




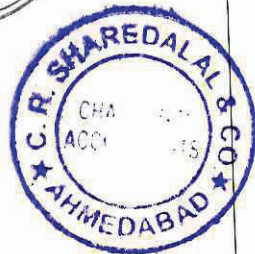
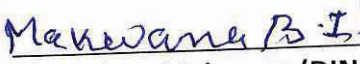



FORM – A

**FORMAT OF COVERING LETTER OF THE ANNUAL AUDIT REPORT TO BE FILED WITH THE
STOCK EXCHANGES**

1	Name of the Company	AREX INDUSTRIES LIMITED
2	Annual Financial Statements for the year ended	31 st March, 2015
3	Type of Audit Observation	Unqualified
4	Frequency of Observation	Not Applicable
5		
	CEO / Managing Director	  Dinesh Bilgi (DIN: 00096099)
	Chief Financial Officer	  Dinesh Bilgi (DIN:00096099)
	Auditor of the Company	 Jaydeep Patel M/s. C. R. Sharedalal & Co. 
	Audit Committee Chairman	 Balkrishna Makwana (DIN:00287931) 



Arex Industries Limited

26TH ANNUAL REPORT 2014-2015



We weave brands

Board of Directors	Shri Dinesh A Bilgi (DIN:00096099)	<i>Managing Director & CFO</i>
	Shri Neel D Bilgi (DIN:00096180)	<i>Managing Director</i>
	Shri Chirag D Bilgi (DIN:02094970)	<i>Managing Director</i>
	Shri Pragnesh K Shah (DIN:00228223)	<i>Whole-time Director</i>
	Shri Laxman C Tilani (DIN:00532516)	<i>Director</i>
	Shri Vasant R Shah (DIN:00371634)	<i>Director</i>
	Shri Balkrishna I Makwana (DIN:00287931)	<i>Independent Director</i>
	Shri Dinesh H Pande (DIN:03147549)	<i>Independent Director</i>
	Smt Harsha H Parikh (DIN:06931405)	<i>Independent Director</i>

Bankers State Bank of India

Auditors M/s C R SHAREDALAL & Co
Chartered Accountants
Ahmedabad
Firm Regn No. 109943W

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

Registered Office & Plant 612, G. I. D. C. Estate
Chhatral, Tal. : Kalol,
Dist : Gandhinagar - 382 729.

26th ANNUAL GENERAL MEETING

Date : 19th September, 2015
Day : Saturday
Time : 12.30 P.M.
Place : The Grand Amrit
Mehsana Kalol Highway,
Chhatral, Tal. : Kalol,
Gandhinagar - 382 729.

Notice of the 26th Annual General Meeting of the Company to be held on Saturday, 19th day of September, 2015 at 12:30 p.m. at The Grand Amrit, Mehsana Kalol Highway, Chhatral, Tal.: Kalol, Dist.: Gandhinagar – 382 729 to transact the business mentioned therein is enclosed herewith. Shareholders are requested to bring their copy of the Annual Report while attending the Meeting.

NOTICE

NOTICE is hereby given that the 26th Annual General Meeting of members of the Company, will be held on Saturday, 19th day of September, 2015 at 12.30 p.m. at The Grand Amrit, Mehsana Kalol Highway, Chhatral, Tal.: Kalol, Dist.: Gandhinagar – 382 729, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt audited accounts for the year ended on 31st March, 2015 and the reports of the Directors and Auditors thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in place of Shri Vasant R Shah (DIN:00371634), Director who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Pragnesh K Shah (DIN:00228223), Director who retires by rotation and being eligible, offers himself for re-appointment.
5. To consider and, if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to Section 139 and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, M/s C R Sharedalal & Co., Chartered Accountants of Ahmedabad having Firm Registration No. 109943W, retiring Auditors, be and are hereby re-appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the 27th Annual General Meeting of the Company on a remuneration to be determined by the Board of Directors plus reimbursement of service tax and out of pocket expenses on actual basis.”

SPECIAL BUSINESS:

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

“RESOLVED THAT pursuant to the provisions of Sections 188(1)(a) to (e) and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and in partial modification of the special resolutions passed by the members of the Company in their 25th Annual General Meeting held on 11th September, 2014, consent of the Company, be and is hereby accorded to the Board of Directors (hereinafter referred to as the ‘Board’) which term shall be deemed to include any committee thereof, which the Board may have constituted or hereinafter constitute to the transaction or transactions or contracts or arrangements entered or to be entered into with (1) Shri Dinesh Apparao Bilgi (DIN:00096099) Managing Director/CFO of the Company, (2) Shri Neel Dinesh Bilgi (DIN:00096180), Managing Director, (3) Shri Chirag Dinesh Bilgi (DIN:02094970), Managing Director, (KMPs) of the Company, (4) M/s. Ultra Polydyne Private Limited (CIN:U17297GJ2006PTC047717), (5) ANC System Limited Liability Partnership (LLPIN:AAD-5247), (6) Latha Services Limited Liability Partnership (LLPIN:AAD-5214), (7) Patel Warper Limited Liability Partnership (LLPIN:AAD-6091) (8) ACN Estates Limited Liability Partnership (LLPIN: AAD-5209) and such other Companies and/or Limited Liabilities Partnerships or LLPs (hereinafter referred to as ‘the related parties’) in which any of them or his/their relatives or their HUFs is/are concerned or interested directly or indirectly as director, members, partners, designated partner/s from time to time, for (1) sale, purchase or supply of any goods or materials directly or through appointment of agents exceeding ten per cent of the annual turnover or such limits as may be prescribed in clause (a) and clause (e) respectively of sub-section (1) of Section 188 of the said Act, (2) selling or otherwise disposing of, or buying, property of any kind directly or through appointment of agents exceeding ten per cent of net worth or such limits as may be prescribed in clause (b) and clause (e) respectively of sub-section (1) of Section 188 of the said Act, (3) leasing of property of any kind exceeding ten per cent of the net worth or turnover of the Company, or such limits as may be prescribed in clause (c) of Sub-Section (1) of Section 188 of the said Act and (4) availing or rendering of any services including job work directly or through appointment of agents exceeding ten per cent of turnover or rupees fifty Crores or such limits as may be prescribed under clause (d) and clause (e) of Sub-Section (1) of Section 188 of the said Act, 2013, provided however that aggregate value of such transactions, contracts or arrangement shall not exceed a sum of ₹ 100 crores on any day in any financial year.”

“RESOLVED FURTHER THAT the terms and conditions mentioned in the draft agreements (initialed by the Chairman for the purpose of identification entered into or to be entered into with the Company, LLPs and/or related parties in which Directors or their relatives are directly or indirectly interested as directors, members, partners or designated partners in any one or more of these companies/LLPs, be and are hereby specifically approved.”

“RESOLVED FURTHER THAT the Board of Directors, Audit Committee or any other Committee herein after constituted by the Board, be and are hereby severally authorised to appoint agents, consultants, experts and to enter into such agreements, deeds, lease deeds, hypothecations, guarantees, bonds and other documents, from time to time with any one or more of the related parties and to do all such acts, deeds, matters and things as may be deemed necessary for the purpose.”

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

“RESOLVED THAT pursuant to Sections 5, 14 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2015 (including any statutory modification(s) or re-enactment thereof, for the time being in force), rules and regulations made thereunder, the enabling provisions of the Memorandum and Articles of Association of the Company and subject to the requisite approvals, consents, permissions, and/or sanctions as may be required, if any, the draft regulations contained in the Articles of Association submitted to this meeting and duly initialed, be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company.”

"RESOLVED FURTHER THAT the Board of Directors, be and is hereby authorized to take all suitable steps and to do all such acts, deeds, matters and things as may be deemed necessary for the purpose of giving effect to alteration of the existing Articles."

Regd Office:

612, GIDC Estate
Chhatral, Tal : Kalol
Dist : Gandhinagar-382 729
Date : 10th August, 2015

By Order of the Board

Dinesh A Bilgi
Mg Director/CFO
DIN:00096099

Notes:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE AT THE MEETING INSTEAD OF HIMSELF AND THAT A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder. Proxies in order to be effective, should be stamped, completed, signed and deposited at the registered office of the Company not less than 48 hours before the meeting. A proxy form is sent herewith. Proxies submitted on behalf of the companies and other bodies corporate must be supported by appropriate resolution/authorities.

2. The Share Transfer Books and the Register of Members of the Company shall remain closed from **Tuesday, 15th September, 2015 to Saturday, 19th September, 2015** (both days inclusive) for determining the names of members eligible for dividend, if declared at the meeting.
3. The Dividend as recommended by the Board of Directors, if declared at the Annual General Meeting, will be paid to those Members whose names appear in the Register of Members of the Company as on 19th September, 2015, in respect of shares held in Physical form and in respect of shares held in the electronic form, to those "Deemed Members" whose names appear in the statement of Beneficial Ownership furnished by the National Securities Depository Services Ltd (NSDL) and the Central Depository Services (India) Ltd (CDSL) at the end of business hours on **Monday, 14th September, 2015**.
4. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of special business is annexed herewith.
5. Members desirous of any information or clarification on accounts are requested to write to the Company at least 10 days in advance of the meeting.
6. As per the provisions of Section 124 & 125 of the Companies Act, 2013 corresponding to 205A & 205C of the Companies Act, 1956 and the Rules made thereunder, the Company has to transfer the dividend amount remaining unpaid and/or unclaimed for a period of seven years along with relevant shares (if applicable), to the Investor Education and Protection Fund (IEPF) and once the amount of unpaid/unclaimed dividend is transferred to the IEPF, such dividend can not be claimed from the Government or the Company. Therefore, you are hereby advised to claim your dividend entitlement at the earliest. For your kind information, the particulars of declaration of dividend(s) by the Company and due date of transfer of unpaid dividend to IEPF are as under:

Financial Year	Date of Declaration	Dividend (%)	Dividend Type	Amount (₹) per share	Tentative date of Transfer to IEPF
2007-08	13.09.2008	9	Final Dividend	0.90	13.10.2015
2008-09	31.08.2009	9	Final Dividend	0.90	30.09.2016
2009-10	23.09.2010	9	Final Dividend	0.90	22.10.2017
2010-11	17.09.2011	9	Final Dividend	0.90	16.10.2018
2011-12	18.09.2012	9	Final Dividend	0.90	17.10.2019
2012-13	29.08.2013	9	Final Dividend	0.90	30.09.2020
2013-14	11.09.2014	9	Final Dividend	0.90	10.10.2021

8. As per the provisions of Section 205C of the Companies Act, 1956 and the Rules made thereunder, the Company has transferred whole of the unpaid and/or unclaimed Final dividend amount for the year 2006-07 to the Investor Education and Protection Fund (IEPF) on 11.11.2014. Pursuant to the provisions of Investors Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has also uploaded the details of unpaid and unclaimed amounts lying with the Company as on 11th September, 2014 (date of last AGM).
9. The Securities and Exchange Board of India (SEBI) has mandated submission of Permanent Account Number (PAN) by every participant in Securities Market. Members holding shares in electronic form are, therefore, advised to submit PAN details to their respective Depository Participant (DP) and the members holdings shares in physical form can submit PAN details to the Company or its Registrar, M/s Sharepro Services (I) Pvt Ltd.
10. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to the Registrar, M/s. Sharepro Services (I) Pvt Ltd, for consolidation into a single folio.

11. The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies and has issued circulars stating that service of notice/document including Annual Report can be sent by email to its members. To support this green initiative of the Government in full measure, members who have not registered their email addresses, so far, are requested to register their email addresses, in respect of electronic holding with the Depository through their concerned Depository Participants.
12. Members are requested to notify immediately any change in their addresses to the Company at its Registered Office or its Registrar & Share Transfer Agent M/s Sharepro Services (India) Pvt Ltd, 416 –420, 4th Floor, Devnandan Mall, Opp. Sanyash Ashram, Ellisbridge, Ahmedabad– 380 006. Telephones: 079 – 26582381 to 84, Fax : 079 – 26582385.
13. The Company has to update its Register of Members and other records pursuant to the provisions of the Companies Act, 2013. Members are requested to update their records like e-mail address, Status, PAN Card etc. with the Company or its Registrar.
14. Electronic copy of the Annual Report for Financial Year 2014-15 and the Notice convening 26th Annual General Meeting of the Company indicating, inter alia, the process and manner of e-voting alongwith Attendance Slip and Proxy Form are being sent to all members whose email IDs are registered with the Registrars and Share Transfer Agent/Depository Participants for communication purposes unless any member has requested for a hard copy of the said documents. For members who have not registered their email address, physical copies of the Annual Report for Financial Year 2014-15 is being dispatched in the permitted mode and also placed on Company's website: www.arex.co.in.
15. Kindly note that the members can opt only one mode for voting, i.e. either by Physical Ballot or e-voting. In case of voting by both modes, voting through electronic mode shall prevail.
16. The results shall be declared on or after the AGM of the Company. The results declared along with Scrutinizer's Report shall be placed on the Company's Website www.arex.co.in and on the website of the CDSL within two(2) days of passing of the resolutions at the AGM of the Company and will also be forwarded to BSE Ltd, Mumbai.
17. All documents including draft agreements, referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal hours between (4.00 pm to 6.00 pm) on all working days, up to and including the date of the Annual General Meeting of the Company.

18. Voting through electronic means:

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time, the Company is pleased to offer e-voting facility to all its members the facility of 'remote e-voting' (e-voting from a place other than the venue of the AGM) to exercise their right to vote on the resolutions proposed at the 26th Annual General Meeting (AGM). The business may be transacted through e-voting services rendered by Central Depository Services (India) Limited (CDSL).

The facility for voting, either through ballot/polling paper shall also be available at the venue of 26th AGM. The members attending the meeting, who have not already cast their vote through remote e-voting shall be able to exercise their voting rights at the meeting. The members who have already cast their vote through remote e-voting may attend the meeting but shall not be entitled to cast their vote again at the AGM.

The Company has appointed Shri Narendra B Shah, practicing Company Secretary of Ahmedabad as a Scrutinizer for conducting the remote e-voting and the voting process at the AGM in a fair and transparent manner.

A. In case of members receiving e-mail:

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on **Wednesday, 16th September, 2015 (10.00 am) and ends on Friday, 18th September, 2015 (5.00 pm)**. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on **Saturday, 12th September, 2015**, being the cut-off date, 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 first two letters of their name and the 8 digits of the sequence number in the PAN Field. The Sequence Number is printed on the sticker affixed on the cover. In case of non-receipt, the same can be obtained by the Shareholder from the RTA OR the Company. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then 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 AREX INDUSTRIES LIMITED 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 pursuant to Section 102 of the Companies Act, 2013 and Information on Directors retiring by rotation seeking re-appointment at this Annual General Meeting as required under Clause 49 of the Listing Agreement of the BSE Ltd:

Item No.3

Shri Vasant R Shah (DIN:00371634) aged about 69 years is a Non-Matriculate. He has wide experience in the marketing of woven label industry. He has been a Director since 11th July, 1994. He has been providing valuable guidance and expert advice to the Company from time to time.

