



Arex Industries Limited

34TH ANNUAL REPORT 2022-2023



We weave brands

Board of Directors

Shri Dinesh A Bilgi (DIN:00096099)
Shri Neel D Bilgi (DIN:00096180)
Shri Chirag D Bilgi (DIN:02094970)
Shri Pragnesh K Shah (DIN:00228223)
Shri Laxman C Tilani (DIN:00532516)
Shri Vasant R Shah (DIN:00371634)
Shri Balkrishna Makwana (DIN:00287931)
Smt Harsha H Parikh (DIN:06931405)
Shri Aviv J Divekar (DIN:00689884)

Managing Director & CFO
Managing Director
Managing Director
Director
Director
Director
Independent Director
Independent Director
Independent Director

Company Secretary & Compliance Officer

Smt Kairavi Bilgi
(Membership No. ACS 21519)

Bankers

State Bank of India

Auditors

M/s Sweta Patel & Associates
Chartered Accountants
Ahmedabad
Firm Regn No.139165W

Registrars and Transfer Agent

Link Intime India Pvt Ltd
506-508, Amarnath Business Centre-1 (ABC-1),
Beside Gala Business Centre
Near St. Xavier's College Corner
Off C G Road, Ellisbridge,
Ahmedabad -380006
Tel: 079 26465179 / 86 / 87
Email: ahmedabad@linkintime.co.in
Web Site: www.linkintime.co.in

Registered Office & Plant

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

34TH ANNUAL GENERAL MEETING

Date : 30th September, 2023
Day : Saturday
Time : 12.30 P.M. (IST)
Place : Registered Office
(through video conference)

Notice of the 34th AGM along with the Annual Report for Financial Year 2022-23 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company / National Securities Depository Limited and Central Depository Services (India) Limited ('the Depositories').

NOTICE

NOTICE is hereby given that the 34th Annual General Meeting of members of the Company will be held on Saturday, 30th day of September, 2023 at 12.30 p.m. (IST) through video conference (VC)/ OAVM to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt audited financial statements for the year ended on 31st March, 2023 and the reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri Neel Dinesh Bilgi (DIN:00096180), Director who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri Vasant Ravji Shah (DIN: 00371634), Director who retires by rotation and being eligible, offers himself for re-appointment.

By Order of the Board**Regd Office:**

612, GIDC Industrial Estate
Chhatral, Tal : Kalol
Dist : Gandhinagar-382 729
Date : 12th August, 2023

Dinesh A Bilgi
Mg. Director/CFO
DIN:00096099

Notes:

