






Process
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FORM A

Pursuant to clause 31(2) of the listing agreement with the Bombay Stock Exchange

1.	Name of the Company	Axtel Industries Ltd.
2.	Annual financial statements for the year ended	31 st March, 2015
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	repetitive
5.	signed by <ul style="list-style-type: none">• Executive Director• Auditor of the Company• Audit Committee Chairman	  

Axtel Industries Limited
P.O. Baska, Taluka: Hatol,
District: Panchmahal 389350
Gujarat, India.

Info@axtelindia.com
www.axtelindia.com
Tel: +91 2676 247900
Fax: +91 2676 247125
CIN: L9110GJ1991PLC016185



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Annual Report 2014-2015

AXTEL INDUSTRIES LIMITED**TWENTY THIRD ANNUAL REPORT 2014-2015**

BOARD OF DIRECTORS	:	Shri Kirit Kumar Pathak, Non-Executive Director Shri Ajay Naishad Desai, Executive Director Shri Ajay Nalin Parikh, Executive Director Shri Hardip Singh Bubber, Non-Executive Director Shri Ajit Singh Bubber, Non-Executive Director Shri Ameet Nalin Parikh Non-Executive Director Shri Sandeep Lalwani, Independent Director Shri Nikhil Ramesh Parikh, Independent Director Smt. Anjali Harshvardhan Hegde, Independent Director
COMPANY SECRETARY	:	Mrs. Purna Sudeep Bokil
AUDITORS	:	V. K. SHASTRI & CO., Chartered Accountants, Baroda
BANKERS	:	Bank of Baroda, Halol
REGISTERED OFFICE & WORKS	:	Plot No. 43 / 1, Village Nurpura, P.O. Baska, Taluka HALOL - 389 350, Dist: Panchmahals, Gujarat. Tel : [02676] 247900 Fax : [02676] 247125
Corporate Identification number(CIN)	:	L91110GJ1991PLC016185
E-mail address	:	info@axtelindia.com
website	:	www.axtelindia.com

NOTICE

NOTICE is hereby given that the twenty third annual general meeting of the members of AXTEL INDUSTRIES LIMITED will be held at 11.00 a.m. on Monday, the 31st August, 2015 at the Registered Office of the Company situated at Plot No. 43/1, Village Nurpura, P.O. Baska, Tal. Halol - 389 350, Dist. Panchmahals, Gujarat to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2015 and the Profit & Loss Account of the Company for the year ended on that day together with the Directors' and Auditors' Reports thereon.
2. To appoint a Director in place of Shri Ameet Nalin Parikh (DIN 00007036), who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Shri Kirit Kumar Pathak (DIN 01849295), who retires by rotation and being eligible offers himself for re-appointment.
4. To Reappoint the Auditors of the Company and fix their remuneration.

SPECIAL BUSINESS :

5. To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:
RESOLVED THAT pursuant to the provisions of section 149, 150, 152 and any other provisions applicable, if any, of the Companies Act, 2013 and the rules made thereunder read with schedule IV of the Companies Act, 2013, Shri Nikhil Ramesh Parikh (DIN 01868080) who ceases at the ensuing annual general meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as Independent Director of the Company to hold office for five consecutive years up to 29th March, 2020.
6. To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:
RESOLVED THAT pursuant to the provisions of section 149, 150, 152 and any other provisions applicable, if any, of the Companies Act, 2013 and the rules made thereunder read with schedule IV of the Companies Act, 2013, Smt. Anjali Harshvardhan Hegde (DIN 01683723) who ceases at the ensuing annual general meeting and in respect of whom the Company has received a notice in writing from a member proposing her candidature for the office of Director, be and is hereby appointed as Independent Director of the Company to hold office for five consecutive years up to 29th March, 2020.
7. To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions:
RESOLVED THAT pursuant to section 188(1) and other provisions, applicable if any, of the Companies Act, 2013, the Company do avail professional service from Tranzmute Capital & Management Private Ltd. a company incorporated under the Companies Act, 1956 having its registered office at Hoechst House, Ground Floor, Nariman Point, Mumbai-400 001 for a period of five years with effect from 1st October, 2015 to enhance the Company's growth as under:
 - i. Establish vision and a strategy for the Company
 - ii. Establish a sound strategy for each of the enablers and for growth
 - iii. Implementation and monitoring of the above strategies
 on a professional fee of Rs. 2,50,000 (Rupees Two Lac Fifty Thousand Only) per month and service tax and other taxes as applicable from time to time in addition to the said professional fee and re-imbusement of out of pocket expenses, which may be incurred by Tranzmute Capital & Management Private Ltd.
RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to enter into Memorandum of Understanding for a period of five years.

By the Order of the Board of Directors

Dated : 29.05.2015

Place : Registered Office :
Plot No.43/1, Village: Nurpura,
P.O. Baska, Tal. Halol - 389 350
Dist. Panchmahals, Gujarat

Ajay Naishad Desai
Executive Director
DIN: 00452821

NOTES:

- 1) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL ONLY TO VOTE INSTEAD OF HIM. SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING. A PROXY FORM IS SENT HEREWITH.
A person can act as proxy on behalf of members not exceeding 50 (fifty) and holding in the aggregate not more than 10 (ten) percent of the total share capital of the Company.
Proxy submitted on behalf of the companies, Societies etc. must be supported by an appropriate resolution/ authority as applicable.
- 2) Members should notify change in the address, if any, specifying full address in block letters with pin code of the post office.
- 3) Members seeking further information on the accounts or any other matter contained in the notice are requested to write to the Company at least 7 days before the meeting, so that relevant information can be kept ready at the meeting.
- 4) The register of members and share transfer book will remain closed from Monday, the 24th August, 2015 to Monday, the 31st August, 2015 [both days inclusive].
- 5) Members attending the meeting are requested to bring their copy of the Annual Report.
- 6) Pursuant to Section 72 of the Companies Act, 2013, members who hold shares in the physical form can nominate a person in respect of all the shares held by them singly or jointly. Members who hold shares in single name are advised, in their own interest, to avail of the nomination facility by filing required form.
- 7) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number(PAN) by every participant in securities market. Members holding shares in physical form can submit their PAN details to the Company/ Registrar and Share Transfer Agent.
- 8) Pursuant to Clause 47(f) of the Listing Agreement entered into with the Bombay Stock Exchange, the company has created an exclusive E-mail. Id : investors@axtelindia.com for quick redressal of shareholders/investors grievances.
- 9) In terms of the Circulars No. 17/2011 of 21st April, 2011 and 18/2011 of 29th April, 2011 issued by the Ministry of Corporate Affairs(MCA) as part of its "green initiative in Corporate Governance", MCA allows paperless compliances including service of a notice/document by companies to their members through electronic mode. Therefore as was done last year, the Company proposes to send documents required to be sent to the members like Notices of General Meetings (including AGM), Audited Financial Statements, Report of the Directors, Independent Auditor's Report etc to the members in electronic form to the e-mail IDs provided by them and made available to the Company by the Depositories. This will also ensure prompt receipt of communication and avoid loss in postal transit. These documents will also be available on the Company's website www.axtelindia.com for download by the Members. The physical copies of the annual report will be made available upon receipt of a requisition from the members, any time as a member of the Company.
- 10) In terms of Section 152 of the Companies Act, 2013, Shri Ameet Nalin Parikh (DIN 00007036) and Shri Kirit Kumar Pathak (DIN 01849295), Directors, retire by rotation at the meeting and being eligible, offer themselves for reappointment. Further, in terms of Section 160 of the Companies Act, 2013, Shri Nikhil Ramesh Parikh (DIN 01868080) and Smt. Anjali Harshvardhan Hegde(DIN 01683723) are proposed to be re-appointed as Independent Directors. The Board of Directors of the Company recommend their respective re-appointments. Brief resume of Directors including those proposed to be re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Bombay Stock Exchange, are provided in the Board's Report forming part of the Annual Report.
- 11) Voting through electronic means : E-voting : Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014, as amended and Clause 35B of the Listing Agreement, the Company is pleased to provide E-voting facility through Central Depository Services (India) Limited (CDSL) as an alternative for all the members of the Company to enable them to cast their votes electronically. The instructions for E-voting are attached herewith.
- 12) The Board of Directors of the Company has appointed Dineshchandra Mangaldas Mehta of M/s.Dinesh Mehta & Co., Company Secretary in Practice as Scrutinizer to scrutinize the e-voting process in a fair and transparent manner and he has communicated his willingness to be appointed and will be available for same purpose.
- 13) Voting rights shall be reckoned on the paid up value of shares registered in the name of the member (in case of electronic shareholding) as on the cut-off date i.e 24th August, 2015.
- 14) A person, whose name is recorded in the register of members by the depositories as on the cut-off date, i.e. 24th August, 2015 only shall be entitled to avail the facility of e-voting / Poll.
- 15) The e-voting facility will be available during the following period: Commencement of e-voting : From 9.00 a.m. (IST) on 28th August, 2015

End of e-voting : Up to 5.00 p.m. (IST) on 30th August, 2015.
The e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled by (CDSL) upon expiry of aforesaid period.
- 16) The Scrutinizer, after scrutinising the votes cast at the meeting on poll and through e-voting will, not later than three days of conclusion of the meeting, make a consolidated scrutinizer's report and submit the same to the Chairman. The results

declared along with the consolidated scrutinizer's report shall be placed on the website of the Company www.axtelindia.com and the results shall simultaneously be communicated to the Bombay Stock Exchange.

- 17) Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the meeting.
- 18) Explanatory statement setting out all material facts concerning the special business u/s102 of the Companies Act, 2013 is annexed hereto :

The instructions for shareholders voting electronically are as under:

- (i) The e-voting period begins From 9.00 a.m. (IST) on 28th August, 2015 and end e-voting at 5.00 p.m. (IST) on 30th August, 2015. 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 24th August, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. 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:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Attendance Slip indicated 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.

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that 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) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) 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 that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) 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.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) 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 the 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 the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) 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.

Explanatory statement in respect of the special business u/s 102 of the Companies Act, 2013**Item No.5**

Shri Nikhil Ramesh Parikh was appointed as Additional Non-Executive Independent Director of the Company with effect from 30th March,2015 at the meeting of the Board of Directors of the Company held on 30th March,2015. He is a member of Audit Committee and Nomination & Remuneration Committee of the Company. He is B.E.(Electrical) from Maharaja Sayajirao University of Vadodara. On graduation, he joined the family business called EEC group of companies manufacturing non destructive testing equipment and machines for the textile industry, import substitutes used for highly sensitive applications in the engineering industry, railways, nuclear energy equipment etc. He has varied and rich experience of over 34 years in engineering field.

Shri Nikhil Ramesh Parikh will cease to be Director under section 161(1) of the Companies Act,2013. at the ensuing AGM Your Company has received a notice under section 160(1) of the Companies Act,2013 from a member of the Company proposing to appoint Shri Nikhil Ramesh Parikh as an Independent Director of the Company.

In the opinion of the Board Shri Nikhil Ramesh Parikh fulfils the conditions specified in the Companies Act,2013 and Rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. A copy of the letter for appointment of Shri Nikhil Ramesh Parikh as an independent director setting out the terms and conditions would be available for inspection by members at the registered office of the company during normal business hours on any working day excluding Saturday and Sunday.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to appoint him as Independent Director of your Company. Your Board recommends his appointment as Independent Director of your Company.

No Director, Key Managerial Personnel or their relatives, except Shri Nikhil Ramesh Parikh is directly or indirectly concerned or interested in the above resolution.

This statement may also be regarded as a disclosure under Clause 49 of the listing agreement with the Stock Exchange.

Item No.6

Smt. Anjali Harshvardhan Hegde was appointed as Additional Non-Executive Independent Director of the Company with effect from 30th March,2015 at the meeting of the Board of Directors of the Company held on 30th March,2015. She is a member of Nomination & Remuneration Committee of the Company. She is an MMS from Jamnalal Bajaj Institute of Management Studies, Bombay and a post graduate in Business Economics from M S University, Baroda. She is the CEO of Reprise Media, a full service digital agency of the IPG Mediabrands Group. With 24 years in the media and advertising industry, she has been in the digital industry from 1999. Prior to that, Anjali spent 6 years with Bennett Coleman & Company Ltd (The Times of India Group) as Response Head of Baroda, Gujarat. She is a life member of National Geographic Society and Heritage Society of India.

Smt. Anjali Harshvardhan Hegde will cease to be Director under section 161(1) of the Companies Act,2013 at the ensuing AGM. Your Company has received a notice under section 160(1) of the Companies Act,2013 from a member of the Company proposing to appoint Smt. Anjali Harshvardhan Hegde as an Independent Director of the Company.

In the opinion of the Board Smt. Anjali Harshvardhan Hegde fulfils the conditions specified in the Companies Act,2013 and Rules made thereunder for her appointment as an Independent Director of the Company and is independent of the management. A copy of the letter for appointment of Smt. Anjali Harshvardhan Hegde as an independent director setting out the terms and conditions would be available for inspection by members at the registered office of the company during normal business hours on any working day excluding Saturday and Sunday.

The Board considers that her continued association would be of immense benefit to the Company and it is desirable to appoint her as Independent Director of your company. Your Board recommends her appointment as Independent Director of your Company.

No Director, Key Managerial Personnel or their relatives, except Smt. Anjali Harshvardhan Hegde is directly or indirectly concerned or interested in the above resolution.

This statement may also be regarded as a disclosure under Clause 49 of the listing agreement with the Stock Exchange.

Item No.7

Your Company has been availing professional services in connection with growth, value creation and financial security from Tranzmute Capital & Management Private Ltd. since 1st August,2012 as per the order of the Regional Director, North- Western Region, Ahmedabad under letter no. RD(NWR) / Sec.297/183/2011-12/1564 dated 9th August,2012 for a period of three years with effect from 01.08.2012 to 31.07.2015 on a professional fee of Rs.2,50,000 per month.

Your Company has made expansion under monitoring of Tranzmute Capital & Management Private Ltd. successfully within time. Your Board proposes to avail the aforesaid professional services from Tranzmute Capital & Management Private Ltd. for a further period of five years for the interest of your Company.

Your Board recommends to approve the ordinary resolutions.