He is a member of Nomination & Remuneration Committee. He does not hold any shares in the share capital of the Company. He is a Director in Vasants Labels Private Limited.

None of the Directors nor Key Managerial Personnel, except Shri Vasant R Shah is concerned or interested in the above resolution.

Item No.4

Shri Pragnesh Kantilal Shah (DIN:00228223) aged about 62 years is an Engineer in Metallurgy from M S University, Baroda and hold Diploma in Marketing Management from K C College, Mumbai. He has excellent marketing skills to his credit. His insight knowledge of woven labels has been a guiding force for the growth of the Company. He has been a Director of the Company since 14th December, 1990. He was a member of Audit Committee. He was appointed as Whole-time Director of the Company with effect from 1st November, 2009. He has been reappointed as Whole-time Director of the Company with effect from 1st November, 2014 by the members of the Company in their 25th Annual General Meeting. He holds 31100 shares in the share capital of the Company and does not hold any directorship in any other Companies.

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

Item No.6

The members of the Company, in their 25th Annual General Meeting held on 11th September, 2014, have approved transactions with related parties by way of special resolutions. However, the constitution of the related parties are changed due to conversion of private limited Company into LLPs, re-constitution or otherwise. The Company avails land and industrial shed (Industrial Shed & land admeasuring about 4320 Sq Mts situated at 606-609, GIDC, Chhatral from M/s ANC System LLP and Industrial Shed & land admeasuring about 1160 Sq Mts situated at 503-504, GIDC, Chhatral from M/s Latha Services LLP) on leave & license basis from M/s ANC System LLP and M/s Latha Services LLP both for a period of 99 years renewable every year at mutually agreed terms between the parties, for smooth business of the Company on a monthly license fee of ₹ 73,750/- and ₹ 30,000/- (During the F.Y. 2014-15) respectively. The terms and conditions were on arm's length basis. The Company has also entered into transaction for purchase of raw materials either on outright purchase, job work basis or otherwise, from time to time, for a value aggregating to ₹ 3,55,19,211/- (100086.220 Kg) during the F.Y. 2014-15 from M/s Ultra Polydye Pvt Ltd (U17297GJ2006PTC047717) on arm's length basis. Shri Dinesh Apparao Bilgi, Managing Director/CFO of the Company, Shri Neel Dinesh Bilgi, Managing Director, Shri Chirag Dinesh Bilgi, Managing Director, (KMPs) of the Company, Smt Bhavna Dinesh Bilgi (wife of Shri Dinesh Apparao Bilgi and mother of Shri Neel Dinesh Bilgi/ Shri Chirag Dinesh Bilgi), Smt Kairavi Neel Bilgi (wife of Shri Neel Dinesh Bilgi), Smt Sachi Chirag Bilgi (wife of Shri Chirag Dinesh Bilgi) and their HUF are concerned or interested directly or indirectly through their relatives as director, member, partner or designated partner of any one or more of the aforesaid Company or LLP. The Board of Directors further feels that these transactions are purely on arm's length basis or principal to principal basis and also do not cross the relevant limits laid down under the provisions of Section 188 read with Rule 15(3) of the Companies (Meeting of Board and its Powers) Rules, 2014 and hence, outside the purview of the provisions of Section 188 and the said Rules. However, as a measure of abundant precaution and under the Companies (Removal of Difficulties) Sixth Order, 2014 dated 24.07.2014, your approval is sought by way of special resolution in view of the future transactions looking to the increased activities of the Company.

Further, Smt Bhavna Dinesh Bilgi (w/o. Shri Dinesh Apparao Bilgi and mother of Shri Neel Dinesh Bilgi and Shri Chirag Dinesh Bilgi) is currently interested as director & shareholder holding 1% in M/s Ultra Polydye Pvt Ltd.

The letters/books/documents and agreements entered/to be entered into with the aforesaid respective related Companies/parties are available for inspection without any fee by the members at the registered office of the Company during business hours as mentioned in point no. 17 of the notes to the notice.

Shri Dinesh Apparao Bilgi, Shri Neel Dinesh Bilgi, Shri Chirag Dinesh Bilgi (Managing Directors), Smt Kairavi Bilgi, Company Secretary of the Company (KMP), Smt Bhavna Dinesh Bilgi (Relative), their HUFs are concerned or interested directly or indirectly through their relatives as director or member or partner of the said Companies/LLP's to the extent of their shareholding/capital contribution in the aforesaid respective Companies/LLP's.

Item No. 7

The existing Articles of Association ('Articles') of the Company were adopted based on the provisions of Companies Act, 1956 and the Rules made thereunder. Most of these provisions were replaced by the new or revised provisions under the Companies Act 2013 and the Rules made thereunder effective from 1st April, 2014. Some of the regulations or Articles are no longer in conformity with the provisions of the Companies Act, 2013 which require modification, alteration, deletion or insertion with new regulations or Articles. The Board considered the same and recommended for adoption of a new set of Articles bearing No. from 1 to 208 in place of existing Articles bearing Article No.1 to 226 of the existing Articles of Association of the Company.

The draft Articles shall be open for inspection by the members at the registered office of the Company on all working days between 4.00 pm to 6.00 pm upto the date of this Annual General Meeting.

The Directors recommend the said special resolution.

None of the Directors, Key Managerial Personnel of the Company or their relatives is in any way concerned or interested, financially or otherwise in these special resolution.

Regd Office:

612, GIDC Estate
Chhatral, Tal : Kalol
Dist : Gandhinagar-382 729
Date : 10th August, 2015

By Order of the Board

Dinesh A Bilgi
Mg Director/CFO
DIN:00096099

DIRECTORS' REPORT

To
The Members,

Your Directors are pleased to present their 26th Annual Report together with the Audited Statement of Accounts of the Company for the year ended on 31st March, 2015.

FINANCIAL RESULTS

	(Amount in Rupees)	
	31.03.2015	31.03.2014
Revenue from Operations (Net of Excise Duty)	330365500	316942802
Profit before Depreciation & Amortisation Expenses and Finance Cost	78932669	84112162
Less : Finance Cost	7653810	10695341
Depreciation & Amortisation Expenses	31343450	40497611
Profit before Tax	39935409	32919210
Tax Expenses - Current Taxation	16200000	17300000
Deferred Tax	(3270000)	(6600000)
Add/(Less) : MAT Credit Entitlement		
(Excess)/Short Provision of tax of earlier years	133850	244809
Profit for the year	26871559	21974401
Surplus brought forward from previous year	101931974	84125906
Profit available for Appropriation	128803533	106100307
Proposed Dividend	3562830	3562830
Tax on Proposed Dividend	712360	605503
Balance Carried to Balance Sheet	124528343	101931974

OPERATION

During the year under review, the performance of the Company has been satisfactory despite adverse market conditions. However, your Company continued to enjoy market reputation and sustained its growth. The Company's sales was increased by 4.21% over the previous year's sales. The Company also continued to explore overseas market opportunities and received good response. The exports amounted to ₹ 1,30,34,892/- i.e. increase of 30% over the previous year's exports. There was heavy fluctuation in foreign exchange rates with a gain of ₹ 59,600/-. The raw material prices, fuel charges and other overheads continued to increase. However, the Company has sustained its earnings of ₹ 2,68,71,559/- i.e. increase of about 22.29% over the previous year's profit.

The Company has undertaken capacity expansion project with modernization, upgradation, installation of high tech machineries and supporting systems for total outlay of about ₹ 12.50 Crores, in view of the prospective markets. This project is under implementation and is expected to be completed by September, 2016.

DIVIDEND

Your Directors are pleased to recommend dividend at 9% (i.e. Re.0.90 per share) out of the current profits and balance out of the surplus in the profit and loss Account, subject to approval of the members in their ensuing Annual General Meeting. The final dividend, if declared, will absorb an outflow of ₹ 35,62,830/- towards dividend amount and ₹ 7,12,360/- towards dividend distribution tax. The requisite provision for dividend has been made in the accounts for the year ended 31st March, 2015.

FINANCE

The Company continued to avail financial assistance to finance its present and expansion on hand.

PUBLIC DEPOSITS

The Company has not accepted any deposit within the meaning of the provisions of Section 2(31) and 73 to 76 of the Companies Act, 2013, read with the Companies (Acceptance of Deposits) Rules, 2014. There is no deposit outstanding as on the commencement of the said Act.

INSURANCE

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

DIRECTORATE/KMPs

Shri Dinesh A Bilgi (DIN:00096099) has been appointed as Managing Director cum Chief Financial Officer, Shri Neel D Bilgi (DIN:00096180) and Shri Chirag D Bilgi (DIN:02094970) have been appointed as Managing Directors and Shri Pragnesh K Shah (DIN:00228223) has been appointed as Whole Time Director of the Company.

Shri Vasant R Shah (DIN:00371634) and Shri Pragnesh K Shah (DIN:00228223) are due to retire by rotation as Directors at the ensuing Annual General Meeting and are eligible for re-appointments. They have also offered themselves for re-appointments.

Smt Kairavi Neel Bilgi, Company Secretary of the Company having Membership No. A21519 has resigned with effect from 19th May, 2015.

INDEPENDENT DIRECTORS

As per the provisions of Section 149 of the Companies Act, 2013, the Independent Directors have confirmed and declared that they are not disqualified to act as independent directors and the Board is also of the opinion that the Independent Directors fulfill all the conditions specified in the Companies Act, 2013 making them eligible to act as Independent Directors. One separate meeting of the Independent Directors was held on 23.12.2014.

BOARD EVALUATION

Pursuant to the provisions of Section 134 of the Companies Act, 2013, a structured questionnaire was prepared after taking into account various aspects like- company performance, contribution of individual directors, composition of Board and committees, performance of duties, culture, obligations, risk management etc. for evaluation process. The Board noted that all directors have understood the opportunities and risks to the Company's strategy with good balance between the core values of the Company and the interest of the stakeholders. The Board also evaluated performance of the various committees and concluded with satisfaction. The Board expressed their satisfaction for the above evaluation process.

PARTICULARS OF EMPLOYEES

There was no employee covered under the purview of Section 134(3)(q) of the Companies Act, 2013 read with the Companies (Companies Appointment and Remuneration of Managerial Personnel) Rules, 2014, except Managerial Personnel.

Information required under the provisions of Section 197(12) of the Companies Act, 2013 read with the Companies (Companies Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given by way of an Annexure to this Report.

CHANGES IN NATURE OF BUSINESS

There is no change in the nature of business of the Company.

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY

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

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements of Section 134(3)(c) of the Companies Act, 2013, the Directors hereby state that:

- i) in the preparation of annual accounts for the financial year ended March 31, 2015, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the 31st March, 2015 and of the profits of the Company for the year ended on that date;
- iii) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the directors have prepared the annual accounts on a going concern basis.
- v) the directors had laid down internal controls to be followed and such internal controls are adequate and were operating effectively.
- vi) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ORDERS BY REGULATORS, COURTS OR TRIBUNALS

No significant and/or material orders were passed by any Regulator, Court or Tribunal impacting the going concern status and the Company's operations in future.

COMPANY'S POLICIES

Code of Conduct

All Directors, Key Managerial Personnel and Senior Management of the Company have confirmed compliance with the code of conduct applicable to the Directors and employees of the Company. The Directors have confirmed compliance with the provisions of Section 164 of the Companies Act, 2013.

Other Policies

Company's Policy on Remuneration, Whistle Blower, Risk Management, Corporate Social Responsibility (CSR) are finalized in accordance with applicable laws. The Company has voluntarily donated ₹ 1,00,000/- to Hare Krishna Movement, Ahmedabad (Charitable Trust) and ₹ 30,000/- for miscellaneous charitable activities.

BOARD MEETINGS

The details regarding Board Meetings are given in the Report on Corporate Governance forming part of this Report.

INTERNAL FINANCIAL CONTROLS

The Company has a proper and adequate internal control system to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and those transactions are authorized, recorded and reported correctly.

EXTRACT OF ANNUAL RETURN

As required under the provisions of Section 92 (3) of the Companies Act, 2013, an extract of Annual Return in Form MGT-9 is given by way of an Annexure forming part of this Report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

The Company has been taking steps for optimum utilisation of power and fuel. The information as required under Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, is given by way of Annexure forming part of this Report.

MANAGEMENT DISCUSSION ANALYSIS AND CORPORATE GOVERNANCE

The Company focuses on good Corporate Governance. The Company has implemented a combination of mandatory & voluntary conditions of Clause 49 of the Listing Agreement of the BSE Ltd, Mumbai pertaining to Corporate Governance. A detailed note on Corporate Governance and Auditor's Certificate confirming compliance of the Corporate Governance requirements by the Company are given by way of an annexure forming part of this Report.

RELATED PARTY TRANSACTIONS

All the transactions entered with related party during the year under review were on arm's length basis and in the ordinary course of business. Hence these transactions were outside the purview of the provisions of Section 188 of the Companies Act, 2013. However, details of such transactions i.e. purchases, lease, services, etc. are given in the Notes to the Financial Statements for the year ended on 31st March, 2015.

LOANS, GUARANTEES AND INVESTMENT

The Company has not granted any inter-corporate loan, given guarantee or provided any security for availing loan by other Company. However, the Company has made investments in other Companies aggregating to ₹ 2,60,600/- as per the Note No.10 to the Financial Statement for the year ended on 31st March, 2015.

ENVIRONMENT AND SAFETY

The Company is conscious of importance of clean and safe mode of operations. Further, as required under the provisions of Sexual Harassment (Prevention, Prohibition and Redressal) Act, 2013, the Company has formulated and implemented a policy on prevention of sexual harassment at workplace. There is no such complaint lodged during the year.

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Rules made thereunder, a Secretarial Audit Report is given by way of an annexure forming part of this Report.

AUDITORS

M/s C R Sharsedal & Co., Chartered Accountants, Ahmedabad retires as the Statutory Auditors at the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment and have indicated their willingness to act as Auditors, if appointed. The Company has obtained written consent and certificate as required under the provisions of Section 139 of the Companies Act, 2013. You are requested to consider their re-appointment.

The Auditors observations read with the notes to the Accounts are self-explanatory.