1. As per the directions of SEBI and MCA, the option of appointing proxies will not be available for this Annual General Meeting (AGM). However, Institutional/Corporate Members intending to attend and vote at the said AGM, are requested to send a certified copy of the board resolution authorising their representative to attend and/or vote on their behalf, to the Company.
2. M/s Sweta Patel & Associates, Chartered Accountants of Ahmedabad having Firm Registration No.139165W were re-appointed as Statutory Auditors of the Company for a further period of five years by the members of the Company in their 33rd Annual General Meeting (AGM) held on 21st September, 2022 upto the end of the 38th Annual General Meeting. The Statutory Auditors of the Company have provided a certificate to the effect that they are eligible to continue such appointment and are not disqualified to act as such.
3. A brief resume of each of the Director seeking appointment / re-appointments are provided pursuant to the provisions of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and Secretarial Standard – 2 is annexed hereto.
4. The venue of the meeting shall be deemed to be the registered office of the Company, i.e. 612, GIDC Industrial Estate, Chhatral, Ta: Kalol, Dist. Gandhinagar 382729.
5. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 23rd September, 2023 to Saturday, 30th September, 2023 (both days inclusive) for the purpose of AGM.
6. The Ministry of Corporate Affairs (MCA) has vide General Circular No. 10/2022 dated 28th December, 2022 read with General Circular No. 2/2022 dated 5th May, 2022, read with General Circular No. 21/2021 dated 14th December, 2021, read with General Circular No. 19/2021 dated 8th December, 2021, read with circular no. 02/2021 dated 13th January, 2021 read with General Circular No. 20/2020 dated May 05, 2020 read with General Circular No. 14/2020 dated April 08, 2020 and General Circular No. 17/2020 dated April 13, 2020 (collectively referred to as 'MCA Circulars') permitted the holding of the AGM through Video Conference (VC)/OAVM without the physical presence of the Members at a common venue. In compliance with the provisions of the Act, provisions of LODR and MCA Circulars, the AGM of the Company is being held through VC.
7. Since this AGM is being held through VC, physical attendance of the members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form, Attendance Slip and Route Map are not annexed to this Notice.
8. 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 /update their email addresses, in respect of electronic holding with the Depository through their concerned Depository Participants.
9. In compliance with the MCA Circulars and the Securities and Exchange Board of India ('SEBI') Circulars, Notice of the 34th AGM along with the Annual Report for Financial Year 2022-23 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company / National Securities Depository Limited and Central Depository Services (India) Limited ('the Depositories'). A copy of this Notice along with the Annual Report for Financial Year 2022-23 is uploaded on the Company's website www.arex.co.in, websites of the Stock Exchanges i.e. The BSE Limited at www.bseindia.com and on the website of Central Depository Services (India) Limited at www.evotingindia.com.
10. In case the shareholder's e-mail ID is already registered with the Company/Link Intime India Private Limited, the Registrar and Transfer Agent ('LIPL')/Depositories, log in details for e-voting shall be sent on the registered e-mail address.
11. In case the shareholder holding shares in physical mode has not registered his/her e-mail address with the Company/LIPL/Depositories, he/she may do so by sending a duly signed request letter to the Company by providing Folio No. and Name of shareholder at its Registered Office or its Registrar & Share Transfer Agent M/s Link Intime India Pvt Ltd, at its office at 506-508, Amarnath Business Centre-1 (ABC-1), Beside Gala Business Centre, Near St. Xavier's College Corner, Off C G Road, Ellisbridge, Ahmedabad –380006 Telephones: 079 26465179 /86 / 87, Email: ahmedabad@linkintime.co.in, Web Site: www.linkintime.co.in
12. In the case of shares held in demat mode, the shareholder may contact the Depository Participant ('DP') and register the e-mail address in the demat account as per the process followed and advised by the DP.
13. Relevant documents as required by law and referred to in the accompanying Notice, shall be available for inspection through electronic mode. Members may write to the Company on mail@arex.in for inspection of said documents and the same will also be available for inspection by the members during the AGM, upon login at CDSL e-voting system at www.evotingindia.com.
14. With effect from April 01, 2019, in terms of SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 08, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018, requests for effecting transfer of securities (except in case of transmission or transposition of securities) are not being processed unless the securities are held in the dematerialized form with the depositories. Therefore, members holding shares in physical form are requested to dematerialize shares held in physical form at the earliest available opportunity.
15. SEBI vide circular no. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated 25.1.2022, has mandated companies to issue securities in dematerialised form only, while processing service requests viz. issue of duplicate securities certificate, claim from unclaimed suspense account, renewal / exchange of securities certificate, endorsement, sub-division / splitting, consolidation of securities certificate, transmission and transposition. Members are accordingly advised to get their shares held in physical form dematerialised through their Depository Participant.
16. Members are advised to avail the nomination facility in respect of shares held by them pursuant to the provisions of Section 72 of the Act. Members holding shares in physical form desiring to avail this facility may send their nomination in the prescribed Form No.SH-13 duly filled in to LIPL. Members holding shares in dematerialized form may contact their respective DP for availing this facility.
17. 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.
18. Members are requested to notify immediately any change in their addresses (including e-mail) to the Company at its Registered Office or its Registrar & Share Transfer Agent M/s Link Intime India Pvt Ltd, M/s Link Intime India Pvt Ltd at its office at 506-508, Amarnath Business Centre-1 (ABC-1), Beside Gala Business Centre, Near St. Xavier's College Corner, Off C G Road, Ellisbridge, Ahmedabad –380006 Tele: 079 26465179 / 86 / 87, Email: ahmedabad@linkintime.co.in, Web Site: www.linkintime.co.in.
19. The Securities and Exchange Board of India (SEBI) has mandated submission of Permanent Account Number (PAN) and Bank Details 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 Link Intime India Pvt Ltd.
20. 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 consecutive seven years along with relevant shares, to the Investor Education and Protection Fund (IEPF).

