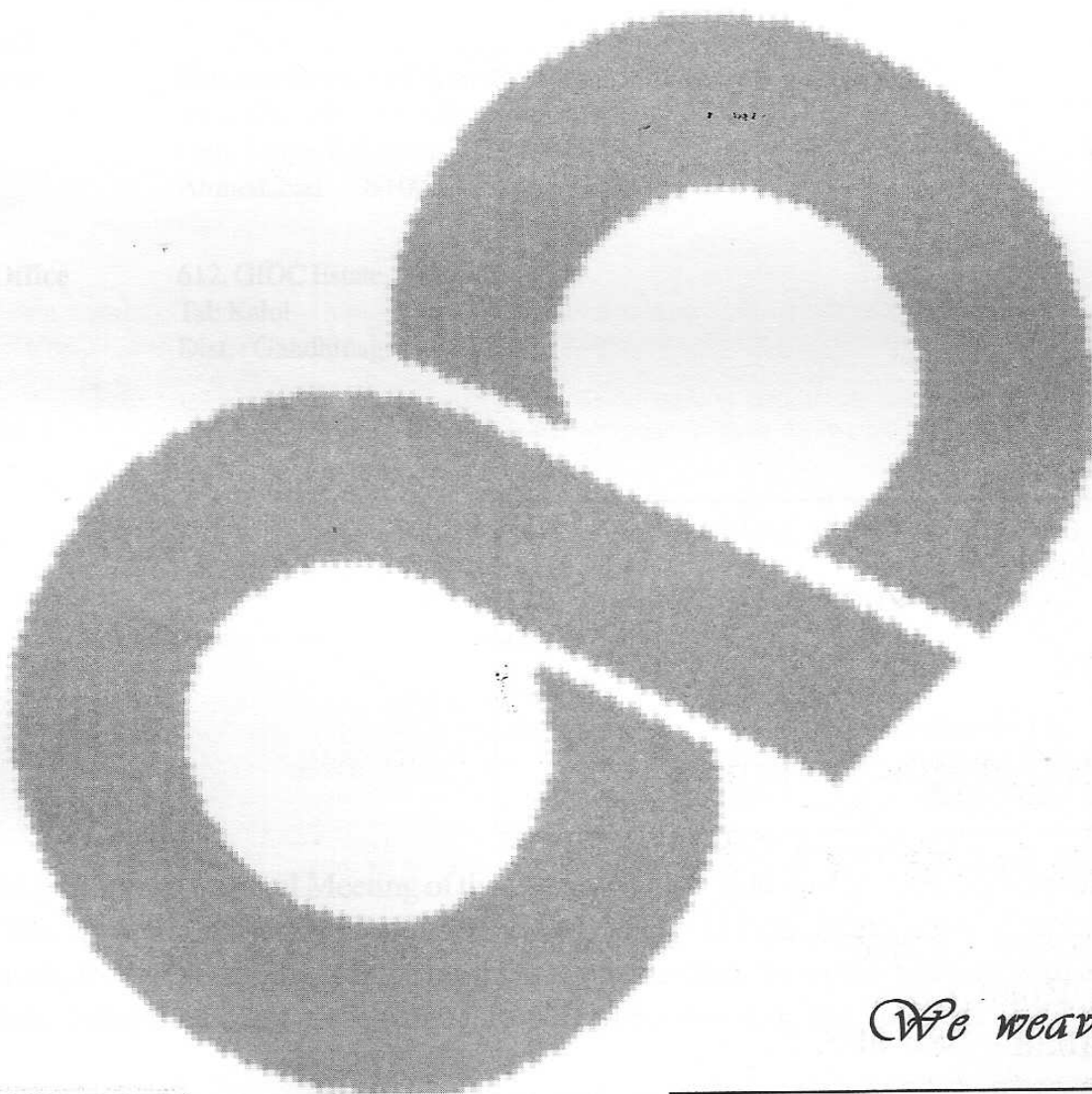




Arex Industries Limited

22ND ANNUAL REPORT 2010-2011



We weave brands

Arex Industries Limited

Board of Directors :

Shri Dinesh A Bilgi
Shri Neel D Bilgi
Shri Chirag D Bilgi
Shri Pragnesh K Shah
Shri Laxman C Tilani
Shri Vasant R Shah
Shri Balkrishna I Makwana
Shri Dinesh H Pande

Chairman & Managing Director
Executive Director
Executive Director
Executive Director
Director
Director
Director
Director

Bankers : State Bank of India

Auditors : M/s. C R SHAREDALAL & Co.
Chartered Accountants
Ahmedabad.

**Registrars and
Transfer Agent :** Sharepro Services (India) Pvt Ltd
416 - 420, 4th Floor, Devnandan Mall,
Opp. Sanyash Ashram, Ellisbridge,
Ahmedabad - 380 006.

**Registered Office
& Plant :** 612, GIDC Estate, Chhatral
Tal: Kalol
Dist. : Gandhinagar - 382 729

22ND ANNUAL GENERAL MEETING

Date : 17th day of September, 2011
Day : Saturday
Time : 11.30 A.M.
Place : Shor Sharaba Food Inn Pvt Ltd
3317, G.I.D.C., Highway, Chhatral
Tal : Kalol, Dist : Gandhinagar - 382 729.

Notice of the 22nd Annual General Meeting of the Company to be held on Saturday, 17th day of September, 2011 at 11.30 a.m. at Shor Sharaba Food Inn Pvt Ltd, 3317, G.I.D.C. Highway, Chhatral, Tal : Kalol, Dist: Gandhinagar - 382 729 to transact the business mentioned therein is enclosed herewith. Shareholders are requested to bring their copy of the Annual Report while attending the Meeting.

NOTICE

NOTICE is hereby given that the 22nd Annual General Meeting of members of the Company, will be held on Saturday, 17th day of September, 2011 at 11.30 a.m. at Shor Sharaba Food Inn Pvt. Ltd., G.I.D.C. Highway, Chhatral, Tal.: Kalol, Dist.: Gandhinagar - 382 729, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt audited accounts for the year ended on 31st March, 2011 and the reports of the Directors & Auditors thereon; and the Compliance Certificate for the year ended on that date.
2. To declare dividend.
3. To appoint a Director in place of Shri Balkrishna I Makwana, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Pragnesh K Shah, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Shri Chirag D Bilgi, who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint Auditors and to fix their remuneration.

By Order of the Board

Regd Office:

612, GIDC Estate
Chhatral, Tal : Kalol
Dist : Gandhinagar-382 729
Date : 3rd August, 2011

Dinesh A Bilgi
Chairman & Mg Director

Notes:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE AT THE MEETING INSTEAD OF HIMSELF AND THAT A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. The Share Transfer Books and the Register of Members of the Company shall remain closed from Tuesday 13th September, 2011, to Saturday 17th September, 2011 (both days inclusive) for determining the names of members eligible for dividend, if declared at the meeting.
3. The dividend, if declared at the meeting, will be paid on or after 17th September, 2011 to those members whose names appear in the Register of Members as on 17th September, 2011.
4. The relative Explanatory Statement pursuant to Clause 49 of the Listing Agreement in respect of item No.3 to 5, is annexed herewith.
5. Members desirous of any information or clarification on account's, are requested to write to the Company at least 10 days in advance of the meeting.
6. The Dividend as recommended by the Board of Directors, if declared at the Annual General Meeting, will be paid to those Members whose names appear in the Register of Members of the Company as on 17th September, 2011, in respect of shares held in Physical form and in respect of shares held in the electronic form, to those "Deemed Members" whose name appear in the statement of Beneficial Ownership furnished by the National Securities Depository Services Ltd (NSDL) and the Central Depository Services (India) Ltd (CDSL) at the end of business hours on 12th September, 2011.

7. As per the provisions of Section 205A & 205C of the Companies Act, 1956 and the Rules made thereunder, the Company has to transfer the dividend amount remaining unpaid and/or unclaimed for a period of seven years, to the **Investor Education and Protection Fund (IEPF)** and once the amount of unpaid/unclaimed dividend is transferred to the IEPF, such dividend can not be claimed from the Government or the Company. Therefore, you are hereby advised to claim your dividend entitlement at the earliest. For your kind information, the particulars of declaration of dividend(s) by the Company and due date of transfer of unpaid dividend to IEPF are as under:

Financial Year	Date of Declaration	Dividend (%)	Dividend Type	Amount (Rs) per share	Due Date of Transfer to IEPF
2003-04	06/09/2004	7.5	Final Dividend	0.75	06/10/2011
2004-05	05/09/2005	9	Final Dividend	0.90	05/10/2012
2005-06	05/09/2006	9	Final Dividend	0.90	05/10/2013
2006-07	22/09/2007	9	Final Dividend	0.90	22/10/2014
2007-08	13/09/2008	9	Final Dividend	0.90	13/10/2015
2008-09	31/08/2009	9	Final Dividend	0.90	30/09/2016
2009-10	23/09/2010	9	Final Dividend	0.90	22/10/2017

8. As per the provisions of Section 205C of the Companies Act, 1956 and the Rules made thereunder, the Company has transferred the unpaid and / or unclaimed Interim dividend amount for the year 2003-04 to Investor Education and Protection Fund (IEPF) on 13.04.2011.
9. The Securities and Exchange Board of India (SEBI) has mandated submission of Permanent Account Number (PAN) by every participant in Securities Market. Members holding shares in electronic form are, therefore, advised to submit PAN details to their respective Depository Participant (DP) and the members holding shares in physical form can submit PAN details to the Company or its Registrar, M/s Sharepro Services (I) Pvt Ltd.
10. Members are requested to notify immediately any change in their addresses to the Company at its Registered Office or its Registrar & Share Transfer Agent M/s Sharepro Services (India) Pvt Ltd, 416 – 420, 4th Floor, Devnandan Mall, Opp. Sanyash Ashram, Ellisbridge, Ahmedabad – 380 006. Telephones: 079 – 26582381 to 84, Fax : 079 – 26582385.