ACKNOWLEDGEMENTS

The Board of Directors of the Company appreciates the continuous & comprehensive support and cooperation by the Company's bankers, shareholders, customers, suppliers and other business associates.

Your Directors place on record their deep appreciation for contribution and devoted services of the employees at all levels.

Regd Office:

612, GIDC Estate
Chahtral, Tal : Kalol
Dist : Gandhinagar-382 729
Date : 10th August, 2015

For and on behalf of the Board

Dinesh A Bilgi
Mg Director/CFO
DIN:00096099

Annexure – “A”

INFORMATION AS REQUIRED UNDER THE COMPANIES (ACCOUNTS) RULES, 2014 AND FORMING PART OF THE DIRECTORS’ REPORT FOR THE YEAR ENDED ON 31st MARCH, 2015.

A. Conservation of Energy:

- (a) Steps taken or impact on conservation of energy
- (b) Steps taken for utilizing alternate source of energy
- (c) Capital investment on energy conservation equipment
- (d) Total energy consumption and energy consumption per unit of production

The Company always emphasizes conservation and reduction in consumption of energy. The Company generates green energy through its 1.6MW wind turbine generators and consequent reduction of consumption of energy.

D.G. Sets of 400 KVA have been installed as stand by for continuous power supply

As per Form A

Form A

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

	2014-15	2013-14
Power and Fuel Consumption		
Electricity Purchased Unit	3058380	3086052
Total Amount (₹)	20418838	19809800
Rate/Unit	6.68	6.42
Avg. KWH Consumption per million Units	6479	6444
Electricity Generated from Windmill - KWH	2375296	2318553
Wheeling of Electricity Generated - KWH	2137766	2086697

Form B

B. Technology Absorption

- (1) Efforts made towards technology absorption
- (2) Benefits derived like product improvement cost reduction, product development or import substitution
- (3) In case of imported technology. (imported during the last 3 years)
 - a) Details of Technology imported
 - b) Year of Import
 - c) Has technology been absorbed
 - d) If not fully absorbed, areas where this has not taken place & reasons thereof and
- (4) The expenditure incurred on Research & Development

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

N. A.

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

C. Foreign Exchange Earnings and Outgo

- (i) Foreign Exchange Used
 - a) Import of Raw Material : ₹ 34,79,384/-
 - b) Import of Capital Goods : ₹ 24,84,663/-
 - c) Import of Stores & Spares : ₹ 51,59,416/-
 - d) Travelling : ₹ 57,808/-
 - e) Commission & Others : ₹ 11,01,840/-
- ii) Foreign Exchange Earned on account of exports : ₹ 1,30,34,892/-

For and on behalf of the Board

Dinesh A Bilgi
Mg Director/CFO
DIN:00096099

Date : 10th August, 2015

Annexure – “B” Form MR-3**SECRETARIAL AUDIT REPORT**

for the financial year ended on 31st March, 2015

Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

The Members**AREX INDUSTRIES LIMITED****Chhatral**

We have conducted the secretarial audit of compliance of applicable statutory provisions and the adherence to good corporate practices by Arex Industries Ltd (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 authorised representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial period ended on 31st March, 2015 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-process and compliance mechanism in place to the extent, in the manner and subject to reporting hereinafter:

We have examined the books, papers, minute books, forms and returns and other records made available to us and maintained by the Company for the financial year ended on 31st March, 2015 according to the provisions of:

- (i) The Companies Act, 2013 and the Rules made thereunder
- (ii) The Securities Contract (Regulation) Act, 1956 (SCRA) and the Rules made thereunder
- (iii) The Depositories Act, 1996 and the Regulations and Bye-Laws framed thereunder
- (iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India, 1992 (‘SEBI Act’):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2012;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992,
 - (c) The Securities and Exchange Board of India (Registrars to Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with clients.
- (v) Other laws applicable specifically to the Company as per the representation made by the Company.

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

- (a) The Secretarial Standards issued by the Institute of Company Secretaries of India (Not applicable for the financial year 2014-15).
- (b) Listing Agreement entered into by the Company with the BSE Ltd, Mumbai

During the period under review and as per the explanation, clarification and the representation made by the Management, the Company has generally complied with the provisions of the Act, Rules, Regulations, Standards, etc. mentioned above.

As informed, the Company has responded notices for demands, claims, penalties levied by the various statutory and regulatory authorities and also initiated actions for corrective measures, wherever necessary.

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 year were carried out in compliance with the provisions of the Act.

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

Decisions at the Board Meetings were taken unanimously.

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 during the audit period, the members of the Company have passed special resolutions u/s 180(1)(a) and (c) empowering Board of Directors to sell, lease or otherwise dispose of, etc. of assets of the Company and to borrow monies.

The Report is to be read with our letter of even date which is annexed herewith and forms an integral part of this Report.

Place : Ahmedabad
Date : 10.08.2015

CS Narendra B Shah
FCS 3233 CP2168

CS Abraham Pingle
ACS32671 CP13206

The Members
Arex Industries Ltd
Chhatral

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of management of Arex Industries Ltd (the company). Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practises and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the process and practises, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the company.
4. Where ever required, we have obtained management representation about the compliance of laws, rules and regulations and happening of an events etc.
5. The Company has not forwarded copies of financial statements for FY 2013-14 *promptly* to the BSE Ltd as required under the provisions of Clause 31 of the Listing Agreement.
6. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
7. The secretarial audit report is neither an assurance as to future viability of the company nor of the efficiency or effectiveness with which the management has conducted the affairs of the company.

Place : Ahmedabad
Date : 10.08.2015

CS Narendra B Shah
FCS 3233 CP2168

CS Abraham Pingle
ACS32671 CP13206

FORM NO. MGT-9 Annexure "C"

EXTRACT OF ANNUAL RETURN

as on financial year ended on 31.03.2015 (Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management & Administration) Rules, 2014)

I. REGISTRATION & OTHER DETAILS :

CIN	L99999GJ1989PLC012213
Registration Date	10th May, 1989
Name of the Company	AREX INDUSTRIES LIMITED
Category / Sub-Category of the Company	Public Company / Company limited by Shares
Address of the Registered office and contact details	612, GIDC Industrial Estate, Chhatral, Tal. : Kalol, Dist. : Gandhinagar – 382729, Gujarat, India Phone : 02764-233636 Fax : 02764-233635 Email : mail@arex.co.in
Whether listed company	Yes / No Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	Sharepro Services (India) Private Limited, 416-420, 4th Floor, Devnandan Mall, Opp. Sanyash Ashram, Ellisbridge, Ahmedabad – 380006 Tel : 079-26582381 to 84 Fax : 079 – 26582385 Email : sharepro@shareproservices.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No.	Name and Description of main products / services	NIC Code of the Product / Service	% to total turnover of the Company
1	Manufacture of other Textile Materials	1729	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/Associate	% of shares held	Applicable Section
			NIL		

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
(i) Category-wise Shareholding :

Category of Shareholder	No. of Shares held at the beginning of the year [As on 31.03.2014]				No. of Shares held at the end of the year [As on 31.03.2015]				% of Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A) PROMOTERS									
1 Indian									
(a) Individuals/HUF	1974270	640400	2614670	66.04	2349597	236100	2585697	65.32	-0.72
(b) Central Government	—	—	—	—	—	—	—	—	—
(c) State Government	—	—	—	—	—	—	—	—	—
(c) Bodies Corporate	—	—	—	—	—	—	—	—	—
(d) Banks/FI	—	—	—	—	—	—	—	—	—
(e) Any Others	—	—	—	—	—	—	—	—	—
Sub Total(A)(1)	1974270	640400	2614670	66.04	2349597	236100	2585697	65.32	-0.72
2 Foreign									
(a) NRI-Individual	—	—	—	—	—	—	—	—	—
(b) Other-Individual	—	—	—	—	—	—	—	—	—
(c) Bodies Corporate	—	—	—	—	—	—	—	—	—
(d) Banks/FI	—	—	—	—	—	—	—	—	—
(e) Any Others	—	—	—	—	—	—	—	—	—
Sub Total(A)(2)	—	—	—	—	—	—	—	—	—
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	1974270	640400	2614670	66.04	2349597	236100	2585697	65.32	-0.72
(B) Public shareholding									
1 Institutions	—	3700	3700	0.09	—	3700	3700	0.09	—
(a) Mutual Funds	—	—	—	—	—	—	—	—	—
(b) Banks/FI	—	—	—	—	—	—	—	—	—
(c) Central Government	—	—	—	—	—	—	—	—	—
(d) State Government	—	—	—	—	—	—	—	—	—
(e) Venture Capital Funds	—	—	—	—	—	—	—	—	—
(f) Insurance Companies	—	—	—	—	—	—	—	—	—
(g) FIIs	—	—	—	—	—	—	—	—	—
(h) Foreign Venture Capital Funds	—	—	—	—	—	—	—	—	—
(i) Any Other (specify)	—	—	—	—	—	—	—	—	—
Sub-Total (B)(1)	—	3700	3700	0.09	—	3700	3700	0.09	—
2 Non-institutions									
(a) Bodies Corporate									
I Indian	105812	29800	135612	3.43	106786	29700	136486	3.45	0.02
II Overseas	—	—	—	—	—	—	—	—	—
(b) Individuals									
I Individuals holding nominal share capital up to ₹ 1 lakh	310548	600600	911148	23.02	298552	562190	860742	21.74	-1.28

II Individual share-holders holding nominal capital in excess of ₹ 1 lakh.	209440	84030	293470	7.42	308215	63730	371945	9.40	1.98
(c) Any Other (NRI)	100	—	100	0.002	130	—	130	0.003	0.001
Sub-Total (B)(2)	625900	714430	1340330	33.87	713683	655620	1369303	34.59	0.72
(B) Total Public Shareholding (B) = (B)(1)+(B)(2)	625900	718130	1344030	33.96	713683	659320	1373003	34.68	0.72
(C) Shares held by Custodians and against which Depository Receipts have been issued	—	—	—	—	—	—	—	—	—
GRAND TOTAL (A)+(B)+(C)	2600170	1358530	3958700	100.00	3063280	895420	3958700	100.00	—

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (01.04.2014)			Shareholding at the end of the year (31.03.2015)			% of 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	Dinesh Apparao Bilgi	679710	17.17	12.36	782810	19.77	12.36	2.60
2	Rajendra Apparao Bilgi	100000	2.53	—	—	—	—	-2.53
3	Bhavna Dinesh Bilgi	178020	4.50	4.45	178020	4.50	4.45	—
4	Chirag D Bilgi	166650	4.21	4.21	166650	4.21	4.21	—
5	Neel D Bilgi	166200	4.20	4.20	166200	4.20	4.20	—
6	Minor Aashna D Bilgi	190000	4.80	—	190000	4.80	—	—
7	Neel Dinesh Bilgi (HUF)	700	0.02	—	700	0.02	—	—
8	Chirag Dinesh Bilgi (HUF)	700	0.02	—	700	0.02	—	—
9	Laxman C Tilani	78500	1.98	—	78500	1.98	—	—
10	Meeta Laxman Tilani	55000	1.39	—	64600	1.63	—	0.24
11	Uttam Ravji Shah (HUF)	108400	2.74	—	63900	1.61	—	-1.13
12	Vasant Ravji Shah (HUF)	92200	2.33	—	92200	2.33	—	—
13	Dinesh A Bilgi (HUF)	182200	4.60	4.60	182200	4.60	4.60	—
14	Pragnesh Kantilal Shah	31100	0.79	—	31100	0.79	—	—
15	Anilkumar Bilgi	2500	0.06	—	—	—	—	-0.06
16	Anil Bilgi	400	0.01	—	—	—	—	-0.01
17	Ronak Bilgi	200	0.01	—	—	—	—	-0.01
18	Jayesh Laxman Tilani	35000	0.88	—	35000	0.88	—	—
19	Akansha Laxman Tilani	7500	0.19	—	7500	0.19	—	—
20	Meeta Laxman Tilani	9600	0.24	—	—	—	—	-0.24
21	Tuslabi Chetandas Tilani	11500	0.29	—	—	—	—	-0.29

22	Haresh Lalchand Tilani	52500	1.33	—	52498	1.33	—	—
23	Pradeep Lalchand Tilani	32500	0.82	—	32500	0.82	—	—
24	Pradeep Lalchand Tilani	25000	0.63	—	25000	0.63	—	—
25	Lalchand Tilani	3000	0.08	—	3000	0.08	—	—
26	Lalchand Chetandas Tilani	1090	0.03	—	120	0.002	—	-0.028
27	Nirmala Lalchand Tilani	56300	1.42	—	39799	1.01	—	-0.41
28	Kala Manoj Shah	89400	2.26	—	89400	2.26	—	—
29	Manoj Uttam Shah	1000	0.03	—	44500	1.12	—	1.09
30	Sushila Harkhchand Shah	35500	0.90	—	35500	0.90	—	—
31	Premal Vasant Shah	11000	0.28	—	37500	0.95	—	0.67
32	Hiren Vasant Shah	9000	0.23	—	32800	0.83	—	0.60
33	Manoj U Shah	8300	0.21	—	—	—	—	-0.21
34	Premal Vasant Shah	26500	0.67	—	—	—	—	-0.67
35	Hiren Vasant Shah	23800	0.60	—	—	—	—	-0.60
36	Manoj Uttam Shah	43200	1.09	—	52500	1.33	—	0.24
37	Harkhchand Ravji Shah	100500	2.54	—	100500	2.54	—	—
	Total	2614670	66.04	29.82	2585697	65.32	29.82	—

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

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	At the beginning of the year	2614670	66.04	2614670	66.04
2	Date wise Increase/Decrease in Promoter Shareholding during the year specifying the reason for increase / decrease (eg. Allotment/transfer/bonus/sweat equity etc.)				
2.1	23.06.2014 – Inter-se Transfer within Promoter Group	103100	2.60	2614670	66.04
2.2	30.09.2014 – Individual was transferred from Promoter Group to Public Shareholding Group	11500	0.29	2603170	65.75
2.3	29.12.2014 – Inter-se Transfer within Promoter Group	43800	1.11	2603170	65.75
2.4	23.03.2015 – Inter-se Transfer within Promoter Group	44500	1.12	2603170	65.75
2.5	January to March, 2015 – Shares sold by some Individuals of the Promoter Group	17473	0.44	2585697	65.31
3	At the end of the year	2585697	65.31	2585697	65.31

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

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (01.04.2014)		Shareholding at the end of the year (31.03.2015)	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Manoj Agarwal	105322	2.66	203467	5.14
2	ANC System Private Limited	100060	2.53	100060	2.53
3	Satya Prakash Mittal	57166	1.44	28148	0.71
4	Umesh Divyakant Desai	30630	0.77	30630	0.77
5	Dinesh B Patel	18130	0.45	18130	0.45