21. Pursuant to the provisions of Section 124 of the Companies Act, 2013 and the IEPF Rules, all shares on which dividend has not been paid or claimed for seven consecutive years or more has been transferred to the Investor Education Protection Fund Authority as notified by the MCA.
22. Members/claimants whose shares and unclaimed dividend transferred to IEPF may claim the shares/ apply for refund by making an application to IEPF Authority in Form IEPF -5 (refer to www.iepf.gov.in) alongwith requisite fees as may be decided from time to time. The member/claimant can file only consolidated claim in a financial year as per the IEPF Rules.
23. The particulars of declaration of dividend(s) by the Company and due date of transfer of unpaid dividend to IEPF are as under:

Financial Year	Date of Declaration	Dividend (%)	Dividend Type	Amount (Rs) per share	Tentative date of Transfer to IEPF
2015-16	27.09.2016	30	Final Dividend	3.00	26.10.2023
2016-17	21.09.2017	20	Final Dividend	2.00	19.10.2024
2017-18	20.09.2018	20	Final Dividend	2.00	18.10.2025
2018-19	17.09.2019	20	Final Dividend	2.00	20.10.2026

24. The Company has transferred whole of the unpaid and/or unclaimed dividend amount for the year 2014-15 to the Investor Education and Protection Fund (IEPF) on 26.12.2022. 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 21st September, 2022 (date of last AGM). The Company has also transferred 10704 equity shares on which dividend remain unpaid/ unclaimed for seven years, to the IEPF on 31.12.2022.
25. The Company has appointed Shri Abraham Pingle, 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.
26. The results of e-votings 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 48 hours of passing of the resolutions at the AGM of the Company and will also be forwarded to BSE Ltd, Mumbai.

CDSL e-Voting System – For e-voting and joining Virtual Meeting

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No. 17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 5, 2020. The forthcoming AGM/EGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM/EGM through VC/OAVM.
2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM/EGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the EGM/AGM will be provided by CDSL.
3. The Members can join the EGM/AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the EGM/AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the EGM/AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM/EGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM/EGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM/EGM through VC/OAVM and cast their votes through e-voting.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM/EGM has been uploaded on the website of the Company at www.arex.co.in. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited on www.bseindia.com. The AGM/EGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM/EGM) i.e. www.evotingindia.com.

THE INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING AND E-VOTING DURING AGM/EGM AND JOINING MEETING THROUGH VC/OAVM ARE AS UNDER:

- Step 1: Access through Depositories CDSL/NSDL e-voting system in case of individual shareholders holding shares in demat mode.
 Step 2: Access through CDSL e-voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- (i) The voting period begins on 27th September, 2023 at 09:00 a.m. and ends on 29th September, 2023 at 05:00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 23rd September, 2023 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- Step 1: Access through Depositories CDSL/NSDL e-voting system in case of individual shareholders holding shares in demat mode.
- (iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

Type of shareholders	Login Method
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<p>Individual Shareholders holding securities in Demat mode with CDSL Depository</p>	<ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & new system Myeasi Tab and then click on registration option. 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
<p>Individual Shareholders holding securities in demat mode with NSDL Depository</p>	<ol style="list-style-type: none"> 1) If you are already registered for NSDL IDEAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDEAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDEAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDEAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting
<p>Individual Shareholders (holding securities in demat mode) login through their Depository Participants</p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

Step 2: Access through CDSL e-voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- (v) Login method for e-Voting and joining virtual meeting for physical shareholders and shareholders other than individual shareholders holding in Demat form.
- 1) The shareholders should log on to the e-voting website www.evotingindia.com.
 - 2) Click on "Shareholders" module.
 - 3) 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. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
 - 4) Next enter the Image Verification as displayed and Click on Login.
 - 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
 - 6) If you are a first-time user follow the steps given below:

	For Physical Shareholders and other than individual shareholders holding shares in Demat.
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.