Information on Directors retiring by rotation seeking re-appointment at this Annual General Meeting as required under Clause 49 of the Listing Agreement of the Bombay Stock Exchange Ltd:

Item No. 3

Shri Balkrishna I Makwana aged about 64 years is B Sc (Agr.). He has a wide experience with banking, accounting and finance departments for over 3 decades. He was appointed as an independent director of the Company w.e.f. 1st February, 2003. He has been rendering services as Chairman of both the Audit Committee and the Shareholder's Grievance Committee of the Company. None of the Directors, except Shri Balkrishna I Makwana, is interested in the said resolution.

Item No. 4

Shri Pragnesh K Shah aged about 56 years is an Engineer in Metallurgy from M.S. University, Baroda and also a Diploma Holder in Marketing Management from K C College of Management, Mumbai. He has excellent marketing skills to his credit. His insight knowledge of woven labels has been a guiding force for the growth of the Company. He has been a Director of the Company since 14th December, 1990 and has been appointed as Executive Director since 1st November, 2009.

None of the Directors, except Shri Pragnesh K Shah, is interested or concerned in the resolution.

Item No. 5

Shri Chirag D Bilgi is a BBA (Marketing) with experience in various fields. He was first appointed as an Executive Officer (Marketing) of the Company w.e.f. 1st July, 2007. The Board considered his contribution and valuable services provided to the Company and promoted as Executive Director of the Company with effect from 1st August, 2010.

None of the Directors, except Shri Dinesh A Bilgi, Managing Director of the Company, Shri Neel D Bilgi and Shri Chirag D Bilgi, Executive Directors of the Company are interested or concerned in the resolution.

By Order of the Board

Regd Office:

612, GIDC Estate
Chhatral, Tal : Kalol,
Dist : Gandhinagar-382 729
Date: 3rd August, 2011

Dinesh A Bilgi
Chairman & Mg Director

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DIRECTORS' REPORT

To
The Members,

Your Directors are pleased to present their 22nd Annual Report together with the Audited Statement of Accounts of the Company for the year ended on 31st March, 2011.

FINANCIAL RESULTS	(Amount in Rupees)	
	31.03.2011	31.03.2010
Sales (Net)	25,06,11,707	21,42,58,947
Profit before depreciation & Interest	9,59,88,628	7,34,64,041
Less: Interest	1,72,76,147	1,32,40,073
Depreciation	5,62,48,628	4,09,44,167
Profit before Tax	2,24,63,853	1,92,79,801
Provision for Taxation	48,00,000	33,00,000
Provision for Deferred Tax	21,20,000	64,00,000
Profit after Tax	1,55,43,853	95,79,801
Surplus brought forward from previous year	6,99,86,416	6,45,14,987
Add: Tax Adjustment	27,71,764	59,968
Profit available for Appropriation	8,83,02,033	7,41,54,756
Proposed Dividend	35,62,830	35,62,830
Tax on Proposed Dividend	5,91,750	6,05,510
Balance Carried to Balance Sheet	8,41,47,453	6,99,86,416

OPERATIONS

Your Directors have to report that the industry faced imposition of excise duty during the last quarter of the year. The Company continued to enjoy good market response and maintained its growth. The Company has achieved sales of Rs. 25,06,11,707/-, i.e. 17% increase over the previous year's sales. The Company has undertaken expansion plans with major capital expenditure for efficiency and better productivity. The Company has also explored overseas market with export turnover of Rs. 99,02,808/-. The Company has earned profit of Rs. 9,59,88,628/-, i.e. an increase of 30.66% over the previous year's profit before providing interest and depreciation.

DIVIDEND

Your Directors are pleased to recommend dividend at 9% (i.e. Re. 0.90 per share) subject to approval of the members in their ensuing Annual General Meeting. The final dividend, if declared will absorb an outflow of Rs.35,62,830/- towards dividend and Rs. 5,91,750/- towards dividend distribution tax. The requisite provision for dividend has been made in the accounts for the year ended 31st March, 2011.

FINANCE

The Company's expansion project has been financed partly out of borrowings from the Company's bankers, namely the State Bank of India.

PARTICULARS OF EMPLOYEES

There was no employee covered under the purview of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975. Hence, particulars are not given.

INSURANCE

All the assets of the Company including buildings, plant & machineries and stocks are adequately insured.

DIRECTORATE

Shri Balkrishna I Makwana, Shri Pragnesh K Shah and Shri Chirag D Bilgi are liable to retire by rotation as Directors at the ensuing Annual General Meeting and are eligible for re-appointment. They have also offered themselves for re-appointments.

COMPLIANCE CERTIFICATE

As required under the provisions of Section 383A of the Companies Act, 1956 and the rules made there under, a certificate is attached herewith and the same forms part of this Report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements of Section 217(2AA) of the Companies Act, 1956, the Directors hereby confirm that:

- in the preparation of annual accounts for the financial year ended March 31, 2011, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- 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 at the end of the financial year as at 31st March, 2011 and the profits of the Company for the year under review;
- the directors have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the directors have prepared the accounts for the financial year ended 31st March, 2011 on a "going concern" basis.

PUBLIC DEPOSITS

The Company has not accepted any deposit from the public during the year within the meaning of Section 58A of the Companies Act, 1956 read with the Companies (Acceptance of Deposit) Rules, 1975.

AUDITORS

M/s C R Sharedalal & Co., Chartered Accountants, Ahmedabad retires as the Statutory Auditors at the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment and have indicated their willingness to act as Auditors, if appointed. You are requested to consider their re-appointment. The Auditors observations read with the notes to the Accounts are self - explanatory.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

The Company has been taking steps for optimum utilisation of power and fuel. Information as required under Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, is given by way of Annexure-"A" forming part of this Report.

CORPORATE GOVERNANCE

The Company has been proactive in adhering to the principles and practices of good Corporate Governance. As required by Clause 49 of the Listing Agreement with the Bombay Stock Exchange Ltd, Mumbai, a detailed note on Corporate Governance is annexed to this Report. The Auditor's Certificate confirming compliance of the Corporate Governance requirements by the Company is attached to the Report on Corporate Governance.

ACKNOWLEDGEMENTS

The Board of Directors of the Company hereby convey their sincere appreciation for the continuous support and co-operation extended by the State Bank of India, the Company's bankers, shareholders, customers, suppliers and other business associates.

For and on behalf of the Board

Regd Office:

612, GIDC Estate, Chhatral
Tal : Kalol,
Dist : Gandhinagar-382 729
Date: 3rd August, 2011

Dinesh A Bilgi
Chairman & Mg Director

Annexure - "A"

INFORMATION AS REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED ON 31ST MARCH, 2011.

A. Conservation of Energy:

- Energy conservation measures taken
- Additional investments & proposals, if any, being implemented for reduction of consumption of energy.
- Impact of the measures at (a) & (b) for reduction of energy consumption & consequent impact on the cost of production of goods.
- Total energy consumption and energy consumption per unit of production

The Company is conscious about the conservation of energy and reduction of consumption of energy. D. G. Sets of 400 KVA have been installed as standby for continuous power supply.

The Company has installed wind turbine generators in order to generate green energy with additional Investment of Rs. 880 lacs during 2009-10. This will help reducing energy consumption.

As per Form A

Form A

(SEE RULE 2)

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

		2010-11	2009-10
A. Power and Fuel Consumption	Electricity Purchased Unit	28,71,752	25,20,591
	Total Amount (Rs)	1,52,55,050	1,40,84,645
	Rate/Unit	5.31	5.59
	Avg. KWH Consumption per million Labels	6527	7016
	Electricity Generated from Windmill - KWH	23,10,678	5,53,489
B. Technology Absorption	Wheeling of Electricity Generated - KWH	29,04,450	5,14,032
		As per Form B	

Form B

(SEE RULE 2)

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO ABSORPTION

Research and development (R&D)

- Specific areas in which R&D carried out by the Company.
- Benefits derived as a result of the above R&D
- Future plan of action
- Expenditure on R&D

The Company does not have separate R&D activities and hence, separate expenses are not worked out.



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Technology absorption, adaptation and innovation

- (1) Efforts, in brief, made towards technology absorption, adaptation and innovation.
- (2) Benefits derived as a result of the above efforts.
- (3) In case of imported technology. (imported during the last 5 years)
 - a) Technology imported
 - b) Year of Import
 - c) Has technology been absorbed
 - d) If not fully absorbed, areas where this has not

taken place, reasons & future plans of action

The Company utilizes indigenously developed production technology. The technology has already been fully absorbed.

N.A.

C. Foreign Exchange Earnings and Outgo

(i)	Foreign Exchange Used	Rs.
a)	Import of Raw Material	8,79,848
b)	Import of Capital Goods	21,41,002
c)	Import of Stores & Spares	44,51,741
d)	Travelling	91,600
e)	Others	14,56,110
ii)	Foreign Exchange Earned on account of exports	99,02,808

For and on behalf of the Board

Regd Office:

612, GIDC Estate
Chhatral, Tal : Kalol,
Dist : Gandhinagar-382 729
Date: 3rd August, 2011

Dinesh A Bilgi
Chairman & Mg Director

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Annexure - "B"

Overview

The Company is one of the leading manufacturers of all types of Garment Labels, a product with a brand symbol for any Company or enterprise. The Labels are widely used to recognize the brand, image, products and the manufacturer. The Company supplies its Labels to the garment manufacturers within India and abroad.

