FORM A

Format of covering letter of the annual audit report to be filed with the stock exchanges

1.	Name of the Company:	Anar Industries Limited
2.	Annual financial statements for the year ended	31st March 2015
3.	Type of Audit observation	Un-qualified / Matter of Emphasis
4.	Frequency of observation	Whether appeared first time/ repetitive/ since how long period
5.	To be signed by- • CEO/Managing Director	Swetank Patel Managing Director DIN: 00116551
	• CFO	The Company has not appointed any CFO.
	• Auditor of the company	For, J.K.Parmar & Co J. K. Parmar Proprietor
	• Audit Committee Chairman	Narendra Ayer DIN: 00116692

ANNUAL REPORT 2014 - 2015

BOARD OF DIRECTORS

Swetank M. Patel	*Managing Director*
Hina S. Patel	*Director*
Narendra S. Ayer	*Independent Director*
Umesh R. Naik	*Independent Director*

AUDITORS

M/s. J. K. Parmar Associates
Chartered Accountants
Ahmedabad

BANKERS

ICICI Bank Ltd.,
Bopal Branch, Ahmedabad

HDFC Bank,
Darpan Six Roads Branch, Ahmedabad

State Bank of India,
Navrangpura Branch, Ahmedabad.

REGISTERED OFFICE

4th Floor, Karm Corporate House, Opp. Vikramnagar
Nr. New York Timber, Ambli Bopal Road
Ahmedabad.

REGISTRAR & SHARE TRANSFER AGENTS

Sharepro Services (India) Pvt. Ltd.
416-420, 4th Floor, Devnandan Mall,
Opp. Sanyas Ashram, Ashram Road,
Ellisbridge, Ahmedabad – 380006
Phone: 079 26582381
E-mail: sharepro@shareproservices.com

NOTICE

Notice is hereby given that **Annual General Meeting** of **Anar Industries Limited** will be held at the registered office of the Company on Tuesday, 29th Day of September, 2015 at 11:00 A.M. to transact following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Financial Statements of the Company for the year ended 31st March, 2015 including audited Balance Sheet as at 31st March, 2015 and Statement of Profit and Loss for the year ended on that date and the Reports of the Directors, Auditors and the Secretarial Auditor thereon.
2. To re-appoint Ms. Hina S. Patel (DIN: 01987053), who is liable to retire by rotation and being eligible, offers herself for re-appointment.
3. To ratify the appointment of M/s. J. K. Parmar & Co., Chartered Accountants (Firm Registration No.105799W) as approved by Members at the Annual General Meeting as Statutory Auditors of the Company, to hold office until the conclusion of Annual General Meeting, and to fix their remuneration for the financial year ending 31st March, 2016.

SPECIAL BUSINESS:

4. **To approve Borrowing limits of the Company**

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

   "RESOLVED that pursuant to Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time, Companies Rules (including any statutory modification(s) or re-enactment thereof for the time being in force) the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall include any committee thereof for the time being exercising the powers conferred on the Board by this Resolution) for borrowing from time to time, any sum or sums of monies, which together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business), may exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total outstanding amount so borrowed shall not at any time exceed the limit of Rs. 30 crore."

   "RESOLVED FURTHER that the Board be and is hereby authorized and empowered to arrange or settle the terms and conditions on which all such monies are to be borrowed from time to time as to interest, repayment, security or otherwise howsoever as it may think fit and to do all such acts, deeds and things, to execute all such documents, instruments and writings as may be required."

Place: Ahmedabad
Date: 4th September, 2015

For and on behalf of the Board

SD/-
Swetank Patel
Managing Director
DIN: 00116551

Explanatory Statement as required under Section 102 of the Companies Act, 2013

Item No. 4.

As per Section 180 (1) (c) of the Companies Act, 2013, borrowings (apart from temporary loans obtained from the Company's bankers in ordinary course of business) by the Company beyond the aggregate of the paid up capital of the company and its free reserve requires approval from the shareholders of the Company. Keeping in view of enhanced requirement of loan and also the legal requirement that Section 180(1) of the Companies Act, 2013 provides that the Board of Directors of a company shall exercise the said power only with the consent of the Company by a special resolution. Hence, the Special Resolution at Item No. 4 for authorizing the Board of Directors to borrow monies (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) from time to time on behalf of the Company not exceeding Rs. 30 crores is intended for this purpose.

The Directors recommends the resolution for members' approval as a Special Resolution.

None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise in this resolution.

Place: Ahmedabad
Date: 4th September, 2015

For and on behalf of the Board

SD/-
Swetank Patel
Managing Director
DIN: 00116551

NOTES:

1. Shareholder is entitled to attend and vote at the meeting and is also entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a Shareholder. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy provided such person shall not act as a proxy for any other person or shareholder.
2. Proxies in order to be effective must be received by the Company not less than 48 hours before the commencement of the meeting.
3. All documents referred to in the Notice are open for inspection at the Registered Office of the Company between 11:00 a.m. and 1:00 p.m. on any working day except Saturdays and holidays up to the date of Annual General Meeting. Shareholders seeking any information with regards to accounts are requested to write to the Company at least 10 days before the date of Annual General Meeting so as to enable the management to keep the information ready.
4. Shareholders are requested to intimate the change, if any, in their registered address at the earliest, quoting their folio number.
5. Shareholders or Proxy are requested to bring along with them their copy of Annual Report at the meeting as extra copies will not be distributed.
6. Members / Proxies should bring the duly filled attendance slip send herewith for attending the meeting
7. Register of Shareholders shall remain closed from 23rd September, 2015 to 29th September, 2015 (Both days inclusive).
8. **Voting through electronic means:**

   Pursuant to the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by the Companies (Management and Administration) Amendment Rules, 2015, and Clause 35B of the Listing Agreement, the Company is pleased

to provide its members the facility to exercise their right to vote by electronic means. The facility of casting votes using an electronic voting system from a place other than the AGM venue ('remote e-voting') will be provided to the members by Central Depository Services (India) Limited (CDSL).

The Company is providing facility for voting by electronic means and the business may be transacted through such electronic voting. The facility for voting through ballot paper shall also be made available at the meeting and members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting. The members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.

The 'Step by Step' procedure and instructions for casting your vote electronically are as under:

i. The e-voting period begins on 26th September, 2015 at 9:00 a.m. and end on 28th September, 2015 at 5:00 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as at the cut-off date of 22nd September, 2015, may cast their vote electronically. Any person, who acquires shares of the Company and becomes member of the Company after dispatch of the notice and holding shares as on 22nd September, 2015, may obtain the login Id and password by standing request at helpdesk.evoting@cdslindia.com. The e-voting module shall be disabled by CDSL for voting after 28th September, 2015 at 5:00 p.m.
ii. Open your web browser during the voting period and log on to the e-voting website www.evotingindia.com.
iii. Next click on "Shareholders" tab to cast your votes.
iv. Now Enter your User ID
   For CDSL: 16 digits beneficiary ID,
   For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
   Members holding shares in Physical Form should enter Folio Number registered with the Company.
v. Next enter the Image Verification as displayed and Click on Login.
vi. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used
vii. If you are a first time user follow the steps given below:

PAN	Enter your 10 digits alpha-numeric PAN issued by Income Tax Department when prompted by the system while e-voting (applicable for both demat shareholders as well as physical shareholders) Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN Field. The Sequence Number is printed on address label/ sticker affixed on the back page of the Annual Report. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. E.g. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB#	Enter the date of birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format
Dividend Bank Details#	Enter your dividend bank details as recorded in your demat account or in the Company records for the said demat account or folio.

please enter DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or member, please enter the member id/folio no. in the Dividend Bank details field as mentioned in instruction (iv).

viii. After entering these details appropriately, click on "SUBMIT"tab.
ix. Members holding shares in physical form will then reach directly to the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily change their login password in the new password field. Kindly note

that this password can be used by the Demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that such company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

x. Click on the EVSN for the relevant Company (ANAR INDUSTRIES LIMITED) on which you choose to vote.

xi. On the voting page, you will see Resolution Description and against the same, the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies thatyou assent to the Resolution and option NO implies that you dissent to the Resolution.

xii. Click on the "Resolutions File Link" if you wish to view the entire Resolutions.

xiii. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK" else to change your vote, click on "CANCEL" and accordingly modify your vote.

xiv. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

xv. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

xvi. If Demat account holder has forgotten the password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

xvii. Note for Non-Individual Shareholders and Custodians.

- Non-individual shareholders (i.e. other than individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk. evoting@cdslindia.com
- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to helpdesk. evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (FAQs) and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk evoting@cdslindia.com

xviii. Mr. Chintan Patel, Partner, M/s. Patel & Associates, Company Secretaries, Ahmedabad has been appointed as the Scrutinizer for conducting the e-voting process.

In case of members receiving the physical copy:

a. Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.

b. The voting period begins on 26th September, 2015 at 9:00 a.m. and end on 28th September, 2015 at 5:00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 22nd September, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

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

To,
The Members,

Your Directors have pleasure in presenting their **Annual Report** on the business and operations of the Company and the Audited Accounts for the Financial Year ended 31st March, 2015.

1. FINANCIAL SUMMARY/HIGHLIGHTS OF PERFORMANCE OF THE COMPANY:

Financial Results		**(₹ in Lacs)**
Particulars	**Year ended 31-03-2015**	**Year ended 31-03-2014**
Total Revenue	1596.72	11.37
Total Expenditure	1697.47	34.46
Profit (Loss) before tax	(100.75)	(28.08)
Provision for Differed Tax	30.14	9.55
Net Profit (Loss) for the year	**(70.61)**	**(18.41)**

2. DIVIDEND:
Due to loss during the year, the Company is not able to declare dividend.

3. SHARE CAPITAL:
At present, the Company has only one class of shares – equity shares with face value of ₹ 10/- each. The authorized share capital of the company is ₹ 165,000,000/- divided into 16,50,00,00 equity shares of ₹ 10/- each. The paid up share capital of the company is ₹ 6,33,46,990/- divided into 6,33,46,990 equity shares of ₹ 10/- each.

4. DEPOSITS:
Your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

5. FUTURE OUTLOOK:
There is cut throat competition in the IT industry and more particularly in hardware and software. To mitigate the same, management had adopted defensive strategy in order to maintain the market share of your Company. At Present many policies are being formed/adopted by the present Government which may be beneficial to the Company in future. As crude oil prices has come down which directly have a positive effect on the economy and in same line we expect many more positive things to happen in the global market which may have positive impact on the Company.
The global economy in FY 2014-15 witnessed divergent trends among major economies. The Indian economy and business environment remained largely subdued during 2014-15. The global economic recovery is gaining momentum coupled with some divergence. India's economy is poised to return to its high-growth path, thanks to lower fiscal and current account deficits, falling inflation, low crude oil price, moderate commodity prices, and structural reforms to boost investments. Monetary policy is also likely to be supportive with the Reserve Bank of India (RBI) having moved to flexible inflation targeting. The manufacturing sector is likely to benefit from lower interest rates. However, productivity and capital efficiency improvement are likely to drive near-term growth. Demand from export as well as domestic markets has not increased substantially. Volatility of rupee may hamper growth of economy.
The thrust on the competitive strength, newer product development and consolidation of customer relationship has resulted into a bright future for the Company. The company expects to retain the performance in the current year.

6. ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE:
During the period under review, several energy conservation initiatives were adopted and were taken by the Company. There are no plans to import any kind of technology for the project and hence information regarding its

absorption is not applicable. There was no research activities carried out during the year, foreign exchange earnings and outgo is given in **ANNEXURE - I** and forms part of this report.

7. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY:

There were no such material changes occurred subsequent to the close of the financial year of the Company to which the balance sheet relates and the date of the report which can affect the financial position of the Company.

8. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS:

No such Orders have been passed by the Regulators/Court or Tribunals which can impact the going concern status and Company's operation in future.

9. DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES:

The Company has no Subsidiary Company. Hence, details relating to Subsidiary Company are not provided for.

10. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENT BY THE COMPANY:

Details of Loans, Guarantees and Investments, if any covered under the provisions of Section 186 of the Act are given in the notes to the Financial Statements.

11. MEETING OF BOARD OF DIRECTORS:

During the year under the review, 5 (Five) Board meetings were held, with gap between Meetings not exceeding the period prescribed under the Companies Act, 2013 and Rules made thereunder. Details of Board and Board committee meetings held during the year are given in the Corporate Governance Report.

Board meeting dates are finalized in consultation with all directors and agenda papers backed up by comprehensive notes and detailed background information are circulated well in advance before the date of the meeting thereby enabling the Board to take informed decisions.

The intervening gap between the Board Meetings was within the period prescribed under the Companies Act, 2013.

12. EXTRACTS OF ANNUAL RETURN:

An extract of Annual Return in Form **MGT-9** is attached herewith as **ANNEXURE-II.**

13. INSURANCE:

All the Properties of the Company are adequately insured.

14. RELATED PARTY TRANSACTIONS:

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company which may have a potential conflict with the interest of the Company at large and thus disclosure in Form AOC-2 is not required. The Board has formulated Policy on Related Party Transactions.

15. DIRECTORATE AND KEY MANAGERIAL PERSONNEL:

The Board of Directors of your company has various executive and non-executive directors including Independent Directors who have wide and varied experience in different disciplines of corporate functioning.

In accordance with the provisions of Section 152 of the Companies Act, 2013 and Articles of Association of the Company, Ms. Hina S. Patel (DIN: 01987053) retires by rotation at the ensuing Annual General Meeting and being eligible in terms of Section 164 of the Act offers herself for re-appointment.

The Company had, pursuant to the provisions of Clause 49 of the Listing Agreements entered into with Stock Exchanges, appointed Mr. Umesh Naik (DIN: 02269103), Mr. Narendra Ayer (DIN: 00116692), as an Independent Directors of the Company.

As per section 149(4) of the Companies Act, 2013 (Act), which came into effect from 1st April, 2014, every listed public company is required to have at least one-third of the total number of directors as Independent Director. In accordance with the provisions of section 149 of the Act, these Directors are being appointed as Independent Directors to hold office as per their tenure of appointment mentioned in the Notice of the forthcoming Annual General Meeting (AGM) of the Company.

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.
There is change in the constitution of Board of Directors during the year.

As required under Section 203 of the Companies Act, 2013, the Company has Mr. Swetank M. Patel, Ms. Hina S. Patel under Key Managerial Personnel of the Company.

16. EVALUATION OF BOARD, COMMITTEES AND DIRECTORS:

Pursuant to the provisions of the Act and Clause 49 of the Listing Agreement and Companies Act, 2013, the Board had carried out performance evaluation of its own, the Board Committees and of the Independent directors. Independent Directors at a separate meeting evaluated performance of the Non-Independent Directors, Board as a whole and of the Chairman of the Board.

The following were the Evaluation Criteria:

(a) For Independent Directors:
- Knowledge and Skills
- Professional conduct
- Duties, Role and functions

(b) For Executive Directors:
- Performance as Team Leader/Member.
- Evaluating Business Opportunity and analysis of Risk Reward Scenarios
- Key set Goals and achievements
- Professional Conduct, Integrity
- Sharing of Information with the Board

The Directors expressed their satisfaction with the evaluation process.

17. POLICY ON APPOINTMENT AND REMUNERATION OF DIRECTORS:

The Board has on the recommendation of the Nomination & Remuneration Committee, formulated criteria for determining Qualifications, Positive Attributes and Independence of a Director and also a Policy for remuneration of Directors, Key managerial Personnel and senior management.

18. MANAGERIAL REMUNERATION

The Company had not paid any remuneration to Executive Directors or any sitting fees to Non-Executives Directors for attending any meetings during the financial year ended 31st March, 2015.

19. INDEPENDENT DIRECTORS' MEETING:

Independent Directors of the Company had met during the year under the view details of which are given in the Corporate Governance Report.

20. COMMITTEES OF THE BOARD:

During the year, in accordance with the Companies Act, 2013, the Board re-constituted some of its Committees.

There are currently **Three Committees** of the Board, as follows:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholders' Relationship Committee

Details of all the Committees along with their charters, composition and meetings held during the year, are provided in the **"Report on Corporate Governance"**, a part of this Annual Report.

21. AUDITORS:

A. Statutory Auditors

M/s. J. K. Parmar & Co., Chartered Accountants (Firm Registration No.105799W) were appointed as Statutory Auditors of your Company at the last Annual General Meeting held on 30th September, 2014 for a term of five consecutive years. As per the provisions of Section 139 of the Companies Act, 2013, the appointment of Auditors is required to be ratified by Members at every Annual General Meeting.

The Company has obtained a written confirmation under section 139 of the Companies Act, 2013 from M/s. J. K. Parmar & Co., Chartered Accountants (Firm Registration No.105799W) that their appointment, if made, would be in conformity with the limits specified under the Act.

It is proposed to ratify the appointment M/s. J. K. Parmar & Co., Chartered Accountants (Firm Registration No.105799W) to audit the accounts of the Company for the financial year 2015-2016.

The Report given by the Auditors on the financial statements of the Company is part of the Annual Report. The notes to the accounts referred to in the Auditors' Report are self-explanatory and therefore do not call for any further comments.

There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.

B. Secretarial Auditors

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. Patel & Associates, Practicing Company Secretaries, Ahmedabad to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed herewith as **Annexure IV**

There is no qualification, reservation or adverse remark in the report

22. INTERNAL CONTROL SYSTEM AND COMPLIANCE FRAMEWORK:

The Company has an Internal Control System, commensurate with size, scale and complexity of its operations. The internal financial controls are adequate and are operating effectively so as to ensure orderly and efficient conduct of business operations. The Company has appointed Milan H. Shah Accountant as an Internal Auditors of the Company. The Audit Committee in consultation with the internal auditors formulates the scope, functioning, periodicity and methodology for conducting the internal audit. The internal auditors carry out audit, covering inter alia, monitoring and evaluating the efficiency & adequacy of internal control systems in the Company, its compliance with operating systems, accounting procedures and policies at all locations and submit their periodical internal audit reports to the Audit Committee. Based on the internal audit report and review by the Audit committee, process owners undertake necessary actions in their respective areas. The internal auditors have expressed that the internal control system in the Company is robust and effective. The Board has also put in place requisite legal compliance framework to ensure compliance of all the applicable laws and that such systems are adequate and operating effectively.

23. RISK MANAGEMENT:

Company has implemented an integrated risk management approach through which it reviews and assesses significant risks on a regular basis to help ensure that there is a robust system of risk controls and mitigation in place. Senior management periodically reviews this risk management framework to keep updated and address emerging challenges. Major risks identified for the Company by the management are Currency fluctuation, Compliances of various applicable Laws, Regulatory changes, Manufacturing & Supply, Litigation, Technological Changes and new capital investments return. The management is however, of the view that none of the above risks may threaten the existence of the Company as robust Risk mitigation mechanism is put in place to ensure that there is nil or minimum impact on the Company in case any of these risks materialize.

24. VIGIL MECHANISM AND WHISTLE BLOWER POLICY:

In accordance with Section 177 of the Companies Act, 2013 and revised Clause 49 of the Listing Agreement, the Company has constituted a Whistle Blower Policy/ Vigil Mechanism to establish a vigil mechanism for the directors and employees to report genuine concerns in such manner as may be prescribed and to report to the management instances of unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct.

25. PREVENTION OF INSIDER TRADING:

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company

and during the period when the Trading Window is closed. The Board is responsible for implementation of the Code. All Board Directors and the designated employees have confirmed compliance with the Code.

26. DIRECTORS' RESPONSIBILITY STATEMENT:

In accordance with the provisions of clause (*c*) of sub-section (*3*) of Section 134 of the Companies Act, 2013 and to the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors state that-

i. In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

ii. The directors had 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 31st March, 2015 and of the profit and loss of the company for that period;

iii. The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013 and Rules made thereunder for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

iv. The directors had prepared the annual accounts on a going concern basis; and

v. The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

vi. The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

27. CORPORATE GOVERNANCE:

As required by the existing Clause 49(X) of the Listing Agreement entered into with the Stock Exchanges, a detailed report on Corporate Governance is given as a part of the Annual Report. The Company is in full compliance with the requirements and disclosures that have to be made in this regard. The Company Secretary's Certificate of the compliance with Corporate Governance requirements by the Company is attached to the Report on Corporate Governance. Report on Corporate Governance is given elsewhere in this Annual Report, herewith attached as **ANNEXURE VI**.

28. CORPORATE GOVERNANCE CERTIFICATE:

The Compliance certificate from the Company Secretary regarding compliance of conditions of Corporate Governance as stipulated in Clause 49 of the Listing agreement is appended to the report on Corporate Governance., herewith attached as **Annexure VII**.

29. GENERAL SHAREHOLDER INFORMATION:

General Shareholder Information is given in Report on Corporate Governance forming part of the Annual Report.

30. ACKNOWLEDGEMENT:

Your Directors take this opportunity to express their gratitude for the unstinted commitment, dedication, hard work and significant contribution made by employees at all levels in ensuring sustained growth of the Company. Your Directors also sincerely thank to all the stakeholders, customers, vendors, bankers, business associates, government, other statutory bodies and look forward to their continued assistance, co-operation and support.

Place: Ahmedabad
Date: 14th August, 2015

For and on behalf of the Board

SD/-	**SD/-**
Swetank Patel	**Hina Patel**
Managing Director	**Director**
DIN: 00116551	**DIN: 01987053**

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

- **INDUSTRIAL STRUCTURE AND DEVELOPMENT:**

  The Company is in business of trading of Electronic products. However Competition in the industry is continuously increasing but overall Performance of the Company is satisfactory.

- **OVERVIEW:**

  The financial statements have been prepared in compliance with the requirement of the Companies Act, 2013 and Generally Accepted Accounting Principles (GAAP) in the India. The management of the company accepts responsibility for the integrity and objectivity of these financial statements, as well as for various estimates and judgments used therein. The estimates and judgments relating to the financial statements have been made on a prudent and reasonable basis, in order that the financial statements reflect in a true and fair manner the form and substance of transactions, and reasonably present the company's state of affairs and profit for the year.

- **THREATS:**

  COMPETITION:

  Competition in the domestic as well as international market has intensified and forced the players to adopt aggressive marketing strategy and promotional campaigns to capture and protect their market shares, The Company has the plans to penetrate better in to world market, especially through the customer retention and business development in the regions which have not been tapped.

  Sharp fluctuations in value of the Indian Rupee and the rising inventory prices have put pressure on the profitability of the Company.

- **SEGMENT WISE AND PRODUCT WISE PERFORMANCE:**

  The Company operates within a solitary business segment i.e. Trading of Electronic products. Hence, Segment/Product wise report is not given separately.