6	Sachin A Barad	16500	0.42	17410	0.44
7	Ashok Maganlal Shah	16322	0.41	13260	0.34
8	Dharmendra J Dodia	15300	0.39	15300	0.39
9	Rajesh R Patel	13300	0.34	13300	0.34
10	Birla International Private Limited	11600	0.29	11600	0.29

(v) Shareholding of Directors and Key Managerial Personnel :

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year (01.04.2014)		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares of the Company	% of total shares of the Company
1	Dinesh A Bilgi (Managing Director & Chief Financial Officer)	679710	17.17	782810	19.77
2	Neel D Bilgi (Managing Director)	166200	4.20	166200	4.20
3	Chirag D Bilgi (Managing Director)	166650	4.21	166650	4.21
4	Pragnesh K Shah (Whole-time Director)	31100	0.78	31100	0.78
5	Laxman C Tilani (Non Executive – Non Independent Director)	78500	1.98	78500	1.98
6	Vasant R Shah (Non Executive – Non Independent Director)	—	—	—	—
7	Dinesh H Pande (Independent Director)	5400	0.14	5400	0.14
8	Balkrishna I Makwana (Independent Director)	—	—	10	0.0002
9	Harsha H Parikh (Independent Director)	—	—	10	0.0002
10	Kairavi N Bilgi (Company Secretary)	—	—	100	0.002

V. INDEBTEDNESS

	(₹ In lacs)			
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	441.66	205.00	—	646.66
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	5.41	—	—	5.41
Total (i + ii + iii)	447.07	205.00	—	652.07
Change in Indebtedness during the financial year				
• Addition	+33.74	+200.14	—	+233.88
• Reduction	-257.96	-405.14	—	-663.10
Net Change	-224.22	-205.00	—	-429.22
Indebtedness at the end of the financial year				
i) Principal Amount	217.44	NIL	—	217.44
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	4.84	—	—	4.84
Total (i + ii + iii)	222.28	—	—	222.28

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. Remuneration to Managing Director, Whole-time Directors and/or Manager :
(₹ In lacs)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager				Total Amount
		Shri Dinesh A Bilgi – Managing Director	Shri Neel D Bilgi – Managing Director	Shri Chirag D Bilgi – Managing Director	Shri Prangesh K Shah – Whole time Director	
1	Gross Salary					
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	37.72	37.72	37.95	4.24	117.63
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	—	—	—	—	—
	(c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	—	—	—	—	—
2	Stock Option	—	—	—	—	—
3	Sweat Equity	—	—	—	—	—
4	Commission					
	• As % of profit	—	—	—	—	—
	• Others, specify	—	—	—	—	—
5	Others, please specify (Incentive)	33.27	33.27	33.27	1.00	100.81
	Total (A)	70.99	70.99	71.22	5.24	218.44
	Ceiling as per the Act	84.00	84.00	84.00	84.00	336.00

B. Remuneration to other Directors :
(₹ In lacs)

Sr. No.		Particulars of Remuneration	Name of the Directors			Total Amount
			Shri Balkrishna I Makwana - Independent Director	Shri Dinesh Harishchandra Pande - Independent Director	Smt Harsha Hemantkumar Parikh - Independent Director	
1	Independent Directors					
	• Fee for attending board / committee meetings	0.40	0.30	0.20	0.90	
	• Commission	—	—	—	—	
	• Others, please specify	—	—	—	—	
	Total (1)	0.40	0.30	0.20	0.90	
		Shri Laxman Chetandas Tilani – Non Executive & Non Independent Director	Shri Vasant Ravji Shah – Non Executive & Non Independent Director	—	—	
2	Other Non-Executives Directors					
	• Fee for attending board / committee meetings	0.40	0.40	—	0.80	
	• Commission	—	—	—	—	
	• Others, please specify	—	—	—	—	
	Total (2)	0.40	0.40	—	0.80	
	Total (B) = (1+2)	1.70				
	Total Managerial Remuneration					
	Overall ceilings as per the Act					

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD :

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		Company Secretary	CFO (Dinesh A Bilgi is the Managing Director and CFO)	
1	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	1.68	37.72	39.4
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	—	—	—
	(c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	—	—	—

2	Stock Option	—	—	—
3	Sweat Equity	—	—	—
4	Commission			
	• As % of profit	—	—	—
	• Others, specify	—	—	—
5	Others, please specify	—	33.27	33.27
	Total (A)	1.68	70.99	72.67

Ceiling as per the Act

VII. PENALTIES / PUNISHMENTS / COMPOUNDING OF OFFENCES :

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

Annexure “D”

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Overview

The Company is engaged in manufacturing of all types of woven and printed labels. The Company's product is largely used by the garment manufacturers within India and abroad.

Industry Structure

Global economy is still under stress for gaining momentum with past impact of global financial crisis with gradual recovery. As per GDP growth estimates, Indian economy grew by 7.4% in FY 2014-15 as against 6.9% in FY 2013-14 mostly driven by the improved economic fundamentals and revision of GDP methodology calculation. The Government also envisages GDP growth to accelerate to 8% to FY 2015-16 by strengthening macroeconomic fundamentals. The Indian textile industry is continued to be one of the leading sectors of the Indian economy contributing significantly to the economic growth. The textile industry is estimated to have contributed 4% to the India's GDP and 27% the Country's foreign exchange inflows in the FY 2014-15. Inflation has declined by 4.2%. The textile industry performed well and contributed about 21 % to the total employment generated in the economy and about 27% to the foreign exchange earnings on account of export of textiles and clothing.

Opportunities, Threats, Risk and Concern

Textile industry, being one of the largest employers in India with strong linkages with the rural economy remained most significant sector with growth potential. Being one of the key focus sectors under the Government's mission 'Make in India' campaign is a testimony to the huge growth potential. However, the demand for woven and printed labels largely depends on the demand for ready made garments. The major concern for the textile and apparel industry is the rising production costs, power costs and interest costs. The Company has strategic plans to continue its operations with quality products and to face competitive markets, borrowing costs, inflationary conditions and entry of unorganized sector in the weaving and processing segment in textile industry in addition to the entry of the China Market.

Outlook

The Company is vigilant to upgrade its technology for efficient and better productivity. The Company has ambitious expansion plan for total outlay of ₹ 12.50 Cr. The Company has to install necessary machineries for better productivity and production. The Company is quality conscious and its product is also well accepted in domestic and overseas markets.

Internal Control Systems

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

Review of Financial Performance

The Company has sustained and continued on the path of growth. The Company's performance was satisfactory during the year under review despite adverse market conditions. The sales were increased by 4.24 per cent over the previous year's sales and profits were increased by about 23% over the previous years' profits.

Human Resources

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

Cautionary Statement

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

Annexure "E"
Disclosure in the Board's Report under Rule 5 of Companies (Appointment & Remuneration) Rules, 2014

		Director's Name	Ratio to mean remuneration		
(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	Mr. Dinesh A Bilgi, MD & CFO Mr. Neel D Bilgi, MD Mr. Chirag D Bilgi, MD Mr. Pragnesh K Shah, WTD	39.56 :1 39.56 :1 39.69 :1 2.92:1		
(ii)	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager if any of the financial year 2014-15 compared to 2013-14	Director's/CFO/CEO/CS/Mgr Name Mr. Dinesh A Bilgi, MD & CFO Mr. Neel D Bilgi, MD Mr. Chirag D Bilgi, MD Mr. Pragnesh K Shah, WTD Ms. Kairavi Bilgi – CS (resigned on 19.05.2015)	% age increase in remuneration 305.80 305.80 307.10 15.70 NIL		
(iii)	Percentage increase in the median remuneration of employees in the financial year 2014-15 compared to 2013-14	9.9%			
(iv)	Number of permanent employees on the roll of the Company	As on 31.03.2015 256	As on 31.03.2014 222		
(v)	Explanation on the relationship between average increase in remuneration and the company performance	**			
(vi)	Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company	**			
(vii)	Variation in	Details Market Capitalization Price Earning Ratio % Increase / Decrease of market quotations Net Worth of the Company	31.03.2015 ₹ 15.04 Crs 5.60 136% ₹ 16.75 Crs	31.03.2014 ₹ 6.37 Crs 2.90 ₹ 14.49 Crs	
(viii)	Average percentile increase in salaries of Employees other than managerial personnel	During 2013-14 —	During 2014-15 9.9%		
(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	% change
		Mr Dinesh A Bilgi, MD & CFO	70.99 lacs	17.50 lacs	305.80
		Mr Neel D Bilgi, MD	70.99 lacs	17.50 lacs	305.80
		Mr Chirag D Bilgi, MD	71.22 lacs	17.50 lacs	307.10
		Mr Pragnesh K Shah, WTD	5.24 lacs	4.53 lacs	15.70
		Ms Kairavi Bilgi, CS	*1.68 lacs	—	—
(x)	Key Parameter for any variable component of remuneration availed by the Directors	**			
(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	N.A.			

* part of the year only.

** Comparison is not given in view of the nature of the activities of the Company.

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

REPORT ON CORPORATE GOVERNANCE

In accordance to Clause 49 of the Listing Agreement of the BSE Limited where the Shares of the Company are listed, a report of Corporate Governance for the financial year ended on 31st March, 2015 is given below:

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

The Company's philosophy is based on trusteeship, transparency and accountability. Our business fosters a culture of ethical behaviour and disclosures build a trust of our stakeholders. The Code of Conduct, ethics and Code of Conduct for Prevention of Insider Trading are an extension of our values and reflect our commitment to ethical business practices, integrity, and compliances of both voluntary and statutory requirements.

2. BOARD OF DIRECTORS

a. Composition

The Board consists of nine Directors, of whom five are non-executive Directors and three are independent Directors including one Woman Director having no material pecuniary relationship or transactions with the Company. None of the Directors on the Board is a member of more than ten committees and Chairman of more than five committees across all Companies in which they are directors.

b. Independent Directors

The Non Executive Independent Directors fulfills the conditions of the independence specified in Section 149(6) of the Companies Act, 2013 and the Rules made thereunder and meet with the requirement of Clause 49 of the Listing Agreement entered into with the BSE Ltd, Mumbai. A formal letter of appointment as provided in the said Act and the Listing Agreement have been issued to the Independent Directors respectively. One separate meeting of the Independent Directors was held on 23.12.2014 and all the Independent Directors were present.

c. Board Procedure

Notice for the Meeting of the Board of Directors are served to all the Directors alongwith agendas and brief notes for their consideration and deliberations at the meeting. The Board usually meets once every quarter to review and taking on record of the quarterly performance of the financial results of the Company alongwith limited review report submitted by the Auditors of the Company. The Board of Directors met four times on 30.05.2014, 30.07.2014, 10.11.2014 and 11.02.2015. The gap between any two meetings did not exceed four months.

The attendance record of each of the Directors at the Board Meetings held during 2014-15 and during the last annual general meeting is as under:

Name of the Director	Category	No. of Board Meeting attended	Attendance at the last AGM (Y/N)	Directorship in other public companies	No. of committees in which Chairman / member in other Public Companies.
Dinesh A Bilgi (DIN:00096099)	MD/CFO	4	Y	Nil	Nil
Neel D Bilgi (DIN:00096180)	MD	4	Y	Nil	Nil
Chirag D Bilgi (DIN:02094970)	MD	4	Y	Nil	Nil
Pragnesh K Shah (DIN:00228223)	WTD	4	N	Nil	Nil
Laxman C Tilani (DIN:00532516)	Director	4	N	Nil	Nil
Vasant R Shah (DIN:00371634)	Director	4	N	Nil	Nil
Balkrishna I Makwana (DIN:00287931)	NED	4	Y	Nil	Nil
Dinesh H Pande (DIN:03147549)	NED	3	Y	Nil	Nil
Smt Harsha H Parikh (DIN:06931405)	NED	2	Y	Nil	Nil

Notes:

MD/CFO:- Managing Director cum Chief Financial Officer (KMP)

MD:- Managing Director. Appointments are contractual

WTD :- Whole-time Director. The appointment is contractual.

NED - Non Executive Director and Independent Director.

d. Code of Conduct

The Board Members and Senior Management team of the Company follow the Code of Conduct formulated and implemented by the Company. The code of conduct emphasizes the Company's commitment to compliances with the highest standards of legal and ethical behaviour.

e. Conflict of interest

Each Director informs the Company on an annual basis about the Board and Committee position he occupies in other Companies and also notifies changes therein during the year. Members of the Board while discharging their duties avoid conflict of interest in the decision making process and also restricts themselves from discussion or voting in transactions in which they have concern or interest.

f. Insider Trading Code

The Company has adopted a Code of Conduct for Prevention of Insider Trading in accordance with the requirements of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

3. COMMITTEES OF THE BOARD

a. Audit Committee

The Audit Committee reviews and recommends or suggests appropriate actions, from time to time, so as to achieve effective compliance of Clause 49 of the Listing Agreement. The Audit Committee comprised of (1) Shri Balkrishna I Makwana (2) Shri Dinesh H Pande (3) Shri Laxman C Tilani and (4) Smt Harsha H Parikh. Shri Balkrishna I Makwana is the Chairman of the Committee. The Committee met 4 times on 30.05.2014, 30.07.2014, 10.11.2014 and 11.02.2015 during the year. The attendance record of each of the Directors at the Audit Committee Meetings held during 2014-15 is as under: Shri Balkrishna attended 4 meetings, Shri Dinesh H Pande attended 3 meetings, Shri Laxman C Tilani attended 4 meetings and Smt Harsha Parikh attended 2 meetings.

b. Nomination and Remuneration Committee

The Nomination and Remuneration Committee has been constituted and entrusted with the powers of determining remuneration packages of the Directors and Senior Executives of the Company, keeping in mind the qualifications, experience, expertise and industry trends. (1) Shri Balkrishna I Makwana, (2) Shri Dinesh H Pande, (3) Smt Harsha H Parikh and (4) Shri Vasant R Shah are the members of the Nomination and Remuneration Committee. Shri Dinesh Pande is the Chairman of the Committee. The existing Remuneration Committee was renamed to Nomination and Remuneration Committee w.e.f. 30th May, 2014 and was reconstituted on 30th July, 2014, in accordance with the provisions of the Companies Act, 2013. The Nomination & Remuneration Committee met once on 30th July, 2014 during the financial year ended on 31.03.2015.

Remuneration Policy

1. Remuneration to Non Executive Directors:

The Non Executive Directors are paid remuneration by way of sitting fees for each meeting of the Board or Committee of Directors attended by them. The total amount of sitting fees paid during the year was ₹ 1.70 Lacs during the FY 2014-15. Non executive Independent Directors do not have material pecuniary relationship or transactions with the Company.