- (vi) After entering these details appropriately, click on "SUBMIT" tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (x) 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.
- (xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xii) 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.
- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.
- (xvii) Additional Facility for Non – Individual Shareholders and Custodians – For Remote Voting Only.
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
 - 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 linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
 - It is mandatory that, 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.
 - Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz. mail@arex.in, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM/EGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM/ EGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM/EGM.
4. Shareholders are encouraged to join the Meeting through Laptops / iPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 10 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 10 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at mail@arex.in. These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM/EGM through VC/OAVM facility and have not casted their vote on the Resolutions through e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the EGM/AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the EGM/AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company/RTA email id.
2. For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on toll free no. 1800 22 55 33.

Information on Directors retiring by rotation seeking re-appointment at this Annual General Meeting as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Item No.2

Shri Neel Dinesh Bilgi (DIN:00096180) was associated with the Company as Executive Director with effect from 1st August, 2005. He is a MBA (Marketing) and is aged about 45 years (DOB: 6.10.1978). He was appointed as Vice-Chairman and Joint Managing Director of the Company for a period of three years with effect from 1st June, 2013 by the members of the Company in their Annual General Meeting held on 29th August, 2013. As required under the provisions of Section 203 of the Companies Act, 2013 and the Rules thereunder regarding appointment of Key Managerial Personnel, the Board of Directors further considered his contribution given to the Company and considered his promotion as Managing Director upon recommendation of the Nomination and Remuneration Committee and accordingly, appointed him as Managing Director of the Company for a period of three years with effect from 1st August, 2014, by the members of the Company in their 25th Annual General Meeting held on 11th September, 2014 and thereafter re-appointed for a further period of three years by the members in their Annual General Meeting held on 21st September, 2017 and thereafter re-appointed for a further period of three years by the members in their Annual General Meeting held on 24th September, 2020 and thereafter re-appointed for a further period of three years by the members in their Annual General Meeting held on 21st September, 2022. His tenure is to expire on 31st July, 2026. Shri Neel Dinesh Bilgi is a relative of Shri Dinesh A Bilgi, Shri Chirag D Bilgi and Smt. Kairavi Bilgi (KMPs). He does not hold directorship in other Companies. He holds 253550 equity shares in the capital of the Company. He has attended Board Meetings held on 20.5.2022, 12.8.2022, 11.11.2022 and 10.2.2023. He does

not hold Directorship and/or membership of any committee in any listed entity/ies. His details of remuneration is mentioned in the Annual Accounts for the year ended 31st March, 2023.

None of the Directors or Key Managerial Personnel, except Shri Neel Dinesh Bilgi, Shri Dinesh A Bilgi, Shri Chirag D Bilgi and Smt. Kairavi Bilgi (KMPs), being relatives, is concerned or interested in the above resolution.

Item No.3

Shri Vasant R Shah (DIN:00371634) aged about 76 years (DOB: 12.8.1945) is a Non Matriculate. He has very wide experience in the marketing of woven label industry. He has been a Director with effect from 11th July, 1994. He is a Promoter Director of the Company. He has been providing his valuable guidance and expert advice to the Company from time to time. He is a member of Nomination and Remuneration Committee. He does not hold shares in the share capital of the Company. Since his appointed in 1994, The Company and its Board of Directors have been guided with his wide range of expertise in the field of marketing and label manufacturing industries with innovative ideas. He also guided Board of Directors during various discussions on matters concerning label industries and issues relating to labour problems. He has attended Board Meetings 20.5.2022, 12.8.2022, 11.11.2022 and 10.2.2023. He does not hold Directorship and/or membership of any committee in any listed entities. He does not draw any remuneration except for Sitting Fees details of the same are mentioned in the Corporate Governance Report.

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

Regd Office:
612, GIDC Industrial Estate
Chhatral, Tal : Kalol
Dist : Gandhinagar-382 729
Date : 12th August, 2023

By Order of the Board

Dinesh A Bilgi
Mg. Director/CFO
DIN:00096099

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present this Thirty Fourth Annual Report together with the Audited Statement of Accounts of the Company for the year ended on 31st March, 2023.