- **RISK AND CONCERN**:

  The risk management function is integral to the company and its objectives includes ensuring that critical risk are identified continuously, monitored and managed effectively in order to protect the company's business.

  However, the changes in the tax laws, Government policies and regulatory requirement might affect the company's business. Uncontrolled variation in price of input materials could impact the company's profitability to the extent that the same are not absorbed by the market through price increase and / or could have a negative impact on the demand in the market. Currency risks mainly arise out of overseas operations and financing activities. The company is operating in highly competitive market.

  The management has already taken initiatives in advance for mitigating the above mentioned risk and concerns/challenges. The company has taken major initiatives like strong marketing efforts, focus on cost reduction through inventory management techniques, introduction of new products and manufacturing process without compromising quality of products and retain talented employees etc.

- **INITIATIVES BY THE COMPANY:**

  The Company has taken the following initiatives:

  Concentration on reduction of costs by undertaking specific exercise in different fields.

  Concentration in Increase of revenue.

  The Company is quite confident that the overall productivity, profitability would improve in a sustainable manner, as a result of this strategy.

- **OUTLOOK:**

  The profit margins in the industry are under pressure. However, the Company has taken remedial measures. The Company is confident to meet the challenges with its strength in marketing network, its strategic planning, Research & Development productivity improvement and cost reduction exercise.

- **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:**
  Your Company places significant emphasis and efforts on the internal control systems. The Company has appointed and independent firm of Chartered Accountant for the same with such powers and responsibilities that are required to ensure the adequacy of the internal Control System.

- **HUMAN RESOURCE:**
  Your Company firmly believes that employees are the most valuable assets and key players of business success and sustained growth. Various employee benefits, recreational and team building efforts are made to enhance employee skills, motivation as also to foster team spirit. Industrial relations were cordial throughout the year.

- **HEALTH, SAFETY AND ENVIRONMENTAL PROTECTION:**
  Your Company has complied with all the applicable environmental laws and labour laws. The Company has been complying with the relevant laws and has taking all necessary measures to protect the environment.

- **CAUTIONARY STATEMENT**
  The statements in the "Management Discussion and Analysis Report" section describes the Company's objectives, projections, estimates, expectations and predictions, which may be "forward looking statements" within the meaning of the applicable laws and regulations. The annual results can differ materially from those expressed or implied, depending upon the economic and climatic conditions, Government policies and other incidental factors.

Place: Ahmedabad
Date: 14th August, 2015

For and on behalf of the Board

SD/-
Swetank Patel
Managing Director
DIN: 00116551

ANNEXURE – I TO THE DIRECTORS REPORT

FOREIGN EXCHANGE EARNINGS AND OUTGO:

A. FOREIGN EXCHANGE EARNINGS AND OUT GO:

	2014-15	2013-14
Foreign Exchange Earning	**Nil**	**Nil**
Foreign Exchange out go	**Nil**	**Nil**

Place: Ahmedabad
Date: 14th August, 2015

For and on behalf of the Board

SD/-
Swetank Patel
Managing Director
DIN: 00116551

ANNEXURE – II TO THE DIRECTORS REPORT

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on financial year ended on 31.03.2015

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

1.	CIN	**L29199GJ1992PLC018047**
2.	Registration Date	**24th July, 1992**
3.	Name of the Company	**Anar Industries Limited**
4.	Category/Sub-category of the Company	**Company limited by shares and Indian Non-Government Company**
5.	Address of the Registered office & contact details	**4th Floor, "Karm" Corporate House, Opp. Vikramnagar, Nr. Newyork Timber, Ambli - Bopal Road, Ahmedabad - 380059.**
6.	Whether listed company	**Yes**
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	**Sharepro Services (India) Pvt. Ltd.** **416-420, 4th Floor, Devnandan Mall,** **Opp. Sanyas Ashram, Ashram Road,** **Ellisbridge, Ahmedabad – 380006** **Phone: 079 26582381** **E-mail: sharepro@shareproservices.com**

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY :

All the business activities contributing 10 % or more of the total turnover of the company hall be stated)

Sr. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Electronic Goods	52334	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sr. No.	Name and address of the Company	CIN/ GLN	Holding / Subsidiary / Associate	% of shares held	Applicable section
1	----				

I. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY):

A) CATEGORY-WISE SHARE HOLDING

Category of Shareholders	No. of Shares held at the beginning of the year as on 31st March, 2014				No. of Shares held at the end of the year as on 31st March, 2015				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) **Indian**									
a) Individual/ HUF	4627894	Nil	4627894	73.06	4627589	Nil	4627589	73.05	-0.01
b) Central Govt	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) State Govt(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) Bodies Corp.	122000	Nil	122000	1.93	122000	Nil	122000	1.93	Nil
e) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f) Any otherForeign Individual	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total shareholding of Promoter (A)	**4749894**	**Nil**	**4749894**	**74.98**	**4749589**	**Nil**	**4749589**	**74.98**	**Nil**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Banks / FI	1350	Nil	1350	0.02	1350	Nil	1350	0.02	Nil
c) Central Govt	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) State Govt(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f) Insurance Companies	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
g) FIIs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
h) Foreign Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
i) Others (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (B)(1):-	**1350**	**Nil**	**1350**	**0.02**	**1350**	**Nil**	**1350**	**0.02**	**Nil**
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	101045	5400	106445	1.68	108276	5400	113676	1.79	+0.11

ii) Overseas	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	474598	223899	698497	11.03	476551	220794	697345	11.01	-0.02
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	750312	11718	762030	12.03	744692	11718	756410	11.94	+0.09
c) Others (specify) NRI/OCB	3762	Nil	3762	0.06	3623	Nil	3623	0.06	Nil
OTHERS	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Non Resident Indians	652	12069	12721	0.20	637	12069	12721	0.20	Nil
Overseas Corporate Bodies	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Foreign Nationals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Clearing Members	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Hindu Undivided Family	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	-0.01
Foreign Bodies - D R	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (B)(2):-	**1330369**	**253086**	**1583455**	**25.00**	**1333779**	**249981**	**1583760**	**25.00**	**Nil**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**1331719**	**253086**	**1584805**	**25.02**	**1335129**	**249981**	**1585110**	**25.02**	**Nil**
C. Shares held by Custodian for GDRs & ADRs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Grand Total (A+B+C)	**6081613**	**253086**	**6334699**	**100**	**6084718**	**249981**	**6334699**	**100**	**0.00**

B) SHAREHOLDING OF PROMOTER-

Sr. No.	Shareholder's Name	No. of Shares held at the beginning of the year as on 31st March, 2014			No. of Shares held at the end of the year as on 31st March, 2015			% change in shareholding during the year
		No. of Shares	% of total Shares of the co.	%of Shares Pledged / encumbered to	No. of Shares	% of total Shares of the co.	%of Shares Pledged / encumbered to total shares	
1	Swetank M. Patel	2735369	43.18	Nil	2735369	43.18	Nil	Nil
2	Hina S. Patel	1525610	24.08	Nil	1525610	24.08	Nil	Nil
3	Nishan Grafitech Pvt. Ltd.	122000	1.93	Nil	122000	1.93	Nil	Nil
4	Swetank M. Patel HUF	122000	1.93	Nil	122000	1.93	Nil	Nil
5	Malav A. Mehta	122000	1.93	Nil	122000	1.93	Nil	Nil
6	Vishal A. Mehta	122000	1.93	Nil	122000	1.93	Nil	Nil
7	Rajinikant B. Thesiya	305	0.00	Nil	305	0.00	Nil	Nil
8	Chandresh C. Kotak	305	0.00	Nil	305	0.00	Nil	Nil
9	Anar J. Patel	305	0.00	Nil	305	0.00	Nil	Nil

C) CHANGE IN PROMOTERS' SHAREHOLDING (PLEASE SPECIFY, IF THERE IS NO CHANGE)

Sr. No.	Particulars	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
1	**Name of Promoter**	**N.A.***			
2	At the beginning of the year				
3	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):				
4	At the end of the year				

- **There are no changes in the promoter's shareholding during the year.**

D) SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS AS ON 31ST MARCH, 2015: (OTHER THAN DIRECTORS, PROMOTERS AND HOLDERS OF GDRS AND DRS):

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Increase / Decrease	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company			No. of shares	% of total shares of the company
1	Madhubhai Fulabhai Barad	64,378	1.04	NA	NA	64378	1.04
2	Bhavesh Sevantilal Mali	63,166	0.99	Increase	Purchase	400	1.00
3	Varsha Hitesh Ahir	60,613	0.95	NA	NA	60,613	0.95
4	Dharmendra Maldevbhai Ahir	53,700	0.84	NA	NA	53700	0.84
5	Bhavna Narendra Ayer	51,257	0.80	NA	NA	51257	0.80
6	Hitesh Arjunbhai Ahir	31,590	0.49	NA	NA	31590	0.49
7	Rekha Dharmendrabhai Ahir	42,385	0.66	NA	NA	42385	0.66
8	Asutosh Pandya	31,050	0.49	NA	NA	31050	0.49
9	Milan H. Shah	21,817	0.34	NA	NA	21817	0.34
10	Jayesh Jayantilal Pandya	34,570	0.54	NA	NA	34570	0.54

E) SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	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
1	**Mr. Swetank M. Patel**				
2	At the beginning of the year	2735369	43.18	2735369	43.18
3	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / sweat equity etc.):	**Not Applicable**			
4	At the end of the year			2735369	43.18
5	**Ms. Hina S. Patel**				
6	At the beginning of the year	1525610	24.08	1525610	24.08
7	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	**Not Applicable**			
8	At the end of the year			1525610	24.08
9	**Mr. Narendra S. Ayer**				
10	At the beginning of the year	48895	0.77	48895	0.77
11	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	**Not Applicable**			
12	At the end of the year			48895	0.77

None of the Directors expect from above hold any shares in the Company.

