

# **WHEEL & AXLE TEXTILES LIMITED**

## **ANNUAL REPORT**

**2014-15**

# WHEEL & AXLE TEXTILES LIMITED

**Board of Directors :**

SUHIL PRAFUL SHAH  
SHILPA PRAFUL SHAH  
HARJIBHAI P. DHADUK  
HARISHCHANDRA B. BHARUCHA

**Registered Office :**

Dr.Amichand Shah's Wadi,  
Rampura Tunki, Surat-3.

**Chief Financial Officer :**

RUPESH V. DIWAN

**Auditors :**

Bipinchandra J. Modi & Co.  
Chartered Accountants,  
Surat.

**Bankers :**

HDFC Bank Ltd.  
Bank of Baroda

**Registrar & Transfer Agents :**

MCS Share Transfer Agent Ltd ,  
12/1/5, Manoharpukur, Road,  
Kolkata, West Bengal - 700026  
Branch : Neelam Apartment, 88,  
Sampatrav Colony,  
Alkapuri, Baroda-390 005.

## NOTICE

Notice is hereby given that the Thirtieth Annual General Meeting of the Members of **Wheel & Axle Textiles Limited** will be held on Friday July 3, 2015 at **01.30 p.m.** at the registered office of the Company at Dr. Amichand Shah's Wadi, Rampura Tunki, Surat 395003, to transact the following businesses:

### Ordinary Business:

- 1 To receive, consider and adopt the Audited Statement of Profit and Loss for the year ended 31st March 2015 and the Balance Sheet as at that date together with the Reports of the Board of Directors and the Auditors thereof.
- 2 To appoint a Director in place of Shri Suhail Praful Shah, who retires by rotation and, being eligible, offers himself for re-appointment.
- 3 To re-appoint M/s Bipinchandra J. Modi & Co., Chartered Accountants, having ICAI firm registration no. 101521W to hold office from the conclusion of the forthcoming Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.

**By Order of the Board of Directors**  
**Suhail Praful Shah**  
**Chairman**

Surat, 26th May 2015

Registered Office:  
Dr. Amichand Shah's Wadi,  
Rampura Tunki,  
Surat 395003  
CIN : L17114GJ1988PLC013255  
e-mail : [wheelandaxletex@yahoo.in](mailto:wheelandaxletex@yahoo.in),  
[www.wheelandaxletex.com](http://www.wheelandaxletex.com)

### Notes:

- 1 A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the company. Proxies in order to be effective, must be received by the Company, at its Registered Office not less than 48 hours before the Meeting.
- 2 A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten per cent of the total share capital of the Company. A member holding more than ten per cent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- 3 The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (erstwhile Section 173 of the Companies Act, 1956), relating to Special Business is annexed hereto.

**WHEEL AND AXLE TEXTILES LIMITED**

(CIN : L17114GJ1988PLC013255)

Regd. Off: Dr. Amichand Shah's Wadi, Rampura Tunki, Surat 395003  
Email : wheelandaxletex@yahoo.in, Website:www.wheelandaxletex.com  
Phone: +91-261-2419019, Fax: +91-261-2418980

**DIRECTORS' REPORT**

To the Members of  
Wheel and Axle Textiles Limited

Your Directors have pleasure in submitting their 30th Annual Report together with the audited financial statements of the Company for the financial year ended 31st March 2015.

**SUMMARISED FINANCIAL RESULTS**

(Amount in Rs.)

	2014-15	2013-14
Net Sales / Income from operations	2,02,940	2,09,296
Other Income	21,292	64,023
Total Income	2,24,232	2,73,319
Profit / (Loss) before depreciation	(3,40,709)	(1,06,217)
Less: Depreciation	0	0
Profit / (Loss) before Tax	(3,40,709)	(1,06,217)
(Add)/Less: Provision for Tax / adjustment	0	0
Net Profit / (Loss) after Tax	(3,40,709)	(1,06,217)

**DIVIDEND**

Considering the loss incurred by the Company, your Directors do not recommend any dividend on equity shares for the year.

**TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND**

In terms of Section 125 of the Companies Act, 2013, any unclaimed or unpaid Dividend relating to the financial year 2006-2007 is due for remittance on 27/11/2014 to the Investor Education and Protection Fund established by the Central Government. Company has transferred Rs.400/- unclaimed dividend to Investor Protection Fund on 04/12/2014.

**REVIEW OF BUSINESS OPERATIONS**

During the year under review, the net sales / income from business operation of your Company marginally decreases at Rs.2,02,940 as against Rs.2,09,296 in the previous year. The year under review witnessed lower demand growth and the downturn continued in the textile industry due to oversupply situation. The profitability of the Company was adversely affected and the loss for the year 2014-15 increased from Rs.1,06,217 to Rs.3,40,709.

**MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT**

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which these financial statements relate on the date of this report

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

The provisions of Section 134(m) of the Companies Act, 2013 is not applicable to our Company. There was no foreign exchange inflow or Outflow during the year under review.

**STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY**

The Company does not have any Risk Management Policy as the element of risk threatening the Company's existence is very minimal.

**DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES**

The Company has not developed and implemented any Corporate Social Responsibility initiatives as the said provisions are not applicable.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013**

There were no loans, guarantees or investments made by the Company under Section 186 of the Companies Act, 2013 during the year under review and hence the said provision is not applicable.

**PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES**

There was no contract or arrangements made with related parties as defined under Section 188 of the Companies Act, 2013 during the year under review.

**EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS AND THE PRACTICING COMPANY SECRETARY IN THEIR REPORTS**

There were no qualifications, reservations or adverse remarks made by either by the Statutory Auditors or by the Secretarial Auditors in their respective reports.

**COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES**

The Company's Policy relating to appointment of Directors, payment of Managerial remuneration, and other related matters as provided under Section 178(3) of the Companies Act, 2013 are as under :

1. Policy on Directors appointment is to follow the criteria as laid down under the Companies Act, 2013 and the Listing Agreement with Stock Exchanges and good corporate practices. Emphasis is given to persons from diverse fields or professionals.
2. The Company has formulated the remuneration policy for its KMP and other employees keeping in view the level and composition of remuneration as reasonable. Ensuring that remuneration meets the performance benchmark and it reflects long term performance objectives.
3. For Directors, it is based on the shareholders resolutions, provisions of the Companies Act, 2013 and rules framed therein, circulars and guidelines issued by the Central Government and other authorities from time to time.

#### **ANNUAL RETURN**

The extracts of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and administration) Rules, 2014 is furnished in **Annexure - A.** and is attached to this Report.

#### **NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW**

The Board of Directors have met 11 (eleven) times during the financial year ended 31st March, 2015.

#### **DIRECTORS RESPONSIBILITY STATEMENT**

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 your Directors state that :

(a) in the preparation of the annual accounts for the year ended March 31, 2015, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;

(b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at March 31, 2015 and of the loss of the Company for the year ended on that date;

(c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) the Directors have prepared the annual accounts on a going concern basis.

(e) the Directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and

(f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES**

The Company does not have any Subsidiary, Joint venture or Associate Company.

#### **DEPOSITS**

The Company has neither accepted nor renewed any deposits during the year under review.

#### **DIRECTORS**

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Shri Suhail Praful Shah Director of the Company retire at the ensuing Annual General Meeting and being eligible have offered himself for re-appointment. The Company devised a policy for performance evaluation of Independent Directors, Board, Committees and other individual Directors which includes criteria for performance evaluation of the non-executive directors and executive directors.

#### **DECLARATION OF INDEPENDENT DIRECTORS**

The Company has received declarations from all the Independent Directors of the Company confirming they meet the criteria of independence as prescribed both under the Act and Clause 49 of the Listing Agreement with the Stock Exchanges.

#### **STATUTORY AUDITOR**

Messrs Bipinchandra J. Modi & Co. Chartered Accountants, Statutory Auditors of the Company will retire from the office of the Auditors and being eligible offer themselves for re-appointment. Their remuneration for the current year is to be fixed by you.

#### **SECRETARIAL AUDITOR**

The Board has appointed Mr. Jigar K. Vyas, Practising Company Secretary to conduct Secretarial Audit for the financial year 2014-15. The Secretarial Audit Report for the financial year ended March 31, 2015 is annexed herewith to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

#### **PARTICULARS OF EMPLOYEE AND RELATED DISCLOSURE**

In terms of the provisions of Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 there was no employee drawing the remuneration in excess of the limits set out in the said rules.

#### **RISK MANAGEMENT POLICY**

As the elements of risk threatening the Company's existence is very minimal. The Company does not have any Risk Management Policy

#### **DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE AND PROVIDING VIGIL MECHANISM**

The Audit Committee comprises Independent Directors namely Shri Harjibhai Poonabhai Dhaduk and Shri Harish Balvantrai Bharucha. All the recommendations made by the Audit Committee were accepted by the Board.

The Company has established a vigil mechanism and oversees through the committee, the genuine concerns expressed by the employees and other Directors. The Company has also provided adequate safeguards against victimization of employees and Directors who express their concerns. The Company has also provided direct access to the chairman of the Audit Committee on reporting issues concerning the interests of co employees and the Company.

#### **SHARES**

##### **BUY BACK OF SECURITIES**

The Company has not offered any buyback of securities during the year under review.