No Director, Key Managerial Personnel or their relatives, except Shri Ameet Nalin Parikh being Director of Tranzmute Capital & Management Private Ltd. and Shri Ajay Nalin Parikh being a relative of Shri Ameet Nalin Parikh is directly or indirectly concerned or interested in the above resolutions.

By the Order of the Board of Directors

Dated :29/05/2015

Place : Registered Office :

Plot No.43/1, Village: Nurpura,

P.O. Baska, Tal. Halol - 389 350

Dist. Panchmahals, Gujarat

Ajay Naishad Desai

Executive Director

DIN: 00452821

BOARD'S REPORT

To,
The Members,

Your Directors have pleasure in presenting their 23rd Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2015.

1. Financial summary or highlights/Performance of the Company

The financial results for the year are as under: [Rupees in Lacs]

	Year ended 31.03.2015	Year ended 31.03.2014
Sales and other Income	4016.02	4833.64
Profit before depreciation	(400.41)	695.78
Less: Depreciation	388.61	279.82
Profit/(Loss) of the year	(789.02)	415.96
Less: Provision for tax of earlier year	1.39	84.87
Provision for deferred tax	(36.47)	54.71
Profit/(Loss) after taxation	(753.94)	276.38
Balance brought forward from previous year	1672.46	1396.08
Balance carried to balance sheet	918.52	1672.46

2. Dividend

Your Board does not recommend any dividend for the financial year 2014-15.

3. Reserves

Your Board does not propose to carry to any reserves for the financial year 2014-15.

4. Brief description of the Company's working during the year/State of Company's affair

Total turnover during the year 2014-15 decreased by Rs.820.90 lac (17.05%) compare to previous year 2013-14 and there is loss of Rs.753.94 lac (after tax) during the year 2014-15 against net profit of Rs.276.40 lac (after tax) in previous year 2013-14. Due to recession in domestic and international market sales has come down during the year 2014-15 and loss accordingly due to decrease in sales and depreciation and overhead expenses.

5. Change in the nature of business, if any

There is no change in the nature of business during the financial year 2014-15.

6. Material changes and commitments, if any, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report

No 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.

7. Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future

No significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future during the financial year and or subsequent to the close of the financial year of the Company to which the balance sheet relates and the date of the report.

8. Details in respect of adequacy of internal financial controls with reference to the Financial Statements.

The Company has appointed internal auditor for adequacy of internal financial controls and your Board has taken adequate care for financial control.

9. Details of Subsidiary/Joint Ventures/Associate Companies

Your Company has no Subsidiary/Joint Ventures/Associate Companies during the year.

10. Performance and financial position of each of the subsidiaries, associates and joint venture companies included in the consolidated financial statement.

Your Company has no Subsidiary/Joint Ventures/Associate Companies during the year.

11. Deposits

Your Company has not accepted any deposit during the year and there was no deposit at the beginning of the year. Therefore the details relating to deposits, covered under Chapter V of the Act is not applicable.

12. Statutory Auditors

M/s. V.K. Shastri & Co., Chartered Accountants, Auditors of the Company retire at the ensuing Annual General Meeting and are eligible for reappointment.

The Company has obtained a letter of consent and also a certificate under section 139 and 141 of the Companies Act, 2013 from the Auditors to the effect that, their appointment, if made would be within the limits prescribed in the said section.

13. Auditors' Report

The observations of the Auditors are explained, wherever necessary, in an appropriate notes to the Audited Statement of Accounts. No qualification, reservation or adverse remark or disclaimer has been made by the auditor in their auditors' report for the year 2014-15.

14. Share Capital

Your Company has allotted 61,55,000 equity shares of Rs.10 each for cash at par aggregating Rs.6,15,50,000 on preferential basis to entitles of promoters' group during the financial year ended 31st March,2015.

During the year under review, the Company has not issued any other shares nor has granted any stock option or sweat equity.

15. Extract of the annual return

The extract of the annual return in Form No. MGT - 9 forming part of the Board's report is attached herewith as (Annexure-E)

16. Conservation of energy, technology absorption and foreign exchange earnings and outgo

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are attached herewith (Annexure-A)

17. Corporate Social Responsibility (CSR)

As net worth of the Company is below rupees five hundred crore or turnover is below rupees one thousand crore or a net profit is below rupees five crore during the preceding financial year ended on 31st March,2014, section 135 of the Companies Act,2013 is not applicable and therefore the Company has not spent any sum towards Corporate Social Responsibility during the financial year 2014-15.

18. Directors

A) Changes in Directors and Key Managerial Personnel

Your Company has appointed Smt. Anjali Harshavardhan Hedge (DIN - 01683723) and Shri Nikhil Ramesh Parikh (DIN - 01868080) as independent Directors during the year. Shri Neeraj Pathak, Alternate Director to Shri Kirit Kumar Pathak ceased to be Alternate Director on 6th January,2015.

Your Company has been received a notice under section 160(1) of the Companies Act,2013 from members of the Company proposing to appoint Smt. Anjali Harshvardhan Hegde and Shri Nikhil Ramesh Parikh as Independent Directors of the Company.

Your Company appointed Shri Vishal Sharma as Chief Financial Officer during the year. However due to his personal reason, he resigned as Chief Financial Officer with effect from 16th May,2015.

Your Company appointed Smt.Prerna Sudeep Bokil as Company Secretary during the year.

Shri Ameet Nalin Parikh and Shri Kirit Kumar Pathak retire by rotation at the ensuing annual general meeting and being eligible offered themselves for re-appointment as Directors.

B) Declaration by an Independent Director(s) and re- appointment, if any

A declaration by Shri Sandeep Gul Lalwani, Smt. Anjali Harshavardhan Hedge and Shri Nikhil Ramesh Parikh Independent Directors that they meet the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013 have been given and the same have been displayed on Company's website.

The Board of Directors declare that the Independent Directors Shri Sandeep Gul Lalwani, Smt. Anjali Harshavardhan Hedge and Shri Nikhil Ramesh Parikh in the opinion of the Board are :

- a) persons of integrity and they possess relevant expertise and experience;
- b) not a promoter of the Company or its holding, subsidiary or associate company;
- c) not related to promoters or directors of the company, or its holding, subsidiary or associate company;

- d) have/had no pecuniary relationship with the company, its holding or subsidiary or associate company or promoters or directors of the said companies during the two immediately preceding financial years or during the current financial year;
- e) none of their relatives have or had pecuniary relationship or transactions with the company, its holding, subsidiary or associate company or promoters or director of the said companies amounting to two percent or more of its gross turnover or total income or fifty lakh rupees whichever is lower during the two immediately preceding financial years or during the current financial year;
- f) neither they or any of their relatives -
 - i. hold or have held the position of a key managerial personnel or are or have been employees of the Company or its holding, subsidiary, associate company in any of the three financial years immediately preceding the current financial year
 - ii. are or had been employee or proprietor or a partner in any of the three financial years immediately preceding the current financial year of
 - a) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company or
 - b) any legal or consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten percent or more of gross turnover of the said firm;
 - iii) do not hold together with their relatives two percent or more of the total voting power of the company or
 - iv) not a Chief Executive or director of any non-profit organization that receives twenty-five percent or more of its receipts from the company, any of the promoters or directors of the company or its holding, subsidiary or associate company or that holds two percent or more of the total voting powers of the company;
- g) possess qualifications prescribed in Rule 5 of The Companies (Appointment and Qualification of Directors) Rules, 2014.

Smt. Anjali Harshavardhan Hedge and Shri Nikhil Ramesh Parikh are eligible for re-appointment at the ensuing annual general meeting.

Details of director seeking re-appointment as per clause 49 of listing agreement with the Bombay stock exchange is attached herewith (Annexure- F)

C) Formal Annual Evaluation

The Company has devised a policy for performance evaluation of Independent Directors, Board, Committees and individual Directors which includes criteria for performance evaluation of executive directors and non-executive directors.

In evaluating the suitability of individual Board members, the Committee may take into account factors, such as:

- i. General understanding of the Company's business;
- ii. Educational back ground and experience;
- iii. Personal and professional ethics, integrity and values;
- iv. Willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively.

19. Number of meetings of the Board of Directors

During the year from 01st April, 2014 to 31st March, 2015 the Board of Directors met seven times on the following dates :

Sr	Date	Board Strength	No. of Directors Present
1	30-05-2014	7	4
2	04-06-2014	7	4
3	11-08-2014	7	4
4	12-11-2014	7	6
5	07-01-2015	7	3
6	13-02-2015	7	6
7	30-03-2015	7	4

20. Audit Committee

Audit Committee comprising of the following Directors of the Board re-constituted on 30.03.2015:

Name of Director	Status
1. Shri Sandeep Gul Lalwani	Non-Executive Independent Director
2. Shri Nikhil Ramesh Parikh	Non-Executive Independent Director
3. Shri Ameet Nalin Parikh	Director

There was no occasion regarding non acceptance of any recommendation of the Audit Committee during the year.

21. Details of establishment of vigil mechanism for directors and employees

The Board has appointed the following persons as members of vigil committee:

1. Shri Ajay Naishad Desai
2. Shri Sandeep Gul Lalwani
3. Shri Ameet Nalin Parikh

The Company has framed a whistle blower policy in terms of listing agreement and the same may be accessed on the Company's website.

22. Nomination and Remuneration Committee

Nomination and Remuneration Committee comprising of the following Directors of the Board re-constituted on 30.03.2015:

Name of Director	Status
1. Shri Sandeep Gul Lalwani	Non-Executive Independent Director
2. Shri Nikhil Ramesh Parikh	Non-Executive Independent Director
3. Mrs. Anjali Harshvardhan Hegde	Non-Executive Independent Director

The policy formulated by nomination and remuneration committee:

The terms of reference of the committee inter alia include succession planning for Board of Directors and Senior Management Employees, identifying and selection of candidates for appointment of Directors/Independent Directors based on certain laid down criteria, identifying potential individuals for appointment of Key Managerial personnel and other senior managerial position and review the performance of the Board of Directors and Senior Management personnel including Key managerial personnel based on certain criteria approved by the Board. While reviewing the performance, the committee ensures that the remuneration is reasonable and sufficient to attract, retain and motivate the best managerial talents, remuneration commensurate with the performance of individual and group and also maintains a balance between both short and long term objectives of the company.

The Committee met on 12/11/2014 and 30/03/2015 during the year.

23. Particulars of loans, guarantees or investments under section 186

The Company has not given any loan, guarantees or investments under section 186 to any person or body corporate except loan to employees of the Company as per Company's policy for employees.

24. Particulars of contracts or arrangements with related parties:

The Company has not entered into any contract or arrangement with related party referred to in sub-section (1) of section 188 of the Companies Act, 2013 except contract with Tranzmute Capital & Management Private Limited to avail professional services, which has been approved by the Regional Director, North- Western Region, Ahmedabad under letter no. RD(NWR) / Sec.297/183/2011-12/1564 dated 9th August,2012 for a period of three years with effect from 01.08.2012 to 31.07.2015. Form No. AOC -2 regarding transactions under section 188 of the Companies Act, 2013 is enclosed herewith (Annexure-B).

25. Managerial Remuneration:

Disclosures pursuant to section 197(12) of the Companies Act,2013 read with Rule 5(1), 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are enclosed herewith (Annexure-C).

26. Secretarial Audit Report

The Secretarial Audit Report pursuant to section 204(1) of the Companies Act,2013 given by M/s. Dinesh Mehta & Co., a company secretary in practice enclosed herewith (Annexure-D).

The Secretarial Audit Report does not contain any qualification, reservation or adverse remark except i) the allotment of 61,55,000 equity shares on preferential basis to promoters' group entity in violation of SEBI (Substantial Acquisition of Shares and Takeovers) Rules,2011 and ii) filing of two form MGT-14 and DIR-12 after due date under the Companies Act,2013.

Explanation: i) The entities of the promoters' group to whom the aforementioned equity shares have been allotted have appointed the merchant banker to offer 26% of equity shares of the company to the shareholders of the company as required under The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and the said offer is under process with the merchant banker as on the date of this report.

ii) Two form MGT-14 and DIR-12 under the Companies Act,2013 were filed after due date with additional fee through oversight.

27. Corporate Governance Certificate

The Compliance certificate from M/s. Dinesh Mehta & Co., a company secretary in practice regarding compliance of conditions of corporate governance as stipulated in Clause 49 of the Listing agreement has been annexed with corporate governance report.

28. Risk management policy

In today's economic environment, Risk Management is a very important part of business. The main aim of risk management is to identify, monitor and take precautionary measures in respect of the events that may pose risks for the business. Your Company's risk management is embedded in the business processes. Your company has identified the following risks:

Key Risk	Impact to Axtel Industries Ltd	Mitigation Plans
Commodity Price Risk	Risk of price fluctuation on basic raw materials like steel, components, power as well as finished goods used in the process of manufacturing	The Company commands excellent business relationship with the buyers. In case of major fluctuation either upwards or downwards, the matter will be mutually discussed and compensated both ways. Also by focusing on new value added products helps in lowering the impact of price fluctuation in finished goods.
Uncertain global economic environment – slow growth in global economy	Impact on demand and realization of Exports of food processing plant and machinery.	The Company has potentiality in domestic market and the people do not compromise on food and it will not affect much.
Interest Rate Risk	Any increase in interest rate can affect the finance cost	Dependence on debt is very minimum and we have enough funds to meet the need arises.
Foreign Exchange Risk	Any volatility in the currency market can impact the overall profitability	The Company has potentiality in domestic market. In case of major fluctuation either upwards or downwards, the effect will be minimum.
Human Resources Risk	Your Company's ability to deliver value is dependent on its ability to attract, retain and nurture talent. Attrition and non-availability of the required talent resource can affect the overall performance of the Company	By continuously benchmarking of the best HR practices and carrying out necessary improvements to attract and retain the best talent. we do not anticipate any major issue for the coming years.
Competition Risk	Every company is always exposed to competition risk from European Countries. The increase in competition can create pressure on margins, market share etc	By continuous efforts to enhance the brand image of the Company by focusing on quality, cost, timely delivery and customer service. By introducing new product range commensurate with demands your company plans to mitigate the risks so involved.
Compliance Risk - Increasing regulatory Requirements.	Any default can attract penal provisions	By regularly monitoring and review of changes in regulatory framework.
Industrial Safety, Employee Health and Safety Risk	The engineering industry is exposed to accidents and injury risk due to human negligence.	By development and implementation of critical safety standards across the various departments of the factory, establishing training need identification at each level of employee.