V. INDEBTEDNESS –

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

(` in Lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	972115.00	0.00	0.00	972115.00
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
Total (i+ii+iii)	972115.00	0.00	0.00	972115.00
Change in Indebtedness during the financial year				
* Addition	0.00	0.00	0.00	0.00
* Reduction	689040.00	0.00	0.00	689040.00
Net Change	689040.00	0.00	0.00	689040.00
Indebtedness at the end of the financial year				
i) Principal Amount	283075.00	0.00	0.00	283075.00
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
Total (i+ii+iii)	283075.00	0.00	0.00	283075.00

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

A. REMUNERATION TO MANAGING DIRECTOR, WHOLE-TIME DIRECTORS AND/OR MANAGER:

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
	Name of Director	Swetank Patel Managing Director	Hina Patel Director	----
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	NIL	NIL	NIL
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	NIL	NIL
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	NIL	NIL	NIL
2	Stock Option	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL
4	Commission - as % of profit - others, specify…	NIL	NIL	NIL
5	Others, please specify 1. PF Contribution 2. Gratuity Accrued for the year (Payable at Retirement/resignation)	NIL	NIL	NIL
	Total (A)	NIL	NIL	NIL
	Ceiling as per the Companies Act 2013	NIL	NIL	5%

B. REMUNERATION TO OTHER DIRECTORS

Sr. No.	Particulars of Remuneration	Name of Directors			Total Amount
1	Independent Directors				
	Fee for attending board committee meetings	**Nil**			
	Commission				
	Others, please specify				
	Total (1)				
2	Other Non-Executive Directors				
	Fee for attending board committee meetings				
	Commission				
	Others, please specify				
	Total (2)				
	Total (B)=(1+2)	NIL	NIL	NIL	NIL
	Total Managerial Remuneration				NIL
	Overall Ceiling as per the Companies Act 2013				5%

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

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary	**NIL**			
	(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				
2	Stock Option				
3	Sweat Equity				
4	Commission				
	- as % of profit				
	others, specify…				
5	Others, please specify				
	Total				

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	**Section of the Companies Act**	**Brief Description**	**Details of Penalty / Punishment/ Compounding fees imposed**	**Authority [RD / NCLT/ COURT]**	**Appeal made, if any (give Details)**
A. COMPANY					
Penalty	**Clause 41, 49, 35 and Reconciliation of SAR**	**Delay in Submission**	**28,54,008/-**	**Bombay Stock Exchange**	**N.A.**
Punishment	NA	**NA**	**NA**	NA	**NA**
Compounding	NA	NA	NA	NA	**NONE**
B. DIRECTORS					
Penalty	**NONE**				
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

Place: Ahmedabad
Date: 14th August, 2015

For and on behalf of the Board

SD/-
Swetank Patel
Managing Director
DIN: 00116551

ANNEXURE-III TO THE DIRECTORS REPORT

1. Details pertaining to remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

i. The ratio of the remuneration of each Director to the Median Remuneration of the Employees of the Company for the Financial Year 2014-15 and

ii. The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the Financial Year

(₹ In Lacs)

Sr. No.	Name of Director/KMP and its Designation	Remuneration to the Director / KMP for the Financial Year 2014-15	Percentage increase/decrease in remuneration in the Financial Year 2014-15	Ratio of Remuneration of each Director to the Median Remuneration of Employees
1	Mr. Swetank Patel Managing Director	Nil	Nil	Nil
2	Ms. Hina Patel Director	Nil	Nil	Nil
3	Mr. Narendra Ayer (Independent Director)	Nil	Nil	Nil
4	Mr. Umesh Naik (Independent Director)	Nil	Nil	Nil

2. There were no employees covered under rule 5(2) of the Companies (Appointment and Remuneration) Rules, 2014

Place: Ahmedabad
Date: 14th August, 2015

For and on behalf of the Board

SD/-
Swetank Patel
Managing Director
DIN: 00116551

ANNEXURE – IV TO THE DIRCTORS REPORT

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2015

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Anar Industries Limited.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Anar Industries Limited** (hereinafter called the Company) (CIN: L29199GJ1992PLC018047) having its registered office at **4th Floor, "Karm" Corporate House, Opp. Vikramnagar, Nr. Newyork Timber, Ambli - Bopal Road, Ahmedabad - 380059** Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **Anar Industries Limited** (the Company) for the financial year ended on 31st March, 2015 according to the provisions of:

I. The Companies Act, 2013 (the Act) and the rules made thereunder;

II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

IV. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

I have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

A) The Company has maintained a Register of Directors' Attendance as prescribed in the Secretarial Standards.

B) The Directors have signed against their respective names after the meeting has been held.

C) The Company had not received any proxy forms for the Annual General Meeting for the financial year ended 31st March, 2014.

D) The Company has complied with requirements of at least one-third of the total number of directors as independent directors as stated in Clause-49 of Listing Agreement.

E) The Company has complied with the requirements under the Equity Listing Agreements entered into with BSE Limited.

F) The Company has obtained all necessary approvals under the various provisions of the Act;

G) The Bombay Stock Exchange has imposed penalty of Rs. 28,54,008/- for delay in submission of Documents. The brief details of the penalty imposed is as per Annexure – A. There was no prosecution initiated and no fines or penalties were imposed during the year under review under the Act, SEBI Act, SCRA, Depositories Act, Listing Agreement and Rules, Regulations and Guidelines framed under these Acts against / on the Company, its Directors and Officers.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

The following mentioned observations are made:

A) The Directors have complied with the requirements as to disclosure of interests and concerns in contracts and arrangements, shareholdings and directorships in other companies and interests in other entities;

B) The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the Code of Business Conduct and ethics for Directors and Management Personnel;

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period, the Company has no major / specific events, actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above viz.

i. Public/Right/Preferential issue of shares / debentures/sweat equity etc.

ii. Redemption / buy-back of securities

iii. Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013.

iv. Merger / amalgamation / reconstruction etc.

v. Foreign technical collaborations.

Place: Ahmedabad
Date: 14th August, 2015

For, Patel & Associates
Company Secretaries

SD/-
Chintan K. Patel
Partner
Mem. No.: A31987
COP No.: 11959

Annexure – A – TO THE SECRETARIAL AUDIT REPORT

PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	**Clause 41, 49, 35 and Reconciliation of SAR**	**Delay in Submission**	**28,54,008/-**	**Bombay Stock Exchange**	**N.A.**
Punishment	NA	**NA**	**NA**	NA	**NA**
Compounding	NA	NA	NA	NA	**NONE**
B. DIRECTORS					
Penalty	**NONE**				
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

Place: Ahmedabad
Date: 14th August, 2015

For, Patel & Associates
Company Secretaries

SD/-
Chintan K. Patel
Partner
Mem. No.: A31987
COP No.: 11959

ANNEXURE VI – TO THE DIRECTOR REPORT

REPORT ON CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Your Company adheres to good practices in Corporate Governance in its true spirit and benchmarks it with high standards. Corporate Governance is set of systems and practices to ensure that the operations of the Company are being managed in a way which ensures fairness, integrity, transparency and accountability in its dealings with its customers, stakeholders, dealers, lenders, government and employees. Company has guiding principles laid out through its Code of business conduct, duly adopted by directors and senior management personnel which has been posted on website of Company (www.anar.co.in).

1. ETHICS/GOVERNANCE POLICIES:

At Anar Industries Limited, we strive to conduct our business and strengthen our relationships in a manner that is dignified, distinctive and responsible. We adhere to ethical standards to ensure integrity, transparency, independence and accountability in dealing with all stakeholders. Therefore, we have adopted various codes and policies to carry out our duties in an ethical manner. Some of these codes and policies are:

- ✓ Code of Conduct
- ✓ Vigil Mechanism and Whistle Blower Policy
- ✓ Policy on Materiality of Related Party Transactions and on Dealing with Related Party Transactions
- ✓ Board Performance Evaluation Policy
- ✓ Familiarization of Independent Directors Policy
- ✓ Policy for Selection of Directors and determining Directors Independence
- ✓ Remuneration Policy for Directors, Key Managerial Personnel and other Employees
- ✓ Policy for determining Material Subsidiaries**.**
- ✓ Risk Management Policy

2. BOARD OF DIRECTORS:

- **Composition of the Board of Directors**

The Company's policy is to maintain optimum combination of Executive and Non-Executive Directors Pursuant Clause 49 (II) (A) of the Listing Agreement. The composition of the Board and category of Directors are as follows:

Executive Director (Promoters)	➢ Swetank M. Patel, Managing Director ➢ Hina S. Patel, Non-Executive Director
Independent (Non-Executive) Director	➢ Narendra Ayer ➢ Umesh Naik

- **Number of Board Meetings and Attendance of Directors:**

During the financial year 2014-15, **5 (Five)** Board Meetings were held on **17/04/2014, 15/05/2014, 14/08/2014, 14/11/2014 and 14/02/2015.**

Board meeting dates are finalized in consultation with all the directors and agenda papers with detailed notes and other background information, which are essential for the Board to effectively and reasonably perform their duties and functions, are circulated well in advance before the meeting thereby enabling the Board to take informed decisions.

The composition of Directors and the attendance at the Board Meeting during the year 2014-2015 and last Annual General Meeting are as under:

Name of Director	Category	No. of other Directorships	Membership of Board Committees		No. of Board Meetings Attended	Attendance at last AGM
			Chairman	Member		
Swetank Patel	Managing Director	Nil	1	2	5	Yes
Hina Patel	Director	Nil	Nil	1	4	Yes
Umesh Naik	Independent Director	Nil	Nil	3	5	Yes
Narendra Ayer	Independent Director	Nil	2	3	4	Yes

3. ANNUAL GENERAL MEETING:

The Annual General Meeting for the financial year ended on 31st March, 2014 was held on **30th September, 2014** and **18 Members were present** at Annual general meeting including proxy.

4. BOARD COMMITTEES:

As per the requirement of the Companies Act, 2013 read with Rules and amended clause 49 of the Listing Agreement, various Board committees have been formed for better governance and accountability viz. Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility Committee.

The terms of reference of each committee are determined by the Board as per the requirement of law and their relevance is reviewed from time to time.

A. AUDIT COMMITTEE:

As a measure of good Corporate Governance and to provide assistance to the Board of Directors in fulfilling the Board's responsibilities, an Audit Committee had been constituted by the Board. The terms of reference of this committee covers matters specified under clause 49 of the Listing Agreement and Section 177 of the Companies Act, 2013 and other matters referred by the Board from time to time. Committee lays emphasis on adequate disclosures and compliance with all relevant statues.

Main areas are deliberated as under.

a. To provide an open avenue of communication between the independent auditors, internal auditors and the Board of Directors (BOD).
b. To oversee the work of the independent auditors for the purpose of preparing or issuing an audit report or related work.
c. Relying on the review and discussions with the management and the independent auditor, the Audit Committee believes that the Company's financial statements are fairly presented in conformity with Generally Accepted Accounting Principles in all material aspects.
d. To consider and review the adequacy of internal control including computerized information system controls an periodically to the Board of Directors on significant activities.

The Constitution of the committee and the attendance of each member of the committee is given below:

The Committee comprises of three Directors and all the three Directors are Independent Directors. All members of the Audit Committee are financially literate. In the financial year 2014-15, four meetings were held on 30th May, 2014; 12th August, 2014; 14th November, 2014 and 14th February, 2015. Composition of committee as on 31st March, 2015 and member's attendance at the meetings during the year are as under:

Name	Designation	Category
Mr. Narendra Ayer	Chairman	Non-Executive Director Independent
Ms. Hina Patel	Member	Non-Executive Director
Mr. Umesh Naik	Member	Non-Executive Director Independent

Attendance of each member of the committee:

Committee Members	Meetings held	Meetings attended
Mr. Narendra Ayer	4	4
Ms. Hina Patel	4	4
Mr. Umesh Naik	4	4

B. NOMINATION AND REMUNERATION COMMITTEE:

Terms of reference of the committee comprise various matters provided under Clause 49 of the Listing Agreement and section 178 of the Companies Act, 2013, and other matters referred by the Board from time to time. The Committee comprises of three Directors.

The Constitution of the committee and the attendance of each member of the committee is given below:

Name	Designation	Category
Mr. Narendra Ayer	Member	Non-Executive Director Independent
Mr. Swetank Patel	Member	Executive Director
Mr. Umesh Naik	Member	Non-Executive Director Independent

C. STAKEHOLDERS' RELATIONSHIP AND SHARE TRANSFER COMMITTEE:

Stakeholders' Relationship Committee performs various functions provided under the Listing Agreement and section 178 of the Companies Act, 2013. The Committee comprises of three Directors out of which one is independent. It is headed by Mr. Swetank Patel, an Director.