##### **SWEAT EQUITY**

The Company has not issued any Sweat Equity Shares during the year under review.

##### **BONUS SHARES**

No Bonus Shares were issued during the year under review.

##### **EMPLOYEES STOCK OPTION PLAN**

The Company has not provided any Stock Option Scheme to the employees.

#### **ACKNOWLEDGEMENTS**

The Directors wish to place on record their appreciation for the continued support and co-operation extended to your Company its bankers, customers, suppliers, government authorities, regulatory authorities and other stake holders. You Directors also acknowledge the support extended by the employees and the guidance by the members on the Board.

#### **FOR AND ON BEHALF OF THE BOARD OF DIRECTORS**

Suhail Praful Shah  
Chairman

Place: Surat

Date: May 26th 2015.



<b>Promoter s</b>									
<b>(1) Indian</b>									
g) Individual/ HUF	3,74,500	0	3,74,500	74.90	3,74,500	0	3,74,500	74.90	0
h) CentralGovt	0	0	0	%	0	0	0	%	0
i) State Govt(s)	0	0	0	0	0	0	0	0	0
j) BodiesCorp.	0	0	0	0	0	0	0	0	0
k) Banks / FI	0	0	0	0	0	0	0	0	0
l) AnyOther....	0	0	0	0	0	0	0	0	0
				0				0	
<b>Sub-total</b>									
<b>(A) (1):-</b>	3,74,500	0	3,74,500	74.90	3,74,500	0	3,74,500	74.90	0
				%				%	
<b>(2) Foreign</b>									
a)NRIs - Individuals	0	0	0	0	0	0	0	0	0
b) Other – Individuals c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI e) Any Other....	0	0	0	0	0	0	0	0	0
<b>Sub-total</b>									
<b>(A) (2):-</b>	0	0	0	0	0	0	0	0	0
<b>Total shareholding of Promoter</b>									
<b>(A) = (A)(1)+(A)(2)</b>	3,74,500	0	3,74,500	74.90%	3,74,500	0	3,74,500	74.90%	0
<b>B. Public Shareholding</b>									
<b>1.Institutions</b>									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance cos	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h)Foreign Venture Capital Funds i) Others(specify)	0	0	0	0	0	0	0	0	0
<b>Sub-total</b>									
<b>(B)(1):-</b>	0	0	0	0	0	0	0	0	0
<b>2. Non- Institutions</b>									
a) BodiesCorp.									
i) Indian	1,16,900	0	1,16,900	23.38%	1,16,900	0	1,16,900	23.38%	0
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	0	8,600	8,600	1.72%	0	8,600	8,600	1.72%	0
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	0	0	0	0	0	0	0	0	0
c) Others (specify)	0	0	0	0	0	0	0	0	0
<b>Sub-total</b>									
<b>(B)(2):-</b>	1,16,900	8,600	1,25,500	25.10%	1,16,900	8,600	1,25,500	25.10%	0
Total Public Shareholding (B)=(B)(1)+(B)(2)	1,16,900	8,600	1,25,500	25.10%	1,16,900	8,600	1,25,500	25.10%	0
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	0	0	0	0	0	0
<b>Grand Total (A+B+C)</b>	4,91,400	8,600	5,00,000	100%	4,91,400	8,600	5,00,000	100%	0



**(ii) Shareholding of Promoters**

SI No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	Shri Praful A. Shah	1,90,900	38.18%	0	1,90,900	38.18%	0	0
2	Praful A. Shah -HUF	14,950	2.99%	0	14,950	2.99%	0	0
3	Smt. Shilpa P. Shah	56,250	11.25%	0	56,250	11.25%	0	0
4	Shri Alok P. Shah	56,200	11.24%	0	56,200	11.24%	0	0
5	Shri Suhail P. Shah	56,200	11.24%	0	56,200	11.24%	0	0
	Total	3,74,500	74.90%	0	3,74,500	74.90%	0	0

**(iii) Change in Promoters' Shareholding ( please specify, if there is no change)**

SI. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	3,74,500	74.90%	3,74,500	74.90%
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	No Change During The Year			
	At the End of the year	3,74,500	74.90%	3,74,500	74.90%

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

SI. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	<b>For Each of the Top 10 Shareholders</b>				
	At the beginning of the year	1,17,900	23.58%	1,17,900	23.58%
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	No Change During The Year			
	At the End of the year ( or on the date of separation, if separated during the year)	1,17,900	23.58%	1,17,900	23.58%

(v) *Shareholding of Directors and Key Managerial Personnel:*

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	1,12,500	22.50%	1,12,500	22.50%
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	No Change During The Year			
	At the End of the year	1,12,500	22.50%	1,12,500	22.50%