2. Remuneration to Executive Directors:

The appointment and remuneration of Executive Directors including Managing Directors and Whole Time Directors is governed by the recommendation of the Remuneration and Nomination Committee and resolutions passed by the Board of Directors and Shareholders of the Company. Payment of remuneration to Executive Directors is governed by the respective agreements executed between them and the Company. The remuneration package of Managing Directors and Whole Time Director comprises of salary, perquisites, allowances, incentives, bonus, contribution to provident fund and other retirement benefits as approved by the shareholders at the general meeting. The details of remuneration to Directors are given in the Annual Accounts for the year ended on 31st March, 2015.

3. Performance Evaluation

The Board has carried out annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of Committees of the Board. A structured questionnaire was prepared after circulating the draft forms, covering various aspects of the Board's functions such as adequacy of composition of the Board and its committees, Board culture, execution and performance of specific duties, obligations and governance. The performance evaluation of the Managing Director and Non- Independent Directors was carried out by the Independent Directors. The Directors express their satisfaction with the evaluation process.

c. Stakeholders Grievance Committee

The Stakeholders Grievance Committee comprises of (1) Shri Dinesh H Pande, (2) Shri Balkrishna I Makwana, (3) Shri Laxman C Tilani and (4) Smt Harsha H Parikh, for addressing the grievances of the investors. Shri Dinesh H Pande is the Chairman of the Committee. The Committee meets as and when required and looks after shareholders complaints and matters relating to transfer of shares, transmission, non-receipt of annual report, non-receipt of dividend, credit of shares to demat account etc. During the year under review, the Company had received 2 complaints from the shareholders, which were resolved and there is no complaint pending as on 31st March, 2015. The Complaints are normally resolved within the stipulated period under the Listing Agreement. The requests for revalidation of dividend warrants and issue of duplicate share certificates or duplicate dividend warrants etc are normally attended after completion of necessary formalities and procedure. Smt Kairavi Bilgi has resigned as Company Secretary of the Company with effect from 19th May, 2015 and Shri Harish Shah has been appointed as the Compliance Officer of the Company. The Committee met 4 times on 30.05.2014, 30.07.2014, 10.11.2014 and 11.02.2015 during the year. The attendance record of each of the Directors at the Stakeholders Grievance Committee Meetings held during 2014-15 is as under: Shri Dinesh H Pande attended 3 meetings, Shri Balkrishna Makwana attended 4 meetings, Shri Laxman C Tilani attended 4 meetings and Smt Harsha Parikh attended 2 meetings.

The Shareholders Grievance Committee has been renamed to Stakeholders Grievance Committee in accordance with the provisions of the Companies Act, 2013. Further the Stakeholder Grievance Committee has been reconstituted w.e.f. 30th May, 2014 and the members of the Committee after reconstitution are (1) Shri Dinesh H Pande (Chairman), (2) Shri Balkrishna I Makwana (Member) and (3) Shri Laxman C Tilani (Member). The Stakeholder Grievance Committee was again reconstituted w.e.f. 30th July, 2014 and the members of the Committee after reconstitution are (1) Shri Dinesh H Pande (Chairman), (2) Shri Balkrishna I Makwana (Member) (3) Shri Laxman C Tilani (Member) and (4) Smt Harsha H Parikh (Member).

d. Corporate Social Responsibility Committee

The Company has constituted Corporate Social Responsibility Committee (CSR) which comprises (1) Smt Harsha H Parikh, (2) Shri Dinesh H Pande, and (3) Shri Balkrishna I Makwana. Smt Harsha Parikh is the Chairman of the CSR Committee. The committee has concluded that the provisions relating to CSR activities do not apply to the Company at present.

e. Independent Directors Meeting

During the year under review, the Independent Directors met on 23rd December, 2014, inter alia to discuss:

- Evaluation of performance of Non-Independent Directors and the Board of Directors as a whole;
- Evaluation of performance of the Chairman of the Company, taking into account the view of the Executive and Non-Executive Directors;
- Evaluation of the quality, content and timelines of flow of information between the management and the board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present for this Meeting.

4. AFFIRMATION AND DISCLOSURES

a) Compliance with Governance Framework

The Company is in compliance with all mandatory requirements of Clause 49 of the Listing Agreement.

b) Related Party Transactions

All transactions entered into with the Related Parties as defined under the Companies Act, 2013 and Clause 49 of the Listing Agreement during the year were in ordinary course of business and on arm's length basis and do not attract the provisions of Section 188 of the Companies Act, 2013 and the Rules made thereunder. There were no materially significant transactions with related parties during the financial year. The Related Party Transactions have been disclosed under Note No.38 of the significant accounting policies and Notes forming part of the financial statements in accordance with 'Accounting Standard 18'.

c) Details of non-compliance by the Company, penalties and strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years

The Company has complied with all requirements of the Listing Agreements entered into with the Stock Exchanges as well as the regulations and guidelines of SEBI. Consequently, there were no strictures or penalties imposed by either SEBI or the Stock Exchanges or any statutory authority for non-compliance of any matter related to the capital markets during the last three years, except that the BSE Ltd vide its letter No.LIST/COMP/C31/180/526851/14-15 dtd has imposed fine of ₹ 19101/- alleging late submission of Annual Report 2013-14 to it. However, the Company has made strong representation vide letter dtd 23.2.2015 addressed to BSE Ltd with a request to withdraw such fine.

d) Whistle Blower Policy

Pursuant to section 177(9) and (10) of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Company has formulated Whistle Blower Policy for vigil mechanism for Directors and employees to report to the management about the unethical behavior, fraud or violation of Company's code of conduct. No personnel has been denied access to the Audit Committee during the year 2014-15.

e) Disclosure of Accounting Treatment

In the presentation of the financial statements, the Company has followed the Accounting Standards referred to in section 133 of the Companies Act, 2013. The significant accounting policies which are consistently applied are set out in the Notes to the Financial Statements.

f) Risk Management

Business risk evaluation and management is an ongoing process within the Company. The assessment is periodically examined by the Board.

g) CEO/CFO Certification: Shri Dinesh A Bilgi, Managing Director/CFO has issued a certificate to the Board of Directors of the Company in pursuance of Clause 49 (IX) of the Listing Agreement.

h) Adoption of non-mandatory requirements of Clause 49 of the Listing Agreement is being reviewed by the Board from time to time.

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

Year	Location/Venue	Date	Time
2011-2012	Shor Sharaba Food Inn Pvt. Ltd., 3317, G.I.D.C., Highway, Chhatral – 382 729 (N.G.)	18.09.2012	11.30 a.m.
2012-2013	Shor Sharaba Food Inn Pvt. Ltd., 3317, G.I.D.C., Highway, Chhatral – 382 729 (N.G.)	29.08.2013	11.30 a.m.
2013-2014	Shor Sharaba Food Inn Pvt. Ltd., 3317, G.I.D.C., Highway, Chhatral – 382 729 (N.G.)	11.09.2014	12.30 p.m.

b. Special Resolution passed at the last Annual General Meeting:

Four special resolutions were passed at the 25th AGM for appointment and payment of remuneration to managerial personnel, approval for related party transactions and keeping Register of members etc at other places. The following resolutions for managerial personnel were passed at 25th AGM.

- Appointment of Shri Dinesh A Bilgi as Managing Director and Chief Financial Officer of the Company for a period of three years w.e.f. 1st August, 2014 with revised terms.
- Appointment of Shri Neel D Bilgi as Managing Director (Sales & Marketing) of the Company for a period of three years w.e.f. 1st August, 2014 with revised terms.
- Appointment of Shri Chirag D Bilgi as Managing Director (Technical & Production) of the Company for a period of three years w.e.f. 1st August, 2014 with revised terms.
- Re-appointment of Shri Pragnesh K Shah as Executive Director (Whole Time Director) of the Company for a period of three years w.e.f. 1st November, 2014 with revised terms.

c. Passing of resolutions by Postal Ballot:

Two special resolutions, i.e. (i) borrowings in excess of paid up capital & reserves and (2) mortgaging and/or leasing etc of assets of the Company, were passed through postal ballot during the last financial year. No resolutions are proposed to be passed through Postal Ballot at the ensuing 26th AGM.

Procedure for Postal Ballot process conducted last year:

- Shri Narendra B Shah, practicing Company Secretary of Ahmedabad was appointed as Scrutinizer for conducting the postal ballot process for the above resolutions.
- Process for the postal ballot was carried out in a fair and transparent manner. The postal ballot forms were kept under safe custody of the scrutinizer before commencing the scrutiny of such postal ballot forms. Further, e-votes were unlocked under the supervision of the Scrutinizer;
- All postal ballot forms received and votes cast through electronic mode upto the close of working hours 6.00 pm on 9th September, 2014, being the last date and time fixed by the Company for receipt of the postal ballot forms, were considered by Scrutinizer for his scrutiny.
- The envelopes containing postal ballot forms received after 6.00 pm on 9th September, 2014 for the postal ballot were not considered for scrutiny.

Voting Pattern:

Total 32 Postal Ballot Forms were received from the members, out of which 27 Postal Ballot Forms were valid and accepted for counting of assent or dissent of the shareholders,

Item No. 1 : Authority for borrowing monies in excess of paid up share capital and reserves

Mode of voting: Postal Ballot (E-voting + Physical)

Promoter/ Public	E-voting/ Postal Ballot	No. of Shares held	No. of votes polled	% of votes Polled on outstanding shares	No. of Votes in favour	No. of votes against	% of votes in favour on votes polled	% of votes against on votes polled
		(1)	(2)	(3)=[(2)/(1)]* 100	(4)	(5)	(6)=[(4)/(2)]* 100	(7)=[(5)/(2)]* 100
Promoter & Promoter Group	E-voting	2616100	2432780	92.99	2432780	0	100	0
Public - Institutional Holders	Physical Poll		0	0.00	0	0	0	0
	E-voting	3700	0	0.00	0	0	0	0
	Physical Poll		0	0.00	0	0	0	0
Public - Others	E-voting	1338900	277427	20.72	172051	105376	62.02	37.98
	Physical Poll		5400	0.40	4900	500	90.74	9.26
Total		3958700	2715607	68.60	2609731	105876	96.10	3.90

Item No. 2 : Authority for creation of security/charge over the assets of the Company.

Mode of voting: Postal Ballot (E-voting + Physical)

Promoter/ Public	E-voting/ Postal Ballot	No. of Shares held	No. of votes polled	% of votes Polled on outstanding shares (3)=[(2)/(1)]* 100	No. of Votes in favour	No. of votes against	% of votes in favour on votes polled (6)=[(4)/(2)] *100	% of votes against on votes polled (7)=[(5)/(2)] *100
		(1)	(2)		(4)	(5)		
Promoter & Promoter Group	E-voting	2616100	2432780	92.99	2432780	0	100	0
	Physical Poll		0	0.00	0	0	0	0
Public - Institutional Holders	E-voting	3700	0	0.00	0	0	0	0
	Physical Poll		0	0.00	0	0	0	0
Public - Others	E-voting	1338900	277427	20.72	171951	105476	61.98	38.02
	Physical Poll		4900	0.37	4700	200	95.92	4.08
Total		3958700	2715107	68.59	2609431	105676	96.11	3.89

- e) In view of the above, the aforesaid resolutions as set out in the Notice dated 30th July, 2014 were approved and passed by the members with requisite majority. The result of aforesaid resolutions was announced by the Chairman on 11th September, 2014 and the same were also sent to the BSE Ltd, Mumbai.

d. Special Resolutions at 24th AGM :

Three special resolutions were passed at the 24th AGM for appointment and payment of remuneration to managerial personnel. The following resolutions for managerial personnel were passed at 24th AGM.

- Appointment of Shri Dinesh A Bilgi as Chairman and Managing Director of the Company for a period of three years w.e.f. 1st June, 2013 with revised terms.
- Appointment of Shri Neel D Bilgi as Vice Chairman and Jt Managing Director (Sales & Marketing) of the Company for a period of three years w.e.f. 1st June, 2013 with revised terms.
- Appointment of Shri Chirag D Bilgi as Vice Chairman and Jt Managing Director (Production & Technical) of the Company for a period of three years w.e.f. 1st June, 2013 with revised terms.

e. Special Resolutions at 23rd AGM:

No Special Resolutions were passed at the 23rd AGM.

f. Extra Ordinary General Meeting:

No Extra-ordinary General meeting was held by the Company during the financial year ended 31st March, 2015.

6. MEANS OF COMMUNICATION

The Board of Directors of the Company approves and takes on record the un-audited financial results alongwith the Limited Review Report submitted by the Auditors of the Company and informs the said financial results to the BSE Ltd, Mumbai where the shares of the Company are listed. Further, the quarterly/half yearly results are normally published in the daily 'Western Times'. Notice are being sent through emails or permitted modes.

7. GENERAL SHAREHOLDER INFORMATION

a) Annual General Meeting

Date and Time : Saturday, 19th September, 2015 at 12.30 p.m.
Venue : The Grand Amrit
Mehsana Kalol Highway, Chhatral – 382729, Gujarat, India

b) Financial Calendar for 2015-2016 (Tentative)

Un-audited Results for First Quarter : 10th August, 2015
Annual General Meeting : By 30th September, 2016
Un-audited Results for Second Quarter/Half Year : By 15th of November, 2015
Un-audited Results for Third Quarter : By 15th of February, 2016
Audited Annual Results 2015-2016 : By 30th of May, 2016

c) Date of Book Closure

The Book Closure for payment of dividend, if any, is from **Tuesday, 15th September, 2015 to Saturday, 19th September, 2015** (both days inclusive).

d) Dividend Payment

The payment of dividend, upon declaration by the shareholders at the forthcoming annual general meeting, will be made on or after 19th September, 2015:

- i) to all those shareholders holding shares in physical whose names appear in Company's Register of Members as on 19th September, 2015, and
- ii) to all those beneficial owners holding shares in electronic form, as per the ownership data made available to the Company by National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) as at the end of the day on 14th September, 2015.

e) Listing on Stock Exchange

The Equity Shares of the Company are listed at the BSE Ltd, Mumbai under Stock Code No. **526851** and ISIN No. is **INE480H01011**.