Name	Designation	Category
Mr. Narendra Ayer	Member	Independent Director
Mr. Swetank Patel	Chairmen	Managing Director
Mr. Umesh Naik	Member	Independent Director

The Stakeholders' Relationship Committee has been constituted to administer the following activities:

a. Transfer of shares
b. Transmission of shares
c. Issue of Duplicate Share Certificates
d. Change of Status
e. Change of Name
f. Transposition of Shares
g. Sub-Division of Share Certificates
h. Consolidation of folios
i. Shareholders' requests for Dematerialization of shares
j. Shareholders' requests for Rematerialization of shares

The Committee meets from time to time and approves the transfer and transmission of shares, deletion of names, issue of duplicate share certificates etc. The Committee facilitates prompt and effective redressal of investors' complaints and the reporting of the same to the Board of Directors.

The Board has delegated the power of Share Transfer to Registrar and Share Transfer Agent, Sharepro Services (India) Pvt. Ltd., who processes the transfers.

- ✓ No. of shareholders' complaints received -- **NIL**.
- ✓ No. of complaints not solved to the satisfaction of shareholders -- **NIL**.
- ✓ No. of pending share transfers -- **NIL**.
- ✓ As at 31st March, 2015 no equity Shares were pending for transfer.

5. INDEPENDENT DIRECTORS' FAMILIARISATION PROGRAMME:

As per requirements under the Listing Agreement, the Company undertook familiarization Programme for Independent Directors in order to familiarize them with business model, management structure, product portfolio, Industry overview, manufacturing operations, internal control system and processes, FOREX management, risk management framework, functioning of various divisions, HR Management etc.

6. PREVENTION OF INSIDER TRADING:

The Company has adopted a Code of Conduct for fair disclosure and prevention of Insider Trading in order to regulate, monitor and control trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed.

7. SUBSIDIARY COMPANY:

No Subsidiary Company

8. POSTAL BALLOT:

During the year, the Company had not sought approval from the shareholders through Postal Ballot. The Company had provided e-voting facility at the time of Annual General Meeting for the year ended 31st March, 2014. The Company had appointed Mr. Chintan K. Patel, Practising Company Secretary to act as Scrutinizer for the entire e-voting process.

9. ANNUAL GENERAL MEETINGS

Details of last three AGMs held-

Year	Date	Time	Venue	No. of Special Resolutions passed
2011-12	29/09/2012	11:00 a.m.	A Wing, 404 4th Floor, Satyamev-II, Nr. Gujarat High Court, S.G. Highway, Ahmedabad	---
2012-13	30/09/2013	11:00 a.m.	A Wing, 404 4th Floor, Satyamev-II, Nr. Gujarat High Court, S.G. Highway, Ahmedabad	---
2013-14	30/09/2014	11:00 a.m.	A Wing, 404 4th Floor, Satyamev-II, Nr. Gujarat High Court, S.G. Highway, Ahmedabad	---

No Resolutions were put through postal ballot.

Resolutions were passed on show of hands at the Annual General Meetings for the financial years ended on 31st March, 2012 and 31st March, 2013 and through E-voting and poll at the Annual General Meeting for the financial year ended on 31st March, 2014.

10. DEMAT / REMAT OF SHARES

Details of Shares Dematerialized / Rematerialized during the last financial year is as below:

a) Number of Demat requests approved 20

b)	Number of Shares Dematerialized	3,105
c)	Percentage of Shares Dematerialized	0.0049%
d)	Number of Remat requests approved	Nil
e)	Number of Shares Rematted	Nil

Representatives of the Company are constantly in touch with Sharepro Services (India) Pvt. Ltd., Share Transfer Agents of the Company and review periodically the outstanding matters.

11. DISCLOSURES:

A. There were no transactions of material nature with its related parties that may have the potential conflict with the interest of the Company at large. Transactions with related parties are disclosed in Note No. 34 of the Financial Statements.

B. There were no instances of non-compliance nor have any penalties/strictures imposed by Stock Exchanges or SEBI or any other statutory authority on any matters related to capital market, during last 3 financial years.

C. Whistle Blower Policy

In terms of Clause 49 of the Listing Agreements, the Company has established vigil mechanism for directors, employees and other stakeholders to report concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethical policy.

D. Details of Compliance with Mandatory requirements and adoption of Non-mandatory requirements of Clause 49

Mandatory requirements:

The Company complies with all the mandatory requirements of Clause 49 of the Listing Agreement on Code of Corporate Governance.

Non-Mandatory requirements:

a) Office for non-executive Chairman at company's expense: No

b) Half-yearly declaration of financial performance to each household of shareholders: Not complied

c) Audit Qualifications: Complied as there are no audit qualifications

d) Separate posts of Chairman & CEO: Not applicable

e) Reporting of Internal Auditors directly to Audit Committee: Complied

E. **CEO certification:**

The CEO of the Company has certified to the Board with regard to the compliance made by them in terms of Clause 49 (IX) of the Listing Agreement and the certificate forms part of Annual Report.

F. **Accounting treatment**

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Act. The financial statements have been prepared on accrual basis under the historical cost convention.

12. MEANS OF COMMUNICATION:

Board of Directors approves and takes on record Unaudited Quarterly Results and Audited Annual Results in the prescribed form and announces forthwith the results and intimate to the Bombay Stock Exchanges Ltd. where the Company's shares are listed. The results are also published in two newspapers, one in English and the other in Regional Language.

I. ADDITIONAL INFORMATION TO SHAREHOLDERS

a. Annual General Meeting:

Date: 29th September, 2015

Time: 11:00 a.m.
Address: 4th Floor, "Karm" Corporate House, Opp. Vikramnagar, Ambli - Bopal Road, Ahmedabad -380059

b. Calendar of Financial Year ended 31st March, 2015

The meetings of Board of Directors for approval of quarterly financial results during the Financial Year ended 31st March, 2015 were held on the following dates:
First Quarter Results: 14th August, 2014
Second Quarter and Half yearly Results: 14th November, 2014
Third Quarter Results: 14th February, 2015
Fourth Quarter and Annual Results: 30th May, 2015

c. Tentative Calendar for financial year ending 31st March, 2016

Unaudited Results for the quarter ended 30/06/2015	Second Week of August, 2015
Unaudited Results for the quarter ended 30/09/2015	Second Week of November, 2015
Unaudited Results for the last quarter ended 31/12/ 2015	Second Week of February 2016
Audited Results for the quarter ended 31/03/ 2016	Fourth Week of May 2016
Annual General Meeting for the year ending 31st March, 2016	September 30, 2016

d. Date of Book Closure

23rd September, 2015 to 29th September, 2015(both days inclusive) for Annual General Meeting.

e. Regd. Office

4th Floor, "Karm" Corporate House, Opp. Vikramnagar, Nr. Newyork Timber, Ambli - Bopal Road, Ahmedabad-380059

f. Equity shares of the Company are listed on BSE Limited Stock Exchange.

g. Scrip Code:- **531127** (BSE), Scrip ID: **ANARINDUS,** ISIN : **INE148B01025**

h. Stock Market Data (in ₹ / Per Share)

Month	**The Bombay Stock Exchange Ltd.**	
	Month's High	**Month's Low**
June, 2014	16.40	10.50
July, 2014	10.50	7.45
August, 2014	14.63	7.80
September, 2014	17.59	15.36
February, 2015	17.85	17.15
March, 2015	17.15	16.35

i. Share Transfer System

Applications for transfer of shares held in physical form are received at the office of the Registrars and Share Transfer Agents of the Company, Sharepro Services (India) Pvt. Ltd. All valid transfers are processed within 15 days from the date of receipt

j. Shareholding pattern as on 31-03-2015 is as given below :

Sr. No.	**Category**	**No. of Shares**	**% of holding**
1	Promoters	4749589	74.98
2	Persons acting in Concert	--	--

3	Mutual Funds, UTI, Banks, Financial Institutions, Insurance Companies Central /State Govt., Government institutions	1350	0.02
4	FIIs	--	--
5	NRIs	16329	0.26
6	Bodies Corporate	113676	1.79
7	Others	1453755	22.95
	Grand Total	**6334699**	**100.00**

k. Distribution of Shareholding as on 31st March, 2015 is as under:

Slab of Shareholdings	No. of Shareholders	% of Shareholders	Amount (in `)	% of Capital
1-500	2836	90.20	3456380	5.46
501-1000	174	5.36	116497	1.84
1001-2000	77	2.43	107436	1.69
2001-3000	21	0.66	50195	0.80
3001-4000	14	0.44	46905	0.74
4001-5000	5	0.15	22165	0.35
5001-10000	11	0.34	71876	1.13
10001 and above	36	1.13	5573987	87.99
TOTAL	**3174**	**100.00**	**63346990**	**100.00**

l. Dematerialization of Shares and liquidity

The shares of the company are permitted for demat on NSDL and CDSL

Issued, Subscribed and Paid up Capital as on March 31, 2015: **63,34,699**

A. Electronic Holding in NSDL : 10,19,999
B. Electronic Holding in CDSL : 50,64,719
C. Physical Holding : 2,49,981

m. Outstanding GDRs / ADRs / Warrants or Conversion instruments, Conversion date and like impact on equity- Not applicable

n. Investors' correspondence:

For transfer / dematerialization of shares, Change of Address, Change in Status of investors, payment of dividend on shares and other query relating to the shares of the Company:

Sharepro Services (India) Pvt. Ltd. (Unit : Anar Industries Limited)
416-420, 4th Floor, Devnandan Mall, Opp. Sanyas Ashram, Ashram Road, Ellisbridge, Ahmedabad – 380006
Phone: 079 26582381, E-mail: sharepro@shareproservices.com

o. Share Transfer System

Shares in physical form sent for registering transfer, to the Registrar and Shares Transfer Agents, Sharepro Services (India) Pvt. Ltd. are registered and returned within a period of 15 days from the date of receipt, if the documents are in order in all respects. The Share Transfer Committee of the Company meets as often as required.

p. Compliance Officer of the Company: Mr. Dinesh Bhanarkar

Compliance Certificate of the Auditors

A Certificate from the Company Secretary in Practice regarding compliance of conditions of corporate Governance as stipulated under clause 49 of the listing Agreement is attached to this Report.

Place: Ahmedabad
Date: 14th August, 2015

For and on behalf of the Board

SD/-
Swetank Patel
Managing Director
DIN: 00116551

DECLARATION

All Board Members and Senior Management personnel have affirmed compliance with the code of conduct of Directors and Senior Management as approved by the Board.

Place: Ahmedabad
Date: 14th August, 2015

For and on behalf of the Board

SD/-
Swetank Patel
Managing Director
DIN: 00116551

ANNEXURE – VII TO THE DIRECTORS REPORT

CORPORATE GOVERNANCE CERTIFICATE

To the Members of the **ANAR INDUSTRIES LIMITED**

We have examined the compliance of the conditions of Corporate Governance by Anar Industries Limited ("the Company") for the year ended 31st March, 2015 as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India.

The Compliance of the conditions of Corporate Governance is the responsibility of the Company's management. Our examination was limited to a review of the procedure and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of an opinion on the financial statements of the company.

We have conducted our review on the basis of the relevant records and documents maintained by the Company and furnished to us for the review, and the information and explanations given to us by the Company.

Based on such a review, and to the best of our information and according to the explanations given to us, in our opinion, the Company has complied with the conditions of Corporate Governance, as stipulated in Clause 49 of the Listing Agreement.

We further 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 : 14th August, 2015

For, Patel & Associates
Company Secretaries

Sd/-
Chintan K. Patel
Partner
Mem. No. A31987
COP No. 11959

CEO CERTIFICATION

To,
The Board of Directors,
ANAR INDUSTRIES LIMITED
Ahmedabad.