**V. INDEBTEDNESS**

**Indebtedness of the Company including interest outstanding/accrued but not due for payment**

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	0	0	0	0
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	0	0	0	0
<b>Change in Indebtedness during the financial year</b>				
- Addition	0	0	0	0
- Reduction	0	0	0	0
<b>Net Change</b>	0	0	0	0
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	0	0	0	0
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	0	0	0	0

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

*A. Remuneration to Managing Director, Whole-time Directors and/or Manager:*

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
		----	---	---	----	

1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961  (b) Value of perquisites u/s 17(2) Income-tax Act, 1961  (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	NIL				
2.	Stock Option	N.A	N.A	N.A	N.A	N.A
3.	Sweat Equity	N.A	N.A	N.A	N.A	N.A
4.	Commission - as % of profit - others, specify...	N.A	N.A	N.A	N.A	N.A
5.	Others, please specify	N.A	N.A	N.A	N.A	N.A
	Total (A)	N.A	N.A	N.A	N.A	N.A
	Ceiling as per the Act	N.A	N.A	N.A	N.A	N.A

**B. Remuneration to other directors:**

Sl. no.	Particulars of Remuneration	Name of Directors				Total Amount
		----	----	----	----	
	3. Independent Directors - Fee for attending board committee meetings - Commission - Others, please specify	N.A	N.A	N.A	N.A	N.A
	Total (1)	N.A	N.A	N.A	N.A	N.A
	4. Other Non-Executive Directors - Fee for attending board committee meetings - Commission - Others, please specify	N.A	N.A	N.A	N.A	N.A
	Total (2)	N.A	N.A	N.A	N.A	N.A
	Total (B)=(1+2)	N.A	N.A	N.A	N.A	N.A
	Total Managerial Remuneration	N.A	N.A	N.A	N.A	N.A
	Overall Ceiling as per the Act	N.A	N.A	N.A	N.A	N.A

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total

1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961  (b) Value of perquisites u/s 17(2) Income-tax Act, 1961  (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	N.A	N.A	N.A	N.A
2.	Stock Option	N.A	N.A	N.A	N.A
3.	Sweat Equity	N.A	N.A	N.A	N.A
4.	Commission - as % of profit - others, specify...	N.A	N.A	N.A	N.A
5.	Others, please specify	N.A	N.A	N.A	N.A
	Total	N.A	N.A	N.A	N.A

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	N.A	N.A	N.A	N.A	N.A
Punishment	N.A	N.A	N.A	N.A	N.A
Compounding	N.A	N.A	N.A	N.A	N.A
<b>B. DIRECTORS</b>					
Penalty	N.A	N.A	N.A	N.A	N.A
Punishment	N.A	N.A	N.A	N.A	N.A
Compounding	N.A	N.A	N.A	N.A	N.A
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	N.A	N.A	N.A	N.A	N.A
Punishment	N.A	N.A	N.A	N.A	N.A
Compounding	N.A	N.A	N.A	N.A	N.A

Auditors' Report  
To the Members,

## Wheel & Axle Textiles Limited

We have audited the accompanying standalone financial statements of **WHEEL & AXLE TEXTILES LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year ended , and a summary of the significant accounting policies and other explanatory information.

### **Management's Responsibility for the Standalone Financial statements :**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these stand alone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility :**

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken in to account the provisions of the Act, the accounting and auditing standards and Matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material mis-statement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### **Opinion :**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India,

- (i) in the case of the Balance sheet, of the state of affairs of the company as at March 31, 2015;
- (ii) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements :**

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our Knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the afore said standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2015 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **Bipinchandra J. Modi & Co.**  
FRN : 101521W  
Chartered Accountants

**(CA. Bipin J. Modi)**  
Partner

Surat, dated: May 05, 2015

Membership No. 031687

**Annexure referred to in Point 1 of Report on Other Legal and Regulatory Requirements of our report of even date on the accounts for the year ended 31<sup>st</sup> March, 2015**

- i. The Company has no fixed assets, hence paragraphs (i)(a) and (b) of the Order are not applicable
- ii. a) As per the information and explanations given to us, the inventories have been physically verified by the management at reasonable intervals during the year.
- b) In our opinion and as per the information and explanations given to us, procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
- c) The Company is maintaining proper records of inventories. In our opinion, discrepancies noticed on physical verification of inventory were not material in relation to the operations of the Company and the same have been properly dealt with in the books of account.
- iii. a) The Company has not granted any loans, secured or unsecured, to/from companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013, paragraphs (iii)(b) of the Order is not applicable.
- iv. In our opinion, and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business for the purchase of inventory and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control.
- v. The Company has not accepted any deposits from the public.
- vi. The Central Government has not prescribed maintenance of cost records under section 148(1) of the Companies Act, 2013 for any of the products of the Company.
- vii. a) According to information and explanations given to us, the Company is generally been regular in depositing undisputed statutory dues as applicable with the appropriate authorities during the year.
- b) According to information and explanation given to us, there are no statutory dues as applicable which have not been deposited on account of any dispute.
- c) According to information and explanation given to us, the amount required to be transferred to investor education and protection Fund in accordance with the provisions of Companies Act, 1956 and rules made there under have been transferred by the Company within time.
- viii. The Company does not have accumulated losses as at 31<sup>st</sup> March, 2015. The Company has incurred cash losses during the current and the immediately preceding financial year.