Industry Structure

The Indian Textiles Industry has an overwhelming presence in the economic life of the country. Apart from providing one of the basic necessities of life, the textiles industry also plays a pivotal role through its contribution to industrial output, employment generation and the export earnings of the country. Currently it contributes about 14% to industrial production, 4% to the GDP and 17% to the export earnings. The growth and all round development of this industry has a direct bearing on the improvement of the economy of the nation. However, the industry faced problems relating to the imposition of excise duty during the last quarter, which affected the overall performance.

Opportunities, Threats, Risks and concerns

The demand of the quality garment labels has been increasing with the increase in the demand of the ready made garments. Because of the major presence of unorganised sector in the weaving and processing segment in textile industry in India, it is highly splinter. The product of the Company has a low value addition relative to overall finished garment. The Company has strategic plans to maintain the growth.

Outlook

The Company has undertaken expansion plans with consistently upgrading its technology for efficient and better productivity. The Company is quality conscious and its product is also well accepted in both the markets. The demand for its products is also increased in domestic and overseas market as well. This will maintain growth of the Company and enhance its stake holder's value.

Internal Control Systems

The Company has implemented adequate and effective control systems with proper checks and balances to safe guard the assets and to prevent frauds. The Audit Committee meets at regular intervals and actively reviews the internal control systems. Suitable corrective actions are initiated whenever necessary.

Review of Financial Performance

The Company has sustained and continued on the path of growth. The Company has achieved sales of Rs. 25,06,11,707/- i.e. 17% increase over the previous years sales. The Company has achieved profit of Rs. 9,59,88,628/-, i.e. increase of 30.66% over the profit earned during the previous year, before providing interest and depreciation.

Human Resources

The relations between the employees and the management remained cordial throughout the year.

Cautionary Statement

Statements in this report on Management's Discussion and Analysis describing the Company's objectives, projections, estimates, exceptions or predictions may be forward looking. These statements are based on certain assumptions and exceptions of future events. Actual results could however differ materially from those expressed or implied. The Company assumes no responsibility in respect of forward looking statements herein which may undergo changes in future on the basis of subsequent developments, information or events.

REPORT ON CORPORATE GOVERNANCE

In accordance to Clause 49 of the Listing Agreement of the Bombay Stock Exchange Limited where the Shares of the Company are listed a report of Corporate Governance for the financial year ended 31st March, 2011 is furnished below :

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

The Company acknowledges the importance of Corporate Governance in today's Business Environment. The Company accepts highest level of transparency, accountability and equity in all its dealings with good Corporate Governance by complying and applying the combination of voluntary and statutory compliances with laws and regulations.

2. BOARD OF DIRECTORS

a. Composition

The Board of the Company consists of Eight Directors, of whom four are non-executive and independent Directors.

None of the non-executive Directors has material pecuniary relationship or transactions with the Company.

None of the Directors on the Board is a member of more than ten committees and Chairman of more than five committees across all Companies in which they are directors.

b. Board Procedure

The Directors are provided with all the agendas and brief notes alongwith the Notice for the meeting well in advance, for their consideration and discussion at the meeting. The Board normally meets every quarter to review and take on record the quarterly performance and the financial results of the Company. The Board is also free to recommend the inclusion of any matter for discussion in with the permission of the Chair.

The Board of Directors met five times on 30th April, 2010, 29th July, 2010, 30th October, 2010, 31st January, 2011 and 3rd March, 2011. The gap between any two meetings did not exceed four months.

The attendance record of each of the Directors at the Board Meetings held during 2010-11 and during the last annual general meeting is as under:

Name of the Director	Category	No. of Board Meeting Attended	Attendance at the last AGM (Y/N)	Directorship in Other public Companies	No of committees which Chairman/member in other Public Companies
Dinesh A Bilgi	CMD	5	Y	Nil	Nil
Neel D Bilgi	ED	5	Y	Nil	Nil
Chirag D Bilgi	ED	3	N	Nil	Nil
Pragnesh K Shah	ED	4	N	Nil	Nil
Laxman C Tilani	NED	4	N	Nil	Nil
Vasant R. Shah	NED	4	N	Nil	Nil
Balkrishan I Makwana	NED	4	Y	Nil	Nil
Dinesh H Pande	NED	2	N	Nil	Nil

Note: 1. CMD - Chairman and Managing Director (Promoter and CEO). His appointment is contractual
 2. ED - Executive Director (Promoter). His appointment is contractual.
 3. NED - Non Executive and Independent Director.

c. Code of Conduct

The Board Members and Senior Management team of the Company follow the Code of Conduct formulated and implemented by the Company.

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3. COMMITTEES OF THE BOARD

a. Audit Committee

The Audit Committee reviews and recommends or suggests appropriate actions, from time to time, so as to achieve effective compliance of Clause 49 of the Listing Agreement. The Audit Committee is reconstituted with effect from 1st August, 2010 and comprises (1) Shri Balkrishna I Makwana (2) Shri Dinesh H Pande and (3) Shri Laxman C Tilani. Shri Balkrishna I. Makwana is the Chairman of the Committee.

The Committee met 4 times on 30.04.2010, 29.07.2010, 30.10.2010 and 31.01.2011 during the year.

b. Remuneration Committee

The Audit Committee has been entrusted with the powers and functions of recommending remuneration package for all senior and top management level personnel. (1) Shri Dinesh A. Bilgi, Chairman & Managing Director, (2) Shri Neel D Bilgi, Executive Director (3) Shri Chirag D Bilgi, Executive Director and (4) Shri Pragnesh K Shah, Executive Director of the Company were paid remuneration during the year. The remuneration package depends upon the qualification, experience and expertise of the candidate and also linked with the contribution given towards the growth of the Company. The Non-Executive Directors are paid sitting fee amounting to Rs.10000/- per meeting of the Board of Directors attended by them.

Details of remuneration paid to Directors during the year are as under:			
Executive Directors		Salary (Rs)	Perquisites (Rs.)
Name of Director			
Shri Dinesh A Bilgi, <i>Chairman and Managing Director</i>		12,00,000	2,99,980
Shri Neel D Bilgi, <i>Executive Director</i>		12,00,000	2,99,980
Shri Chirag D Bilgi, <i>Executive Director</i>		8,80,000	6,19,992
Shri Pragnesh K Shah, <i>Executive Director</i>		4,20,000	1,29,137

c. Shareholders Grievance Committee

The Shareholders Grievance Committee is reconstituted with effect from 1st August, 2010 and comprises of (1) Shri Dinesh H Pande, and (2) Shri Balkrishna I Makwana, for addressing the grievances of the investors. Shri Dinesh H Pande is the Chairman of the Committee. The Committee meets as and when required and looks after shareholders complaints and matters relating to transfer of shares, transmission, non-receipt of annual report, non-receipt of dividend, credit of shares to demat account etc. During the year under review, the Company had received 13 compliant from shareholders, which were resolved and there is no compliant pending as on 31st March, 2011. The Complaints are normally resolved within the stipulated period under the Listing Agreement. The requests for revalidation of dividend warrants and issue of duplicate share certificates or duplicate dividend warrants etc are normally attended after completion of necessary formalities and procedure. Shri Abraham Pingle is the Compliance Officer of the Company.

4. GENERAL BODY MEETINGS

a. Location and time, where last three Annual General Meetings were held is given below:

Year	Location/Venue	Date	Time
2007-2008	Hotel Satkar, H/1, 2/A, GIDC, Highway, Chhatral - 382 729 (N. G.)	13.09.2008	10.30 a.m.
2008-2009	Shor Sharaba Food Inn Pvt Ltd, 3317, GIDC, Highway, Chhatral, Tal.: Kalol, Dist.: Gandhinagar - 382 729.	31.08.2009	10.30 a.m.
2009-2010	Shor Sharaba Food Inn Pvt Ltd, 3317, GIDC, Highway, Chhatral, Tal.: Kalol, Dist.: Gandhinagar - 382 729.	23.09.2010	11.30 a.m.

b. Special Resolution passed at the last three Annual General Meetings:

Three special resolutions were passed at the 21st AGM held on 23.09.2010 in respect of (1) Re-appointment of Shri Neel Bilgi, (relative of Shri Dinesh A Bilgi CMD and Shri Chirag D Bilgi) as Executive Director for 5

years w.e.f. 1st August, 2010, (2) Appointment of Shri Chirag D Bilgi, (relative of Shri Dinesh A Bilgi CMD and Shri Neel D Bilgi) as Executive Director for 5 years w.e.f. 1st August, 2010; and (3) Shri Pragnesh K Shah, as Executive Director of Company for 5 years with effect from 1st November, 2009. There are no special resolutions proposed to be passed at the 22nd AGM.

c. Passing of resolutions by Postal Ballot:

No special resolutions were passed through postal ballot during the last financial year and no special resolutions are proposed to be passed through Postal Ballot at the ensuing 22nd AGM.

d. Extra-ordinary General Meeting:

No Extra-ordinary General meeting was held by the Company during the financial year ended 31st March, 2011.

5. DISCLOSURES

- a. No transaction of material nature has been entered into by the Company with its Promoters, Directors or the Management, their subsidiaries or relative etc. that may have potential conflict with the interest of the Company. Transactions with related parties as per requirement of Accounting Standard (AS-18) – “Related Party Disclosure” are disclosed in Notes to the Accounts in the Annual Report.
- b. There were no instances of non-compliances and no penalty/strictures have been imposed on the Company by Stock Exchanges or Securities Exchange Board of India (SEBI) or other authority on any matter related to capital markets, during last three years.
- c. CEO/CFO Certification: The Chairman and Managing Director (i.e. CEO) has certified the financial statements of the Company.
- d. Adoption of non-mandatory requirements of Clause 49 of the Listing Agreement is being reviewed by the Board from time to time.

6. MEANS OF COMMUNICATION

The Board of Directors of the Company approves and takes on record the un-audited financial results and informs the said financial results to the Bombay Stock Exchange Ltd, Mumbai where the shares of the Company are listed. Further, the quarterly/half yearly results are normally published in daily ‘Western Times’.

