



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 Polydye 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:

- 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.

- 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.
- 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**.
- The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of special business is annexed herewith.
- 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.
- 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

- 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).
- 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.
- 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 Kantil 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