- ix. The Company has not taken any loans from financial institutions or banks or debenture holders and hence the question of default in repayment of dues and the period and amount does not arise.
- x. In our opinion and according to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks or financial institutions.
- xi. The Company has not taken any term loan during the current year.
- xii. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

For **Bipinchandra J. Modi & Co.**

FRN : 101521W

Chartered Accountants

**(CA. Bipin J. Modi)**

Partner

Membership No. 031687

Surat, dated: May 05, 2015

# WHEEL & AXLE TEXTILES LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2015

Sr.No.	Particulars	Note No.	As at 31-03-2015	As at 31-03-2014
I	<b>EQUITY AND LIABILITIES</b>		₹	₹
(1)	<b><u>Shareholder's Funds</u></b>			
(a)	Share Capital	1	50,00,000	50,00,000
(b)	Reserves and Surplus	2	5,30,22,681	5,33,63,390
(2)	<b><u>Current Liabilities</u></b>			
	Other Current liabilities	3	6,531	6,931
	<b>Total Equity &amp; Liabilities</b>		5,80,29,212	5,83,70,321
II	<b>ASSETS</b>		₹	₹
(1)	<b><u>Non-Current Assets</u></b>			
	Non-current investments	4	-	5,81,81,459
(2)	<b><u>Current Assets</u></b>			
(a)	Cash and cash equivalents	5	1,26,461	1,66,862
(b)	Other current assets	6	5,79,02,751	22,000
	<b>Total Assets</b>		5,80,29,212	5,83,70,321
NOTES TO ACCOUNTS		10		
Notes referred to above and notes attached there to form an integral part of Balance Sheet				
This is the Balance Sheet referred to in our Report of even date.				
For Bipinchandra J. Modi & Co.		For Wheel and Axle Textiles Limited		
Chartered Accountants				
	RUPESH DIWAN		SUHAIL SHAH	H. P. DHADUK
(CA. Bipin J. Modi)	(CFO)		(Director)	(Director)
Partner				
Membership No. : 031687				Place : Surat
Firm Reg. No.: 101521W				Dated : 05.05.2015



# WHEEL & AXLE TEXTILES LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31ST MARCH, 2015

Sr. No	Particulars	Note No.	2014-15	2013-14
			₹	₹
I	Revenue from operations	7	2,02,940	2,09,296
II	Other Income	8	21,292	64,023
III	<b>III. Total Revenue (I +II)</b>		<b>2,24,232</b>	<b>2,73,319</b>
IV	<b><u>Expenses:</u></b>			
	Purchase of Stock-in-Trade		1,96,169	2,01,227
	Other Administrative Expenses	9	3,68,772	1,78,309
	<b>Total Expenses (IV)</b>		<b>5,64,941</b>	<b>3,79,536</b>
V	Loss before exceptional and extraordinary items and tax	(III - IV)	(3,40,709)	(1,06,217)
VI	Exceptional Items		-	-
VII	Loss before extraordinary items and tax (V - VI)		(3,40,709)	(1,06,217)
VIII	Extraordinary Items		-	-
IX	Loss before tax (VII - VIII)		(3,40,709)	(1,06,217)
X	<b><u>Tax expense:</u></b>			
	(1) Current tax		-	-
	(2) Deferred tax		-	-
	(3) (Excess) / Short provision for tax of earlier years		-	-
XI	Profit(Loss) from the period from continuing operations	(IX-X)	(3,40,709)	(1,06,217)
XII	Profit/(Loss) from discontinuing operations		-	-
XIII	Tax expense of discounting operations		-	-
XIV	Profit/(Loss) from Discontinuing operations (XII - XIII)		-	-
XV	Profit/(Loss) for the period (XI + XIV)		(3,40,709)	(1,06,217)
XVI	Earning per equity share: - Basic & Diluted		(0.68)	(0.21)

Notes referred to above and notes attached there to form an integral part of Statement of Profit & Loss Statement

This is the Statement of Profit & Loss Statement referred to in our Report of even date.