7. GENERAL SHAREHOLDER INFORMATION

a) Annual General Meeting

Date and Time : Saturday, 17th September, 2011 at 11.30 a.m
Venue : Shor Sharaba Food Inn Pvt Ltd, 3317, GIDC, Highway,
Chhatral, Tal : Kalol Dist. Gandhinagar – 382 729.

b) Financial Calendar for 2011-2012 (Tentative)

Un-audited Results for First Quarter	: 3 rd August, 2011
Annual General Meeting	: By end of September, 2012
Un-audited Results for Second Quarter/Half Year	: Last week of October, 2011
Un-audited Results for Third Quarter	: Last week of January, 2012
Un-audited Results for Fourth Quarter	: Last week of April, 2012
Audited Annual Results 2011-2012	: Last week of July, 2012

c) Date of Book Closure

The Book Closure for payment of dividend, if any, is from Tuesday, 13th September, 2011 to Saturday, 17th September, 2011 (both days inclusive)

d) Dividend Payment

The payment of dividend, upon declaration by the shareholders at the forthcoming annual general meeting, will made on or after 17th September, 2011:

- i) to all those shareholders holding shares in physical and whose names appear in Company’s Register of Members as on 17th September, 2011

Annual Report 2010-2011



- ii) to all those beneficial owners holding shares in electronic form, as per the ownership data made available to the Company by National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) as at the end of the day on 12th September, 2011.
- e) **Listing on Stock Exchange**
The Equity Shares of the Company are listed at the Bombay Stock Exchange Ltd, Mumbai under Stock Code No. **526851** and ISIN No. is **INE480H01011**.

The Company has paid Annual Listing Fees for the year 2011-12 to the Bombay Stock Exchange Ltd, Mumbai. The Company has also paid custodial charges to National Securities Depository Ltd and Central Depository Services (India) Ltd for the year 2011-12.

- f) **Market Price Data on the Bombay Stock Exchange Limited, Mumbai**
The High, Low and number of shares traded during each month in the last financial year on the Bombay Stock Exchange Ltd is here given below :

Month	High (Rs.)	Low(Rs.)	Total No of Shares Traded
April,2010	23.25	15.75	35600
May,2010	23.00	16.35	8100
June, 2010	17.00	14.10	11800
July, 2010	19.25	16.05	24100
August, 2010	19.50	18.00	23100
September, 2010	20.75	17.75	19300
October, 2010	21.75	17.55	13800
November, 2010	21.35	18.10	32600
December, 2010	18.00	16.50	22900
January, 2011	18.60	17.00	8800
February, 2011	17.50	16.25	6700
March, 2011	-	-	-

- g) **Distribution of Shareholding as on 31st March, 2011**

No of Shares	No of Shareholders	% of Shareholders	Total Shares	% of Shareholding
000 to 500	4332	94.44	536000	13.54
501 to 1000	92	2.00	77400	1.96
1001 to 2000	48	1.05	72700	1.84
2001 to 3000	40	0.87	101300	2.55
3001 to 4000	10	0.22	35100	0.88
4001 to 5000	9	0.20	40700	1.03
5001 to 10000	21	0.46	153500	3.88
10001 and above	35	0.76	2942000	74.32
Total	4587	100.00	3958700	100.00

- h) **Shareholding Pattern as on 31st March, 2011**

Sr. No.	Category	No of Shares Held	% of Shareholding
1.	Promoters		
	Indian Promoters	2133680	53.90
	Foreign Promoter	520900	13.16
	Total Promoter Holding	2654580	67.06
2.	Mutual Fund and UTI	NIL	NIL
3.	Banks, Financial Institutions, Insurance Companies	NIL	NIL
4.	Private Corporate Bodies	140860	3.56
5.	Foreign Institutional Investors	NIL	NIL
6.	NRIs/OCBs	NIL	NIL
7.	Indian Public	1163260	29.38
	Grand Total	3958700	100.00

i) Registrar and Share Transfer Agents

M/s. Sharepro Services (I) Pvt Ltd are the Registrar and Share Transfer Agents of the Company. All share transfers and communication regarding share certificates, compliants and change of address may be addressed to :

Sharepro Services (India) Private Limited

416-420, 4th Floor, Devnandan Mall,
Opp. Sanyash Ashram, Ellisbridge, Ahmedabad – 380 006.
Tel : 079-26582381 to 84
Fax: 079-26582385
Email: sharepro@shareproservices.com

j) Share Transfer System

The transfer of shares in physical form is processed and completed by Registrar & Transfer Agent within a period of 7-15 days from the date of receipt thereof provided all the documents are in order. In case of shares in electronic form, the transfers are processed by NSDL/CDSL through respective Depository Participants.

k) Dematerialisation of Shares

The Company has established connectivity with both the Depositories viz. National Securities Depository Ltd (NSDL) and Central Depository (India) Limited (CDSL) to enable the members to dematerialise holding in the Company, under ISIN No. **INE480H01011**.

l) Plant Location and Address for correspondence

612, GIDC, Chhatral, Tal: Kalol, Dist : Gandhinagar -382 729.

AUDITOR'S CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT:

To
The Members of
Arex Industries Ltd.

We have examined the compliance of conditions of Corporate Governance by Arex Industries Limited for the year ended 31-03-2011, as stipulated in clause 49 of the Listing Agreement(s) of the said Company with the Stock Exchange(s) in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our examination has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representation made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above-mentioned Listing Agreement.

We state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place : Ahmedabad

Date : 3rd August, 2011

FOR C.R. SHAREDALAL & CO.

Chartered Accountants
(Registration No.109943W)

(J. K. Patel)
Partner

Membership No. 047136

COMPLIANCE CERTIFICATE

The Members
AREX INDUSTRIES LTD
Chhatral

L99999GJ1989PLC012213

I have examined the registers, records, books and papers of AREX INDUSTRIES LTD (hereinafter referred to as the 'Company') as required to be maintained under the Companies Act, 1956 (the Act) and the Rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on **31st March, 2011** (the year). In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company and its officers and agents, I certify that in respect of the aforesaid year:

1. The Company has kept and maintained all registers as per Annexure 'A'.
2. The Company has filed forms and returns with the Registrar of Companies, Gujarat as per Annexure 'B'.
3. The Company being a public limited Company, comments are not given as to minimum paid up capital and maximum number of members.
4. The Board of Directors met 5 times on 30.04.2010, 29.07.2010, 30.10.2010, 31.01.2011 and 03.03.2011 during the year and the proceedings were recorded in the Books maintained for the purpose.
5. The Company has closed its Register of Members from Wednesday, 1st September, 2010 to Wednesday, 8th September, 2010 in compliance of Section 154 of the Act.
6. The annual general meeting for the financial year ended on 31.3.2010 was held on 23.09.2010 and the resolutions passed thereat were recorded in the Books maintained for the purpose.
7. No extra ordinary general meeting was held during the year.
8. As informed to me, the Company has not advanced loans to its Directors and other persons referred to under Section 295 of the Act, during the year.
9. As informed to me, there were no instances falling within the purview of Section 297 of the Act, during the year.
10. The Company has made entries in the register maintained under Section 301 of the Act.
11. The Company has not obtained approvals from the shareholders or Central Government pursuant to Section 314 of the Act, except appointment of managerial personnel during the year.
12. The Company has approved issue of duplicate share certificates, during the year.
13. The Company has (i) delivered all certificates on lodgement thereof for transfer or transmission, (ii) deposited the amount of dividend in a separate bank account, (iii) posted warrants /cheques for dividend to the members of the Company within 30 days from the date of declaration (iv) not transferred the amounts in unpaid dividend accounts as they have not remained unclaimed or unpaid for a period of seven years to the Investor Education and Protection Fund, and (v) complied with the provisions of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted. The Company has appointed additional Directors during the year.
15. The Company has appointed Managing Director, Whole Time Director or Manager during the year in accordance with the provisions of Section 269 read with Schedule XIII to the Act.
16. The Company has not appointed sole-selling agent during the year.
17. No approval of the Central Government, Company Law Board, Regional Director or Registrar (ROC) was taken during the year.
18. The Directors have disclosed their interest in other firms/companies during the year.
19. The Company has not issued shares or debentures during the year.
20. The Company has not bought back any shares during the year.
21. The Company has not redeemed preference shares/debentures during the year.
22. The Company is not required to keep in abeyance rights to dividend, rights shares and bonus shares during the year.
23. The Company has not invited/ accepted deposits falling within the purview of Section 58A of the Act and the Rules made thereunder.
24. The amount borrowed by the Company, is within the borrowing limits of the Company under Section 293 (1) (d) of the Act.
25. The Company has not made any loans, advances or given guarantees or provided securities to other bodies corporate during the year.
26. The Company has not altered or shifted its registered Office during the year.
27. The Company has not altered the Object Clause of the Memorandum during the year.
28. The Company has not altered name Clause of the Memorandum during the year.
29. The Company has not altered share capital Clause of the Memorandum during the year.

30. The Company has not altered its Articles of Association during the year.
31. As informed to me, no prosecution was initiated against nor show cause notice received by the Company and pending for alleged offences under the Act during the year.
32. No security amount was received from its employees during the year.
33. The Company has not set up its separate Provident Fund Scheme under Section 418 of the Act during the year.