We hereby certify that:

i. We have reviewed the financial statements and the cash flow statement of the Financial Year 2014-15 and that to the best of our knowledge and belief.

   a. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   b. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

ii. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violated of the Company's code of conduct.

iii. We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company and we hereby disclose to the Auditors and the Audit Committee that there have been no efficiencies in the design or operation of internal controls, prevailing in the company.

iv. We hereby certify that :

a. There have been no significant changes in internal control during the year.
b. There have been no significant changes in accounting policies during the year and
c. No instances of fraud were observed in the Company by the management or an employee having a significant role in the company's internal control system.

Place: Ahmedabad
Date: 29th June, 2015

SD/-
Swetank Patel
Managing Director
DIN: 00116551

INDEPENDENT AUDITOR'S REPORT

To
The Members of Anar Industries Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Anar Industries Ltd. ("the Company"), which comprise the Balance Sheet as at March 31, 2015, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the 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 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 133 of 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 financial statements based on our audit.
We have taken into 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 disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement 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 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 financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, of the state of affairs of the Company as at March 31, 2015, and its loss and its 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 of India in terms of sub – section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
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 purpose 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 aforesaid 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 March, 31, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 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 not any pending litigations on its financial position in its financial statements.
      ii. The company does not require any provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any.
      iii. The Company does not require to transfer to any amount to the Investor Education and Protection Fund by the Company.

For J. K. Parmar & Co.
Chartered Accountants

Sd/-
Firm No. 107599W
PLACE: AHMEDABAD
DATE: 30.05.2015

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 1 of the Independent Auditor's report of even date to the members of Anar Industries Limited on the financial statements for the year ended March 31, 2015, we report that:

1)
   a) The company has maintained proper records, showing full particulars including quantitative details and situation of its fixed assets on the basis of available information.
   b) Physical verification of major assets was conducted by the Management during the year, which in our opinion is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification as with the book of record.

2)
   a) The inventory excluding stocks in transit has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
   b) In our opinion, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
   c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventories as compared to book records were not material.

3) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Therefore the requirements of sub-clause (a) and (b) of clause (iii) are not applicable to the Company.

4) In our opinion, and according to the information and explanation given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanation given to us, we have neither come across, nor have been informed of, any continuing failure to correct major weakness in the aforesaid internal controls.

5) The Company has not accepted any deposits from the public within the meaning of section 73 to 76 of the Companies Act, 2013, and rules framed there under.

6) The maintenance of cost records under section 148(1) of the Companies Act, 2013, is not applicable to the Company.

7)
   a. According to the information and explanations given to us and the records of the company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of profession tax, service tax, TDS, excise duty, provident fund, custom duty, investor education protection fund, employees' state insurance, income tax, sales tax, wealth tax, purchase tax, entry tax, municipal tax and other material statutory dues applicable, with the appropriate authorities.
   b. According to the information and explanation given to us, and the records of the Company examined by us, there is no disputed tax or statutory dues as on 31.03.2015.
   c. According to the information and explanation given to us, there is no declaration of dividend during the financial year 2014-15 by the Company; hence the question of transferring amount to investor education and protection fund does not arise.

8) The Company have accumulated loss of Rs. 1,17,92,071/- as per the Balance Sheet as at the end of the financial year. The Company has incurred cash loss of Rs. 62,97,213/- during the financial year and has also incurred cash loss of Rs. 19,26,168/- during the immediately preceding financial year.

9) According to the records of the Company examined by us and the information and explanation given to us, the Company has no dues to financial institution or banks or debentures holders as at balance sheet date. According to the information and explanation given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.

10) According to the information and explanation given to us, the Company has not given guarantees for loans taken by others from banks or financial institutions.

11) The Company has not taken any term loan from banks or financial institutions.

12) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For J. K. Parmar & Co.
Chartered Accountants

Sd/-
Firm No. 107599W
PLACE: AHMEDABAD
DATE: 30.05.2015

BALANCE SHEET AS AT 31ST MARCH, 2015

PARTICULARS	NOTES	AS AT 31-03-2015		AS AT 31-03-2014	
		INR	INR	INR	INR
I EQUITY AND LIABILITIES					
1 SHAREHOLDERS' FUNDS					
(a) Share Capital	**2**	63346990		63346990	
(b) Reserves & Surplus	**3**	(10947619)		(3805755)	
			52399371		**59541235**
2 SHARE APPLICATION MONEY PENDING ALLOTMENT (NON REFUNDABLE)					
3 NON-CURRENT LIABLITIES					
(a) Long-term borrowings	**4**	283075		972115	
			283075		**972115**
4 CURRENT LIABILITIES					
(a) Trade payables	**5 (a)**	6305964		846391	
(b) Other current liabilities	**5 (b)**	49731932		770672	
			56037896		**1617063**
TOTAL			**108720342**		**62130413**
II ASSETS					
1 NON CURRENT ASSETS					
(a) Fixed assets					
(i) Tangible assets	**6**	4767133		4441362	
(b) Deffered tax assets (Net)	**7**	5639379		2624900	
(c) Long-term loans and advances	**8**	11373021		48931378	
(d) Other non-current assets	**9**	6558358		2279608	
			28337891		**58277249**
2 CURRENT ASSETS					
(a) Inventories	**10**	58888584		0	
(b) Cash & Cash equivalents	**11**	12321398		3755946	
(c) Other current assets	**12**	9172469		97218	
			80382451		**3853164**
TOTAL			**108720342**		**62130413**

Summary of Significant accounting policies **1**
Refer Notes forming part of the Financial Statements

In terms of our report attached.
As per our report of even date
For J.K.Parmar & Co.
Chartered Accountants
Firm No. 107599W
[J.K.Parmar]
Proprietor
Membership No.34138
PLACE : AHMEDABAD
DATE : 30/05/2015

For and on behalf of Board of Directors,

SWETANK M PATEL
DIN : 00116551
Managing Director
PLACE : AHMEDABAD
Date : 30/05/2015

HINA S PATEL
DIN : 01987053
DIRECTOR

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

(In Rupees)

	PARTICULARS	NOTES	2014-15	2013-14
I	**Revenue from Operation**	13	159392686	1121500
II	**Other Income**	14	279120	16208
III	**Total Revenue (I + II)**		**159671806**	**1137708**
IV	**Expenses**			
	Purchases of Stock-in-Trade	15	220056676	1025000
	Change in Inventories	16	(58888584)	0
	Employee benefits expense	17	475000	437500
	Finance costs	18	22606	93308
	Depreciation and amortization expense	19	3778150	882517
	Other expenses	20	4303321	1508067
	Total Expenses		**169747169**	**3946393**
V	**Profit for the year before Exceptional and extraordinary items and tax (III-IV)**		**(10075363)**	**(2808685)**
VI	Less : Exceptional items		0	0
VII	**Profit for the year before extraordinary items and tax (V-VI)**		**(10075363)**	**(2808685)**
VIII	Less : Prior Period expenses		0	0
IX	**Profit for the year before taxation (VII-VIII)**		**(10075363)**	**(2808685)**
X	Deferred Tax Asset Provision		3014479	967674
XI	**Profit (Loss) from continuing operations (IX-X)**		**(7060884)**	**(1841011)**
B	**DISCONTINUING OPERATIONS**			
XII	Profit / (Loss) from discontinuing operations		0	0
XIII	Tax expense of discontinuing operations		0	0
XIV	**Profit / (Loss) from discontinuing operations (after tax) (XII - XIII)**		**0**	**0**
XV	**Profit (Loss) for the year (XI + XIV)**		**(7060884)**	**(1841011)**
XVI	**Earning per Equity Share:**	21		
	- Basic		**(1.11)**	**(0.29)**
	- Diluted		**(1.11)**	**(0.29)**
	Summary of Significant accounting policies	1		
	Refer Notes forming part of the Financial Statements			

In terms of our report attached.

As per our report of even date
For J.K.Parmar & Co.
Chartered Accountants
Firm No. 107599W
[J.K.Parmar]
Proprietor
Membership No.34138
PLACE : AHMEDABAD
DATE : 30/05/2015

For and on behalf of Board of Directors,

SWETANK M PATEL
DIN : 00116551
Managing Director
PLACE : AHMEDABAD
Date : 30/05/2015

HINA S PATEL
DIN : 01987053
DIRECTOR

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH 2015

		31-03-2015 Amt.		31-03-2014 Amt.	
(A)	**CASH FLOW FROM OPERATING ACTIVITY**				
	Net profit before Tax & Extraordinary Items	(10075363)		(2808686)	
	Adjustment for:				
	ADD: Depreciation	3778150		882517	
	Differed tax assets	3014479		967674	
		6792629		1850191	
	Operating profit before working capital changes	(3282734)		(958495)	
	Adjustment for:				
	Trade & other receivables, loans, assets	(9075251)		23853131	
	Inventories	(58888584)		0	
	Trade Payables, other payables	54420833		(17115941)	
		(13543002)		6737190	
	Cash generated from Operations				
	Net cash flow from operating activities (A)		**(16825736)**		**5778695**
(B)	**CASH FLOW FROM INVESTING ACTIVITY**				
	Purchases of Fixed Assets	(4184901)		(2560577)	
	Long Term Loans & Advances	37558357		(2041378)	
	Other non current assets	(4278750)		(2279608)	
	Deferred tax Assets	(3014479)		(967674)	
	Net cash flow from Investing activities (B)		26080227		(7849237)
	TOTAL (A) +(B)	**9254491**		**(2070542)**	
(C)	**CASH FLOW FROM FINANCING ACTIVITY**				
	Proceeds from issue of share Capital	**0**		**0**	
	Shares issue Expenditure	0		0	
	Secured Loan received.	0		972115	
	Secured Loan repaid.	(689040)		0	
	Net cash flow from Financing activities (C)		(689040)		972115
			8565451		**(1098427)**
	Net Increase/Decrease in cash & bank equivalents		**8565451**		**(1098427)**
	Cash & Bank equivalents as at 01-04-14 (Op.Bal)		3755946		4854352
	Cash & Bank equivalents as at 31-03-15 (Cl.Bal)		12321398		3755946

Refer Notes forming part of the Financial Statements

In terms of our report attached.
As per our report of even date
For J.K.Parmar & Co.
Chartered Accountants
Firm No. 107599W
[J.K.Parmar]
Proprietor
Membership No.34138
PLACE : AHMEDABAD
DATE : 30/05/2015

For and on behalf of Board of Directors,

SWETANK M PATEL
DIN : 00116551
Managing Director
PLACE : AHMEDABAD
Date : 30/05/2015

HINA S PATEL
DIN : 01987053
DIRECTOR

NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT 31st MARCH, 2015

Note 1 : CORPORATE INFORMATION

The company is based in Ahmedabad and is primarily involved in trading of Mobile Tracking Devices/ computer hardweres/I.T. Services/Investing.