For Bipinchandra J. Modi & Co.  
Chartered Accountants

For Wheel and Axle Textiles Limited

RUPESH DIWAN

SUHAIL SHAH

H. P. DHADUK

(CA. Bipin J. Modi)  
Partner

(CFO)

(Director)

(Director)

Membership No. : 031687

Place : Surat

Firm Reg. No.: 101521W

Dated : 05.05.2015

# WHEEL & AXLE TEXTILES LIMITED

Notes Forming Integral Part of the Balance Sheet as at 31st March, 2015

**NOTE**

**1 Share Capital**

		₹	₹
Particulars		As at 31-03-2015	As at 31-03-2014
1	<b>Equity Share Capital</b>		
	Authorised Share capital 5,00,000 Equity Shares of Rs. 10/- each.	50,00,000	50,00,000
		50,00,000	50,00,000
	Issued, subscribed & fully paid share capital 5,00,000 Equity Shares of Rs. 10/- each.	50,00,000	50,00,000
		50,00,000	50,00,000
	<b>Total in ₹</b>	<b>50,00,000</b>	<b>50,00,000</b>

a. Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting year.

Equity Shares (Number of shares of Rs.10 each fully paid)	As at 31-03-2015	As at 31-03-2014
Balance at the beginning of the year	5,00,000	5,00,000
Add / (Less) : During the year	-	-
Balance at the end of the year	5,00,000	5,00,000

b. Details of shareholders holding more than 5 percent of shares

Equity Shares -	Rs.10 paid up	
Name of shareholder	No.s of shares	No.s of shares
Shri Praful A. Shah	1,90,900	1,90,900
Smt. Shilpa P. Shah	56,250	56,250
Shri Alok P. Shah	56,200	56,200
Shri Suhail P. Shah	56,200	56,200
Creative Processing Ltd.	-	49,000
Andromeda Textiles & Trading P Ltd.	1,16,900	-

c. There are No ( Previous year - No) rights, preference and restriction attaching to each class of shares including restriction on the distribution of dividend and the repayment of capital.

d. There are nil number of shares ( Previous year Nil) in respect of each class in the company held by its holding company or its ultimate holding company including shares held by or by subsidiary or associates of the holding company or the ultimate holding company in aggregate.

e. There are NIL number of shares ( Previous year Nil) reserved for issue under option and contracts/commitment for the sale of shares/disinvestment including the terms and amounts.

f. For the period of five years immediately preceding the date as at which the balance sheet is prepared

Aggregate number and class of shares allotted as fully paid-up pursuant to contract(s) without payment being received in cash	Nil
Aggregate number and class of shares allotted as fully paid-up	Nil
Aggregate number and class of shares bought back	Nil

g. There are NO securities ( Previous year No) convertible into Equity/ Preferential Shares.

h. There are NO calls unpaid ( Previous year No )including calls unpaid by Directors and Officers as on balance sheet date or any forfeited shares.

# WHEEL & AXLE TEXTILES LIMITED

Notes Forming Integral Part of the Balance Sheet as at 31st March, 2015

NOTE

<b>2 Reserves &amp; Surplus</b>		₹	₹
1	Capital Reserve	20,65,886	20,65,886
2	General Reserve	1,05,68,006	1,05,68,006
3	<u>Surplus (Statement of Profit &amp; Loss Account)</u>		
	Balance brought forward from previous year	4,07,29,498	4,08,35,715
	Add: Profit for the period	(3,40,709)	(1,06,217)
		4,03,88,789	4,07,29,498
	<b>Total in ₹</b>	<b>5,30,22,681</b>	<b>5,33,63,390</b>

NOTE

<b>3 Other Current liabilities</b>		₹	₹
Particulars		As at 31-03-2015	As at 31-03-2014
	<u>Others</u>		
1	Audit fees payable	3,371	3,371
2	Unclaimed dividend	3,160	3,560
	<b>Total in ₹</b>	<b>6,531</b>	<b>6,931</b>

NOTE

<b>4 Non Current Investment</b>		₹	₹
1	Investment in Partnership Firm	--	5,81,81,459
	<b>Total in ₹</b>	-	5,81,81,459

<b>Aggregate amount of Investments :</b>	₹	₹
Quoted : Cost	-	-
Quoted : Market Value	-	-
Unquoted : Cost	-	5,81,81,459

NOTE

<b>5 Cash &amp; Cash Equivalent</b>		₹	₹
1	<u>Cash-in-Hand</u> Cash Balance	6,682	624
2	<u>Bank Balance</u>		
	a) Balance in Current account	1,05,743	1,51,690
	b) Balance in Unclaimed dividend account	14,036	14,548
	<b>Total in ₹</b>	<b>1,26,461</b>	<b>1,66,862</b>

