industry: Considering the nature of industry and specialty of services rendered by Mr. Darpan R. Shah and also considering the complex role performed by Mr. Darpan R. Shah no comparative remuneration of industry is available for information.

6. Material Pecuniary Relationship: Mr. Rajen S. Shah, relative of Mr. Darpan R. Shah is Managing Director of the Company, drawing remuneration from the Company, Mr. Virendra S. Shah, relative of Mr. Darpan R. Shah is Non-Executive Chairman of the Company and Ms. Niral Shah, relative of Mr. Darpan R. Shah charging professional fees from the Company. Mr. Darpan R. Shah has provided short term / long term financial assistance to the Company, save and except receipt of interest for the same Mr. Darpan R. Shah, has no other material pecuniary relationship, directly or indirectly with the Company or with the Managerial Personnel.

III: Other information:

1. Reason for inadequate Profit and measures taken for improvement: The bottom-line of the company has been hit intensely due to several reasons. The company is in process of reviving the loss and has started focusing on dispatching the pending orders in hand and collecting the outstanding. The Company is taking every possible steps to increase the business volume and thereby profitability.

2. Expected Increase in Profits in Measurable Terms: Considering the proposed businesses and the projects of the Company it is not possible to ascertain and quantify the expected increase in profits in measurable terms at this stage. However, subject to market conditions, company expects 5% to 7 % growth in income and profitability in next 3 years.

The terms and conditions including remuneration may also be treated as an abstract of the terms of appointment of the Whole Time Director as required under Section 190 of the Companies Act, 2013.

The Directors recommend the Special Resolution for the approval of the member.

None of the Directors except Mr. Darpan R. Shah himself, and Mr. Rajen Shah, Managing Director being relative or any Key Managerial Personnel of the Company or their relatives or any of other officials of the Company as contemplated in the provisions of Section 102 of the Companies Act, 2013 is, in any way are, financially or otherwise, concerned or interested in the resolution.

Annexure I

Details of Director being re-appointed at the Annual General Meeting as required under Secretarial Standard on General Meetings (SS-2).

Name of the Director	Mr. Rajen Shah	Mr. Hardik Shah	Mr. Darpan R. Shah
Director's Identification Number	00154495	00210840	09755609
Date of Birth	16 th October, 1955	23 rd June, 1984	7 th September, 1990
Age	67 years	39 years	33 years
Qualification	B. Com.	B.E, MBA	B.E, MBA
Experience	45 Years	2 years in MNC Currently into Business for more than 14 years	2 years in MNC Currently into Business for more than 7 years
Nature of expertise	Management	Marketing & Sales	Marketing & Sales
Terms and conditions of re-appointment along with details of remuneration sought to be paid	Managing Director entitled to a remuneration not exceeding Rs. 700,000/- per month	Whole-time Director entitled to a remuneration not exceeding Rs. 500,000/- per month	Whole-time Director entitled to a remuneration not exceeding Rs. 500,000/- per month
Remuneration last drawn	Rs. 48,16,247/-	Not Applicable	Not Applicable
Date of appointment on Board	15.09.1984	01.01.2023	01.01.2023
No. of Shares held	843196 Equity Shares	34,524 Equity Shares	47,842 Equity Shares
Relationship with other directors and Key managerial Personnel	Brother of Mr. Virendra S. Shah, Non-Executive Chairman Director, Father of Mr. Darpan Shah, Whole-time Director	None	Son of Mr. Rajen Shah, Managing Director
No. of Board Meetings attended in 2022-23	10	1 (one)	1 (one)
No. of companies in which he holds directorship (Other Than Company)	3	1	None
Membership / Chairmanship of Committees in other Companies	None	None	None

Annexure II

I: General Information about the Company:

1. Nature of Industry: The object of the company for which it is formed is to manufacture playground equipment, water park equipment, to own and manage water park, including to manufacture , produce, repair, design, tools, machineries, plants, equipment, etc.

2. Date of Commencement of Commercial Production: The Company was incorporated on 15th September, 1984. Immediately after incorporation, the Company has commenced commercial operation and till date the Company is engaged in the activities of Play Equipment and WaterSlide Equipment.

3. Financial Performance Based on Given Indicators: The financial data as per last audited Balance Sheet as on 31st March, 2023 are as under:

Particulars	For the Year ended 31.03.2023 (Rs.)
Total Income	9542.84
Net Profit Before Depreciation and Tax	572.68
Depreciation	226.56
Net Profit Before Tax & Exceptional item	349.77
Exceptional Gain/(Loss)	0
Provision for Taxation	84.33
Net Profit after Tax	265.44

4. Export Performance and Net Foreign Exchange Collaborations: The Company has achieved export turnover of 1868 Lakhs during the year ended 31st March, 2023. The Company does not have foreign collaborations.

5. Foreign Investments or Collaborators: The Company has not made any investment in foreign body corporate or foreign entities. The Company do not have any foreign collaboration and has not received or invested any money towards foreign collaboration and hence no information to be provided in this respect.