29. Directors' Responsibility Statement

Your Directors state that :

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) 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 and of the profit and loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) 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.
- (f) 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.

30. Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

The Company has been employing about 5 women employees in various cadres within the factory premises. The Company has in place an anti-harassment policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaint Committee has been set up to redress complaints received regularly and are monitored by women line supervisors who directly report to the Executive Director. All employees (permanent, contractual, temporary, trainees) are covered under the policy. There was no complaint received from any employee during the financial year 2014-15 and hence no complaint is outstanding as on 31.03.2015 for redressal.

31. Acknowledgements

The Board of Directors gratefully acknowledge the assistance and co-operation received from the Bank of Baroda and all other statutory and non-statutory agencies for their co-operation.

The Board of Directors also wish to place on record their gratitude and appreciation to the members for their trust and confidence shown in the Company.

The Board of Directors would like to especially thank all the employees of the Company for their dedication and loyalty.

On behalf of the Board of Directors

Date : 29.05.2015

Registered Office :

Plot No.43/1, Village: Nulpura,

P.O. Baska, Tal. Halol - 389 350

Dist. Panchmahals, Gujarat

[Ajay Naishad Desai]

Executive Director

DIN : 00452821

[Ajay Nalin Parikh]

Executive Director

ANNEXURE - A**Particulars regarding Conservation of Energy, Technology Absorption and Foreign Exchange Income and Outgo as per rule 8 (3) of the Companies (Accuhuts) Rules, 2014****A) Conservation of energy:**

- (i) the steps taken or impact on conservation of energy ; Nil
- (ii) the steps taken by the company for utilising alternate sources of energy ; Nil
- (iii) the capital investment on energy conservation equipments ; Nil

(B) Technology absorption:

- (i) the efforts made towards technology absorption : Technology developed by the
Wholetime Directors
- (ii) the benefits derived like product : The Company developed,
improvement, cost reduction, product : improved various products,
development or import substitution : and import substitution in-house
- (iii) in case of imported technology (imported : N.A.
during the last three years reckoned from the :
beginning of the financial year)- :
- (a) the details of technology imported : N.A.
- (b) the year of import : N.A.
- (c) whether the technology been fully absorbed : N.A.
- (d) if not fully absorbed, areas where absorption
has not taken place, and the reasons thereof : N.A.
- (iv) the expenditure incurred on Research and
Development : N.A.

(C) Foreign exchange earnings and Outgo:

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows.

Foreign exchange earning and outgo

- [i] Activities relating to exports : Sale of food processing plants & machinery
- [ii] Initiatives taken to increase export : The Directors visit clients abroad several times
and the Company expects to receive several
export orders from time to time.
- [iii] Development of new export markets for : Not Applicable
products and services and export plans

		Current	Previous
[Rupees in Lacs]		Year	Year
		(2014-15)	(2013-14)
[iv]	Total foreign exchange used	26.36	120.74
[v]	Total foreign exchange earned	775.03	215.68

Annexure-B

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. **Details of contracts or arrangements or transactions not at arm's length basis: NOT APPLICABLE**
 - (a) Name(s) of the related party and nature of relationship:
 - (b) Nature of contracts/arrangements/transactions:
 - (c) Duration of the contracts / arrangements/transactions:
 - (d) Salient terms of the contracts or arrangements or transactions including the value, if any:
 - (e) Justification for entering into such contracts or arrangements or transactions:
 - (f) date(s) of approval by the Board:
 - (g) Amount paid as advances, if any:
 - (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188:
2. **Details of material contracts or arrangement or transactions at arm's length basis:**
 - (a) **Name(s) of the related party and nature of relationship:** Tranzmute Capital & Management Private Limited. Mr. Ameet Nalin Parikh, Director of the Company is Director in the said company
 - (b) **Nature of contracts/arrangements/transactions:** Availing professional service in connection with growth, value creation and financial security.
 - (c) **Duration of the contracts / arrangements/transactions:** from 01.08.2012 to 31.07.2015.
 - (d) **Salient terms of the contracts or arrangements or transactions including the value, if any:** Tranzmute Capital & Management Private Limited provides services for establishment of vision and a strategy for the Company, a sound strategy for each of the enablers and for growth and implementation and monitoring the said strategies to enhance company's growth.
 - (e) **date of approval by the Board:** Board approved on 12th April, 2012 and the Regional Director, North- Western Region, Ahmedabad under letter no. RD(NWR) / Sec.297/183/2011-12/1564 dated 9th August, 2012 for a period of three years with effect from 01.08.2012 to 31.07.2015.
 - (g) **Amount paid as advances, if any:** No advance is paid.

Note: Form shall be signed by the persons who have signed the Board's report.

On behalf of the Board of Directors

Ajay Naishad Desai	Ajay Nalin Parikh
Executive Director	Executive Director
DIN: 00452821	DIN: 00453711

Annexure-C

Information as per Section 134 of the Companies Act, 2013, read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Name	Age - Years	Designation	Nature of employment	Qualification & Experience (Yrs)	Remuneration received (Rs.)	Date of Commencement of employment	Last employment/ Designation
A. Employed throughout the financial year							
Mr. Ajay Naishad Desai	57	Whole time Director	contractual	B.E.(Elec.) 31 years	83,99,786	01.03.1992	Age Techonologies Pvt. Ltd./ Director
Mr.Ajay Nalin Parikh	58	Whole time Director	contractual	B.E.(Mech.) 31 years	83,99,654	01.03.1992	Age Techonologies Pvt. Ltd./ Director

Note: Rules 5(3)(viii) & (ix) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not applicable, as both Mr.Ajay Naishad Desai and Mr.Ajay Nalin Parikh are Whole time Directors of the Company.

Disclosure in the Board's Report under Rule 5 of Companies (Appointment & Remuneration) 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	Director's Name	Ratio to mean remuneration
		Mr.Ajay Naishad Desai	25.47
		Mr.Ajay Nalin Parikh	25.47
(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 2014-15 compared to 2013-14	Director's/CFO/CEO/CS/Mgr name	% age increase in remuneration
		Mr.Ajay Naishad Desai	180%
		Mr.Ajay Nalin Parikh	180%
(iii)	Percentage increase in the median remuneration of employees in the financial year 2014-15 compared to 2013-14	7.93%	
(iv)	Number of permanent employees on the rolls of the company	As on 31.03.2015	As on 31.03.2014
		137	139
(v)	Explanation on the relationship between average increase in remuneration and the company performance	The Company's overall turn-over decreased by 17.05% during the year while the increase in median remuneration was 7.93 % only. This is because the Company manufacture capital goods (i.e. food processing plant and machinery) and sales vary year to year, depending on demand of the capital goods. Further, the Company has increased number of employees during the last two years on expansion of capacity with the expectation of more demand of capital goods in food industry.	

(vi)	Comparison of the remuneration of the Key Managerial Personnel against the performance of the company	Not applicable			
(vii)	Variation in	Details	31.03.2015	31.03.2014	
		Market Capitalization	Rs. 18.42 crores	Rs. 6.30 crores	
		Price Earning Ratio	N.A. as there is a loss	2.28	
		Percentage Increase/decrease of market quotations	+80.95%	-20.65%	
		Net worth of the Company	Rs. 25.59 crores	Rs. 26.97 crores	
(viii)	Average percentile increase in salaries of Employees other than managerial personnel	During 2013-14	During 2014-15		
		31.62%	7.93%		
		Justification for increase with reasons for any exceptional circumstances	There was expansion of the project during the year 2013-14 and normal industry standards applied based on performance of each employee		
(ix)	Comparison of each remuneration of the Key Managerial Personnel against the performance of the Company	Name of Key Managerial personnel	Remuneration for the years ended		Reason against performance of the Company
			31.03.2015	31.03.2014	% age change
		Mr.Ajay Naishad Desai,WTD	83,99,786	29,99,850	180%
		Mr.Ajay Nalin Parikh,WTD	83,99,654	29,99,800	180%
		*Mr.Vishal Sharma,CFO	7,710	-----	N.A.
		*Mrs.Prerna Sudeep Bokil, CO.SEC.	1,400	-----	N.A.
		*Appointed on 30.03.2015			
(x)	Key parameter for any variable component of remuneration availed by the Directors	No			
(xi)	Ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess the highest paid director during the year	Nil			

The Board of Directors of the Company affirms that the remuneration is as per the remuneration policy of the Company.

The statement showing the names of every employee of the company as per Rule 5(2) forming part of Director's Report is attached thereto.

(Annexure-D)**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 Personnel) Rules, 2014]

To,

The Members,

Axtel Industries Limited

Plot No.43, Village: Nurpura,

Ta. Halol, Dist. Panchmahal.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Axtel Industries Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our 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, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March,2015 (audit period) 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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by 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; (Not applicable to the company during the audit period)
- (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; (Not applicable to the company during the audit period)
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the company during the audit period)
 - (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; (Not applicable to the company during the audit period) and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the company during the audit period)
- (vi) As informed to us the following other laws specifically applicable to the company are as under:
 1. The Employees' Provident Funds and Miscellaneous Provisions Act, 1952
 2. The Factories Act,1948
 3. The Industrial Employment (Standing Orders) Act,1946

4. The Maternity Benefit Act, 1961
5. The Minimum Wages Act, 1948
6. The Payment of Wages Act, 1936
7. The Negotiable Instruments Act, 1881
9. The Payment of Gratuity act,1972
10. The Workmen's Compensation Act,1922
11. The Contract Labour (Regulation & Abolition) Act,1970
12. The Industrial dispute Act,1947
13. The Payment of Bonus Act,1965
14. The Employment Exchange Act,1959
15. The Apprentice Act,1961
16. The Equal Remuneration Act, 1976
17. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

In respect of above laws specifically applicable to the Company, we have relied on information /records produced by the company during the course of our audit on test check basis and limited to that extent, the company has complied with the above laws applicable to the company.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India. (Not notified hence not applicable to the company during the audit period)
- (ii) The Listing Agreements entered into by the Company with the 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:

- i. The Company has converted 61,55,000 warrants of Rs. 10 each issued on 5th December,2012 to the entities of the promoters' group into 61,55,000 equity shares of Rs. 10 each at par on 4th June, 2014 in violation of The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011. As informed by the management of the company, the entities of the promoters' group to whom the aforementioned equity shares have been allotted have appointed the merchant banker to offer 26% of equity shares of the company to the shareholders of the company as required under The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and the said offer is under process with the merchant banker as on the date of this report.
- ii. Form MGT-14 regarding un-audited financial result for the quarter ended 31.12.2014, appointment of secretarial auditor and form DIR- 12 regarding cessation of Mr.Niraj Pathak, Alternate Director were filed after due date with additional fee.

We 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. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. 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. All the decisions at the Board meetings and Committee meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors and committees, as the case may be.

We 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.

We further report that during the audit period the company has :

- i. converted 61,55,000 warrants of Rs. 10 each issued on 5th December,2012 to the entities of the promoters' group into 61,55,000 equity shares of Rs. 10 each at par on 4th June, 2014 in violation of The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

For Dinesh Mehta & CO.
Company Secretaries
Dinesh Mehta
Proprietor
C.P.No.2127

Place: VADODARA

Date: 25/05/2015

ANNEXURE - E

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31/03/2015

[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]**I. REGISTRATION AND OTHER DETAILS :**

- i) CIN L91110GJ1991PLC016185
- ii) Registration Date 28.08.1991
- iii) Name of the Company AXTEL INDUSTRIES LIMITED
- iv) Category / Sub-Category of the Company
1. Public Company (✓)
 2. Private company ()
 3. Government Company ()
 4. Small Company ()
 5. One Person Company ()
 6. Subsidiary of Foreign Company ()
 7. NBFC ()
 8. Guarantee Company ()
 9. Limited by shares (✓)
 10. Unlimited Company ()
 11. Company having share capital (✓)
 12. Company not having share capital ()
 13. Company Registered under Section 8 ()
- v) Address of the Registered office and contact details
- PLOT NO. 43/1, VILLAGE:NURPURA, P.O. BASKA
TA. HALOL PANCHMAHAL, GUJARAT INDIA - 389350
- Telephone : 02676-247900
Fax Number : 02676-247125
Email : info@axtelindia.com
- vi) Whether listed company Yes
- vii) Name and Address of Registrar & Transfer Agents (RTA)
- Name of Registrar & Transfer Agents : Link Intime India Private Limited,
Address : B-102-103, Shangrila Complex, First Floor,
Near Radhakrishna Char Rasta, Akota,
Town / City : VADODARA
State : GUJARAT
Pin Code : 390 020
Telephone : 0265- 2356573
Fax Number : 0265-2356791
Email Address : vadodara@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY :

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

SN	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Manufacturing of food processing plant & machinery	28259	100 %

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES :

There is no holding, subsidiary and associate companies

SN	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

IV. 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			No. of Shares held at the end of the year			% Change during the year
	Demat	Physical	Total	Demat	Physical	Total	
A. Promoters							
(1) Indian							
a) Individual/HUF	3072630	0	3072630	3077350	0	3077350	19.05%
b) Central Govt	0	0	0	0	0	0	0
c) State Govt (s)	0	0	0	0	0	0	0
d) Bodies Corp.	0	0	0	0	0	0	0
e) Banks / FI	0	0	0	0	0	0	0
f) Any Other (LLP)....	0	0	0	6155000	0	6155000	38.10%
Sub-total (A) (1):-	3072630	0	3072630	9232350	0	9232350	57.15%
(2) Foreign							
a) NRIs - Individuals	1795346	0	1795346	1795346	0	1795346	11.11%
b) Other - Individuals	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0
e) Any Other....	0	0	0	0	0	0	0
Sub-total (A) (2):-	1795346	0	1795346	1795346	0	1795346	11.11%
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	4867976	0	4867976	11027696	0	11027696	68.26%
							+ 19.58 %

B. Public Shareholding													
1. Institutions													
a) Mutual Funds	0	0	0	0	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):-	0	0	0	0	0	0	0	0	0	0	0	0	0
2. Non-Institutions													
a) Bodies Corp.													
i) Indian	50001	214000	264001	2.64%	117651	214000	331651	2.05%	0	0	0	0	-0.59%
ii) Overseas	0	0	0	0	0	0	0	0	0	0	0	0	0
b) Individuals													
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	892775	1941215	2833990	28.34%	912835	1927715	2840550	17.58%					-10.76%
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh "	1544379	56700	1601079	16.01%	1493197	56700	1549897	9.60%					-6.41%
c) Others (specify)	0	0	0	0	0	0	0	0	0	0	0	0	0
i) NRI clearing member	48432	352400	400832	4.01%	44531	350500	395031	2.45%					-1.56%
ii) clearing member	31922	0	31922	0.32%	9975	0	9975	0.06%					-0.26%
Sub-total (B)(2):-	2567509	2564315	5131824	51.32%	2578189	2548915	5127104	31.74%					-19.58%
Total Public Shareholding (B)=(B)(1)+(B)(2)	2567509	2564315	5131824	51.32%	2578189	2548915	5127104	31.74%					-19.58%
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	7435485	2564315	9999800	100%	13605885	2548915	16154800	100%					0

Note : 61,55,000 warrants of Rs.10 each for cash at par issued on preferential basis on 05th December,2012 have been converted in to 61,55,000 equity shares of Rs.10 on 4th June,2014.