FINANCIAL RESULTS

As per the notification issued by the Ministry of Corporate Affairs dated 16th February, 2015 relating to the Companies (Indian Accounting Standards) Rules, 2015, the Company has adopted "Ind AS" with effect from 1st April, 2017. Accordingly, the Financial Statement for the year 2022-23 has been prepared in compliance with the Companies (Indian Accounting Standard) Rules, 2015.

Financial Performance

	(Amount in Rupees in Lakhs)	
	31.03.2023	31.03.2022
Revenue from operations	4502.12	5375.32
Profit before Depreciation	705.77	1125.13
Less: Finance Cost	181.37	210.62
Depreciation & Amortisation Expenses	423.41	449.42
Profit before Tax	100.99	465.09
Tax Expenses- Current Taxation	17.00	77.76
Deferred Tax	13.91	17.52
Add/(Less):		
(Excess)/Short Provision of tax of earlier years		
Profit/(Loss) for the year	70.08	369.79
Other comprehensive Income		
Items that will not be reclassified to profit or loss		
Gain/(Loss) on measurement of Equity Share instruments at fair value	0.00	1.48
Income tax impact on above	0.00	0.00
Other comprehensive Income for the year	0.00	0.00
Total comprehensive Income/(Loss) for the year	70.08	371.27

OPERATIONS

The revenue from operations (net) stood at Rs.4502.12 lakhs, i.e. an decrease of 16.24% over the previous year's revenue. The Company continued to explore overseas market opportunities but due to the worldwide pandemic and the ongoing Russia-Ukraine War, the exports amounted to Rs. 104.20 lakhs, i.e. decrease of 51.72% over the previous year's exports. There was heavy fluctuation in foreign exchange rates resulting into a gain of Rs.3.18 lakhs. The profit on sale of assets amounted to Rs. 9.52 lakhs. The bad debts amounting to Rs.1.28 lakhs were written off during the year as against bad debts of Rs. 35.82 lakhs written off during the previous year. The raw material prices, fuel charges, finance cost and other overheads were continued to increase during the year.

The Company has made a profit of Rs.70.08 lakhs as against profit of Rs.369.79 lakhs made after taxes during the previous year. Your Directors continue to explore further growth opportunities.

DIVIDEND

Your Directors do not recommend dividend for the year under review in view to conserve resources and financing activities on hand. Your Directors also do not propose any amount to carry to the general reserves.

FINANCE

Your Company continued to avail financial assistance from its Bankers to finance its present and/or proposed projects 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.

INSURANCE

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

DIRECTORS/REAPPOINTMENT OF KMPs

(1) Shri Neel Dinesh Bilgi (DIN00096180), Managing Director and (2) Shri Vasant Ravji Shah (DIN00371634), Directors of the Company are due to retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointments. The Board hereby re-commends their re-appointments.

Tenure of Shri Dinesh Apparao Bilgi (DIN00096099), Managing Director cum Chief Financial Officer of the Company, Shri Neel Dinesh Bilgi (DIN00096180) and Shri Chirag Dinesh Bilgi (DIN02094970), Managing Directors of the Company had to expire on 31st July, 2023. On the recommendation of the Nomination & Remuneration Committee and the Board of Directors, the members in their 33rd Annual General Meeting held on 21st September, 2022, reappointed Shri Dinesh Apparao Bilgi (DIN00096099), Managing Director cum Chief Financial Officer of the Company, Shri Neel Dinesh Bilgi (DIN00096180) and Shri Chirag Dinesh Bilgi (DIN02094970), Managing Directors of the Company, w.e.f. 1st August, 2023.

BOARD AND COMMITTEE MEETINGS

During the year under review, four meetings of the Board were held. The details of the Board and Committee meetings are provided in the Corporate Governance Report forming part of this report.

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee of the Company review the composition of the Board, to ensure that there is an approximate mix of abilities, expertise, experience and diversity to serve the interest of the shareholders of the Company. The Policy ensures that (1) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company, (2) relationship of remuneration to performance is clear and meets appropriate performance benchmarks and (3) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company.