# WHEEL & AXLE TEXTILES LIMITED

Notes Forming Integral Part of the Balance Sheet as at 31st March, 2015

**NOTE**

<b>6 Other current assets</b>		₹	₹
	Others		
	<i>Advance Recoverable in cash or in kind or for value to be considered good</i>		
	Advance Income Tax/Refund Due	--	22,000
	Other receivable *	5,79,02,751	--
	<b>Total in ₹</b>	<b>5,79,02,751</b>	<b>22,000</b>

(\*Amount receivable from partnership firm from which the Company has retired during the year)

**NOTE**

<b>7 Revenue from Operations</b>		2014-15	2013-14
		₹	₹
	Sales (Excise duty - Nil, Pre. Year Nil)	2,02,940	2,09,296
	<b>Total in ₹</b>	<b>2,02,940</b>	<b>2,09,296</b>

**NOTE**

<b>8 Other Income</b>		₹	₹
	Share of profit in partnership firm	21,292	64,023
	<b>Total in ₹</b>	<b>21,292</b>	<b>64,023</b>

**NOTE**

<b>9 Other Administrative Expenses</b>		₹	₹
1	Advertisement & Publicity	89,025	78,440
2	Auditors Remuneration	3,371	3,371
3	Bank charges	224	1,123
4	Director fees	-	12,000
5	General Expenses	1,67,335	60,457
6	Insurance Expenses	225	225
7	Filing fees	58,115	2,636
8	Packing, Freight & Forwarding	450	300
9	Professional Charges	25,627	19,993
10	Professional tax	2,400	2,400
11	Receivable write off	22,000	-
	<b>Total in ₹</b>	<b>3,68,772</b>	<b>1,80,945</b>

# WHEEL & AXLE TEXTILES LIMITED

*Notes Forming Integral Part of the Balance Sheet as at 31st March, 2015*

## **Note 10 : Notes forming part of the Accounts :**

### **1 SIGNIFICANT ACCOUNTING POLICIES :**

#### **A. SYSTEM OF ACCOUNTING :**

The Company follows the mercantile system of accounting and recognises income and expenditure on the accrual basis.

#### **B. INVESTMENTS :**

- i) Long Term investments of the company are stated at their cost of acquisition.
- ii) Provision for diminution in the value of long term investments is made only if, such a decline is other than temporary in the opinion of the management.

#### **C. SALES & PURCHASES :**

Sales & Purchases are recognised net of returns.

#### **D. TAXATION :**

- i) Current tax has been determined and provided as the amount of tax payable in respect of taxable income for the year.
- ii) Deferred tax recognised, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

### **2 The Company has invested in the capital of the following partnership firms :**

During the year, on 31-12-2014 Company has retired from the Partnership firm.

Total Capital of the Firm as on the date of retirement : Rs.26,87,15,737/-

Profit / Loss sharing ratios of all the partners of the firm as on the date of retirement :

	<u>Name of the partners</u>	<u>Profit/Loss Share</u>
1	Shri Praful A. Shah	51.00%
2	Shri Praful A. Shah (HUF)	4.00%
3	Smt. Shilpa P. Shah	5.00%
4	Shri Alok P. Shah	15.00%
5	Shri Suhail P. Shah	15.00%
6	Bijlee Textiles Ltd.	1.00%
7	Introscope Properties Pvt. Ltd.	7.00%
8	Prabhat Silk Mills Ltd.	1.00%
9	Rosekamal Textiles Ltd.	1.00%

### **3 Net gain / (Loss) on sale of Investments :**

	2014-15	2013-14
	₹	₹
a) Long Term Investments	-	-
b) On account of membership of partnership firm	21,292	64,023

### **4 No Provision for Current tax has been made in the absence of taxable income.**

### **5 Payment to Auditors : (including service tax)**

	2014-15	2013-14
a) For Statutory audit	3,371	6,742
b) For Tax audit	-	-
c) For Other services	8,426	7,583

### **6 Earning Per share :**

Net profit after tax before adjustment of Income Taxes of earlier year	-3,40,709	-1,06,217
Weighted Average Number of Equity Shares (No's)	5,00,000	5,00,000
Earning Per Share before adjustment of Income Tax of earlier years	-0.68	-0.21

### **Quantitative details :**

	2014-15		2013-14	
<b>Fabrics :</b>	<b>Meters</b>	<b>Amount</b>	<b>Meters</b>	<b>Amount</b>
Purchases	5,512.00	1,96,169	6,367.75	2,01,227
Sales	5,512.00	2,02,940	6,367.75	2,09,296
Opening Stock	---	---	---	---
Closing Stock	---	---	---	---