B. Shareholding of Promoters

SN	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Ajay N Desal	921,935	9.22	0	921,935	5.71	0	- 3.51 %
2.	Rati Sheopuri	12,800	0.13	0	12,800	0.08	0	- 0.08 %
3.	Ajay Parikh	466,044	4.66	0	466,044	2.88	0	- 1.78 %
4.	Chhaya Parikh	143,298	1.43	0	143,298	0.89	0	- 0.54 %
5.	Karan Parikh	370,230	3.70	0	370,230	2.29	0	- 1.41 %
6.	Kiritkumar Pathak	765,144	7.65	0	765,144	4.74	0	- 2.91 %
7.	Neeraj Kirt Pathak	339,462	3.39	0	339,462	2.10	0	- 1.29 %
8.	Nayan Pathak	335,399	3.35	0	335,399	2.08	0	- 1.27 %
9.	Anjali Pathak	335,341	3.35	0	335,341	2.08	0	- 1.27 %
10.	Meena Pathak	20,000	0.20	0	20,000	0.12	0	-0.08 %
11.	Kanta J Bubber	30,000	0.30	0	30,000	0.19	0	- 0.11 %
12.	Navtejsingh M Bubber	106,075	1.06	0	106,075	0.66	0	- 0.40 %
13.	Nirmalkaur Bubber	30,000	0.30	0	30,000	0.19	0	- 0.19 %
14.	Ajitsingh M Bubber karta of Mohansingh	20,000	0.20	0	20,000	0.12	0	- 0.08 %
15.	Anuradha Bubber	277,591	2.78	0	277,591	1.72	0	- 1.06 %
16.	Hardipsingh Bubber	151,000	1.51	0	212,002	1.31	0	- 0.20 %
17.	Anita Bubber	208,225	2.08	0	208,225	1.29	0	- 0.79 %
18.	Geeta Bubber	102,150	1.02	0	102,150	0.63	0	- 0.39 %

19.	Nisha Sabharwal	56,282	0.56	0	-	0	-	0	-
20.	Anchal H Bubber	50,000	0.50	0	50,000	0	0.31	0	- 0.19%
21.	Varun H. Bubber	77,000	0.77	0	77,000	0	0.48	0	- 0.29%
22.	Sanjana H. Bubber	50,000	0.50	0	50,000	0	0.31	0	- 0.19%
23.	Shivash Business Advisory LLP	0	0	0	3,100,000	0	19.19	0	+ 19.19%
24.	Chaykar Business Advisory LLP	0	0	0	3,055,000	0	18.91	0	+ 18.91%
	Total	4,867,976	48.68	0	11,027,696	0	68.26	0	+19.58%

C. Change in Promoters' Shareholding

SN	Name	Particulars	Shareholding at the beginning of the year		Shareholding at the beginning of the year % of total Shares of the company	Cumulative Shareholding during the year		Cumulative Shareholding during the year % of total Shares of the company
			No. of Shares	% of total Shares of the company		No. of Shares	% of total Shares of the company	
1.	Ajay N Desai	Due to increase of paid up capital % share holding is changed	921,935	9.22	921,935	9.22	921,935	5.71
2.	Rati Sheopuri	Due to increase of paid up capital % share holding is changed	12,800	0.13	12,800	0.13	12,800	0.08
3.	Ajay Parikh	Due to increase of paid up capital % share holding is changed	466,044	4.66	466,044	4.66	466,044	2.88
4.	Chhaya Parikh	Due to increase of paid up capital % share holding is changed	143,298	1.43	143,298	1.43	143,298	0.89
5.	Karan Parikh	Due to increase of paid up capital % share holding is changed	370,230	3.70	370,230	3.70	370,230	2.29
6.	Kirittkumar Pathak	Due to increase of paid up capital % share holding is changed	765,144	7.65	765,144	7.65	765,144	4.74
7.	Neeraj Kirit Pathak	Due to increase of paid up capital % share holding is changed	339,462	3.39	339,462	3.39	339,462	2.10
8.	Nayan Pathak	Due to increase of paid up capital % share holding is changed	335,399	3.35	335,399	3.35	335,399	2.08
9.	Anjali Pathak	Due to increase of paid up capital % share holding is changed	335,341	3.35	335,341	3.35	335,341	2.08
10.	Meena Pathak	Due to increase of paid up capital % share holding is changed	20,000	0.20	20,000	0.20	20,000	0.12
11.	Kanta J Bubber	Due to increase of paid up capital % share holding is changed	30,000	0.30	30,000	0.30	30,000	0.19
12.	Navejsingh M Bubber	Due to increase of paid up capital % share holding is changed	106,075	1.06	106,075	1.06	106,075	0.66
13.	Nirmaikaur Bubber	Due to increase of paid up capital % share holding is changed	30,000	0.30	30,000	0.30	30,000	0.19
14.	Ajitsingh M Bubber karta of Mohansingh	Due to increase of paid up capital % share holding is changed	20,000	0.20	20,000	0.20	20,000	0.12
15.	Anuradha Bubber	Due to increase of paid up capital % share holding is changed	277,591	2.78	277,591	2.78	277,591	1.72

16.	Hardipsingh Bubber	Purchased from relative (inter-se transfer in promoter group) & purchased and Due to increase of paid up capital % share holding is changed	151,000	1.51	212,002	1.31
17.	Anita Bubber	Due to increase of paid up capital % share holding is changed	208,225	2.08	208,225	1.29
18.	Geeta Bubber	Due to increase of paid up capital % share holding is changed	102,150	1.02	102,150	0.63
19.	Nisha Sabharwal	Sold to relative (inter-se transfer in promoter group)	56,282	0.56	-	-
20.	Anchal H Bubber	Due to increase of paid up capital % share holding is changed	50,000	0.50	50,000	0.31
21.	Varun H. Bubber	Due to increase of paid up capital % share holding is changed	77,000	0.77	77,000	0.48
22.	Sanjana H. Bubber	Due to increase of paid up capital % share holding is changed	50,000	0.50	50,000	0.31
23.	Shivash Business Advisory LLP	Conversion of warrants into equity shares on preferential basis	0	0	3,100,000	19.19
24.	Chaykar Business Advisory LLP	Conversion of warrants into equity shares on preferential basis	0	0	3,055,000	18.91
	Total		4,867,976	48.68	11,027,696	68.26

D. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

SN	Name	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.	S M Finance Limited	Due to increase of paid up capital % share holding is changed	124,400	1.24	124,400	0.77
2.	Chandravadan J. Gambhirwala	Due to increase of paid up capital % share holding is changed	199,530	2.00	187,125	1.16
3.	Rajivsing Bubber	Due to increase of paid up capital % share holding is changed	171,800	1.72	171,800	1.06
4.	Rani H Bubber	Due to increase of paid up capital % share holding is changed	294,650	2.95	294,650	1.82
5.	Deepinder Singh Poonian	Due to increase of paid up capital % share holding is changed & shares purchased	305,459	3.05	349,307	2.16
6.	Vinod Hirachandji Sanghvi	Due to increase of paid up capital % share holding is changed	76,163	0.76	76,163	0.47
7.	Hemlata V Sanghavi	Due to increase of paid up capital % share holding is changed	61,000	0.61	61,000	0.38
8.	Panna Prafull Bhuva		60,900	0.61	-	-
9.	Snehalatha Singhi	Due to increase of paid up capital % share holding is changed	52,837	0.53	52,837	0.33
10.	Jagnnath D. Devadiga	Due to increase of paid up capital % share holding is changed	50,824	0.51	50,824	0.31
	Total		13,97,563	13.98	13,68,106	8.46

E. Shareholding of Directors and Key Managerial Personnel

SN	Name	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	Ajay N Desai	Due to increase of paid up capital % share holding is changed	921,935	9.22	921,935	5.71
2	Ajay Parikh	Due to increase of paid up capital % share holding is changed	466,044	4.66	466,044	2.88
3	Kiritkumar Pathak	Due to increase of paid up capital % share holding is changed	765,144	7.65	765,144	4.74
4	Hardipsingh Bubber	Purchased from relative (inter-se transfer in promoter group) & purchased	151,000	1.51	212,002	1.31

V. INDEBTEDNESS : (Amount in Rupees)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	16,74,13,503	NIL	NIL	16,74,13,503
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	16,74,13,503	NIL	NIL	16,74,13,503
Change in Indebtedness during the financial year				
Addition	NIL	NIL	NIL	NIL
Reduction	4,24,50,073	NIL	NIL	4,24,50,073
Net Change	- 4,24,50,073	NIL	NIL	- 4,24,50,073
Indebtedness at the end of the financial year				
i) Principal Amount	12,49,63,430	NIL	NIL	12,49,63,430
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	12,49,63,430	NIL	NIL	12,49,63,430

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL :

A. Remuneration to Managing Director, Whole-time Directors and/or Manager (Amount in Rupees)

SN	Name of MD/WTD/Manager	Gross salary			Stock Option	Sweat Equity	Commission		Total	Ceiling as per the Act
		(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961	(c) Profits in lieu of salary under section 17(3) of Income-tax Act, 1961			as % of profit	others		
1	Mr. Ajay Naishad Desai, WTD	82,06,500	1,93,286	NIL	NIL	NIL	NIL	NIL	83,99,786	84,00,000
2	Mr. Ajay Nain Parikh, WTD	83,19,500	80,154	NIL	NIL	NIL	NIL	NIL	83,99,654	84,00,000

B. Remuneration to other directors (Amount in Rupees)

SN	Name of Directors	Independent Directors			Other Non-Executive Directors			Total (1+2)	Total Managerial Remuneration	Overall Ceiling as per the Act
		Fee for attending board / committee meetings	Commission	Others	Fee for attending board committee meetings	Commission	Others			
1	Mr. Kirit Kumar Pathak	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	1,00,000 per attending meeting
2	Mr. Ameet Nalin Parikh	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	1,00,000 per attending meeting
3	Mr. Hardip Singh Bubber	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	1,00,000 per attending meeting
4	Mr. Ajit Singh Bubber	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	1,00,000 per attending meeting
5	Mr. Sandeep Lalwani	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	1,00,000 per attending meeting
6	Mr. Neeraj Pathak	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	1,00,000 per attending meeting
7	Mrs. Anjali Harshvardhan Hegde	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	1,00,000 per attending meeting
8	Mr. Nikhil Ramesh Parikh	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	1,00,000 per attending meeting

Note: 1. Mr. Neeraj Pathak ceased to be a Director on 6th January, 2015.

2. Mrs. Anjali Harshvardhan Hegde and Mr. Nikhil Ramesh Parikh were appointed as Independent Director on 30th March, 2015.

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD (Amount in Rupees)

SN	Name of Key Managerial Personnel	Gross salary			Stock Option	Sweat Equity	Commission		Others	Total
		(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			as % of profit	others		
1	Mr. Vishal Sharma	7,710	NIL	NIL	NIL	NIL	NIL	NIL	NIL	7,710
2	Mrs. Prerna Sudeep Bokil	1,400	NIL	NIL	NIL	NIL	NIL	NIL	NIL	1,400

Note: Mr. Vishal Sharma, Chief Financial Officer and Mrs. Prerna Sudeep Bokil, Company Secretary were appointed on 30th March, 2015 and accordingly salary is for two days.

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	N.A.	N.A.	N.A.	N.A.	N.A.
Punishment	N.A.	N.A.	N.A.	N.A.	N.A.
Compounding	N.A.	N.A.	N.A.	N.A.	N.A.
B. DIRECTORS					
Penalty	N.A.	N.A.	N.A.	N.A.	N.A.
Punishment	N.A.	N.A.	N.A.	N.A.	N.A.
Compounding	N.A.	N.A.	N.A.	N.A.	N.A.
C. OTHER OFFICERS					
Penalty	N.A.	N.A.	N.A.	N.A.	N.A.
Punishment	N.A.	N.A.	N.A.	N.A.	N.A.
Compounding	N.A.	N.A.	N.A.	N.A.	N.A.