SIGNIFICANT ACCOUNTING POLICIES ADOPTED BY THE COMPANY IN THE PREPARATION AND PRESENTATION OF THE ACCOUNTS: -

a) BASIS OF PREPARATION OF FINANCIAL STATEMENT The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

b) USE OF ESTIMATES The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known/ materialise.

c) INVENTORIES

i) Inventories are valued at lower of cost (FIFO Basis) or Net Realisable value.

ii) Cost of inventories have been computed to include all costs of purchases, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

d) CASH AND CASH EQUIVALENTS (FOR PURPOSES OF CASH FLOW STATEMENT)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

e) CASH FLOW STATEMENT

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information. It also includes fixed diposits with schedule banks.

f) PRIOR PERIOD ITEMS

All identifiable items of Income and Expenditure pertaining to prior period are accounted through "Prior Period Expenses Account"

g) DEPRECIATION

i) Depreciation on Fixed Assets is provided on writtendown value method at rates and in the manner specified in Schedule XIV to the Companies Act, 1956 read with the relevant circulars issued by the Department of Company Affairs.

ii) Depreciation on Assets acquired / disposed off during the year is provided on pro-rata basis with reference to the date of addition/disposal.

iii) Individual assets costing less than Rs.5000 are fully depreciated in the year of purchase.

h) REVENUE RECOGNITION

i) Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales exclude sales tax/ value added tax.

ii) Income from services rendered is accounted for when the work is performed.

iii) Interest revenues are recognized on time proportion basis taking into account the amount outstanding and the rate applicable.

i) FIXED ASSETS

i) Fixed assets are stated at cost of acquisition or construction. They are stated at historical cost less accumulated depreciation.

ii) Expenditure on accounts of modification/alteration in plant and machinery, which increases the future benefit from the existing asset beyond its previous assessed standard of performance, is capitalized.

iii) Any capital expenditure in respect of assets, the ownership of which would not vest with the Company, are charged off to revenue in the year of incurrence.

j) FOREIGN CURRENCY TRANSACTIONS (NOT APPLICABLE)

i) **Initial Recognition**

Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction.

ii) **Conversion**

At the year-end, monetary items denominated in foreign currencies, other than those covered by forward contracts, are converted into rupee equivalents at the year end exchange rates.

iii) **Exchange Differences**

All exchange differences arising on settlement and conversion of foreign currency transaction are included in the Profit and Loss Account.

iv) **Forward Exchange Contracts**

In respect of transactions covered by forward exchange contracts, the difference between the forward rate and the exchange rate at the date of contract is recognised as income or expense over the life of the contract.

k) EMPLOYEE BENEFITS

i) **Provident Fund and Pension Fund:** (NOT APPLICABLE)

ii) **Gratuity:**

Gratuity liability as on 31st March, 2014 has not been determined by the actuarial valuation and so that such liability has not been provided for in these accounts.

iii) **Leave Encashment:**

The company does not have any policy to carry forward unutilised leaves. Accordingly no provision for same is made in these accounts.

iv) **Other Employee Benefits:**

Other Employee Benefits are accounted for on accrual basis.

l) BORROWING COSTS (NOT APPLICABLE)

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

m) SEGMENT ACCOUNTING (NOT APPLICABLE)

Accounting Standard Interpretation (ASI) 20 Dated 14th February, 2004 issued by the Accounting Standards Board of the Institute Chartered Accountants of India, on AS 17, Segment Reporting clarifies that in case, by applying the definitions of "business segment" and "geographical segment" given in AS 17, it is concluded that there is neither more than one business segment nor more than one geographical segment. Segment information as per AS 17 is not required to be disclosed.

n) RELATED PARTY TRANSACTIONS

Disclosure of transactions with Related Parties, as required by Accounting Standard 18 "Related Party disclosures" has been set out in a separate note forming part of this schedule. Related Parties as defined under clause 3 of the Accounting Standard 18 have been identified on the basis of representation made by key managerial personnel and information available with the Company.

o) LEASES (NOT APPLICABLE)

The Company's significant leasing arrangements are in respect of operating leases for office premises, stores & godown. The leasing arrangements ranging between 11 months and five years are generally, and are usually renewable by mutual consent on agreed terms. The aggregate lease rentals payable are charged as rent including lease rentals.

p) EARNING PER SHARE

The Company reports basic and diluted earnings per share (EPS) in accordance with the Accounting Standard 20 prescribed under The Companies Accounting Standards Rules, 2006. The Basic EPS has been computed by dividing the income available to equity shareholders by the weighted average number of equity shares outstanding during the accounting year. The Diluted EPS has been computed using the weighted average number of equity shares and dilutive potential equity shares outstanding at the end of the year.

q) TAXES ON INCOME

i) Deferred Taxation

In accordance with the Accounting Standard 22 – Accounting for Taxes on Income, prescribed under The Companies Accounting Standards Rules, 2006, the deferred tax for timing differences between the book and tax profits for the year is accounted for by using the tax rates and laws that have been enacted or substantively enacted as of the Balance Sheet Date.Deferred tax assets arising from timing differences are recognised to the extent there is virtual certainty that the assets can be realised in future.Net outstanding balance in Deferred Tax account is recognized as deferred tax liability/asset. The deferred tax account is used solely for reversing timing difference as and when crystallized.

ii) Current Taxation

Provision for taxation has been made in accordance with the income tax laws prevailing for the relevant assessment years.

r) IMPAIRMENT OF FIXED ASSETS

The carrying amount of assets, other than inventories, is reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the assets recoverable amount is estimated.The impairment loss is recognized whenever the carrying amount of an asset or its cash generation unit exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in the uses, which is determined, based on the estimated future cash flow discounted to their present values. All impairment losses are recognized in the profit and loss account.An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount and is recognized in the profit and loss account.

s) PROVISION, CONTINGENT LIABILITIES AND CONTIGENT ASSETS

Provisions involving substantial degree of estimation in measurements are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in notes. Contingent assets are neither recognised nor disclosed in the financial statements.

t) ACCOUNTING OF CLAIMS (NOT APPLICABLE)

i) Claims received are accounted at the time of lodgment depending on the certainty of receipt and claims payable are accounted at the time of acceptance.

ii) Claims raised by Government authorities regarding taxes and duties, which are disputed by the Company, are accounted based on legality of each claim. Adjustments, if any, are made in the year in which disputes are finally settled.

u) EXPORT INCENTIVES (NOT APPLICABLE)

Export benefits under various scheme announced by the Central Government under Exim policies are accounted for in the year of receipt as against accrual basis to the extent considered receivable, depending on the certainty of receipt upto previous year. However there is no impact of the same on the profitability for the current year.

v) Though other Accounting Standards also apply to the Company by virtue of the Companies Accounting Standards Rules, 2006, no disclosure for the same is being made as the Company has not done any transaction to which the said accounting standards apply.

NOTES TO THE FINANCIAL STATEMENTS

Note 2 SHARE CAPITAL

(In Rupees)

PARTICULARS	AS AT 31-03-2015		AS AT 31-03-2014	
	Number of shares	INR	Number of shares	INR
AUTHORISED SHARE CAPITAL				
Equity Shares of Re. 10/- each	16500000	165000000	16500000	165000000
	16500000	**165000000**	**16500000**	**165000000**
ISSUED, SUBSCRIBED & FULLY PAID-UP SHARES				
Equity Share of Rs. 10/- each Fully paid	6334699	63346990	6334699	63346990

a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

At the beginning of the Year	6334699	63346990	6334699	63346990
Add : Issued during the Year	0	0	0	0
Add :Issued on account of merger / Conversion / Bonus / Split	0	0	0	0
Less : Buy back of share	0	0	0	0
Less : Forfeited Share (amount orginally paid up)	0	0	0	0
At the end of the Year	6334699	63346990	6334699	63346990
Less: Calls Unpaid (Showing aggregate value of calls unpaid by directors and officers)		0		0
	6334699	**63346990**	**6334699**	**63346990**

b) **Terms/ Rights attached to Equity Shares**

The company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share.In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company.

c) Shares held by holding/ ultimate holding company and/ or their subsidiaries/ associates – NIL

d) Bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date – NIL

e) **Details of shareholders holding more than 5% shares in the company**

(In Rupees)

Name of Shareholder	AS AT 31-03-2015		AS AT 31-03-2014	
	no. of shares	% holding	no. of shares	% holding
SWETANK MADUVIR PATEL	2735369	43.18	2735369	43.18
HINABEN SWETANK PATEL	1525610	24.08	1525610	24.08

Note 3 RESERVES & SURPLUS **(In Rupees)**

PARTICULARS		AS AT 31-03-2015		AS AT 31-03-2014	
1	**Amalgamation Reserve (Excess considaration due to frectional shares to Anar Softcom P. Ltd.)** [76853 shares 61]	844452		844452	
			844452		844452
2	**SURPLUS IN STATEMENT OF PROFIT AND LOSS**				
	As per last balance sheet	(4650207)		(2809196)	
	Add : Profit for the Year	(7060884)		(1841011)	
	Add : Depreciation written off for prior period	(80980)		0	
			(11792071)		(4650207)
			(10947619)		**(3805755)**

NOTE 4 SECURED LOANS **(In Rupees)**

PARTICULARS	AS AT 31-03-2015		AS AT 31-03-2014	
ICICI Car loan	283075		972115	
		283075		972115
		283075		**972115**

NOTE 5 OTHER CURRENT LIABILITIES **(In Rupees)**

PARTICULARS		AS AT 31-03-2015		AS AT 31-03-2014	
a)	**Trade Payables**	6305964		846391	
			6305964		846391
b)	**Other Liabilities**				
	(a) TDS payable	0		92202	
	(b) Auditor's Fees Payable	98750		29500	
	(c) Service tax payable	0		187460	
	(d) Salary Payable	0		13550	
	(e) Unpaid Expenses	0		2100	
	(f) Legal fees payable	0		5750	
	(g) Payable Remuneration	440110		440110	
	(h) Deposit from director	100000		0	
	(i) NSI Infinium Global Pvt. Ltd.	49079195		0	
	(j) Provision for expense	13877		0	
			49731932		770672
			56037896		**1617063**

a) The Company has circulated letters to all its suppliers requesting them to confirm whether they are covered under the Micro, Small and Medium Enterprises Act, 2006 ('MSMED'). However from the majority of the suppliers these confirmations are still awaited. Hence disclosure relating to amount unpaid as at the yearend together with interest paid/payable as required under the said act has not been made.

NOTE 6 FIXED ASSETS AND DEPRECIATION

	TANGIBLE ASSETS	GROSS BLOCK				DEPRECIATION			NET BLOCK	
Sr. No.		As at 1/4/2014	Addition during the year	Deduction during the year	As at 31-03-2015	As at 01-04-2014	Addition Dur. Year	Deduction Dur. Year	As at 31-03-2015	As at 31-03-2015	As at 31-03-2014
1	Air Conditioners	155,792	-	-	155,792	72,114	75,888	-	148,002	7,790	83,678
2	Computer	119,984	2,772,961	-	2,892,945	102,400	1,762,978	-	1,865,378	1,027,567	17,584
3	Office Equipments	720,879	-	-	720,879	251,618	361,668	-	613,286	107,593	469,261
4	Plant & Machinery	2,261,325	-	-	2,261,325	1,177,525	238,256	-	1,415,781	845,544	1,083,800
5	Vehicle	5,218,446	-	-	5,218,446	2,431,407	1,007,327	-	3,438,734	1,779,712	2,787,039
6	Furniture	-	1,164,301	-	1,164,301	-	301,397	-	301,397	862,904	-
7	EPABX	-	247,639	-	247,639	-	111,616	-	111,616	136,023	-
	Total	**8,476,426**	**4,184,901**	**-**	**12,661,327**	**4,035,064**	**3,859,130**	**-**	**7,894,194**	**4,767,133**	**4,441,362**
	Previous Year 2013-14	**5,915,869**	**2,560,557**	**-**	**8,476,426**	**3,152,547**	**882,517**	**-**	**4,035,064**	**4,441,362**	**2,763,322**

Note :- Pursuant to the provisions of Companies Act, 2013 ("The Act") becoming effective from 01.04.2014, the Company has adopted the specified useful life of its fixed assets as per Schedule -II to the Act and consequently a) depreciation for the is higher by Rs. 2902862 b) depreciation charge in respect of earlier years amounting to Rs. 80980 has been adjusted in opening balance of profit & loss A/c of the Company.