The Company has objected to the BSE Ltd for the exorbitant hikes, i.e increase of 1233% in annual listing fees over the fees paid for 2013-14) and increase of the same every year since 2014-15 (i.e. ₹ 15000 to ₹ 1 lac in 2014-15 and from ₹ 1 lac to ₹ 2 lacs in 2015-16). Therefore, the Annual Listing Fees for the year 2015-16 to the BSE Ltd, Mumbai is yet not paid. The Company has paid custodial charges to National Securities Depository Ltd and Central Depository Services (India) Ltd for the year 2015-16.

f) Market Price Data on the BSE Ltd, Mumbai

The High, Low and number of shares traded during each month in the last financial year on the BSE Ltd is here given below:

Month	High (Rs.)	Low(Rs.)	Total No of Shares Traded
April, 2014	16.50	14.75	5,554
May, 2014	15.68	14.05	788
June, 2014	21.00	15.25	13,811
July, 2014	29.60	18.05	10,347
August, 2014	34.55	25.00	15,635
September, 2014	35.30	27.10	27,851
October, 2014	34.95	30.30	12,599
November, 2014	33.45	29.10	30,380
December, 2014	36.50	27.10	45,224
January, 2015	46.45	30.40	20,766
February, 2015	46.25	36.70	38,407
March, 2015	44.70	35.00	22,176

g) Distribution of Shareholding as on 31st March, 2015

No of Shares	No of Shareholders	% of Shareholders	Total Shares	% of Shareholding
0000 to 500	4093	94.68	498369	12.59
501 to 1000	90	2.08	74042	1.87
1001 to 2000	36	0.83	53970	1.36
2001 to 3000	36	0.83	91274	2.31
3001 to 4000	8	0.19	28800	0.73
4001 to 5000	8	0.19	36562	0.92
5001 to 10000	17	0.39	118401	2.99
10001 and above	35	0.81	3057282	77.23
Total	4323	100.00	3958700	100.00

h) Shareholding Pattern as on 31st March, 2015

Sr. No.	Category	No of Shares Held	% of Shareholding
1.	Promoters		
	Indian Promoters	2585697	65.32
	Foreign Promoter	NIL	NIL
2.	Mutual Fund and UTI	NIL	NIL
3.	Banks, Financial Institutions, Insurance Companies	3700	0.09
4.	Private Corporate Bodies	136486	3.45
5.	Foreign Institutional Investors	NIL	NIL
6.	NRIs/OCBs	130	0.00
7.	Indian Public	1232687	31.14
	Grand Total	3958700	100.00

i) Registrar and Share Transfer Agents

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

Sharepro Services (India) Private Limited

416-420, 4th Floor, Devnandan Mall,
Opp. Sanyash Ashram, Ellisbridge,
Ahmedabad – 380 006.

Tel : 079 – 26582381 to 84

Fax : 079 - 26582385

Email : sharepro@shareproservices.com

j) Share Transfer System

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

k) Dematerialisation of Shares

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

l) Plant Location and Address for correspondence

612, G.I.D.C. Estate, Chhatral, Tal. : Kalol, Dist. : Gandhinagar – 382 729.

Email: mail@arex.co.in, website: www.arex.co.in

CORPORATE GOVERNANCE CERTIFICATE

**To the Members of
AREX INDUSTRIES LIMITED**

We have examined the compliance of conditions of Corporate Governance by Arex Industries Limited for the year ended 31-03-2015, as stipulated in clause 49 of the Listing Agreement(s) of the said Company with the Stock Exchange(s) in India.

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

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

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

For **C R SHAREDALAL & CO.**
Chartered Accountants
(Registration No.109943W)

(J K Patel)
Partner

Membership No. 047136

Place : Chhatral

Date : 10th August, 2015

INDEPENDENT AUDITORS' REPORT

To the Members of
Arex Industries Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **Arex 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 significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 accountings records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material 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.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 .

- e. On the basis of written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of section 164(2) of the Act.
- f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position by way of Note 25 to the financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For. C.R. SHAREDALAL & CO.
CHARTERED ACCOUNTANTS,
 (Registration No.109943W)

(J.K. Patel)
 PARTNER

PLACE : CHHATRAL
DATE : 19-05-2015

Membership No.047136

Annexure to Independent Auditors' Report

[Referred to in Paragraph 1 under the heading of
 "Report on Other Legal and Regulatory Requirements" of our report of even date]

1. (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, physical verification of Fixed Assets was conducted by the management during the year. In our opinion, frequency of physical verification is reasonable having regard to the size of the operation of the company. According to the information and explanation given to us no material discrepancies were noticed on such verification.
2. (a) As explained to us, during the year, the management has conducted physical verification of inventories at regular intervals, the frequency of which, in our opinion, are reasonable and adequate in relation to the size of the Company and nature of its business.
- (b) The procedures for the physical verification of inventories followed by management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion, the Company has maintained proper records in respect of inventories. We have been explained that no material discrepancies were noticed on physical verification of inventories, when compared with their book balance.
3. During the year under review, the company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Consequently, requirements of clause (iii) (a) and (iii) (b) of paragraph 3 of the order are not applicable.
4. In our opinion, and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the company and nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. In our opinion, and according to the information and explanations given to us, there is no continuing failure to correct major weaknesses in internal control systems.
5. The company has not accepted any deposits from the public.
6. According to the information and explanation given to us the maintenance of cost records has not been prescribed under sub-section (1) of Section 148 of the Companies Act, 2013.
7. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Value Added Tax, Wealth Tax, Custom duty, Excise duty, Service Tax, Cess and any other dues whichever is applicable during the year with the appropriate authorities and no undisputed dues payable in respect of outstanding statutory dues were in arrears as at 31st March, 2015 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us as at 31st March, 2015 there are no amounts in respect of sales tax/ income tax/ custom duty/ wealth tax/ excise duty/ service tax/ cess that have not been deposited with the appropriate authorities on account of any dispute except as stated below.

Nature of the Statute	Nature of the Dues	Amount	Period to which amount relates	Forum where dispute is pending
Income tax Act	Income tax	511670	Assessment year 2012-13	CIT(Appeals)
Income tax Act	Income tax	1351672	Assessment year 1996-97	High Court of Gujarat

- (c) According to the information and explanations given to us and on the basis of our examination of the books of account, the amount required to be transferred to the Investor Education and Protection Fund has been transferred to such fund by the Company within time.
8. The company does not have any accumulated losses at the end of the financial year. The company has not incurred cash losses in the current as well as in the immediately preceding financial year.
9. The company has not defaulted in repayment of dues to financial institution/banks.
10. In our opinion and according to the information and explanation given to us, the company has not given any guarantee for loan taken by others from banks and financial institutions.
11. In our opinion, the term loans disbursed by bank during the year have been applied for the purpose for which they have been obtained.
12. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For C.R. SHAREDALAL & CO.
CHARTERED ACCOUNTANTS,
(Registration No.109943W)

PLACE : CHHATRAL
DATE : 19-05-2015

(J.K. Patel)
PARTNER
Membership No.047136

Balance Sheet as at 31st March, 2015

		Amount in ₹	
	Note	As at 31st March, 2015	As at 31st March, 2014
<u>EQUITY AND LIABILITIES</u>			
Shareholders' Fund			
Share Capital	2	39587000	39587000
Reserves & Surplus	3	127920343	105323974
Non-Current Liabilities			
Long-Term Borrowings	4	20446457	53027535
Deferred Tax Liability(Net)	35	7510000	10780000
Current Liabilities			
Short-Term Borrowings	5	33915603	23881645
Trade Payables	6	1172703	2005536
Other Current Liabilities	7	16368155	31279318
Short-Term Provisions	8	4275187	4168333
TOTAL		251195448	270053341
<u>ASSETS</u>			
Non-Current Assets			
Fixed Assets			
Tangible Assets	9A	136786125	150061328
Intangible Assets	9B	1400	678412
Capital Work-in-Progress	9C	0	3456833
Non-Current Investments	10	260600	210600
Long-Term Loans and Advances	11	14950971	14655771
Current Assets			
Inventories	12	34086423	33321002
Trade Receivables	13	56630211	59581560
Cash and Bank Balances	14	4112519	3140050
Short-Term Loans and Advances	15	3233004	3758849
Other Current Assets	16	1134195	1188936
TOTAL		251195448	270053341
Significant Accounting Policies	1		

Notes 1 to 39 are an integral part of the Financial Statements

As per our report of even date attached

For, **C. R. SHAREDALAL & Co.**

Chartered Accountants

Firm Registration No. 109943W

For and on behalf of the Board

Dinesh A Bilgi
(DIN:00096099)
Managing Director & CFO

Chirag D Bilgi
(DIN:02094970)
Managing Director

Vasant R Shah
(DIN:00371634)
Director

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

Dinesh H Pande
(DIN:03147549)
Independent Director

Balkrishna I Makwana
(DIN:00287931)
Independent Director

Harsha H Parikh
(DIN:06931405)
Independent Director

Place : Chhatral
Date : 19th May, 2015

Place : Chhatral
Date : 19th May, 2015

Statement of Profit and Loss for the Year ended 31st March, 2015

		Amount in ₹	
	Note	2014-15	2013-14
<u>INCOME</u>			
Revenue from Operations	17	336952732	323354905
Less : Excise Duty		6587232	6412103
Revenue from Operations (Net)		330365500	316942802
Other Income	18	757110	884588
Total Revenue		331122610	317827390
<u>EXPENSES</u>			
Cost of Materials Consumed	19	102699582	96278306
Purchases of Stock-in-Trade		12177790	11078018
Changes in Inventories of Finished Goods, Stock-in-Process and Stock-in-Trade	20	1266789	2728046
Employee Benefits Expense	21	73593100	57982672
Finance Costs	22	7653810	10695341
Depreciation and Amortisation Expenses	9	31343450	40497611
Other Expenses	23	62452680	65648186
Total Expenses		291187201	284908180
Profit Before Tax		39935409	32919210
<u>Tax Expenses</u>			
Current Income Tax		16200000	17300000
(Excess) / Short Provision of Income tax for earlier years		133850	244809
Deferred Tax		(3270000)	(6600000)
Profit for the year		26871559	21974401
Earnings per equity share of face value of ₹ 10 each			
Basic and Diluted (in ₹)	36	6.79	5.55
Significant Accounting Policies	1		
Notes 1 to 39 are an integral part of the Financial Statements			

As per our report of even date attached

For, **C. R. SHAREDALAL & Co.**

Chartered Accountants

Firm Registration No. 109943W

For and on behalf of the Board

Dinesh A Bilgi
(DIN:00096099)
Managing Director & CFO

Chirag D Bilgi
(DIN:02094970)
Managing Director

Vasant R Shah
(DIN:00371634)
Director

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

Dinesh H Pande
(DIN:03147549)
Independent Director

Balkrishna I Makwana
(DIN:00287931)
Independent Director

Harsha H Parikh
(DIN:06931405)
Independent Director

Place : Chhatral
Date : 19th May, 2015

Place : Chhatral
Date : 19th May, 2015

Cash Flow Statement for the year ended 31st March, 2015

	Amount in ₹	
	As at 31st March, 2015	As at 31st March, 2014
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Tax	39935409	32919210
Depreciation and Amortisation Expenses	31343450	40497611
Finance Costs	7653810	10695341
Profit on sale of Assets	(214250)	0
Other Income	(542860)	(884588)
Operating Profit before Working Capital Changes	78175559	83227574
Trade Receivables	2951349	(5819289)
Inventories	(765421)	(3459113)
Loans & Advances	285386	4438998
Other Bank balances	(392927)	(161257)
Trade and Other Payables	(15637142)	(17695964)
Cash generated from Operations	64616804	60530949
Direct Tax	(16333850)	(17544809)
Net Cash Flow from Operating Activities (A)	48282954	42986140
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(14145152)	(44828281)
Sale of Fixed Assets	425000	0
Purchase of Investment	(50000)	(100)
Other Income	542860	884588
Net Cash Used in Investing Activities (B)	(13227292)	(43943793)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proposed Dividend	(3562830)	(3562830)
Tax on Proposed Dividend	(712360)	(605503)
Long-term borrowings Raised / (Repaid)	(32581078)	(3212468)
Short-term borrowings Raised / (Repaid)	10033958	19201063
Finance Costs paid	(7653810)	(10695341)
Net Cash Used in Financing Activity (C)	(34476120)	1124921
Net Increase in Cash & Cash Equivalents (D = A+B+C)	579542	167268
Opening Cash & Cash Equivalents	1389469	1222201
Closing Cash & Cash Equivalents	1969011	1389469

Significant Accounting Policies

1

Notes 1 to 39 are an integral part of the Financial Statements

As per our report of even date attached

 For, **C. R. SHAREDALAL & Co.**

Chartered Accountants

Firm Registration No. 109943W

For and on behalf of the Board

Dinesh A Bilgi
(DIN:00096099)
Managing Director & CFO

Chirag D Bilgi
(DIN:02094970)
Managing Director

Vasant R Shah
(DIN:00371634)
Director

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

Dinesh H Pande
(DIN:03147549)
Independent Director

Balkrishna I Makwana
(DIN:00287931)
Independent Director

Harsha H Parikh
(DIN:06931405)
Independent Director

Place : Chhatral
Date : 19th May, 2015

Place : Chhatral
Date : 19th May, 2015

Notes to Financial Statements for the year ended 31st March, 2015**1. Significant Accounting Policies followed in the Compilation of the Accounts****a) Basis of Presentation of Financial Statement :**

The financial statements have been prepared under the historical cost convention, on accrual basis in accordance with Generally Accepted Accounting Principle (GAAP), and comply with the Companies Accounting Standard specified under section 133 of the Companies Act, 2013 ("the Act"), read with Rule 7 of the Companies (Accounts) Rules, 2014.

b) Use of estimates :

The preparation of financial statements requires estimates and assumptions which affect the reporting amount of assets, liabilities, revenues and expenses of the reporting period. The difference between the actual results and estimates are recognized in the period in which the results are known or materialized.

c) Fixed Assets :

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

d) Investments :

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

e) Inventories :

Inventories are valued as under :

- Raw materials : at weighted average cost or net realisable value whichever is lower.
- Work in Process : at the aggregate of weighted average material cost and direct applicable standard overheads or net realisable value whichever is lower.
- Finished Goods : at the aggregate of weighted average material cost and direct applicable standard overheads or net realisable value whichever is lower.
- Trading Goods : at Weighted average cost or net realisable value whichever is lower.
- Stores, Spares & Packing Materials : at weighted average cost or net realisable value whichever is lower.

f) Depreciation :Tangible Assets :

- (i) Depreciation has been provided as per straight line method based on the estimated useful life of the assets as specified under Schedule II of the Companies Act, 2013 except on the assets stated in para(ii). Pro-rata depreciation is charged on additions & deletions during the year. The written down value of Fixed Assets whose lives have expired as at 01st April, 2014 have been adjusted in the Statement of Profit & Loss.
- (ii) The Management estimates the useful life for Office Equipment - 10 years, Air Condition - 8 years, Vehicles - 6 years, based on wear and tear and usage of assets. Hence the useful life for these assets is different from the useful life as prescribed under part C of Schedule II of the Companies Act, 2013.
- (iii) Depreciation on Windmill is charged on written down method based on the estimated useful life of the assets as specified under Schedule II of the Companies Act, 2013

Intangible Assets :

Software is amortized over a period of 3 years.