(Annexure- F) DETAILS OF DIRECTOR SEEKING RE-APPOINTMENT AS PER CLAUSE 49 OF LISTING AGREEMENT WITH THE BOMBAY STOCK EXCHANGE

Name of the Director	AmeetNalin Parikh	Kirit Kumar Pathak	Nikhil Ramesh Parikh	Anjali HarshavardhanHegde
DIN No.	00007036	01849295	01868080	01683723
Date of Birth	03/11/1960	10/09/1952	29/09/1957	09/11/1964
Type of appointment	Director retiring by rotation	Director retiring by rotation	Independent Director	Independent Director
Date of Appointment/ Reappointment	01/12/2009	13/11/1991	30/03/2015	30/03/2015
Areas of Specialization	Risk management & finance	Business management	Engineering	Media and advertising
Qualifications	Chartered Accountant	Ph.D.	B.E.(Mech.)	MMSfrom Jammalal Bajaj Institute of Management Studies, Bombay and a post graduate in Business Economics from M S University, Baroda.
No.of Shares Held in the Company	NIL	7,65,144	NIL	NIL
List of Directorship held in other Companies	1. Tranzmute Capital & Management Private Limited 2. India Capital Research and Advisors Private Limited 3. DesmetBallestra India Private Limited (Alternate Director) 4. A2O Software India Private Limited 5. Tranzmute-Business Advisory LLP (Designated Partner)	1.Mannk Foods (India) Private Limited 2.Nilons Enterprises Private Limited (Nominee director)	1. R.B. Electronic And Engineering Private Limited 2.Foerster Electronic And Engineering Company India Private Limited 3. Electronic And Engineering Company (India) Private Limited 4. Non Destructive Engineering Company Private Limited 5. Electronic And Engineering Services Private Limited	1.TEAM Ortho Private Limited.
Chairman/member of the Committee of the Board of Directors of this Company	Member- Audit Member- Vigil mechanism committee Member- Risk management committee	NIL	Member- Audit Member- Nomination & Remuneration committee	Member- Nomination & Remuneration committee
Chairman/member of the Committee of the Board of Directors of other Companies	NIL	NIL	NIL	NIL
Relation with Key Managerial Personnel and Directors	Brother of Mr. Ajay Nalin Parikh	Brother in law of Mr. Ajay Naishad Desai	NIL	NIL
Justification for appointment	Excellent knowledge in Risk management & finance	Excellent knowledge in business	Excellent knowledge in engineering	Excellent knowledge in media & advertising

REPORT ON CORPORATE GOVERNANCE

The Company has taken necessary steps to comply with all the requirement of the guidelines on Corporate Governance as would be applicable to it.

1. Board of Directors as on 31st March, 2015.

The Board comprised of nine Directors, of whom two were Executive Directors and five were Non-Executive Directors. The Chairman of the Board was a Non-Executive Director.

A. Composition of the Board for the period from 01st April, 2014 to 31st March, 2015 :

Name of the Director	Status
Shri Kirit Kumar Pathak	Non-Executive Director
Shri Ajay Naishad Desai	Executive Director
Shri Ajay Nalin Parikh	Executive Director
Shri Ameet Nalin Parikh	Professional Director
Shri Hardip Singh Bubber	Non-Executive Director
Shri Ajit Singh Bubber	Non-Executive Director
Shri Sandeep Gul Laiwani	Chairman Non-Executive Independent Director
Shri Nikhil Ramesh Parikh	Non-Executive Independent Director
Mrs. Anjali Harshvardhan Hegde	Non-Executive Independent Director

Shri Neeraj Pathak, Alternate Director to Shri Kirit Kumar Pathak ceased to be a Director on 6th January, 2015

Shri Nikhil Ramesh Parikh and Mrs. Anjali Harshvardhan Hegde were appointed as Non-Executive Independent Director on 30th March, 2015.

Shri Kirit Kumar Pathak is brother-in-law of Shri Ajay Naishad Desai. Shri Ajay Nalin Parikh and Shri Ameet Nalin Parikh are brothers. None of the other directors are related to any other Director on the Board.

B. Board Meeting :

The meeting of the Board of Directors are scheduled well in advance. The notice convening the meeting and the detailed agenda is sent at least seven days in advance to all the Directors. The Board meets at least once a quarter to review the quarterly performance and financial results.

i. Number of Board Meeting :

During the year from 01st April, 2014 to 31st March, 2015 the Board of Directors met seven times on the following dates :

Sr	Date	Board Strength	No. of Directors Present
1	30-05-2014	7	4
2	04-06-2014	7	4
3	11-08-2014	7	4
4	12-11-2014	7	6
5	07-01-2015	7	3
6	13-02-2015	7	6
7	30-03-2015	7	4

ii. Attendance of Directors :

Name of the Director	No. of Board Meetings held	No. of Board Meetings Attended	Attendance at the last Annual General Meeting	No. of Directorship in the other Boards as on 31st March, 2015	No. of Memberships in other Board Committees as on 31st March, 2015 (i.e. committee of AXTEL)
Shri Kirit Kumar Pathak	7	1	Absent	2	--
Shri Ajay Naishad Desai	7	7	Present	2	2
Shri Ajay Nalin Parikh	7	7	Present	1	2
Shri Ameet Nalin Parikh	7	6	Absent	4	3
Shri Hardip Singh Jugindersingh Bubber	7	2	Absent	2	1
Shri Ajit Singh Mohansingh Bubber	7	2	Absent	1	1
Shri Sandeep Gul Lalwani	7	6	Absent	3	3
Shri Neeraj Pathak	7	0	Absent	1	0
Shri Nikhil Ramesh Parikh	7	0	Absent	5	2
Mrs. Anjali Harshvardhan Hegde	7	0	Absent	1	1

2 Committees of Directors :

Non-Executive Directors, including the Chairman, provide guidance to operating management on policy matters as well as in the monitoring actions of operating management. This involvement is formalized through constitution of designated committees of the Board. The Committees are intended to provide regular exchange of information and ideas between the Non-executive Directors and the operating management.

The Board has accordingly formed Committees which comply with the requirements of Clause 49 of the Listing Agreement with the Stock Exchanges and other applicable provisions of the Companies Act, 2013.

[A] Audit Committee :

Audit Committee comprises of the following Executive Director and Non-Executive Directors of the Board as per section 292 A of the Companies Act, 1956:

Name of Director	Status
1 Shri Sandeep Gul Lalwani	Non-Executive Independent Director
2 Shri Ajay Naishad Desai	Executive Director
3 Shri Ameet Nalin Parikh	Director

Audit committee meeting was held on 30.05.2014, 11.08.2014, 12.11.2014 and 13.02.2015 during the year ended 31st March, 2015.

Audit Committee comprising of the following Directors of the Board was re-constituted on 30.03.2015:

Name of Director	Status
1 Shri Sandeep Gul Lalwani	Non-Executive Independent Director
2 Shri Nikhil Ramesh Parikh	Non-Executive Independent Director
3 Shri Ameet Nalin Parikh	Director

[B] Nomination and Remuneration Committee :

i. Nomination and Remuneration Committee comprises of the following Non-Executive Directors and Non-Executive Independent Directors of the Board :

Name of Director	Status
1 Shri Hardip Singh Jugindersingh Bubber	Non-Executive Independent Director
2 Shri Ajit Singh Mohansingh Bubber	Non-Executive Independent Director
3 Shri Sandeep Gul Lalwani	Non-Executive Independent Director

Nomination and Remuneration Committee comprising of the following Directors of the Board re-constituted on 30.03.2015:

Name of Director	Status
1 Shri SandeepGul Lalwani	Non-Executive Independent Director
2 Shri Nikhil Ramesh Parikh	Non-Executive Independent Director
3 Mrs. Anjali Harshvardhan Hegde	Non-Executive Independent Director

ii. Remuneration Policy :

The Company follows a market linked remuneration policy, which is aimed at enabling the Company to attract and retain the best talent. The Company does not have an Employee Stock Option Policy.

iii. Broad Terms of reference of the Remuneration Committee :

- To recommend and review remuneration package of Executive Directors, Chief Financial Officer and Company Secretary of the Company.
- To present report to the Board on remuneration package of Executive Directors and Company Secretary.

iv. Details of remuneration paid to the Executive Directors during the year ended 31st March, 2015 :

a Executive Directors :

Name of the Director	Salary	Perquisites	Total
Shri Ajay Naishad Desai	82,06,500	1,93,286	83,99,786
Shri Ajay Nalin Parikh	83,19,500	80,154	83,99,654

Terms of Contract :

Name of the Director	Date of Appointment	Expiry of the Contract
Shri Ajay Naishad Desai	01st March, 2012	28th February, 2017
Shri Ajay Nalin Parikh	01st August, 2013	31st July, 2018

The above Executive Directors are required to give 3 months notice period for resignation as Executive Director. If before expiry of service contract, their tenure of office of the Executive Directors is determined, they will be entitled compensation as per section 318 of the Companies Act, 1956 / section 202 of the Companies Act, 2013

b Non-Executive Directors :

No sitting fee is paid to Non-Executive Directors.

Remuneration committee meeting was held on 12.11.2014 and 30.03.2015 during the year.

[C] Stakeholders relationship Committee:

This committee, comprises of the following Executive Director and Non-Executive Independent Directors, reviewing shareholders' complaints and resolution thereof.

Name of Director	Status
1 Shri Ajay Nalin Parikh	Executive Director
2 Shri Hardip Singh Jugindersingh Bubber	Non-Executive Independent Director

3 Shri Ajit Singh Mohansingh Bubber Non-Executive Independent Director

Stakeholders relationship Committee Meeting was held on 12.11.2014 and 13.02.2015 during the year ended 31st March, 2015.

[D] Establishment of vigil mechanism: The Board has appointed the following persons as members of vigil committee:

1. Shri Ajay Naishad Desai
2. Shri Sandeep Gul Lalwani
3. Shri Ameet Nalin Parikh

[E] Risk management committee : The Board has appointed the following persons as members of risk management committee:

1. Shri Ajay Naishad Desai
2. Shri Ajay Nalin Parikh
3. Shri Ameet Nalin Parikh

3 General Body Meetings :

The last three Annual General Meetings [AGMs] of the Company were held on the following dates and time at Plot No. 43/1, Village Nurpura, P.O. Baska, Taluka Halol - 389 350, Dist. Panchmahals, Gujarat :-

[A] Details of last three AGMs held :

AGM	Day and Date	Time
20th AGM	Monday, 3rd September, 2012	11.00 a.m.
21st AGM	Wednesday, 31st July, 2013	11.00 a.m.
22nd AGM	Monday, 29th September, 2014	11.00 a.m.

[B] Whether special resolutions were put through postal ballot last year ? NO

Generally, all the resolutions in the General Body Meetings are passed through e-voting / poll.

[C] Details of resolutions passed through Postal Ballot : NIL

[D] Area proposed to be conducted through postal ballot and procedure ?

The Company proposes to pass resolution of General Body Meetings through postal ballot paper as required under the Companies Act,2013 and follow the procedure given under the said Act.

4 Disclosure :

- [A] Disclosures on materially significant related party transactions i.e. Transaction of the Company of material nature, with its promoters, the Directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of Company at large :**
- b. i) Managerial Remuneration is paid to Shri Ajay Naishad Desai, Executive Director and Shri Ajay Nalin Parikh, Executive Director.
 - ii) Professional fees have been paid to Tranzmute Capital & Management Pvt. Ltd. in which Mr. Ameet Nalin Parikh is Director
 - c. Details of non-compliance by the Company, penalties, stricture imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years. : NO

5 Means of Communication :

[A] Quarterly / Half Yearly Financial Results of the Company are forwarded to the Stock Exchange, Mumbai, where the shares of the Company are listed. Further, the same are published in English and Gujarati News Papers.

Half yearly reports are not sent to each household of shareholders as the results of the Company are published in the newspapers and kept on Company's website.

[B] Company has not made any presentations to any Institutional Investors / Analyst during the period.

[C] The Management Discussion & Analysis Report attached herewith forms part of Corporate Governance Report.

[D] Company has its own website and all the vital information relating to the Company and its products is displayed on the website.

Address of the website : www.axtelindia.com

6 General Shareholder Information :

[A] Annual General Meeting : 23rd Annual General Meeting

Day and Date : Monday, 31st August, 2015

Time : 11.00 a.m.

Venue : Plot No. 43/1, Village Nurpura,
P.O. Baska, Tal. HALOL - 389 350,
Dist. Panchmahals, Gujarat

[B] Financial Calender : i. 23rd Annual General Meeting

[01st April, 2015 to : Monday, 31st August, 2015

31st March, 2016] : ii. 1st Quarterly Result - 14/08/2015

: 2nd Quarterly Result - 14/11/2015

: 3rd Quarterly Result - 14/02/2016

: audited result for the year ended 31/03/2016
in the month of May, 2016

[C] Registered Office : Plot No. 43/1, Village Nurpura, P.O. Baska, Tal.
HALOL - 389 350, Dist. Panchmahals, Gujarat

Tel. : [02676] 247900, Fax : [02676] 247125

Corporate Identification number(CIN) : L91110GJ1991PLC016185

E-mail address : info@axtelindia.com

website : www.axtelindia.com

[D] Listing on Stock Exchanges : The Stock Exchange, Mumbai

Phiroze Jee Jeebhoy Towers,

Dalal Street, Mumbai - 400 023

Tel : [022] 22721234, 22721233

Fax : [022] 22723719

[E] Stock Code :

The Stock Exchange, Mumbai : 523850

ISIN for equity shares of the Company : INE 767C01012

Listing fee for the year 2015 - 2016 has been paid to the Bombay Stock Exchange.

- [F] Market price data : The equity shares of the Company were traded at the Stock Exchange, Mumbai at price between Rs.5.06 to Rs.14.68 per share during year 2015-16.
- [G] Dematerialization of share and liquidity: As on 31st March, 2015, 84.22 % of the Company's total shares representing 1,36,05,885 shares were held in dematerialized form and the balance 15.78% representing 25,48,915 shares were held in paper form.
- [H] Address of Registrars and Share transfer agent : Link Intime India Private Limited,
B-102-103, Shangrila Complex, First Floor,
Near Radhakrishna Char Rasta, Akota, BARODA - 390 02
Telephone no. 0265- 2356573/2356794

- [I] Share Transfer System : The Company's shares are traded in the Bombay Stock Exchange compulsorily in demat mode. Shares in physical mode which are lodged for transfer are processed and returned to the shareholders within the stipulated time by the share transfer agent Link Intime India Private Limited, Baroda

- [J] Distribution of shareholding as on 31st March, 2015 :

Category	No. of Shares	Percent
Pramoter Group [including NRI Director]	1,10,27,696	68.26%
NRI/OCB	3,95,031	2.45%
Bodies Corporate	3,31,651	2.05%
Others	44,00,422	27.24%
Total	1,61,54,800	100.00%

[Note: 61,55,000 warrants were converted into 61,55,000 equity shares of Rs.10 each at par on 4th June,2014 on preferential basis. The said shares are pending for listing by the Bombay Stock Exchange.