Place: Ahmedabad

Date: 3rd August, 2011

NARENDRA B SHAH
Company Secretary
CP No. 2168

ANNEXURE 'A'

Registers maintained during the year :

1. Register of Members
2. Minutes Book of Board Meetings
3. Minutes Book of General Meetings
4. Minutes Book of Committee Meetings
5. Register of Contracts etc
6. Register of Directors
7. Register of Directors' shareholdings
8. Register of Charges
9. Register of Share Transfers etc
10. Register of Issue of Duplicate Share Certificates

ANNEXURE 'B'

Forms and Returns as stated to have been filed by the Company with the Registrar of companies, Gujarat during the financial year ending on 31st March, 2011

1. E Form 8 filed u/s 125/135 on 7.4.2010 (SRN AA82384207 for Rs.500/-)
2. E Form 32 filed u/s 303 on 19.8.2010 (SRN A91799353 for Rs.500/-)
3. E Form 25C filed u/s 269 on 19.8.2010 (SRN A91797738 for Rs.500/-)
4. E Form 25C filed u/s 269 on 19.8.2010 (SRN A91798249 for Rs.500/-)
5. E Form 23 filed u/s 192 on 19.8.2010 (SRN A91798686 for Rs.500/-)
6. E Form 32 filed u/s 303 on 19.8.2010 (SRN A91799353 for Rs.500/-)
7. E Form 20B with Annual Return as on 23.9.2010 filed u/s 159 on 7.10.2010 (SRN P53769196 for Rs.500/-).
8. E Form 23AC with Annual Accounts for the year ending 31.3.2010 filed u/s 220 on 7.10.2011 (SRN P53769345 for Rs.500/-)
9. E Form 66 with compliance certificate for the year ending 31.3.2010 filed u/s 383A on 7.10.2010 (SRN P53769535 for Rs.500/-)
10. E Form 23 filed u/s 192 on 7.10.2010 (SRN A95461505 for Rs.500/-)
11. E Form 32 filed u/s 303 on 7.10.2010 (SRN A95461752 for Rs.500/-)
12. E Form 8 filed u/s 125/135 on 30.12.2010 (SRN B01896505 for Rs.500/-)
13. E Form 8 filed u/s 125/135 on 30.12.2010 (SRN B01896885 for Rs.500/-)
14. E Form 17 filed u/s 138 on 30.12.2010 (SRN B01896042 for Rs.500/-)
15. E Form 8 filed u/s 125 on 10.2.2011 (SRN B05232103 for Rs.500/-)

Auditors' Report

To,
The Members of
Arex Industries Ltd.

We have audited the attached Balance Sheet of AREX INDUSTRIES LIMITED as at 31st March, 2011 and also the Profit and Loss Account for the year ended on that date annexed thereto and Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditors Report) Amendment Order, 2004 (together the Order) issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956, and on the basis of such checks of books and records as we considered appropriate and on the basis of information and explanations given to us during the course of our audit which were necessary to the best of our knowledge and belief, we report, on the matters specified in paragraph 4 and 5 of the said Order in the attached Annexure.

Further to our comments in the Annexure referred to above, we report that :

- (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
- (iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
- (iv) In our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section(3C) of section 211 of the Companies Act, 1956; to the extent applicable to the company during the year under review.
- (v) On the basis of written representations received from the directors, as on 31st March, 2011, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with Significant Accounting policies and notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India ;
 - (a) in the case of the Balance Sheet, of the State of Affairs of the Company as at 31st March, 2011;
 - (b) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date; and
 - (c) in the case of Cash Flow Statement, of the Cash Flows of the Company for the year ended on that date.

Place : Ahmedabad

Date : 3rd August, 2011

FOR C. R. SHAREDALAL & CO.,
Chartered Accountants
Firm Regn. No. 109943w

(J. K. Patel)
Partner
Membership No.0471366

ANNEXURE TO THE AUDITORS' REPORT
(Referred to in our Report of Even Date)

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
(b) As explained to us, physical verification of Fixed Assets was conducted by the management during the year. In our opinion the frequency of physical verification is reasonable having regard to the size of the operation of the Company. According to the information and explanation given to us no material discrepancies were noticed on such verification.
(c) The Company has not disposed off any Substantial part of Fixed Assets during the year.
2. (a) As explained to us, during the year, the management has conducted physical verification of inventories at regular intervals, the frequency of which, in our opinion, are reasonable and adequate in relation to the size of the Company and nature of its business.

- (b) The procedures for the physical verification of inventories followed by management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion, the Company has maintained proper records in respect of inventories. We have been explained that no material discrepancies were noticed on physical verification of inventories, when compared with their book balance.
3. (a) During the year under review, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Consequently requirements of clauses (iiia), (iiib), (iiic) and (iiid) of paragraph 4 of the order are not applicable.
- (b) (a) During the year under review, the Company has taken loans from four parties covered in the register maintained under section 301 of the Companies Act, 1956. Maximum amount outstanding during the year is Rs.139= 76 Lacs and year end balance is 89=65 Lacs.
- (b) In our opinion, rate of interest and other terms and conditions of loans, taken by the Company are prima facie not prejudicial to the interest of the Company.
- (c) The Company is regular in paying interest and repayment of principal amount.
4. In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and nature of its business, for the purchase of inventory, fixed assets and for sale of goods. In our opinion, and according to the information and explanations given to us, there is no continuing failure to correct major weaknesses in internal control.
5. (a) To the best of our knowledge and belief and according to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in Sec. 301 of the Companies Act, 1956 have been entered in the Register required to be maintained under that section.
- (b) These transactions have been at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. During the year, the Company has not accepted any deposits from the public under the directives issued by the Reserve Bank of India and the provisions of Section 58A and 58AA or any other relevant provisions of the Companies Act, 1956.
7. The Company has an internal audit system which, in our opinion, is commensurate with its size and the nature of its business.
8. To the best of our knowledge and according to the information and explanation given to us, the Central Government has not prescribed maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 for the product of the Company.
9. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Central Excise Duty, Custom Duty, Service Tax, Cess and other applicable statutory dues during the year with the appropriate authorities. A few minor delays have been noted. However, at 31st March, 2011 there are no undisputed dues payable, for a period of more than six months from the date they become payable."
- (b) According to the information and explanation given to us, there are no dues of Income tax, Sales tax, Wealth tax, Excise Duty, Custom Duty, Service Tax, Cess or any other applicable taxes which have not been deposited on account of any dispute.
10. The Company does not have any accumulated losses at the end of the financial year. Also the company has not incurred any cash losses in the current as well as in the immediately preceding financial year.
11. The Company has not defaulted in repayment of installment of dues of financial institutions and banks.
12. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. Provision of special statutes applicable to Mutual Benefit Company, Chit Fund Company or Nidhi Company are not applicable to the company during the year under review.
14. According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments during the year under review. The investments of the company are held in its own name.
15. According to the information and explanations given to us, company has not given any guarantee for loan taken by others from banks and Financial Institutions.
16. In our opinion, the term loans disbursed by bank during the year as well as those taken in earlier years have been applied for the purpose for which they have been obtained.
17. According to the Cash-flow statement and other records examined by us and the information and explanations given to us, on an overall basis, funds raised on short term basis have not, prima facie, been used during the year for long term investment.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956.
19. The Company has not issued any debentures during the year. Hence reporting on the question of securitization do not arise.
20. The Company has not raised any money by way of public issues during the year.
21. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year ended March 31, 2011.

Place : Ahmedabad
Date : 3rd August, 2011

For **C R SHAREDALAL & CO.**
Chartered Accountants
Firm Regn No. 109943w
J K Patel
Partner
Memebership No. 047136

BALANCE SHEET AS AT 31st MARCH, 2011

		SCHEDULE	AMOUNT IN RUPEES	
			AS AT 31/03/2011	AS AT 31/03/2010
SOURCE OF FUNDS				
Shareholders' Funds				
Share Capital	1		3,95,87,000	3,95,87,000
Reserves & Surplus	2		8,75,39,453	7,33,78,416
Loan Funds				
Secured Loan	3		13,14,60,145	18,47,90,893
Unsecured Loan	3A		89,65,000	99,00,000
Deferred Tax Liabilities			3,25,20,000	3,04,00,000
Total			30,00,71,598	33,80,56,309
APPLICATION OF FUNDS				
Fixed Assets				
Gross Block	4		54,30,92,122	53,19,50,686
Less : Depreciation			31,83,75,885	26,23,14,124
Net Block			22,47,16,237	26,96,36,562
Investments	5		1,41,200	1,16,200
Current Assets Loans & Advances	6			
Inventories			3,23,66,186	2,56,96,000
Sundry Debtors			4,89,78,703	4,66,45,025
Cash and Bank Balances			29,15,938	24,28,442
Loans & Advances			89,50,545	97,27,781
			9,32,11,372	8,44,97,248
Less: Current Liabilities & Provision	7		1,79,97,211	1,61,93,701
Net Current Assets			7,52,14,161	6,83,03,547
Total			30,00,71,598	33,80,56,309
Significant Accounting Policies				
Notes Forming Part of the Accounts				

As per our report of even date attached
For **C. R. SHAREDALAL & CO.**
Chartered Accountants