Lease hold improvements

Leasehold improvements are written off over the lower of the remaining primary period of lease or the life of the assets.

g) Foreign Currency Transactions :

- Transaction in Foreign Currency are recorded at the Exchange rates prevailing at the time transactions are effected.
- Assets and Liabilities in Foreign Currency as at year end covered by forward contracts are stated at the forward contract rates, while those not covered by forward contracts are restated at the rates of exchange at the year end.
- Exchange difference arising on the settlement of monetary items at the rates different from those at which they were initially recorded during the year or reported in previous financial statements are recognised as income or expense in the year in which they arise.

h) Provisions, Contingent Liabilities and Contingent Assets :

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

i) Retirement Benefits :

Gratuity and Leave Encashment Liabilities are accounted for on the basis of actuarial valuation made by Life Insurance Corporation of India in respect of eligible Employees of the Company. Company's contribution to Provident Fund are charged to the Statement of Profit & Loss.

j) Revenue Recognition :

The sales are recorded when supply of goods take place in accordance with the terms of sales and on change of title in the goods. The sales are shown net off VAT, CST, rebates and discounts. Dividend Income is recognized when right to receive the same is established. Interest Income is recognized on time proportion basis taking in to account the amount outstanding and rate applicable.

k) Taxes on Income :

Provision for current tax is made considering various allowances and benefits available to the company under Income Tax Act. In accordance with Accounting Standard AS-22 "Accounting for Taxes on Income", Deferred taxes resulting from timing differences between book and tax profits are accounted for at the current rate of tax to the extent the timing differences are expected to be crystallized.

l) Borrowing Costs :

Borrowing cost are recognised as an expense in the period in which they are incurred, except to the extent where borrowing cost that are directly attributable to the qualifying asset till put for its intended use is capitalised as part of the cost of that asset.

m) Impairment of Assets :

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which as asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

n) Lease :

The Company's significant leasing arrangements are in respect of operating leases for premises. The leasing arrangements which are not cancellable range between eleven months to three years generally, and are usually renewable by mutual consent at agreed terms. The aggregate lease rent payable are charged as rent in the Statement of Profit & Loss.

o) Government Grants :

Government grants under TUF Scheme are recognised in the financial statement on accrual basis and the same is adjusted against interest expenses for which it is granted in the nature of compensation.

p) Power Generation from Windmills :

Units generated from windmills are adjusted against the captive consumption of power at the factory. The monetary value of the units so adjusted, calculated at the prevailing UGVCL rates net of wheeling charges has been included in power and fuel. The value of unadjusted units as on the Balance Sheet date has been included in Short-term loans and Advances in Current assets.

	Amount in ₹	
	As at 31st March, 2015	As at 31st March, 2014
2. Share Capital :		
Authorised Share Capital :		
5000000 (Previous year 5000000) Equity Shares of ₹ 10/- each	50000000	50000000
Issued, Subscribed and Paid up Capital		
3958700 (Previous year 3958700) Equity shares of ₹ 10/- each fully paid up	39587000	39587000
TOTAL	39587000	39587000

Reconciliation of Equity Shares at the beginning and at the end of the year

Particulars	2014-15		2013-14	
	Nos.	Value (₹)	Nos.	Value (₹)
Shares outstanding at the beginning of the year	3958700	39587000	3958700	39587000
Shares issued during the year	Nil	Nil	Nil	Nil
Shares Bought back during the year	Nil	Nil	Nil	Nil
Shares outstanding at the end of the year	3958700	39587000	3958700	39587000

Details of each Shareholder holding more than 5% of the paid up capital of the Company

Name of the Shareholder	As at 31st March, 2015		As at 31st March, 2014	
	Nos.	%	Nos.	%
Dinesh A. Bilgi	782810	19.77	679710	17.17
Manoj Agrawal	203467	5.14	Nil	Nil

Terms / Rights attached to Shares

Equity Shares : The Company has only one class of equity shares having at par value of ₹ 10/- per share. Equity shares are pari passu in all respects and each shareholder is eligible for one vote per share held. The Company declare and pays dividend in indian rupees. The dividend proposed by the board of Directors is subject to the approval of the shareholders at the ensuing AGM. In the event of liquidation of the company, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts in proportion to their shareholding.

	Amount in ₹	
	As at 31st March, 2015	As at 31st March, 2014
3. Reserves & Surplus		
State Cash Subsidy	2392000	2392000
General Reserve	1000000	1000000
Surplus in the Statement of Profit and Loss		
As per last Balance Sheet	101931974	84125906
Add : Profit for the year	26871559	21974401
Less : Appropriation		
Proposed Dividend on Equity Shares	3562830	3562830
Tax on Dividend	712360	605503
	124528343	101931974
TOTAL	127920343	105323974
4. Long Term Borrowings		
Secured		
Term Loans From Banks	2519457	11004035
From LIC	17927000	21523500
	20446457	32527535
Unsecured		
From Directors	0	20500000
TOTAL	20446457	53027535

Details of Secured Loans

Particulars	Outstanding Amount as on 31st March, 2015	Details of Security	Rate of Interest	Other Major Terms and Conditions
Term Loans from SBI	₹ NIL/- (P.Y. ₹ 1,72,90,981/-)	Secured against entire Fixed Assets of the Company and further secured by second charge over entire current assets of the Company. Further secured by pledge of shareholding of promoters & personal guarantee of Managing Director.	13.15% (Based on SBI Base Rate)	N.A.
	₹ NIL/- (P.Y. ₹ 34,37,973/-)	--- DO ---	13.15 % (Based on SBI Base Rate)	N.A.
Term Loans from Bhagyodaya Co-Operative Bank	₹ 17,02,360/- (P.Y. ₹ 19,14,035/-)	Secured against hypothecation of vehicles	Ranging from 9.75% p.a. to 11.75% p.a.	Repayable in various EMIs Totaling ₹ 112000/- upto 31st March, 2017
Term Loans from HDFC Bank	₹ 8,17,097/- (P.Y. ₹ NIL/-)	Secured against hypothecation of vehicles	10.50% p.a.	Repayable in 60 monthly installments of ₹ 23,333/- upto 31st March, 2017
Loan from LIC	₹ 1,79,27,000/- (P.Y. ₹ 2,15,23,500)	Secured against Keyman Insurance Policies	9% p.a.	Repayment would be adjusted against maturity of Policies
Total ₹	₹ 2,04,46,457/-# (P.Y. ₹ 4,41,66,489/-)	# ₹ 12,97,531/- (P.Y. ₹ 1,16,38,954/-) being current maturities disclosed under current maturities of Long-term debt in Note no. 7 Other Current Liabilities.		

Details of Unsecured Loans

Particulars	Outstanding Amount as on 31st March, 2015	Rate of Interest	Other Major Terms and Conditions
From Directors	₹ NIL/- (P.Y. ₹ 2,05,00,000/-)	15% p.a.	N.A.
Total ₹	₹ NIL/- (P.Y. ₹ 2,05,00,000/-)		

Amount in ₹

	As at 31st March, 2015	As at 31st March, 2014
5. Short-term Borrowings		
Secured		
Cash Credit facilities from Bank	33915603	23881645
TOTAL	33915603	23881645

Details of Secured short-term Borrowings

Particulars	Outstanding Amount as on 31st March, 2015	Details of Security	Rate of Interest	Other Major Terms and Conditions
Cash Credit facilities	₹ 3,39,15,603/- (P.Y. ₹ 2,38,81,645/-)	Exclusive Charge over entire Stock, Book Debts & other Current Assets. Further extension of Charge over Company's Fixed Assets & pledge of shareholding of promoters & personal guarantee of Managing Director	SBI Base Rate plus 2.75%	Repayable on demand

	Amount in ₹	
	As at 31st March, 2015	As at 31st March, 2014
6. Trade Payables		
Trade payables	1172703	2005536
(Please refer Note no. 39 for dues to Micro, small and medium enterprises)		
TOTAL	1172703	2005536
7. Other Current Liabilities		
Current maturities of Long-Term debt (refer Note no.4)	1297531	11638954
Interest accrued but not due on borrowings	468797	540900
Advance against Sales	435120	1119974
Unclaimed Dividends	1886118	1750581
<u>Other Payables</u>		
Payable towards Statutory Taxes	2296342	1778083
Other payable towards Capital Items	546165	256746
Payable for Expenses	9438082	14194080
TOTAL	16368155	31279318
8. Short-term Provisions		
Proposed Dividend	3562830	3562830
Tax on Proposed Dividend	712357	605503
TOTAL	4275187	4168333

Note 9 : Fixed Assets :

(AMOUNT IN ₹)								
Description	GROSS BLOCK			Depreciation			NET BLOCK	
	As at 01-04-2014	Additions (Deductions) upto 31-03-2015	Total As at 31-03-2015	As on 01-04-2014	During the year	Total As at 31-03-2015	As at 31-03-2015	As at 31-03-2014
A. Tangible Assets :								
Leasehold Land	779141	0	779141	0	0	0	779141	779141
Factory Buildings	11560410	0	11560410	5405544	340200	5745744	5814666	6154866
Lease hold Improvement Building	2375890	0	2375890	370240	1307300	1677540	698350	2005650
Other Buildings	3078258	0	3078258	525655	163400	689055	2389203	2552603
Plant and Machinery	442428171	10788466 (8011687)	445204950	340084147	13571925 (7866501)	345789571	99415379	102344024
Wind Mills	88173352	0	88173352	65899934	6196464	72096398	16076954	22273418
Electrifications	6313397	0	6313397	5082427	283375	5365802	947595	1230970
Furniture & Fixtures	9848221	1813798 (1482035)	10179984	6330919	2481380 (1476995)	7335304	2844680	3517302
Office Equipments	1880900	543093 (950624)	1473369	927126	578992 (892897)	613221	860148	953774
Computers	12162432	484424 (991585)	11655271	10386497	1626731 (989085)	11024143	631128	1775935
Vehicles	11140620	3972204 (2369803)	12743021	4804303	4116668 (2369503)	6551468	6191553	6336317
Resort (Leasehold) #	137328	0	137328	0	0	0	137328	137328
Total Tangible Assets	589878120	17601985 (13805734)	593674371	439816792	30666435	456888246	136786125	150061328
B. Intangible Assets :								
Computer Softwares	11689927	0	11689927	11011515	677012	11688527	1400	678412
Total Intangible Assets	11689927	0	11689927	11011515	677012	11688527	1400	678412
C. Capital Work-in-Progress :								
Capital Work in Progress	3456833	(3456833)	0	0	0	0	0	3456833
Total (A + B + C)	605024880	14145152	605364298	450828307	31343447	468576773	136787525	154196573
Previous Year	560196599	44828281	605024880	410330696	40497611	450828307	154196573	

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

		Amount in ₹	
		As at 31st March, 2015	As at 31st March, 2014
10. Non-Current Investments			
Non-trade Investments :			
Equity Shares (Quoted) :	Nos.		
- Premjyot Fabric Limited (Shares of ₹ 10 each)	1000	20000	20000
- Welspun Corp Ltd (Shares of ₹ 10 each)	5000	50000	50000
Equity Shares (Unquoted) :			
- Welspun Enterprise Ltd. (Shares of ₹ 10 each)	175	100	100
- The Bhagyodaya Co-op Bank Ltd (Shares of ₹ 100 each) (Previous year 1405 Shares)	1905	190500	140500
TOTAL		260600	210600
Aggregate value of quoted Investments ₹ 70,000 (P.Y. ₹ 70,000)			
Aggregate value of Unquoted Investments ₹ 1,90,600/- (P.Y. ₹ 1,40,600/-)			
Market value of quoted Investments ₹ 2,70,000/- (P.Y. ₹ 3,42,750/-)			
11. Long-term Loans and Advances			
Unsecured and Considered good :			
Security Deposits			
Related parties (refer Note No. 38)		10200000	0
Others		3411504	13589904
Advance Payment of Taxes (Net)		1339467	1065867
TOTAL		14950971	14655771
12. Inventories			
Raw Materials		24771377	24897296
Work in Process		3071860	2816444
Finish Goods		1927919	3450122
Stores and Spares		3398279	1518591
Packing Materials		238634	179525
Other Materials		678354	459024
TOTAL		34086423	33321002
(Refer Note no. 1 point no.(e) for valuation method of Inventories)			
13. Trade Receivables			
Unsecured and Considered good :			
Outstanding for a period exceeding six month from date they are due for payment		4230345	4146106
Other Receivables		52399866	55435454
TOTAL		56630211	59581560
14. Cash and Bank Balances			
<u>Cash and Cash Equivalents</u>			
Balances with Banks		1118109	33687
Cash on Hand		850902	1355782
<u>Other Bank Balances</u>			
Unclaimed Dividend Account		1886118	1750581
Deposit with original Maturity for more than 12 months (Note 14.1)		257390	0
TOTAL		4112519	3140050
14.1 Term Deposit is earmarked with bank against Bank Guarantee			

	Amount in ₹	
	As at 31st March, 2015	As at 31st March, 2014
15. Short-term Loans and Advances		
<u>Unsecured and Considered good :</u>		
<u>Other Loans and Advances</u>		
Advance / Claims in Cash or Kind	2212961	1893703
Advance for Capital Items	0	740000
Loans to Employees	1020043	1125146
TOTAL	3233004	3758849
16. Other Current Assets		
Excise & Service Tax Receivable	20325	133020
Prepaid Expenses	1113870	1055916
TOTAL	1134195	1188936
17. Revenue from Operations (Net)		
Sale of Products (Net)	336952732	323354905
Less : Excise Duty	6587232	6412103
TOTAL	330365500	316942802
18. Other Income		
Interest Income	212530	619145
Dividend on Non Current Investments	19410	19906
Bad Debts Recovery	12350	152440
Profit on Sale of Asset	214250	0
Other non-operating Income	298570	93097
TOTAL	757110	884588
19. Cost of Materials Consumed		
Opening Stock of Raw Materials	24897296	19582691
Add : Purchases during year (net)	102573661	101592911
	127470957	121175602
Less : Closing Stock of Raw Materials	24771375	24897296
TOTAL	102699582	96278306

Details of Raw Materials Consumed

(Amount in Rupees)