- [K] Outstanding GDR's/ADR's/Warrants or any Convertible instruments, conversion date and likely impact on equity :61,55,000 warrants of Rs.10 each for cash at par issued on preferential basis on 05th December,2012 have been converted in to 61,55,000 equity shares of Rs.10 at par on 4th June,2014.
- [L] Plant Locations :

The Company's Plant is located at : Plot No. 43/1, Village Nurpura,
P.O. Baska, Tal. HALOL - 389 350
Dist. Panchmahals, Gujarat
Tel : [02676] 247900
Fax : [02676] 247125

- [M] Address for correspondence with the Company : Plot No. 43/1, Village Nurpura,
P.O. Baska, Tal. HALOL - 389 350
Dist. Panchmahals, Gujarat
Tel : [02676] 247900
Fax : [02676] 247125

On behalf of the Board of Directors

Date : 29.05.2015

Registered Office :Plot No.43/1, Village : Nurpura,
P.O. Baska, Tal. Halol - 389 350
Dist. Panchmahals, Gujarat

[Ajay Naishad Desai]
Executive Director

[Ajay Nalin Parikh]
Executive Director

CERTIFICATE ON COMPLIANCE OF CLAUSE 49 OF THE LISTING AGREEMENT

To,
AXTEL INDUSTRIES LIMITED
 Village: Nurpura, P.O. : Baska
 Halol: 389 350,
 Dist. Panchmahal, Gujarat

We have reviewed the records concerning the company's compliance of conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement entered in to by the company with the Stock Exchanges, for the financial year ended 31st March 2015.

The compliance of conditions on Corporate Governance is the responsibility of the management. Our examination was limited to procedure and implementation thereof, adopted by the company for ensuring the compliance of the conditions on the Corporate Governance. It is neither an audit nor an expression of 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 review, in our opinion, the company has complied with the conditions on Corporate Governance, as stipulated in Clause 49 of the said Listing Agreement.

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

For DINESH MEHTA & CO.
COMPANY SECRETARIES

PLACE : Baroda
 DATE : 29.05.2015

[DINESH MEHTA]
 Proprietor
 C.P NO. 2127

Management Discussion and Analysis

Axtel industries Ltd. is engaged in the manufacture of custom designed food processing plants and machineries as per the requirement/specifications of its various clients. It is a leading supplier of process engineering equipment and turnkey systems to the food and pharmaceutical industries meeting the standards of quality, design and specifications of its clients.

The company has been manufacturing the various categories of Process Plants/ Equipments.

The growth of the company is mainly linked to the growth of the food processing industry. Given below is the profile and outlook of the same.

Indian Food and Food Processing Industry

The Indian food and drinks market has observed strong growth over the past few years. Economic liberalization and rising income of middle class population have had a positive impact on consumer spending and consumption in both rural and urban areas. Indian consumer now spends a significant proportion of disposable income on food and other essential commodities. Several other factors like demographic and macro economic conditions have also given fillip to expenditure on food in the country.

Packaged food and ready-to-eat food have also seen strong demand as life in metros becomes more hectic and busy. People look for healthy and ready to eat food to avoid time wastage on preparation.

World Food and Food Processing Industry

Key factors driving market growth include development of food products, new processes, increased consumer awareness, and government regulations regarding health and hygiene. In addition, economic growth in developing nations is expected to propel the market demand for food processing machinery & equipment.

The market for food processing machinery is linked to the structure, behaviour and trends in the food processing industry. The food processing market is undergoing major changes due to the rapid technological advancements and tightening of environmental and hygienic regulations. Manufacturers of food and beverage processing, sterilization, conservation and packaging machineries, especially those dealing with meat and dairy products, are focusing on addressing these changes in order to exploit new opportunities. Reliability and efficiency of the equipment, extensive distribution facilities, and effective service are key factors for success in this highly competitive industry.

Internal Control Systems

The Company has strengthened its internal control and audit aspects by appointing outside agency for internal audit of certain important aspects of operations, apart from usual transactional verifications. There are adequate checks and controls to ensure compliance of various statutes.

Financial performance

Total turnover during the year 2014-15 decreased by Rs.820.90 lac (17.05%) compare to previous year 2013-14 and there is loss of Rs.753.94 lac (after tax) during the year 2014-15 against net profit of Rs.276.40 lac (after tax) in previous year 2013-14. Due to recession in domestic and international market sales has come down during the year 2014-15 and loss accordingly, due to decrease in sales and depreciation and overhead expenses.

Human resource

The Company considers its employees as its valuable assets. The Company focuses on building an organisation through induction and development of talent to meet current and future needs. Various HR initiatives have been taken to align HR policies of the Company with the growth projections of the company.

During the year under review, the Company continued to have cordial and harmonious relations with its employees.

INDEPENDENT AUDITORS' REPORT

To,
The Members,
AXTEL INDUSTRIES LIMITED

Report on the Standalone Financial Statements

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

Management's Responsibility for the Standalone Financial Statements

2. 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 standalone 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 of 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

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.
4. 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 thereunder.
5. 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.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material 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 the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements, read together with the Notes there on, 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 31st March, 2015, and its Loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

9. 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, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters Specified in paragraphs 3 and 4 of the order.
10. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement, dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

- e. On the basis of the written representations received from the directors as on 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 disclosed the impact of pending litigations as at 31st March, 2015, on its financial position in the financial statements.
 - II. The Company has made provision at 31st March, 2015 as required under the applicable law or accounting standards, for material foreseeable losses, if any. There are no long term contracts.
 - III. There are no funds required to be transferred to the Investor Education and Protection Fund, Hence the question of delay does not arise.

For V. K. SHASTRI & CO.,
Chartered Accountants
FRN: 113325W

CA. V. K. SHASTRI
(Sole- Proprietor)
Membership No. : 042774

Place: Vadodara
Date: 29/05/2015

ANNEXTURE TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of AXTEL INDUSTRIES LIMITED on the standalone financial statement as of and for the year ended 31st March, 2015.

1. (a) The company is maintaining proper records showing full particulars including quantitative details and situation of its fixed assets.
(b) The Fixed assets are physically verified by the management according in phased manner every year at reasonable intervals; no material discrepancies were noticed on such verification.
2. (a) The inventory has been physically verified by the Management during the year. In our opinion, the frequency of the verification is reasonable.
(b) In our opinion, the procedures of physical verification of inventory 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 generally maintaining proper record of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
3. The company has not granted any loans secured or unsecured to any companies, firms or other parties covered in the register maintained under Section 189 of the Act consequently there is no question of repayment of principle and interest or any overdues.
4. In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and 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 weaknesses in the aforesaid internal control system.
5. The Company has not accepted any deposits from the public within the meaning of Section 73 and 74 of the Act and the rules framed there under to the extent notified.
6. As per information & explanation given by the management, maintenance of cost records has been prescribed by the Central Government under sub-section (1) of Section 148 of the Act, and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the cost records.
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 regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax and other material statutory dues, as applicable, with the appropriate authorities.

(b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of Fringe benefit tax as at 31st March 2015 which have not been deposited on account of a dispute, is as follows:

Name of Statute	Name of Dues	Amount (Rs.)	Period to which amount relates	Forum where dispute is pending
Income Tax Act, 1961	Fringe Benefit Tax	1,93,150/-	P.Y. 05-06 A.y. 06-07	Income Tax Appellate Tribunal, Ahmedabad

According to information and explanations given to us and the records of the Company examined by us, there are no dues of Sales Tax, Value Added Tax, Customs or Excise, Income-tax, wealth-tax and service tax which have been deposited on account of any dispute.

(c) There are no amounts required to be transferred to investor Education and Protection Fund in accordance with the provision of the Companies Act, 1956 and rules made thereunder.

8. The Company has no accumulated losses as at the end of financial year March, 2015. However, it has incurred a CASH LOSS of Rs. 3,65,33,537/- in the financial year ended on that date but has no cash loss in 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 not defaulted in repayment of dues to any financial institution or bank as at the balance sheet date.
10. In our opinion, and according to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from a bank or financial institution.
11. In our opinion, and according to the information and explanation given to us, there are no new term loans obtained by the Company. The existing term loan has been applied, on an overall basis, for the purposes for which it was obtained.
12. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

Place: Vadodara
Date: 29/05/2015

For V. K. SHASTRI & CO.,
Chartered Accountants
FRN: 113325W

CA. V. K. SHASTRI
(Sole- Proprietor)
Membership No. : 042774

BALANCE SHEET AS AT MARCH 31, 2015

Particulars	Note No.	As at 31st March, 2015		As at 31st March, 2014	
		Rs.	Rs.	Rs.	Rs.
I. EQUITY AND LIABILITIES					
(1) Shareholders' Funds					
(a) Share Capital	1	161,548,000		99,998,000	
(b) Reserves and Surplus	2	96,693,163		172,423,913	
(c) Money received against share warrants (Pending Allotment)		-		-	
(d) Share Warrants Alloted	3	-		15,387,500	
			258,241,163		287,809,413
(2) Share application money pending allotment					
(3) Non - current liabilities					
(a) Long term borrowings	4	52,500,000		82,500,000	
(b) Deferred tax liabilities (Net)	5	3,124,171		6,771,339	
(c) Other long term liabilities	6	27,438,782		34,741,949	
(d) Long Term provisions		-		-	
			83,062,953		124,013,288
(4) Current Liabilities					
(a) Short term borrowings	7	72,463,430		84,913,503	
(b) Trade payables	8	126,911,998		93,021,308	
(c) Other current liabilities	9	119,065,955		18,822,230	
(d) Short term provisions	10	28,854,997		57,121,091	
			347,296,380		253,878,132
TOTAL			688,600,496		665,700,833
II. ASSETS					
(1) Non - current assets					
(a) Fixed Assets					
(i) Tangible assets	11	212,442,728		242,638,951	
(ii) Intangible assets	11	755,025		1,243,863	
(iii) Capital work in progress	12	3,120,000		3,538,130	
(iv) Intangible assets under development		-		-	
		216,317,753		247,420,944	
(b) Non - current investments	13	-		-	
(c) Deferred tax assets (Net)	4	-		-	
(c) Long term loans and advances	14	29,670,561		28,584,728	
(d) Other non current assets		-		-	
			245,988,314		276,005,672
(2) Current Assets					
(a) Current investments		-		-	
(b) Inventories	15	178,535,823		108,225,298	
(c) Trade receivables	16	130,391,384		175,715,024	
(d) Cash and cash equivalents	17	63,155,646		16,690,796	
(e) Short term loans and advances	18	70,529,329		89,064,044	
(f) Other current assets		-		-	
			442,612,182		389,695,162
TOTAL			688,600,496		665,700,833

Significant Accounting policies
Notes on Financial statement

1 to 29

In Accordance with our Report of even date

For and on behalf of the Board

For V. K. SHASTRI & CO.,
Chartered Accountants

Firm number: 113325W

(V. K. SHASTRI)

Sole Proprietor

Date: 29/05/2015

(AJAY DESAI)
Executive Director

Date : 29/05/2015

(AJAY PARIKH)
Executive Director

(PREPANA BOKIL)
Company Secretary

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

Particulars	Note No.	2014-15		2013-14	
		Rs.	Rs.	Rs.	Rs.
I. Revenue from Operations	19		399,256,934		481,347,458
II. Other Income	20		2,344,906		2,016,601
III. Total revenue (I + II)			<u>401,601,840</u>		<u>483,364,059</u>
IV Expenses					
a. Cost of materials consumed	21	267,764,237		237,071,962	
b. Changes in inventories of finished goods, work in progress and stock in trade	22	(68,683,368)	199,080,869	(30,312,516)	206,759,446
c. Employee benefits expense	23		122,480,916		96,004,570
d. Finance costs	24		19,425,482		21,839,921
e. Depreciation and amortization expense	25		38,860,625		27,982,418
f. Other expenses	26		100,655,830		89,181,217
Total Expenses			<u>480,503,722</u>		<u>441,767,572</u>
V Profit/(Loss) before exceptional and extraordinary items and tax (III-IV)			(78,901,882)		41,596,487
VI Exceptional Items			-		-
VII Profit/(Loss) before extraordinary items and tax (V-VI)			(78,901,882)		41,596,487
VIII Extraordinary Items			-		-
IX Profit (Loss) before tax (VII-VIII)			(78,901,882)		41,596,487
X Tax expense:	27				
(1) Current tax (Refer Note No. 9 in other notes)		139,448		8,487,271	
(2) Deferred tax		(3,647,168)		5,471,075	
			(3,507,720)		13,958,346
XI Profit/(Loss) for the period from continuing operations (VII-VIII)			(75,394,162)		27,638,141
XII Profit/(loss) from discontinuing operations			-		-
XIII Tax expense of discontinuing operations			-		-
XIV Profit/(loss) from discontinuing operations (after tax) (XII-XIII)			-		-
XV Profit/(Loss) for the period (XI + XIV)			(75,394,162)		27,638,141
XVI Earning per equity share:	29				
(1) Basic			-5=00		2.76
(2) Diluted			-		-
Significant Accounting policies					
Notes on Financial statement	1 to 29				

In Accordance with our Report of even date

For and on behalf of the Board

For V. K. SHASTRI & CO.,
Chartered Accountants

Firm number: 113325W

(V. K. SHASTRI)