J. K. PATEL
(Partner)
Membership No. : 047136

Date : 3rd August, 2011

For and on behalf of the Board

Shri Dinesh Bilgi
Shri Vasant Shah
Shri Neel Bilgi
Shri Chirag Bilgi

Shri Laxman Tilani
Shri Balkrishna Makwana
Shri Pragnesh Shah
Shri Dinesh Pande

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 31st MARCH, 2011

	SCHEDULE	AMOUNT IN RUPEES	
		31/03/2011	31/03/2010
INCOME			
Net Sales		25,06,11,707	21,42,58,947
Other Income	8	1,83,373	3,67,370
		<u>25,07,95,080</u>	<u>21,46,26,317</u>
EXPENSES			
Materials Consumed	9	6,61,93,124	5,88,51,916
(Increase)/Decrease in Stock	10	(8,33,186)	9,65,000
Trading Purchases		4,57,069	15,59,474
Employees' Remuneration & Benefits	11	4,11,27,485	3,43,51,569
Manufacturing & Other Expenses	12	2,06,65,203	2,27,52,913
Administrative, Selling & Other Exps.	13	2,71,96,757	2,26,81,404
Interest		1,72,76,147	1,32,40,073
Depreciation		5,62,48,628	4,09,44,167
		<u>22,83,31,227</u>	<u>19,53,46,516</u>
Profit before Taxation		2,24,63,853	1,92,79,801
Provision for Tax - Current		48,00,000	33,00,000
- Deferred		21,20,000	64,00,000
		<u>1,55,43,853</u>	<u>95,79,801</u>
Profit after tax		6,99,86,416	6,45,14,987
Add: Balance of Profit brought forward from previous year		27,71,764	59,968
Add : Tax Credit - Previous Year			
		<u>8,83,02,033</u>	<u>7,41,54,756</u>
Profit Available for Appropriation		35,62,830	35,62,830
Proposed Dividend		5,91,750	6,05,510
Tax on Proposed Dividend			
		<u>8,41,47,453</u>	<u>6,99,86,416</u>
Profit Carried to Balance Sheet			
Nominal Value of Each Share in Rs.		10	10
Earning Per Share in Rs.		3.93	2.42
Significant Accounting Policies	14		
Notes Forming Part of the Accounts	15		

As per our report of even date attached
For **C. R. SHAREDALAL & CO.**

Chartered Accountants

J. K. PATEL
(Partner)

Membership No. : 047136

Date : 3rd August, 2011

For and on behalf of the Board

Shri Dinesh Bilgi
Shri Vasant Shah
Shri Neel Bilgi
Shri Chirag Bilgi

Shri Laxman Tilani
Shri Balkrishna Makwana
Shri Pragnesh Shah
Shri Dinesh Pande

CASH FLOW STATEMENT FOR YEAR ENDED 31st March, 2011

(AMOUNT IN RUPEES)

Year ended March 31, 2011

Year ended March 31, 2010

A. CASH FLOW FROM OPERATING ACTIVITIES

Profit before tax		2,24,63,853	1,92,79,801
Adjustments for :			
Depreciation	5,62,48,628	4,09,44,167	
Interest Paid	1,72,76,147	1,32,40,073	
Other Income	(1,83,373)	(3,67,370)	
Provision for Tax	(48,00,000)	(33,00,000)	
Income Tax (Previous)	27,71,764	59,968	5,05,76,838

Operating Profit before Working Capital Changes

9,37,77,019 6,98,56,639

Adjustments for :			
Trade Receivables	(23,33,678)	(30,44,199)	
Inventories	(66,70,186)	(10,15,000)	
Loan & Advances	7,77,236	44,77,829	
Trade Payables	18,03,510	(64,23,118)	12,68,558

Net Cash Flow from Operating Activities (A)

8,73,53,901 7,15,43,827

B. CASH FLOW FROM INVESTING ACTIVITIES

Purchase of Fixed Assets	(1,15,48,211)	(10,88,11,905)	
Sale of Assets	2,19,908	1,04,611	
Purchase of Investment	(25,000)	-	
Other Income	1,83,373	3,67,370	

Net Cash used in Investing Activities (B)

(1,11,69,930) (10,83,39,924)

C. CASH FLOW FROM FINANCING ACTIVITIES

Proposed Dividend	(35,62,830)	(35,62,830)	
Tax on Proposed Dividend	(5,91,750)	(6,05,510)	
Secured Loans Raised/(Repaid)	(5,33,30,748)	4,45,95,152	
Unsecured Loans Raised/(Repaid)	(9,35,000)	99,00,000	
Interest Paid	(1,72,76,147)	(1,32,40,073)	

Net Cash used in Financing Activities (C)

(7,56,96,475) 3,70,86,739

D. NET INCREASE IN CASH

AND CASH EQUIVALENTS (A + B + C)

4,87,496 2,90,642

Opening Balance of Cash & Cash Equivalents 24,28,442 21,37,800

Closing Balance of Cash & Cash Equivalents 29,15,938 24,28,442

As per our report of even date attached

For C. R. SHAREDALAL & CO.

Chartered Accountants

J. K. PATEL

(Partner)

Membership No. : 047136

Date : 3rd August, 2011

For and on behalf of the Board

Shri Dinesh Bilgi

Shri Vasant Shah

Shri Neel Bilgi

Shri Chirag Bilgi

Shri Laxman Tilani

Shri Balkrishna Makwana

Shri Pragnesh Shah

Shri Dinesh Pande

AMOUNT IN RUPEES
31/03/2011 31/03/2010

SCHEDULE - 1

Share Capital

Authorised Capital :

5000000 Equity Shares of Rs. 10/- each	5,00,00,000	5,00,00,000
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Issued, Subscribed and Paid up Capital

3958700 (Previous year 3958700) Equity shares of Rs. 10/- each fully paid up	3,95,87,000	3,95,87,000
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TOTAL	3,95,87,000	3,95,87,000
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SCHEDULE - 2

Reserves and Surplus

State Cash Subsidy Received	23,92,000	23,92,000
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Balance of Profit and Loss A/c	8,41,47,453	6,99,86,416
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General Reserve	10,00,000	10,00,000
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TOTAL	8,75,39,453	7,33,78,416
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SCHEDULE - 3

Secured Loan

Term Loan from Schedule Bank (i) (Installments payable in next 12 months: Rs. 1,98,00,000/P.Y. Rs. 3,75,00,000)	10,36,19,093	15,34,76,438
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Cash Credit Accounts (ii)	79,76,014	1,42,84,908
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From Life Insurance Corporation of India (Secured against Policies)	1,79,27,000	1,52,33,000
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From ICICI Bank Ltd. (Secured against Vehicles)	1,81,334	4,03,562
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From The Bhagyodaya Co-op Bank Ltd (Secured against Vehicles)	17,56,704	13,92,985
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Instalments payable in next 12 months : Rs. 9,47,000/ P.Y. Rs. 7,26,000)		
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	13,14,60,145	18,47,90,893
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Notes :

- i) Term Loans are secured by first charge over Fixed Assets of the Company and Collateral Security of second charge on entire current assets of the company, pledge of shareholding of promoters and assignment of Keyman Insurance Policy. Loan is also guaranteed by personal guarantee of Managing Director.
- ii) The working capital facilities of Bank are secured by first charge on the stocks and book debts of the company and by a second charge over the immovable and other movable properties of the company. The loans are also secured by pledge of shareholding of promoters and personal guarantee of Managing Director and assignment of Keyman Insurance Policy.

SCHEDULE - 3A**Unsecured Loans**

From Directors

89,65,000

99,00,000

SCHEDULE - 4**Fixed Assets**

(AMOUNT IN RUPEES)

Description	Gross Block			Depreciation			Net Block	
	As at 1-4-10	Additions (Deductions) upto 31-03-11	Total As at 31-3-11	As on 1-4-10	During the year	Total As at 31-3-11	As at 31-3-11	As at 31-3-10
Leasehold Land	779141	Nil	779141	Nil	Nil	Nil	779141	779141
Factory Buildings	11468056	92354	11560410	3861897	385290	4247187	7313223	7606159
Other Buildings	2602601	Nil	2602601	349357	42423	391780	2210821	2253244
Plant and Machinery	385329874	6951118	392280992	227107475	29486224	256593699	135687293	158222399
Windmills	88173352	Nil	88173352	6115655	22828451	28944106	59229246	82057697
Electrifications	5420634	892763	6313397	3584381	423336	4007717	2305680	1836253
Furniture and Fixtures	9153540	162575	9316115	4115332	575641	4690973	4625142	5038208
Office Equipments	1539669	29000	1568669	674527	60287	734814	833855	865142
Computers	21172626	1059156	22231782	14660888	1796255	16457143	5774639	6511738
Vehicles	6173865	2361245 (406775)	8128335	1844612	650721	2495333 (186867)	5819869	4329253
Resort (Leasehold) #	137328	Nil	137328	Nil	Nil	Nil	137328	137328
Total	531950686	11141436	543092122	262314124	56248628	318375885	224716237	269636562
Previous Year	433378174	98572512	531950686	231504739	40944167	262314124	269636562	

Leasehold Resort "Time Share" is not amortised over the period of lease.

AMOUNT IN RUPEES
31/03/2011 31/03/2010

SCHEDULE - 5 :**Investment Long Term (At Cost)****Face Value****Nos.****Quoted :**

In Equity Shares (Fully Paid-up)

- Premjyot Fabric Limited

10

1000

20,000

20,000

- Welspun Corp. Ltd

10

5000

50,000

50,000

(Market Value as on 31/3/11

Rs. 10,32,000 P. Y. Rs. 13,86,250)

Unquoted :

In Equity Shares (Fully Paid-up)

- The Bhagyodaya Co-op Bank Ltd.