# WHEEL & AXLE TEXTILES LIMITED

Notes Forming Integral Part of the Balance Sheet as at 31st March, 2015

- 7 The Company has no suppliers which constitutes small scale Industrial undertaking.
- 8 The Company principally engaged in the business of Textiles. Accordingly there are no reportable segments as per Accounting Standard No.17 issued by the Institute of Chartered Accountants of India on 'Segment Reporting'.
- 9 The equity shares of the company are listed on the following Stock Exchanges and company has duly paid the requisite amount of annual listing fees for the year 2014-15 to both the Stock Exchanges.
- a) Ahmedabad Stock Exchange Limited  
Kamdhenu Complex, Opp. Sahajanand College,  
Panjarapole, Ahmedabad - 380 015.
- b) Bombay Stock Exchange Limited  
Phiroz Jeejeebhoy Tower,  
Dalal Street, Mumbai-01.
- 10 Related party disclosures as required by Accounting Standard No.18 issued by the Institute of Chartered Accountants of India are as follows :

**(a) Relationships :**

i) Joint Ventures / Partnerships :

Rayban Investments

**(b) The following transactions were carried out with related parties :**

i) Transactions during the year :

Withdrawn (net) towards capital accounts

Share of Profit/(Loss) earned

ii) Outstanding balance at the end of the year :

Debit balance

Related Parties
Referred in 14(a)(i)above
5,81,81,459
(2,75,000)
21,292
(64,022)
--
(5,81,81,459)

Note : Figures in brackets represent previous year's amount.

As per our report of even date

For Bipinchandra J. Modi & Co.  
Chartered Accountants

For Wheel and Axle Textiles Limited

RUPESH DIWAN

SUHAIL SHAH

H. P. DHADUK

(CA. Bipin J. Modi)  
Partner

(CFO)

(Director)

(Director)

Membership No. : 031687  
Firm Reg. No.: 101521W

Place : Surat  
Dated : 05.05.2015

WHEEL & AXLE TEXTILES LIMITED

**CASH FLOW STATEMENT**  
for the year ended 31st March, 2015

	Current Year ₹	Previous Year ₹
	<hr/>	<hr/>
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
<b>Net Profit before Tax and Extra ordinary Items</b>	(3,40,709)	(1,06,217)
Adjustments for -		
(Profit)/Loss on sale of Investments	--	--
Dividend (received)	--	--
Receivable write off	22,000	--
Share of (Profit) / Loss in partnership firm	(21,292)	(64,023)
<b>Operating Profit before working Capital Changes</b>	<hr/> (3,40,001)	<hr/> (1,70,240)
Adjustments for :		
(Increase) / Decrease in Stock in trade	--	--
(Increase) / Decrease in Debtors	--	--
(Increase) / Decrease in other current Assets	(5,79,02,751)	--
Increase / (Decrease) in Current Liabilities	(400)	(3,186)
<b>Cash generated from operations</b>	<hr/> (5,82,43,152)	<hr/> (1,73,426)
Direct Taxes (paid)	--	--
<b>Net Cash Flow from operating Activities</b>	<hr/> (5,82,43,152)	<hr/> (1,73,426)
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
(Purchase) of Investments	--	--
Sale of Investments	5,82,02,751	2,75,000
Dividend received	--	--
Interest received	--	--
(Increase) / Decrease in Loans & Advances	--	--
<b>Net Cash from Investing Activities</b>	<hr/> 5,82,02,751	<hr/> 2,75,000
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividend (Paid)	--	(50,000)
Tax on Dividend (Paid)	--	(8,495)
<b>Net Cash from Financing Activities</b>	<hr/> -	<hr/> (58,495)
Net increase in Cash & Cash equivalents (A+B+C)	(40,401)	43,079
Cash and Cash equivalent as at 01/04/2014	1,66,862	1,23,783
Cash and Cash equivalent as at 31/03/2015	<b>1,26,461</b>	<b>1,66,862</b>

As per our report of even date

For Bipinchandra J. Modi & Co.  
Chartered Accountants

For Wheel and Axle Textiles Limited

RUPESH DIWAN

SUHAIL SHAH

H. P. DHADUK

(CA. Bipin J. Modi)  
Partner

(CFO)

(Director)

(Director)

Membership No. : 031687  
Firm Reg. No.: 101521W

Place : Surat  
Dated : 05.05.2015

Form A

Format of the covering letter of the Annual Audit Report to be filed with the Stock Exchange

1 Name of the Company	Wheel & Axle Textiles Ltd.
2 Annual Financial Statement for the year ended	31st March, 2015
3 Type of Audit observation	Un-qualified
4 Frequency of observation	Not Applicable
5 To be signed by -	

- CEO/Managing Director



- CFO

Rupesh Virender

- Audit Committee chairman



- Auditor of the Company