Sole Proprietor

Date: 29/05/2015

(AJAY DESAI)
Executive Director

Date : 29/05/2015

(AJAY PARIKH)
Executive Director

(PREPANA BOKIL)
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015

Particulars	2014-15		2013-14	
	Rs.	Rs.	Rs.	Rs.
Cash flows from operating activities				
Profit before taxation		(78,901,882)		41,596,487
Adjustments for:				
Depreciation and amortization expense	38,860,625		27,982,418	
Interest received	(2,063,302)		(998,668)	
Loss/(gain) on sale of Assets/Investments	43,576		41,839	
Interest expenses	18,118,958		22,003,018	
		54,959,857		49,028,607
		(23,942,025)		90,625,094
(Increase)/ decrease in trade and other receivables	62,772,522		40,505,243	
(Increase)/ decrease in inventories	(70,310,525)		(31,695,579)	
Increase/ (decrease) in trade payables and other payables	94,917,986		(2,668,101)	
		87,379,983		6,141,563
		63,437,958		96,766,657
Income taxes paid	(3,507,720)	(3,507,720)	13,958,346	13,958,346
Net cash from operating activities		66,945,678		82,808,311
Cash flows from investing activities				
Purchase of property, plant and equipment	(8,185,598)		(76,158,449)	
Proceeds from sale of property, plant and equipment	-		47,000	
Purchase of investments	-		-	
Proceeds from sale of investments	-		-	
Interest received	2,063,302		998,668	
Net cash from investing activities		(6,122,296)		(75,112,781)
Cash flows from financing activities				
Proceeds from share Warrants refund	-		-	
Proceeds from long term borrowings	(30,000,000)		2,543,957	
Repayment of short term borrowings	(12,450,073)		15,747,765	
Interest paid	(18,118,958)		(22,003,018)	
Net cash from financing activities		(60,569,031)		(3,711,296)
Net increase/(decrease) in cash and cash equivalents		254,351		3,984,234
Cash and cash equivalents at beginning of reporting period		16,690,796		12,706,562
Cash and cash equivalents at end of reporting period		16,945,147		16,690,796
Cash & Cash equivalents:				
Cash and cash equivalents consist of cash on hand and balances with banks, and investments in money market instruments. Cash and cash equivalents included in the statement of cash flows comprise the following amounts in the balance sheet:				
Cash on hand and bank balances		63,155,646		16,690,796
Short term investments		-		-
Cash and cash equivalents as reported		63,155,646		16,690,796
Effect on exchange rate changes		-		-
Cash and cash equivalents as restated		63,155,646		16,690,796

In Accordance with our Report of even date

For V. K. SHASTRI & CO.,
Chartered Accountants

Firm number: 113325W
(V. K. SHASTRI)
Sole Proprietor

Date: 29/05/2015

For and on behalf of the Board

(AJAY DESAI)
Executive Director

(AJAY PARIKH)
Executive Director

(PREPANA BOKIL)
Company Secretary

Date : 29/05/2015

NOTES TO FINANCIAL STATEMENTS

Particulars	As at 31st March, 2015		As at 31st March, 2014	
	Number	Rs.	Number	Rs.
1 Share Capital:				
Authorized:				
2,00,00,000 Equity shares of Rs.10 /- each	20,000,000	200,000,000	20,000,000	200,000,000
		<u>200,000,000</u>		<u>200,000,000</u>
Issued, subscribed and fully paid up:				
9999800 Equity shares of Rs.10 /- each				
At the beginning of the reporting period	9,999,800	99,998,000	9,999,800	99,998,000
Issued during the reporting period	6,155,000	61,550,000	-	-
Bought back during the reporting period	-	-	-	-
At the close of the reporting period	<u>16,154,800</u>	<u>161,548,000</u>	<u>9,999,800</u>	<u>99,998,000</u>
Total		161,548,000		99,998,000
Other Information:				
Particulars of equity share holders holding more than 5% of the total number of equity share capital:				
1 Ajay Desai	921,935		921,935	
2 Kiritkumar Pathak			765,144	
3 Shivash Business Advisory LLP	3,100,000			
4 Chaykar Business Advisory LLP	3,055,000			
2 Reserves and Surplus:				
Capital Reserve				
As per last Balance Sheet				
- State Capital subsidy	2,500,000	2,500,000	2,500,000	2,500,000
Revaluation Reserve				
As per last Balance Sheet	2,677,624		3,001,958	
Less: Transferred to profit & loss account	336,588		324,334	
		2,341,036		2,677,624
Profit and Loss Account				
As per last Balance Sheet	167,246,289		139,608,148	
Add: Profit (Loss) for the year	(75,394,162)		27,638,141	
		91,852,127		167,246,289
TOTAL		96,693,163		172,423,913
3 Warrants:				
Issued and subscribed :				
Balance as per Last Balance Sheet	6,155,000	61,550,000	6,155,000	61,550,000
Issued and subscribed during the year				
C.Y. NIL (P.Y. 61,55,000 Warrants of Rs. 10.00 each)				
Less: Transferred to Equity Capital	6,155,000	61,550,000		
Total				61,550,000

Particulars	As at 31st March, 2015		As at 31st March, 2014	
Called And Paid up :				
Balance as per Last Balance Sheet	6,155,000	15,387,500	6,155,000	15,387,500
Calls received of Partly paid up during the year				
25 % Amount of Warrants called and paid up @ of Rs. 2.50 per warrant of Rs.10 each	-	-	-	-
Calls received and Paid up during the year		46,162,500		
75 % Amount of Warrants called and paid up @ of Rs. 7.50 per warrant of Rs.10 each				
Less : Transferred to Equity Share Capital		61,550,000		
Total				15,387,500
4 Long term Borrowings				
1) Secured Loans:				
Term Loans				
- from Banks - ICICI Bank(Vehicle loan)		-		-
- from banks - Bank of Baroda		52,500,000		82,500,000
TOTAL		52,500,000		82,500,000
2) Unsecured Loans:				
3) Total long term borrowings (1+2)		52,500,000		82,500,000
Additional Information:				
a Details of security for secured loans				
Rs. 5,25,00,000 (P.Y. 825,00,000/-) secured Term loan from bank Secured by first charge on hypothecation of Plant and machinery, Book debts and stock and equitable mortgage of land and building.				
b Terms of repayment of term loans and others Term Loan from bank is repayable in 18 Quarterly instalments at interest rate of 12.50% p.a.				
5 Deferred Tax Assestes/Liabilities.				
i) Deferred tax liability:				
a) On account of depreciation on fixed assets		6,960,390		6,960,390
b) On account of timing differences in recognition of expenditure		-		-
Total		6,960,390		6,960,390
ii) Deferred tax asset:				
On account of Unabsorbed losses and depreciation under the Income Tax Act, 1961		3,836,219		189,051
Total		3,836,219		189,051
Net Deferred tax (liability)/asset		(3,124,171)		(6,771,339)
6 Other Long term liabilities				
Trade Payables		-		8,389,000
Employees Benefits		27,438,782		26,352,949
Total		27,438,782		34,741,949
7 Short term Borrowings				
1) Secured Loans:				
a) Loans repayable within next 12 Months				
- from banks - ICICI Bank(Vehicle Loan)		-		789,376

Particulars	As at 31st March,2015	As at 31st March,2014
- from Banks - Bank of Baroda	30,000,000	30,000,000
b) Other Loans and advances		
- For working Capital	42,463,430	44,124,127
- For Bill discounting Account	-	10,000,000
Total	72,463,430	84,913,503

Additional Information:

- a) Details of security for secured loans
- 1 Rs. 424,63,430/- (P.Y. 441,24,127/-) secured loan from bank for working Capital Facilities and Rs 3,00,00,000/- (P.Y. 3,00,00,000/-) Secured loan from bank for Expansion are Secured by first charge on hypothecation of Plant and machinery, Book debts and stock and equitable mortgagage of land and building.
 - 2 Rs. Nil (P.Y. 7,89,376/-) are secured by way of Hypothecation of vehicles
- b) Terms of repayment of term loans and others Vehicle loan is repayable in 36 monthly instalments at interest rate of 10.26% p.a. Loan for Expansion is repayable in 18 Quarterly instalments at interest rate of 12.50% p.a.

8 Trade Payables

a) To Micro, Small and Medium Enterprises	-	-
b) Others	126,911,998	93,021,308
Total	126,911,998	93,021,308

Additional Information:

The details of amounts outstanding to Micro, Small and Medium Enterprises under Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act), based on the available information with the Company are as under:

SI No.	Particulars	As at 31.03.2015	As at 31.03.2014
1	Principal amount due and remaining unpaid	-	-
2	Interest due on (1) above and the unpaid interest	-	-
3	Interest paid on all delayed payments under the MSMED Act	-	-
4	Payment made beyond the appointed day during the year	-	-
5	Interest due and payable for the period of delay other than (3) above	-	-
6	Interest accrued and remaining unpaid	-	-
7	Amount of further interest remaining due and payable in succeeding years	-	-

NOTE : Refer Note No. 7 in other notes on Accounts

9 Other current liabilities:

a) Deductions Payable	13,997	13,997
b) Advances from customers	117,452,562	17,103,225
c) Outstanding liability for expenses	501,730	538,824
d) Statutory liabilities	1,050,541	1,166,184
e) Other Current Liabilities	47,125	-
Total	119,065,955	18,822,230

10 Short term provisions:

a) Provision for employee benefits	5,465,358	4,966,692
b) Others		
Provision for taxation	23,389,639	52,154,399
Total	28,854,997	57,121,091

(Note: Rs. 233,89,639/- (P.Y. Rs. 521,54,399) includes Rs. Nil (P.Y. Rs. 84,87,271/-) being the provision for taxation for current year F.Y. 14-15 (P.Y.13-14)

Particulars	GROSS BLOCK (AT COST)			DEPRECIATION/AMORTISATION				NET BLOCK		
	As at 1st April 2014	Additions for the year	Deductions during the year	As at 31st March 2015	As at 1st April 2014	For the year	Depreciation on Revaluation charged to Revaluation Reserve	Deductions	As at 31st March 2015	As at 31st March 2014
Tangible Assets										
Own assets										
Land	14,985,703	-	-	14,985,703	-	-	-	-	-	14,985,703
Buildings (Factory)	141,300,960	18,375	-	141,319,335	38,462,117	9,771,369	62,125	-	48,295,611	93,023,724
Plant & Machinery	116,488,337	2,228,369	-	118,716,706	43,564,549	13,334,006	239,018	-	57,137,573	61,579,133
Furniture & Fixtures	10,546,117	1,178,217	-	11,724,334	3,798,514	2,001,150	-	-	5,799,664	6,747,603
Vehicles	15,352,392	-	442,716	14,909,666	10,888,792	1,155,623	-	351,140	11,693,275	4,463,590
Office equipment	10,811,683	780,273	-	11,591,956	3,131,982	3,691,339	-	-	6,823,321	4,768,635
Others (Specify nature)	-	-	-	-	-	-	-	-	-	-
Buildings (office)	21,318,561	-	-	21,318,561	5,731,668	759,082	35,445	-	6,526,195	14,792,366
Electrification	15,696,881	83,629	-	15,780,510	3,780,382	3,089,118	-	-	6,869,500	8,911,010
Computer Systems	20,023,805	4,314,865	-	24,338,670	14,527,474	4,570,101	-	-	19,097,575	5,241,095
	366,524,429	8,603,728	442,716	374,685,441	123,885,478	38,371,787	336,588	351,140	162,242,713	212,442,728
Intangible Assets										
Own assets										
Software	3,213,104	-	-	3,213,104	1,969,241	488,838	-	-	2,458,079	755,025
Technical Knowhow fees	3,000,000	-	-	3,000,000	3,000,000	-	-	-	3,000,000	-
	6,213,104	-	-	6,213,104	4,969,241	488,838	-	-	5,458,079	1,243,863
	372,737,533	8,603,728	442,716	380,898,545	128,854,719	38,860,625	336,588	351,140	167,700,792	213,197,753
Previous year figures	271,750,763	101,708,430	721,680	372,737,533	101,180,810	27,982,418	324,334	632,842	128,854,720	243,882,813
										170,569,973

Particulars	As at 31st March, 2015	As at 31st March, 2014
12 Capital work in progress:		
i) Plant and Machinery under installation	-	975,682
ii) Electrification under installation	-	42,448
iii) Software under development	3,120,000	2,520,000
	<u>3,120,000</u>	<u>3,538,130</u>
Less:		
Provision for impairment	-	-
Total	<u><u>3,120,000</u></u>	<u><u>3,538,130</u></u>
13 Non Current Investments:		
Details of Investments	As at 31.03.2014	As at 31.03.2013
a) Investments in debentures or bonds	-	-
Total	<u><u>-</u></u>	<u><u>-</u></u>
Additional Information:		
1) Aggregate value of unquoted investments:		
Cost		
14 Long term loans and advances:		
<u>Other loans & advances</u>		
Earmarked Funds	27,438,783	26,352,950
Other Deposits	731,778	731,778
Advances given against order	1,500,000	1,500,000
Total	<u><u>29,670,561</u></u>	<u><u>28,584,728</u></u>
15 Inventories:		
i) Raw materials	71,694,913	70,067,756
ii) Work in progress	106,840,910	38,157,542
	-	-
Total	<u><u>178,535,823</u></u>	<u><u>108,225,298</u></u>
16 Trade receivables:		
(Unsecured and considered Good)		
i) Trade receivables exceeding six months	15,957,408	41,604,574
ii) others	112,919,666	134,110,450
iii) Considered Doubtful	1,514,310	-
Total	<u><u>130,391,384</u></u>	<u><u>175,715,024</u></u>
17 Cash and cash equivalents:		
i) Balances with banks		
- in other accounts (Current account)	62,917,997	16,403,747
ii) Cash on hand	237,649	287,049
Total	<u><u>63,155,646</u></u>	<u><u>16,690,796</u></u>