100

712

71,200

46,200

1,41,200**1,16,200**

AMOUNT IN RUPEES
31/03/2011 31/03/2010

SCHEDULE - 6 :

Current Assets, Loans & Advances

A) Current Assets

1. Inventories (As taken, valued & certified by the Management)		
i) Raw Materials (Lower of cost or net realisable value)	1,64,20,000	1,30,10,000
ii) Packing Materials (At Cost)	28,000	44,000
iii) Work in Process (Lower of cost & Standard Factory Overhead or net realisable value)	42,10,000	34,80,000
iv) Other Materials	2,90,000	1,47,000
v) Cons.stores & Other Material (At cost)	47,30,000	24,30,000
vi) Finished Goods (Lower of cost or net realisable value)	66,88,186	65,85,000
	3,23,66,186	2,56,96,000
2. <u>Sundry Debtors</u> (Unsecured, considered good)		
Outstanding for more than six months	30,42,212	62,18,729
Others	4,59,36,491	4,04,26,296
	4,89,78,703	4,66,45,025
3. <u>Cash and Bank Balances</u>		
Cash on hand	9,46,437	13,87,181
With Scheduled Bank - Current Accounts	19,69,501	10,41,261
	29,15,938	24,28,442

B) Loans and Advances : (Unsecured, considered good)

1. Loan to Employees	9,55,391	9,00,163
2. Advances/Claims recoverable in cash or in kind or for value to be received.	65,80,360	68,54,494
3. Sundry Deposits	12,66,700	10,66,700
4. Advance Payment of Taxes (Net of Provision) (Includes MAT Credit entitlement Rs. 25,33,832/-)	1,48,094	9,06,424
	89,50,545	97,27,781

SCHEDULE - 7

Current Liabilities and Provisions:

Current Liabilities :-

Sundry creditors for goods	11,77,726	24,56,862
Sundry creditors for expenses	17,49,052	18,04,806
Sundry creditors for capital goods	13,08,190	13,10,542
Advance from Customers	3,96,663	73,667
Provision for Expenses	75,52,033	52,06,271
Provision for Interest	2,11,520	1,82,855
Unpaid Dividend	14,47,447	9,90,358
	1,38,42,631	1,20,25,361

Provisions :-

Proposed Dividend	35,62,830	35,62,830
Tax on Proposed Dividend	5,91,750	6,05,510
	41,54,580	41,68,340
	1,79,97,211	1,61,93,701

AMOUNT IN RUPEES
31/03/2011 31/03/2010

SCHEDULE - 8

Other Income	16,248	1,33,189
Bad-debts Recovery	1,02,957	1,16,654
Interest (TDS during the year Rs. 10,306 P.Y. Rs. 16,306)	13,806	9,152
Dividend	50,362	1,08,375
Miscellaneous Income		

1,83,373

3,67,370

SCHEDULE - 9

Materials consumed	1,30,10,000	1,13,80,000
Opening stock of raw materials	6,96,03,124	6,04,81,916
Add : Purchase during the year (Net)		

8,26,13,124

7,18,61,916

1,64,20,000

1,30,10,000

Less: Closing Stock of raw materials

6,61,93,124

5,88,51,916

SCHEDULE - 10*

(Increase) / Decrease in Stocks

Opening Stock	34,80,000	41,30,000
Work-in-process	65,85,000	69,00,000
Finished Goods		

1,00,65,000

1,10,30,000

Less: Closing Stock
Work-in-process
Finished Goods

42,10,000

34,80,000

66,88,186

65,85,000

1,08,98,186

1,00,65,000

(8,33,186)

9,65,000

SCHEDULE - 11

Employees' Remuneration & Benefits

Salaries / Wages & Bonus

Other Benefits & Perks

Contribution to P.F. & other funds

2,80,42,573

2,54,88,134

1,07,41,295

63,36,539

23,43,617

25,26,896

4,11,27,485

3,43,51,569

SCHEDULE - 12

Manufacturing & Other Expenses

Power & Fuel

Freight & Octroi

Stores & Spare Parts Consumed

Repairs & Maintenance :

Machinery

Buildings

Others

Factory & Other Expenses

Packing material consumed

52,11,046

1,15,40,715

2,28,854

3,71,142

86,29,447

53,29,354

5,64,107

2,38,455

2,49,737

9,35,469

3,99,777

5,05,981

42,56,144

30,14,549

11,26,091

8,17,248

2,06,65,203

2,27,52,913

AMOUNT IN RUPEES
31/03/2011 31/03/2010

SCHEDULE- 13

Administrative, Selling & Other Expenses

Printing and Stationery	9,97,654	10,71,257
Telephone	10,73,463	9,82,961
Conveyance & Petrol Expenses	25,62,042	20,62,433
Traveling Expenses	11,49,635	13,94,550
Rent	18,62,100	17,92,800
Rates & Taxes	17,19,391	2,33,245
Auditors' Remuneration	1,87,510	1,10,300
Office Expenses	32,60,559	19,69,032
Selling Expenses	88,25,273	72,66,543
Insurance	4,18,759	5,33,035
Keyman Insurance	NIL	20,33,910
Bad Debts	44,92,065	29,69,813
Donation	24,501	8,501
Loss on Sale of Assets	1,51,908	2,011
Loss due to foreign exchange fluctuation (Net)	4,71,897	2,51,013
	2,71,96,757	2,26,81,404

SCHEDULE:14: SIGNIFICANT ACCOUNTING POLICIES :

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES FOLLOWED IN THE COMPILATION OF THE ACCOUNTS

i) Basis of Presentation

The Accounts have been prepared using historical cost convention and on the basis of a going concern, with revenues recognised and expenses and other claims are accounted for on accrual basis except in case of significant uncertainties. Where changes in presentation are made, comparative figures for the previous year are re-grouped accordingly.

ii) Fixed Assets

Fixed assets are stated at cost less depreciation. Cost comprises of cost of acquisition and directly attributable cost of bringing the assets to condition for its intended use.

iii) Investments

Long term Investments are stated at cost. Provision for diminution in the value of long term investment is made only if such a decline is other than temporary in nature.

iv) Inventories

Inventories are valued as under :

- Raw materials : at weighted average cost or realisable value which ever is lower.
- Work in Process : at the aggregate of material cost and direct applicable standard overheads, or net realisable value which ever is lower.

- Finished Goods: at the aggregate of material cost and direct applicable standard overheads or net realisable value which ever is lower.
 - Trading Goods : at Cost or Net realisable value which ever is lower.
 - Stores and Spares and Packing Materials items are valued at Cost.
- v) Depreciation
Depreciation is provided on a straight line basis, except on Windmill on which depreciation is charged on Written Down Value basis by applying the rates specified in Schedule XIV of the Companies Act, 1956. Depreciation on addition and sale of assets during the year are charged on pro-rata basis.
- vi) Foreign Currency Transactions
- Transactions in Foreign Currency are recorded at the Exchange rates prevailing at the time transactions are effected.
 - Assets and Liabilities in Foreign Currency as at year end covered by forward contracts are stated at the forward contract rates, while those not covered by forward contracts are restated at the rates of exchange at the year end.
 - Exchange difference arising on the settlement of monetary items at the rates different from those at which they were initially recorded during the year or reported in previous financial statements are recognised as income or expense in the year in which they arise.
- vii) Provision, Contingent Liabilities and Contingent Assets
Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.
- viii) Retirement Benefits
Gratuity and Leave Encashment Liabilities are accounted for on the basis of actuarial valuation made by Life Insurance Corporation of India in respect of eligible Employees of the Company. Company's contribution to Provident Fund are charged to Profit & Loss Account.
- ix) Revenue Recognition
The sales are recorded when supply of goods takes place in accordance with the terms of sales and on change of title in the goods. The sales are shown net off VAT, Excise, rebates and sales return.
- x) Taxes on Income
Provision for current tax is made considering various allowances and benefits available to the company under Income tax Act. In accordance with Accounting Standard AS-22 "Accounting for Taxes on Income" issued by The Institute of Chartered Accountants of India, Deferred taxes resulting from timing differences between book and tax profits are accounted for at the current rate of tax to the extent the timing differences are expected to be crystallized.
- xi) Borrowing Costs
Borrowing cost are recognized as an expense in the period in which they are incurred, except to the extent where borrowing costs that are directly attributable to the acquisition, construction or production of an asset till put for its intended use is capitalised as part of the cost of that asset.
- xii) Impairment of Assets
An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Account in the year in which as asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.
- xiii) Lease
The Company's significant leasing arrangements are in respect of operating leases for premises (Residence, Office etc). The leasing arrangements which are not cancellable range between eleven months to three years generally, and are usually renewable by mutual consent at agreed terms. The aggregate lease rent payable are charged as rent in Profit & Loss Account.
- xiv) Government Grants
Government grants under TUF Scheme are recognised in the financial statement on accrual basis and the same is adjusted against interest expenses for which it is granted in the nature of compensation.
- xv) Power Generation from Windmills
Units generated from windmills are adjusted against the captive consumption of power at the factory. The monetary value of the units so adjusted, calculated at the prevailing UGVCL rates net of wheeling charges has been included in power and fuel. The value of unadjusted units as on the Balance Sheet date has been included in Advances recoverable in cash or in kind under the Schedule Loans and Advances.

SCHEDULE:15: NOTES FORMING PART OF ACCOUNTS:

AMOUNT IN RUPEES
31/03/2011 31/03/2010

- i) Estimated amount of contracts remaining to be executed on capital account and not provided for

ii) Contingent Liabilities of				
(a) Letter of Credit by bank	---			9,11,250
(b) Disallowance of expenses under Income Tax Act for A. Y-1996-97	13,51,672			13,51,672
matter pending with High Court of Gujarat				
iii) CIF Value of direct imports :				
- Raw Materials		8,79,848		15,25,746
- Capital Goods		21,41,002		1,01,67,248
- Stores & Spares		44,51,741		8,60,709
iv) Expenditure in Foreign Currency				
- Traveling		91,600		1,00,645
- Others		14,56,110		4,43,886
v) Earning in Foreign Currency (FOB Value)		99,02,808		54,10,647
vi) Consumption of :	%	Amt. Rs	%	Amt.Rs.
a) Raw Materials:				
Indigenous	99	6,53,13,276	97	5,73,26,170
Imported	1	8,79,848	3	15,25,746
b) Stores, Spares and Tools:				
Indigenous	48	41,77,706	84	44,68,645
Imported	52	44,51,741	16	8,60,709
vii) Auditors' Remuneration				
- Audit Fee		1,87,510		1,10,300
- Others		77,210		11,030
viii) Directors Remuneration				
- Salary & Bonus		50,49,089		32,38,778

2010-2011 **2009-2010**

ix) Capacity & production :				
(Million Picks in mts.)	Installed Capacity	Production	Installed Capacity	Production
Labels	12870	8079	12870	7177