NOTE 7 DEFERRED TAX **(In Rupees)**

	PARTICULARS	AS AT 31-03-2015	AS AT 31-03-2014
a)	**On account of Depreciation**	684789	43253
	On account of Loss/Unabsorbed Depreciation upto earlier years	2569561	1752030
	On account of Loss of Current years	2385029	829618
	Net Deferred Tax Asset	**5639379**	**2624900**

b) In accordance with "Accounting Standard 22", the Deferred Tax Assets of Rs. 30,14,479/- (Previous year deferred tax Assets Rs. 26,24,900/-) for the year has been recognised in the Profit & Loss Account.

NOTE 8 LONG-TERM LOANS AND ADVANCES **(In Rupees)**

	PARTICULARS	AS AT 31-03-2015	AS AT 31-03-2014
(a)	Secured, considered good	0	0
(b)	Unsecured, considered good	11373021	48931378
(c)	Others considered doubtful	0	0
		11373021	**48931378**

NOTE 9 OTHER NON CURRENT ASSETS **(In Rupees)**

	PARTICULARS	AS AT 31-03-2015	AS AT 31-03-2014
	Outstanding for more than six months		
(a)	Secured, considered good	0	0
(b)	Unsecured, considered good	6558358	2279608
(c)	Others considered doubtful	0	0
Less :			
(d)	Allowance for bad and doubtful debts	0	0
		6558358	**2279608**

NOTE 10 INEVNTORIES (In Rupees)

PARTICULARS	AS AT 31-03-2015	AS AT 31-03-2014
(a) Stock in Trade		
- Finished Goods	58888584	0
	58888584	**0**

NOTE 11 CASH AND CASH EQUIVALENTS (In Rupees)

PARTICULARS	AS AT 31-03-2015	AS AT 31-03-2014
(a) Balances with scheduled banks	11439890	2439678
(b) Cash on hand	881508	1316268
	12321398	**3755946**

NOTE 12 OTHER CURRENT ASSETS (In Rupees)

PARTICULARS	AS AT 31-03-2015	AS AT 31-03-2014
Balance with government authorities		
(i) Advance payment of income tax		
(a) TDS Receivable AY 12-13	55863	55863
(b) TDS Receivable AY 13-14	41355	41355
(c) TDS Receivable AY 15-16	4738	0
(ii) Excess payment of sales tax		
(a) ITC Receivale 2014-15	9070513	0
	9172469	**97218**

NOTE 13 REVENUE FROM OPERATIONS (In Rupees)

PARTICULARS	AS AT 31-03-2015	AS AT 31-03-2014
(a) Sale of trading goods	159392686	1121500
	159392686	1121500

NOTE 14 OTHER INCOME (In Rupees)

PARTICULARS	AS AT 31-03-2015	AS AT 31-03-2014
(a) Other non-operating income	187460	16208
(b) Income tax Refund	91660	0
	279120	**16208**

NOTE 15 PURCHASES OF STOCK-IN-TRADE (In Rupees)

PARTICULARS	AS AT 31-03-2015	AS AT 31-03-2014
(i) Finished/Traded Goods	220056676	1025000
	220056676	**1025000**

NOTE 16 CHANGES IN INVENTORY (In Rupees)

PARTICULARS	AS AT 31-03-2015	AS AT 31-03-2014
(a) CLOSING STOCK		
Finished Goods	58888584	0
(b) OPENING STOCK		
Finished Goods	0	0
(Increase) / decrease in stock	**(58888584)**	**0**

NOTE 17 EMPLOYEE BENEFIT EXPENSE (In Rupees)

PARTICULARS	AS AT 31-03-2015	AS AT 31-03-2014
(i) Salaries, Bonus expenses & Staff welfare	475000	437500
TOTAL	**475000**	**437500**

NOTE 18 FINANCE COSTS (In Rupees)

PARTICULARS	AS AT 31-03-2015	AS AT 31-03-2014
(b) Bank charges and Other borrowing costs	22606	93308
	22606	**93308**

NOTE 19 DEPRECIATION AND AMORTIZATION EXPENSE (In Rupees)

PARTICULARS	AS AT 31-03-2015	AS AT 31-03-2014
(a) Depreciation of Tangible Fixed Assets	3778150	882517
	3778150	**882517**

NOTE 20 OTHER EXPENSES **(In Rupees)**

	PARTICULARS	AS AT 31-03-2015	AS AT 31-03-2014
1	Advertisement Expense	8553	4850
2	Auditors' Remuneration	85500	29250
3	Books & Periodicals	4300	4272
4	Computer Expense	2200	0
5	Service & Rep. Exp.	0	50590
6	Donation	100000	100000
7	Electricity Expense	21385	15811
8	Interest Expense on TDS	12236	1823
9	Interest Expense on VAT	0	320
10	Internet Expense	7893	13483
11	Insurance Exp.	102638	73328
12	Club Membership Fees	2472	1685
13	Maintenance Exp.	0	12584
14	Other Fees to stock exchange	3441898	0
15	Postage & Stamps Expense	466	1819
16	Processing Charges	20618	4950
17	Professional Fees	67000	55225
18	R.O.C. Filling Fees	6000	0
19	Director's Remuneration	0	840000
20	Share Transfer Expense	106744	67416
21	Stationery & Printing Expense	5000	0
22	Annual listing Fee	112360	44944
23	Telephone Expense	53858	31945
24	Directors travelling Expense	142200	153772
		4303321	1508067

NOTE 21 EARNINGS PER SHARE (EPS)

a) The following reflects the profit and share data used in the basic and diluted EPS computations:

(In Rupees)

PARTICULARS	AS AT 31-03-2015	AS AT 31-03-2014
Profit/(loss) for calculation of basic and diluted EPS	(7060884)	(1841011)
Weighted average number of equity shares in calculating basic EPS	6334699	6334699
Face value of equity shares	10	10
Basic Earning per share (In Rupees)	(1.11)	(0.29)
Diluted Earning per share (In Rupees)	(1.11)	(0.29)

b) The Company does not have any outstanding dilutive potential equity shares. Consequently the basic and diluted earning per share of the Company remain the same.

NOTE 22 RELATED PARTY DISCLOSURES

(i) List of related parties

Associate Entities	**Anar Retail Pvt. Ltd.**
Key Management Personnel	Swetank M Patel
Relatives of Key Management Personnel with whom transactions done during the year	Hina S. Patel

NOTE 25 GRATUITY

a) Net employee benefit expense recognized in the employee cost

PARTICULARS	**31-03-2015**
Foreign Traveling Exp.	142,200

(2) Anar Softcom Pvt. Ltd.

PARTICULARS	**31-03-2015**
Loans granted to Anar Retail Pvt. Ltd.	4,313,021

NOTE 23 OTHER DISCLOSURES

a) Sundry Creditors, Receivables and Loans and Advances for which confirmations are yet to be received. Provision for doubtful debts, if any, in respect of above and the consequential adjustments, arising out of reconciliation will be made at the appropriate time. The object & purpose of loans & advances given to various parties is not on record. No interest is also recovered.

b) In the opinion of the Management and to the best of their knowledge and belief the value under the head of Current and Non Current Assets (other than fixed assets and non current investments) are approximately of the value stated, if realised in ordinary course of business, except unless stated otherwise. The provision for all the known liabilities is adequate and not in excess of amount considered reasonably necessary.

c) The company has reclassified previous year figures to conform to this year's classification. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it significantly impacts presentation and disclosures made in the financial statements, particularly presentation of balance sheet.

In terms of our report attached.
As per our report of even date
For J.K.Parmar & Co.
Chartered Accountants
Firm No. 107599W
[J.K.Parmar]
Proprietor
Membership No.34138
PLACE : AHMEDABAD
DATE : 30/05/2015

For and on behalf of Board of Directors,

SWETANK M PATEL
DIN : 00116551
Managing Director
PLACE : AHMEDABAD
Date : 30/05/2015

HINA S PATEL
DIN : 01987053
DIRECTOR

ANAR INDUSTRIES LIMITED

Regd.Office: 4th Floor, "Karm" Corporate House, Opp. Vikramnagar, Nr. Newyork Timber, Ambli - Bopal Road, Ahmedabad – 380059. CIN: L29199GJ1992PLC018047

ATTENDANCE SLIP

Name of the attending Shareholder/Proxy : _____

Shareholder's Folio No./Client ID : _____

No. of Shares held : _____

I/We hereby record my/our presence at the Annual General Meeting held on Tuesday, September 29, 2015 at the Registered Office of the Company at 11:00 A.M.

Signature of the Attending Shareholder/Proxy: _____

Notes : 1. Share holder/Proxy holder wishing to attend the meeting must bring the attendance slip to the Meeting and hand it over at the entrance duly signed.

2. Share holder/Proxy holder desiring to attend the meeting should bring his/her copy of the Annual Report for reference at the meeting

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ANAR INDUSTRIES LIMITED

Regd.Office: 4th Floor, "Karm" Corporate House, Opp. Vikramnagar, Nr. Newyork Timber, Ambli - Bopal Road, Ahmedabad – 380059. CIN: L29199GJ1992PLC018047

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014*]*

CIN: L29199GJ1992PLC018047

Name of the company: ANAR INDUSTRIES LIMITED

Registered office: 4th Floor, "Karm" Corporate House, Opp. Vikramnagar, Nr. Newyork Timber, Ambli - Bopal Road, Ahmedabad – 380059

Name of the member (s):_____

Registered address:

Folio No/ Client Id:

_____

DP ID:

I/We, _____ being the member (s) of ..... shares of the above named Company, hereby appoint

1. Name:_____
   Address: _____
   E-mail Id: _____
   Signature:....., or failing him

2. Name:_____
   Address: _____
   E-mail Id: _____
   Signature:....., or failing him

3. Name:_____
   Address: _____
   E-mail Id: _____
   Signature:.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual general meeting of the company, to be held on the 29th day of September, 2015 At 11:00 a.m. at 4th Floor, "Karm" Corporate House, Opp. Vikramnagar, Nr. Newyork Timber, Ambli - Bopal Road, Ahmedabad – 380059 and at any adjournment thereof in respect of such resolutions as are indicated in the notice.

Signed this _____ day of _____2015

Signature_____

Signature of Proxy Holder(s)_____

Affix Revenue Stamp

Notes:

1. Proxy need not be a member.
2. Alterations, if any made in the form of proxy should be initialed;
3. Proxy must be deposited at the Registered Office of Anar Industries Limited not later than 48 hours before the time for holding the meeting.
4. In case of multiple proxies, proxy later in time shall be accepted.
5. A form of appointment naming a proxy and a list of individuals who would be willing to act as Proxies will be made available on receipt of request in writing to the Company Secretary.

BOOK POST

To,

If undelivered please return to:

ANAR INDUSTRIES LIMITED
4th Floor, "Karm" Corporate House,
Opp. Vikramnagar, Nr. Newyork Timber,
Ambli - Bopal Road, Ahmedabad – 380059