Particulars	As at 31st March,2015	As at 31st March,2014
Additional information:		
The details of balances as on Balance Sheet dates with banks are as follows:		
State Bank of India-Nahava Sheva	11,765	12,001
SBI-Halol-Current account	28,420	29,175
SBI-Vadodara-Current Account (old CC)	19,860	32,590
Bank of Baroda-Halol-CC-Balance Current A/c	89,094	106,615
Bank of Baroda Current A/c	57,015,000	10,015,000
Bank of Baroda- USD	5,725,458	367,463
Bank of Baroda- SFR	-	5,638,771
Citi Bank	16,711	84,788
ABN -AMRO Overdraft A/c	-	105,037
SBI-Alkapuri-current Account	11,689	12,307
Total	62,917,997	16,403,747
18 Short term loans and advances:		
(Unsecured and considered Good)		
i) Advances to Staff & Suppliers	3,606,694	4,056,837
ii) Prepaid Expenses and Interest Accrued	11,674,229	4,552,317
iii) Margin Money and other Deposits	9,069,741	4,793,557
iv) Foreign Exchange Fluctuations Unrealized	-	-
iii) Balance with Government Authorities	-	-
Excise and Service Tax	2,095,637	5,307,419
Income Tax, T.D.S & Other Taxes paid	40,021,265	68,162,343
Sales Tax, Purchase Tax Recoverable	4,061,763	2,191,571
Total	70,529,329	89,064,044
Particulars		
	2014-15	2013-14
19 Revenue from operations:		
Sale of products		
i) Machines Manufactured	397,503,634	521,956,275
ii) Others	37,077,047	11,234,765
Total	434,580,681	533,191,040
Less: Excise duty	35,323,747	51,843,582
Total	399,256,934	481,347,458
20 Other Income:		
i) Interest income	2,063,302	998,668
ii) Excise Duty Drawback	274,131	173,332
iii) Trade discount	7,473	54,559
iv) Discount/Kasar	-	40,098
v) Late payment charges	-	749,944
Total	2,344,906	2,016,601
21 Cost of materials consumed:		
a) i) Consumption of raw materials	267,764,237	237,071,962
Total	267,764,237	237,071,962
b) Consumption of major raw materials		
i) S.S./M.S. Steel	103,736,878	97,225,926
ii) Others	164,027,359	139,846,036

Particulars	2014-15	2013-14
22 Changes in inventories of finished goods, work in progress and stock in trade:		
Stocks at the end of the year		
Work in progress		
Various Machinery and Components	106,840,910	38,157,542
Total	106,840,910	38,157,542
Less: Stocks at the beginning of the year		
Work in progress		
Various Machinery and Components	38,157,542	7,845,026
Total	38,157,542	7,845,026
(Increase)/Decrease in stock	(68,683,368)	(30,312,516)
23 Employee Benefit Expenses:		
i) Salaries and wages	100,282,062	85,572,501
ii) Contribution to provident and other funds	3,350,701	2,480,102
iii) Remuneration to whole time directors	16,799,440	5,999,650
iv) Staff welfare expenses	2,048,713	1,952,317
Total	122,480,916	96,004,570
24 Finance Costs:		
i) Interest expense	18,118,958	22,003,018
ii) Other borrowing costs	1,969,398	1,091,815
iii) Net (gain)/loss on foreign currency transaction and translation	(662,874)	(1,254,912)
Total	19,425,482	21,839,921
25 Depreciation and amortization:		
i) Depreciation	38,860,625	27,382,418
ii) Amortization of intangible assets	-	600,000
Total	38,860,625	27,982,418
26 Other expenses:		
i) Power and fuel	6,389,285	5,209,411
ii) Labour & job work charges	22,611,197	21,852,990
iii) Erection & commissioning	13,401,785	12,986,478
iv) Repairs to buildings	2,589,222	5,779,003
v) Repairs to machinery	147,133	384,630
vi) Other Manufacturing Expense	865,197	1,174,584
vii) Selling expenses		
- Freight Outward	4,004,879	722,923
- Other Selling expenses	2,542,583	2,281,882
viii) Legal and professional charges	12,100,943	10,011,755
ix) Other office Expenses	5,069,631	4,440,344
x) Insurance	4,867,570	4,948,452
xi) Rates and taxes	255,813	137,688
xii) Repairs others	1,460,437	2,282,624
xiii) Travelling Expenses	2,701,806	2,109,518
xiv) Conveyance Expenses	6,217,718	6,463,147

Particulars	2014-15	2013-14		
xv) Payment to the auditors				
- as auditor	90,000	90,000		
- for taxation matters	-	-		
- for reimbursement of expenses	6,110	3,285		
xvi) Loss on sale of Asset	43,576	41,839		
xvii) Donations	25,000	30,000		
xviii) Freight Inward & Octroi	5,653,405	4,658,247		
xix) Printing & Stationery	1,396,830	1,355,913		
xx) Postage & Telegram	1,182,883	876,250		
xxi) Discount, Kasar & Debts written off	7,032,827	1,340,254		
Total	100,655,830	89,181,217		
27 Tax Expense				
Current Tax				
Income tax for the year	-	8,487,271		
Income Tax of earlier years	139,448	-		
Deferred Taxes	(3,647,168)	5,471,075		
Total	(3,507,720)	13,958,346		
- Additional Information:				
a) Value of Imports calculated on CIF basis:				
i) Raw Materials	24,509,446	7,359,531		
ii) Components and spare parts	-	-		
iii) Capital goods	-	-		
b) Expenditure in foreign currency: (net of withholding tax)				
i) For Purchase of Raw Material	2,635,502	9,634,682		
ii) Knowhow/Royalty	-	-		
iii) Professional and consultancy fees	-	-		
iv) Interest	-	-		
v) Other matters	-	2,439,545		
c) Sr No Particulars	Amount	% to total	Amount	% to total
i) Value of imported raw materials, spare parts and components consumed	24,509,446	9.11%	7,359,531	3.17%
ii) Value of indigenous raw materials, spare parts and components consumed	243,254,791	90.89%	229,712,431	96.83%
Total	267,764,237	100%	237,071,962	100%
d) Earnings in foreign exchange:				
Export of goods calculated on FOB basis	77,502,728	21,567,746		
28 Contingent liabilities and Commitments: (to the extent not provided for)				
a) Contingent Liabilities:				
i) Claims against the Company not acknowledged as debts	-	-		
ii) Guarantees (Bank)	72,002,867	20,429,880		
iii) Bills receivable discounted with the bank not matured	-	10,000,000		
iv) Tax demands under disputes including FBT	193,150	193,150		
b) Commitments				
i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	-	-		

Particulars	2014-15	2013-14
ii) Uncalled liability on shares and investments partly paid	-	-
iii) Other Commitments (Specify nature)	-	-
29 Earnings per share:		
After extraordinary item:		
Profit for the year after tax expense	(7,53,94,162)	2,76,38,141
Less:		
Preference dividend payable including dividend tax	-	-
	<u>(7,53,94,162)</u>	<u>2,76,38,141</u>
Weighted average number of equity shares	15,075,568	9,999,800
Earning per share	(5.00)	2.76
Before extraordinary item:		
Profit for the year after tax expense	(75,394,162)	27,638,141
Adjustment for		
Extraordinary item (net of tax)	-	-
	<u>(75,394,162)</u>	<u>27,638,141</u>
	Nil	Nil
Less: Preference dividend payable including dividend tax	(75,394,162)	27,638,141
Weighted average number of equity shares	15,075,568	9,999,800
Earning per share	(5.00)	2.76

SIGNIFICANT ACCOUNTING POLICIES

- a) **Accounting Convention:**
The financial statements are prepared under historical cost convention on an accrual basis, in accordance with the applicable accounting standards.
- b) **Fixed Assets:**
Fixed Assets are stated at cost inclusive of freight, duties, taxes and installation expenses.
- c) **Depreciation:**
Depreciation has been provided on all assets except land on written down value method as per the rates derived from the expected life of assets as stated in Schedule II of the Companies Act, 2013, pro-rata depreciation is calculated for all additions made during the year.
Effective from 01.04.2014 the company depreciates its fixed assets over the useful life in the manner prescribed in Schedule II of the Act as against earlier practice of depreciating at the rates prescribed in Schedule XIV of the Companies Act 1956.
- d) **Valuation of Stock:**
Valued at lower of the cost or net realisable value.
- e) **Recognition of Income and Expenditure:**
Income and Expenditure are generally recognized on accrual basis.
- f) **Excise Duty:**
The Company has followed a system whereby the Excise Duty is included in the Sales Value and the Value of Closing Stock as required by the Guidance Note of the Institute of Chartered Accountants of India. The actual excise duty paid is shown as expenditure as deduction from Sales and the excise duty if it is unpaid and included in finished goods is shown as liability payable under the head other current liabilities.
- g) **Foreign Exchange Transaction:**
The Company has followed a system whereby the transactions involving Foreign Exchange on revenue account i.e. for foreign travel, import of materials and for export of goods, are accounted at the rate of exchange, which is prevailing on the date of transaction. Gains and/or losses arising out of fluctuations in the exchange rates are accounted for on actual realisation into Indian Rupees.
- h) **Gratuity and Leave Encashment:**
The Company has provided for Gratuity, Leave Encashment and other retirement benefits, on accrual basis, as per the requirements of AS-15 of the Institute of Chartered Accountants of India. The Company has subscribed to an insurance policy of L.I.C. of India under their approved scheme in respect of Gratuity and Leave Encashment liability and the premiums paid are charged to expenses as per payment made to L.I.C. of India
- i) **Miscellaneous Expenditure:**
Share Issue Expenses along with the preliminary expenses are being amortized by the Company in ten equal installments.

OTHER NOTES ON ACCOUNTS

- (1) The Company has provided for leave encashment and gratuity liability as per the payment made to L.I.C. of India in respect of Premiums of Policy to cover the liability of Leave Encashment and gratuity, for which provision for current year is charged to Profit & Loss account, is as per details given hereunder:

	<u>Leave Encashment</u>	<u>Gratuity</u>
Premium Paid during period-ended 31.03.2015	Rs. 12,537	Rs.10,73,296

The Actuarial liability is equal to the fund value along with the accrued appreciation with L.I.C. of India hence the Company has not provided for any further liability except payment of the premium as required under policy to L.I.C. of India

- (2) In the opinion of the Management and to the best of their knowledge and belief, the value on realisation of loans and advances, debtors and other current assets in the ordinary course of the business will not be less than the amount at which they are stated in Balance Sheet.
- (3) Figures have been rounded off to the nearest rupee.
- (4) Claims against the Company not acknowledged as debts Rs. NIL (previous year Rs. NIL).

- (5) Debtors and Creditors Balance Confirmation have not been obtained.
- (6) Estimated amount of contracts remaining to be executed on capital account and not provided Rs. NIL (Previous year Rs. NIL).
- (7) The Company has initiated the process to identify the status of its suppliers and asked them to inform the Company if they are a Micro, Medium and Small Enterprise under Micro, Medium and Small Enterprise Act,2006 (MSMED), so that the information regarding dues to MSMED Enterprise could be stated. However, since no response have been received from the suppliers, due to which it is not possible for the Company to disclose exactly, the dues to S.S.I. units included in the Sundry Creditors.
- (8) **Remuneration to Directors:-**
The Company has paid remuneration to its Executive Directors, in accordance with the provision of Schedule V of the Companies Act, 2013 and as per the special resolution passed by the Company in the Annual general meeting which is within the limits specified therein.
- (9) **Current Tax:** During the year the income tax provision is not made in view of loss for the year ended 31st March, 2015 based on Computation of Income as per provisions of Income Tax Act, 1961. Moreover, no tax is payable on the book profit (i.e. MAT) U/s 115JB of the Income tax Act, 1961.
- (10) In accordance with Accounting Standard - 17 "Segment Reporting ", segment information has not been disclosed as there is only one product and has no separate segments.
- (11) Depreciation and Amortization expense for the year have been calculated as per provisions of Schedule II of the Companies Act 2013, wherein all the Fixed Assets having not completed their useful life as on 01.04.2014 and shown at the Carrying Value (i.e. Written Down Value) have been depreciated on that value for the remaining useful life as per the rate derived from the expected life of assets
- (12) In accordance with Accounting Standard - 18 - "Related Party Disclosures" issued by the Institute of Chartered Accountants of India, the transactions with related parties are given below.

SR.NO.	NAME OF PARTY	NATURE OF RELATION	NATURE OF TRANSACTION	VALUE (Rs.)
1.	Ajay N. Desai	Executive Director	Director's Remuneration	83,99,786
2.	Ajay N. Parikh	Executive Director	Director's Remuneration	83,99,654
3	Tranzmute Capital & Management Pvt. Ltd.	One of the Director is Director in said company	Professional Fees	30,00,000

For V. K. SHASTRI & CO.,

Chartered Accountants

Firm number: 113325W

For and on behalf of the board

(V.K. SHASTRI)

Sole proprietor

(AJAY DESAI) (AJAY PARIKH) (PRERNA BOKIL)

Executive

Director

Executive

Director

Company

Secretary

Place : Nurpura

Date : 29.05.2015

Place : Nurpura

Date : 29.05.2015

AXTEL INDUSTRIES LIMITED

PROXY FORM

CIN: L91110GJ1991PLC016185

REGISTERED OFFICE: Plot No. 43/1, Village Nurpura, P.O. Baska, Halol - 389 350, Dist. Panchmahals, Gujarat.

E-mail ID: info@axtelindia.com, website: www.axtelindia.com

TWENTY THIRD ANNUAL GENERAL MEETING, Monday, 31st August, 2015 at 11.00 a.m.

TWENTY THIRD ANNUAL GENERAL MEETING

Monday, 31st August, 2015 at 11.00 a.m.

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

- (1) Name: _____ Address: _____
 E-mail ID: _____ Signature _____ or failing him / her
- (2) Name: _____ Address: _____
 E-mail ID: _____ Signature _____ or failing him / her
- (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 Twenty Third Annual General Meeting of the Company, to be held on Monday, 31st August, 2015 at 11.00 a.m. at registered office of the company at Plot No. 43/1, Village Nurpura, P.O. Baska, Halol - 389 350, Dist. Panchmahals, Gujarat and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions	Optional*	
		For	Against
	Ordinary business		
1.	Adoption of Accounts		
2.	Appointment of Shri Ameet Nalin Parikh as Director		
3.	Appointment of Shri Kirit Kumar Pathak as Director		
4.	Appointment of Statutory Auditors		
	Special business		
5.	Appointment of Shri Nikhil Ramesh Parikh as Independent Director		
6.	Appointment Smt. Anjali Harshvardhan Hegde as Independent Director		
7.	To approve contract with related party		

Signed this _____ day of _____ 2015

Member's Folio/DP ID - Client ID No. _____

Signature of shareholder(s) _____

Signature of proxy holder(s) _____

Note:

- This form of proxy in order to be effective should be duly completed and deposited at the Registered office of the company, not less than 48 hours before the commencement of the Meeting.
- For the resolutions, explanatory statement and notes, please refer to the notice of twenty third Annual General Meeting.
- It is optional to put 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.
- Please complete all details including details of member(s) in above box before submission.

Affix
Revenue
Stamp
Re. 1/-