Item Name	Opening Stock	Purchase	Consumption	Closing Stock
Weaving Materials (Yarns)	14953007	73618346	73947143	14624210
P.Y.	12544219	68962396	66553608	14953007
Printing Materials (Substrate & Ink)	9944289	28955315	28752439	10147165
P.Y.	7038472	32630515	29724698	9944289
Total	24897296	102573661	102699582	24771375
P.Y. Total	19582691	101592911	96278306	24897296

		Amount in ₹	
		As at 31st March, 2015	As at 31st March, 2014
20. Changes in Inventories of Finished Goods, Stock-in-Process and Stock-in-Trade			
<u>Opening Stock :</u>			
Finished goods		3450122	5060500
Work in Process		2816444	3934112
Total		6266566	8994612
<u>Closing Stock :</u>			
Finished goods		1927918	3450122
Work in Process		3071859	2816444
Total		4999777	6266566
TOTAL		1266789	2728046
<u>Details of Work in Process</u>		(Amount in Rupees)	
Item Name	Opening Stock	Closing Stock	
Yarn	2816444	3071859	
P.Y.	3934112	2816444	
<u>Details of Finished Goods</u>		(Amount in Rupees)	
Item Name	Opening Stock	Sales	Closing Stock
Woven Fabrics and Printed Labels	3450122	330365500	1927918
P.Y.	5060500	316942802	3450122
21. Employee Benefits Expenses			
Salaries,Wages and Bonus		42420017	38342057
Incentives & other benefits		27450419	16370457
Contribution to Provident Fund and other funds		3722664	3270158
TOTAL		73593100	57982672
22. Finance Costs			
Interest Expense		7653810	10695341
TOTAL		7653810	10695341
On Term loans		2008250	4187688
Less : TUF Reimbursement on Term Loan Interest		0	(269445)
On Working Capital		1139969	1425918
Sub-Total		3148219	5344161
On other Loans		4505591	5351180
TOTAL		7653810	10695341
23. Other Expenses			
Power & Fuel (refer Note no.23.1)		9610660	9751597
Freight inwards		1016440	1266504
Spares & Other Materials consumed		11219310	16137573
Repairs & Maintenance-Machinery		2264830	2562016
Repairs & Maintenance-Building		1479200	1419208
Repairs & Maintenance-Other asset		564750	433661
Factory Expenses		5203300	3875099

		Amount in ₹		
		As at 31st March, 2015	As at 31st March, 2014	
23. Other Expenses (Conted....)				
Packing Material Consumed		1562210	1529685	
Printing & Stationery		472330	775701	
Telephone		986910	1080741	
Conveyance		2951400	2833762	
Travelling		1016700	2938919	
Rent		2792750	2433250	
Rates & Taxes		277730	314308	
Payment to Auditors		247190	191012	
Office & Misc. Expense		6406830	4727196	
Freight outward		8965310	7326693	
Selling Expense		3562320	3083267	
Insurance		563000	584515	
Bad Debts written off		1219110	140183	
Donation		130000	28000	
Net loss/(gain) on Currency fluctuation and translation		(59600)	2215296	
TOTAL		62452680	65648186	
23.1 Power & Fuel expenses are net off recovery value of units generated from Windmills of ₹ 13024198/- (P.Y. ₹ 12393810/-).				
24. Estimated Amount of Contracts				
Estimated Amount of Contracts remaining to be executed on capital account and not provided for		NIL	NIL	
25. Contingenting Liabilities of				
Disputed Liability in respect of Income Tax Demands (matters under appeal)		1863342	1351672	
26. CIF Value Of Direct Imports				
- Raw Materials		3479384	4036550	
- Capital Goods		2484663	25103198	
- Stores & Spares		5159416	4624601	
27. Expenditure in foreign Currency				
- Travelling		57808	344823	
- Commission & Others		1101840	1077608	
28. Earning in foreign currency (FOB Value of Exports)		13034892	10023387	
29. Consumption of				
		2014-2015		
		2013-2014		
		%	₹	
		%	₹	
a) Raw Materials :				
Indigenous	96.6	99207796	94.5	90950643
Imported	3.4	3491786	5.5	5327663
b) Stores, Spares and Tools				
Indigenous	60.9	6836885	63.0	10166671
Imported	39.1	4382425	37.0	5970902

		Amount in ₹	
		As at 31st March, 2015	As at 31st March, 2014
30. Payment to Auditors			
Audit Fees		247192	191012
31.	The figures are rounded off to the nearest rupee and previous year figures are regrouped and rearranged, wherever necessary to make them comparable with current year figures.		
32.	Trade Receivables are subject to conformation from parties and reconciliation if any.		
33.	In the opinion of the Board, the current assets, loan and advance have a value on realisation in ordinary course of business at least equal to the amount at which they are stated.		
34. Employee Benefits in respect of Gratuity and Leave encashment - Particular as per Accounting Standard AS 15			
1. Present value of obligations as at the beginning of the year		6232154	4597804
Interest Cost		498572	367825
Current Service Cost		909760	623946
Benefits Paid		0	(8668)
Acturial (gain) / loss on obligations		(2313468)	1704391
Present value of obligations as at end of year		5979140	7285298
2. Fair Value of plant assets at beginning of year		6540337	6948478
Expected return of plan assets		1814730	631904
Contributions		677108	(401)
Benefits Paid		0	(8668)
Acturial (gain) / loss on Plan assets		0	0
Fair Value of plant assets at the end of year		9032175	7571312
3. Present value of obligations as at end of year		5979140	7285298
Fair value of plan assets as at the end of the year		9032175	7571312
Funded status		3053035	286014
Net asset / (liability)		1997352	330352
4. Current Service Cost		909760	623946
Interest Cost		498572	367825
Expected return of plan assets		(1814730)	(631904)
Net Acturial (gain) / loss recognized in the year		(2313468)	1704391
Expenses Recognized in statement of Profit and loss		(1539902)	2064258
Discount Rate		8%	8%
Salary Escalation		7%	7%
35. The Deferred Tax Liability/(Asset) Comprises of Tax effect of Timing Difference on Depreciation			
Deferred Tax Liability/(Asset) Difference Between Depreciation as per Companies Act and Income Tax Act.			
Opening		10780000	17380000
Current Year		(3270000)	(6600000)
Closing		7510000	10780000
36. Earning Per Share			
Profit attributable to Share Holders (₹)		26871559	21974401
Basic/Weighted Average No. of Equity Shares O/s during Year		3958700	3958700
Nominal Value of Equity Shares (₹)		10	10
Basic/Diluted Earning per Share (₹)		6.79	5.55
37. Segment Reporting			
Company has only one primary segment of manufacturing and sale of labels and does not fall under secondary segment. In view of this, details of segment information is not given as required by AS 17 "Segment Reporting".			

	Amount in ₹	
	As at 31st March, 2015	As at 31st March, 2014

38. Related Party Transactions
(A) Related Parties and nature of relationship

Sr. No.	Name of Related Party	Description of Relationship
1.	Mr. Dinesh Bilgi	Managing Director & CFO
2.	Mr. Neel Bilgi	Managing Director
3.	Mr. Chirag Bilgi	Managing Director
4.	Mr. Pragnesh K. Shah	Executive Director
5.	Mrs. Kairavi Bilgi	Company Secretary
Directors		
1.	Mr. Laxman C. Tilani	Director
2.	Mr. Dinesh H. Pande	Director
Entities in which relatives of Key Managerial Personnel are interested		
1.	ANC Systems LLP (Earlier ANC Systems Pvt Ltd)	Firm (Company) in which (was) relative of a Director is Partner (Director)
2.	Latha Services LLP (Earlier Latha Services Pvt Ltd)	Firm (Company) in which (was) relative of a Director is Partner (Director)
3.	Ultra Polydyne Pvt. Ltd.	Company in which relative of a Director is member

(B) Transactions with Related Parties

	Amount in ₹	
	As at 31st March, 2015	As at 31st March, 2014
Nature of Transaction		
Key Managerial Personnel & Directors		
Remuneration	22011357	8659000
Deposit Taken	17635000	25497306
Deposit Repaid	38135000	20297306
Finance Cost	2643370	3372700
Entities in which relatives of Key Managerial Personnel are interested		
Purchases	40719211	0
Security Deposit	10200000	0
Rent	1138500	0

39. Disclosure under Companies Act, 2013 in respect of Micro, Small and Medium Enterprises

a.	Principal amount remaining unpaid	NIL	NIL
b.	Interest due thereon	NIL	NIL
c.	Interest paid by the Company in term of Section 16of Micro, Small and Medium Enterprises Development Act, 2006	NIL	NIL
d.	Interest due and payable for the period of delay in payment	NIL	NIL
e.	Interest accrued and remaining due and payable even in succeeding years	NIL	NIL

This information as required to be disclosed has been determined to the extent such parties have identified on the basis of information available with the Company.

As per our report of even date attached

For, **C. R. SHAREDALAL & Co.**

Chartered Accountants

Firm Registration No. 109943W

For and on behalf of the Board

Dinesh A Bilgi
(DIN:00096099)
Managing Director & CFO

Chirag D Bilgi
(DIN:02094970)
Managing Director

Vasant R Shah
(DIN:00371634)
Director

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

Dinesh H Pande
(DIN:03147549)
Independent Director

Balkrishna I Makwana
(DIN:00287931)
Independent Director

Harsha H Parikh
(DIN:06931405)
Independent Director

Place : Chhatral
Date : 19th May, 2015

Place : Chhatral
Date : 19th May, 2015

AREX INDUSTRIES LIMITED
(CIN: L99999GJ1989PLC012213)

Regd. Office: 612, GIDC Industrial Estate, Chhatral, Tal.: Kalol, Dist.: Gandhinagar – 382729, Gujarat, India,
Tel. No.: 091- 02764-233636, Fax: 091-02764-233635, Website: www.arex.co.in Email: mail@arex.co.in

To,
The Shareholder/s

Date : August 10, 2015

Re. : Updating Record of Specimen Signature

Dear Shareholder/s,

This is to inform that the Company has decided to update the specimen signature record of the shareholders and therefore, request you to please fill-up the following form and return the same to us at the earliest.

We also request you to please forward photo copy of PAN Card being proof of identity for the purpose of specimen signature.

Thanking you,

For AREX INDUSTRIES LIMITED
Dinesh Bilgi
(DIN:00096099)
Managing Director

-----Cut here-----

To,

M/s. Sharepro Services (I) Private Limited
Unit: Arex Industries Limited
416-420, 4th Floor, Devnandan Mall,
Opp. Sanyash Ashram, Ellisbridge,
Ahmedabad - 380006

Folio No. :	
Total No. of Shares held :	
Shareholder's Name	Specimen Signature
1)	
2)	
3)	

If any change in your address, Please mention the same below.

[illegible]

AREX INDUSTRIES LIMITED

(CIN: L99999GJ1989PLC012213)

Regd. Office: 612, GIDC Industrial Estate, Chhatral, Tal.: Kalol, Dist.: Gandhinagar – 382729, Gujarat, India,

Tel. No.: 091- 02764-233636, Fax: 091-02764-233635, Website: www.arex.co.in Email: mail@arex.co.in**ATTENDANCE SLIP**

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL. Joint Shareholders may obtain additional attendance slips on request. (Folio Nos., DP ID*, Client ID* & Name of the Shareholder/Joint holders/Proxy in BLOCK LETTERS to be furnished below) :

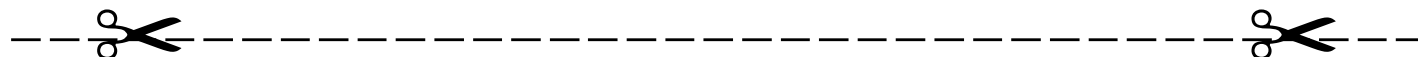
Shareholder / Proxy Holder	DP ID*	Client ID*	Folio No.	No. of Shares held

I hereby record my presence at the 26th Annual General Meeting of the Company to be held on Saturday, the 19th September, 2015 at 12:30 p.m. at The Grand Amrit, Mehsana Kalol Highway, Chhatral, Tal.: Kalol, Dist.: Gandhinagar – 382 729.

SIGNATURE OF THE SHAREHOLDER OR PROXY**Notes:**

- Shareholders/Proxy holders are requested to bring the attendance slip with them when they come to the Meeting and hand it over at the gate after affixing their signature on it.
- Shareholders are requested to advise, indicating their folio Nos., DP ID*, Client ID*, the change in their address, if any, to the Registrar & Share Transfer Agents, at Sharepro Services (India) Private Limited, 416-420, 4th Floor, Devnandan Mall, Opp. Sanyash Ashram, Ellisbridge, Ahmedabad – 380006.

*Applicable for investors holding shares in Electronic (Demat) form.

**Form No. MGT-11****PROXY FORM**

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

AREX INDUSTRIES LIMITED

(CIN: L99999GJ1989PLC012213)

Regd. Office: 612, GIDC Industrial Estate, Chhatral, Tal.: Kalol, Dist.: Gandhinagar – 382729, Gujarat, India,

Tel. No.: 091- 02764-233636, Fax: 091-02764-233635, Website: www.arex.co.in Email: mail@arex.co.in

Name of the Member(s) :	
Registered Address :	
Email ID :	
Folio No./Client ID/DP ID :	
No. of Shares :	

I/we, being the member(s) of the above named company, hereby appoint:

- (1) Name : _____ Address : _____
 Email ID : _____ Signature : _____ or failing him/her
- (2) Name : _____ Address : _____
 Email ID : _____ Signature : _____ or failing him/her
- (3) Name : _____ Address : _____
 Email ID : _____ Signature : _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 26th Annual General Meeting of the Company, to be held on Saturday, the 19th September, 2015 at 12:30 p.m. at The Grand Amrit, Mehsana Kalol Highway, Chhatral, Tal.: Kalol, Dist.: Gandhinagar – 382 729, and at any adjournment thereof in respect of such resolutions as are indicated below:

Ordinary Business

1. Adoption of Directors' Report, Audited Financial Statements for the year ended 31st March, 2015 and Auditors' Report thereon.
2. Declaration of Final Dividend
3. Re-appointment of Shri Vasant R. Shah who retires by rotation
4. Re-appointment of Shri Pragnesh K. Shah who retires by rotation
5. Appointment of Auditors and fixing their remuneration

Special Business

6. Special Resolution for Approval to related party transaction
7. Special Resolution for Adoption of new set of Articles of Association

Signed this _____ day of September, 2015

Signature of shareholder : _____

Signature of Proxy holder : _____

Affix ₹ 1
Revenue
Stamp

Note:

1. 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.
2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 26th Annual General Meeting.