[The company is not required to obtain any license under Industrial (Development & Regulation) Act, 1951 for the products being manufactured by the company]

x) Stocks

	01/04/2010 Opening Stock		31/03/2011 Closing Stock	
	Quantity	Amount (Rs.)	Quantity	Amount (Rs.)
Raw Material (Yarn Kgs & Substrate mts)	51016 (46685)	1,30,10,000 (1,15,23,000)	63801 (51910)	1,64,20,000 (1,31,57,000)
Work in Process (Kgs)	8930 (10978)	34,80,000 (41,30,000)	10578 (8930)	42,10,000 (34,80,000)
Finished Stocks (Pcs.)	20324432 (21243580)	65,85,000 (69,00,000)	16658340 (20324432)	66,20,000 (65,85,000)

[Previous year's figures are denoted in bracket]

xi) Sales, Purchase and Consumption of Materials

		2010-2011		2009-2010	
	Units	Quantity	Amt. (Rs.)	Quantity	Amt.(Rs.)
Sales of Labels	Pcs.	425389540	25,06,11,707	359263572	21,42,58,947
Purchase of Raw Materials (Yarn & Substrate)	Kgs.	286128	6,96,03,124	261131	6,04,81,916
Consumption of Raw Materials (Yarn & Substrate)	Kgs.	273342	6,61,93,124	255906	5,88,51,916



- xii) The figures are rounded off to the nearest rupee and are regrouped or rearranged, wherever necessary to make them comparable.
- xiii) Company provides for depreciation on the fixed assets, at the rates specified in Schedule XIV of the Companies Act, 1956, on straight line method. (Windmills - Written Down Value)
- xiv) Sundry Debtors, Sundry Creditors, Loans and Advances, Deposits and Personal Accounts either debit or credit are subject to confirmation from parties and reconciliation if any.
- xv) In the opinion of the Board, the current assets, loans and advances have a value on realisation in ordinary course of business at least equal to the amount at which they are stated.

xvi) Employee Benefits in respect of Gratuity and Leave encashment - Particulars as per Accounting Standard AS 15

	2010-11	2009-10
1-Present value of obligations as at the beginning of the year	45,62,749	38,39,324
Interest Cost	3,65,020	3,07,149
Current Service Cost	11,74,847	19,65,330
Benefits Paid	(31,792)	(5750)
Actuarial (gain) / loss on obligations	(14,85,756)	(15,43,301)
Present value of obligations as at the end of year	45,85,068	45,62,749
2-Fair Value of Plan Assets at beginning of year	67,64,649	55,55,412
Expected return of plan assets	6,15,708	5,06,155
Contributions	NIL	7,08,832
Benefits Paid	(31,792)	(5750)
Actuarial (gain) / loss on Plan Assets	NIL	NIL
Fair Value of plan assets at the end of the year	73,48,565	67,64,649
3-Present value of obligations as at end of year	45,85,068	45,62,749
Fair value of plan assets as at the end of the year	73,48,565	67,64,649
Funded status	27,63,497	22,01,900
Net Assets / (liability)	(27,63,497)	(22,01,900)
4-Current Service Cost	11,74,847	19,65,330
Interest Cost	3,65,020	3,07,146
Expected return of plan assets	(6,15,708)	(5,06,155)
Net Actuarial (gain) / loss recognized in the year	(14,85,756)	(15,43,301)
Expenses Recognized in statement of Profit and loss	(5,61,597)	2,23,020
Discount Rate	8%	8%
Salary Escalation	7%	7%

xvii) The Deferred Tax Liability Comprises of Tax effect of Timing difference of account of

Particulars	2010-11	2009-10
Opening	3,04,00,000	2,40,00,000
Deferred Tax Liability Difference Current Year	21,20,000	64,00,000
Between Book and Tax Depreciation Closing	3,25,20,000	3,04,00,000

xviii) Earning Per Share

	2010-11	2009-10
Profit attributable to Share Holders (Rs)	1,55,43,853	95,79,801
Basic/Weighted Average No. of Equity Shares Outstanding during the year	39,58,700	39,58,700
Nominal Value of Equity Shares (Rs)	10	10
Basic/Diluted Earning per Share (Rs)	3.93	2.42

xix) Segment Reporting

Company has only one primary segment of manufacturing and sale of labels and does not fall under secondary segment. In view of this, details of segment information is not given as required by AS 17 Segment Reporting issued by The Institute of Chartered Accountants of India.

xx) Related Party Transactions

(A) Related parties and nature of relationship

Sr. No.	Name of related Party	Description of relationship
1.	Mr. Dinesh Bilgi	Managing Director
2.	Mr. Neel Bilgi	Executive Director
3.	Mr. Pragnesh Shah	Executive Director
4.	Mr. Chirag Bilgi	Executive Director
5.	Mr. Laxman Tilani	Director

(B) Transactions with Key Managerial Personnel & Nature of Transactions

	2010-11	2009-10
Remuneration	50,49,089	32,38,778
Deposit Taken	2,53,55,000	1,91,80,000
Deposit Repaid	2,62,90,000	92,80,000
Closing Balance of Deposit	89,65,000	99,00,000
Interest Paid	12,74,778	8,47,200

(C) Related party relationship is as identified by the Company on the basis of information available with them and relied upon by the Auditors.

xxii) Interest Expenses

	2010-11	2009-10
On Term Loans	1,67,60,234	1,44,92,352
Less : TUF Reimbursement on Term Loan Interest	(34,38,900)	(49,58,928)
On Working Capital	10,34,777	12,03,505
Sub-total	1,43,56,111	1,07,36,929
On other Loans	29,20,036	25,03,144
	<u>1,72,76,147</u>	<u>1,32,40,073</u>

xxiii) Disclosure in accordance with Part I of Schedule VI of Companies Act, 1956 in respect of Micro, Small and Medium Enterprises:

Sr. No.	Particulars	2010-11	2009-10
a.	Principal amount remaining unpaid	NIL	NIL
b.	Interest due thereon	NIL	NIL
c.	Interest paid by the Company in term of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006	NIL	NIL
d.	Interest due and payable for the period of delay in payment	NIL	NIL
e.	Interest accrued and remaining due and payable even in succeeding years	NIL	NIL

This information as required to be disclosed has been determined to the extent such parties have identified on the basis of information available with the Company. Further, previous year information is not available with the Company.

As per our report of even date attached
For **C. R. SHAREDALAL & CO.**
Chartered Accountants

J. K. PATEL
(Partner)

Membership No. : 047136

Date : 3rd August, 2011

For and on behalf of the Board

Shri Dinesh Bilgi
Shri Vasant Shah
Shri Neel Bilgi
Shri Chirag Bilgi

Shri Laxman Tilani
Shri Balkrishna Makwana
Shri Pragnesh Shah
Shri Dinesh Pande

Balance Sheet abstract and Company's General Business Profile (Information pursuant to Part IV of Schedule VI to the Companies Act, 1956)

1. Registration Details

Registration No.	:	12213	State :	04
Balance Sheet	:	31-03-2011		

2. Capital Raised during the year (Amount Rs. in Thousand)

Public Issue	:	Nil	Right Issue :	Nil
Bonus Issue	:	Nil	Private Placement :	Nil

3. Position of Mobilisation and Deployment of Funds (Amount Rs. in Thousand)

Total Liabilities	:	318068	Total Assets :	318068
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SOURCE OF FUNDS

Paid-up Capital	:	39587	Reserves & Surplus :	87539
Secured Loan	:	131460	Unsecured Loan :	8965
Other Liabilities	:	32520		

APPLICATION OF FUNDS

Net Fixed Assets	:	224716	Investments :	141
Net Current Assets	:	75214	Misc. Expenditure :	Nil
Accumulated Losses	:	Nil	Capital Work-In-Progress :	Nil

4. Performance of Company (Amount Rs. in Thousand)

Turnover	:	250795	Total Expenditure :	228331
+ / - Profit/(Loss) before tax	:	22464	+ / - Profit/(Loss) after tax :	155
Earning per Share (Rs.)	:	3.93	Dividend Rate (%) :	9

5. General Names of Three Principal Products/Services of the Company (As per Monetary Terms)

Item Code No. (ITC Code)	:	58071009
Product Description	:	Other Textile Materials

Arex Industries Ltd.

Regd. Office : 612, GIDC, Chhatral, Tal. Kalol, Dist. Gandhinagar - 382729.



NAME AND ADDRESS

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22ND ANNUAL GENERAL MEETING

17th September, 2011 at 11.30 A.M.

Shor Sharaba Food Inn Pvt Ltd
3317, GIDC, Highway, Chhatral - 382 729

ADMISSION SLIP

Please hand over this admission slip at the entrance of the meeting hall

DP ID No. :

L. F. No. :

Client ID No. :

Holding :

☐

Member

☐

Proxy

NAME OF THE PROXY / MEMBER (IN CAPITAL LETTERS)

I hereby register my presence at the meeting

Signature of the Member / Proxy

Arex Industries Ltd.

Regd. Office : 612, GIDC, Chhatral, Tal. Kalol, Dist. Gandhinagar - 382729.



I/We

.....

.....

PROXY FORM

DP ID No. :

L.F. No. :

Client ID No. :

Holding :

In the district of being a member / members of Arex Industries Limited hereby appoint of in the district of or failing him/her..... of in the district of as my / our proxy to vote for me / us and on my / our behalf at the 22nd Annual General Meeting of the Company to be held on Saturday, 17th September, 2011 and at any adjournment thereof.

Signed this day of 2011.

PROXY FORM

Proxy No.	Date of Receipt

Proxy form must reach company's registered office not later than 48 hours before the commencement of the meeting.

Affix
One
Rupee
Revenue
Stamp

Signature

Book - Post

To,

If undelivered please return to :

Arex Industries Ltd.

**S/10, Vikram Chambers,
Ashram Road,
Ahmedabad - 380 009.**