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 4th January, 2023. The Independent Directors actively participated and provided guidance to the Company. The Independent Directors reviewed the performance of the non-Independent Directors and the Board as a whole.

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, except the pandemic and global events affecting the overall industry.

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, corporate ethics, 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 (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

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

CHANGES IN NATURE OF BUSINESS

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

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 31st March, 2023, 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, 2023 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 Code of Conduct is available on the website of the Company at <https://www.arem.co.in/investors/Policies/Code%20of%20Conduct%20for%20Directors%20and%20Senior%20Management.pdf>. The Directors have confirmed compliance with the provisions of Section 164 of the Companies Act, 2013.

Risk Management Policy

The Company has already formulated risk management policy so as to identify, evaluate, monitor and minimize identifiable business risks in the organization.

Vigil Mechanism/Whistle Blower Policy

The Company has already adopted Whistle Blower Policy to report genuine concerns or grievances and to safeguard victimization of persons while using this mechanism. The Whistle Blower Policy is available on the website of the Company at <https://www.arem.co.in/investors/Policies/Whistle%20Blower%20Policy.pdf>.

Other Policies

Company's Policies on Remuneration (Available on the website of the Company at <https://www.arem.co.in/investors/Policies/Nomination%20&%20Remuneration%20Policy.pdf>, Materiality of Related Party Transactions (Available on the website of the Company at <https://www.arem.co.in/investors/Policies/Related%20Party%20Transaction%20Policy.pdf>, Board diversity, Preservation of documents, Corporate Social Responsibility (CSR) are finalized in accordance with applicable laws.

DONATION

The Company has voluntarily donated Rs. 5 lacs to Sri Hombuja Padmavathi Education Trust, Rs. 0.30 lacs to Lions Club, Kalol, Rs. 0.25 lacs to Shri Parshwanath Foundation and Rs. 12 lacs to Gunayatan for charitable activities during the year.

INTERNAL FINANCIAL CONTROLS

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

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 'A' forming part of this Report.

ANNUAL RETURN

As required under the amended provisions of Section 92(3) of the Companies Act, 2013, copy of Annual Return is available at www.arem.co.in.

CEO/CFO CERTIFICATION

Shri Dinesh A Bilgi (DIN00096099), Managing Director and CFO has given necessary certificates/compliance reports to the Company.

SECRETARIAL AUDIT

As required under 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 'B', forming part of this Report. The Auditors observations are self-explanatory. The explanation to the query raised by the Secretarial Auditor pertaining to website is that the company is in the process of developing new website with bigger internet space and shall be updating all the information in near future.

STATUTORY AUDITORS

M/s Sweta Patel & Associates, Chartered Accountants of Ahmedabad having Firm Registration No.139165W have been reappointed as Statutory Auditors of the Company for a period of five years by the members of the Company in their 33rd Annual General Meeting (AGM) held on 21st September,

2022. The said Auditors have submitted certificate to the effect that they are eligible for continuing such appointment and are not disqualified to act as such.

The Auditors observations read with the notes to the Accounts for the year ended on 31st March, 2023 are self-explanatory.

MANAGEMENT DISCUSSION AND ANALYSIS (MD&A) & CORPORATE GOVERNANCE

The Company's philosophy is based on trusteeship, transparency and accountability. It fosters a culture of ethical behaviour and disclosures which 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. A detailed note on Management Discussion and Analysis is given as an Annexure 'C' to this Report.

CORPORATE GOVERNANCE REPORT

As per Regulation 34(3) read with Schedule V of the Listing Regulations, a separate section with detailed note on corporate governance practices followed by the Company is given by way of an Annexure 'D' forms an integral part of this Report.

LISTING WITH BSE LTD

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 paid Annual Listing fees for the year 2023-24. The Company has also paid custodial charges to National Securities Depository Ltd and Central Depository Services (India) Ltd for the year 2023-24.

REGISTRAR AND SHARE TRANSFER AGENT (RTA)

M/s Link Intime India Pvt Ltd, Mumbai is the RTA of the Company to carry out the share transfers, transmission, dividend and other related activities.

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 and approved by the Audit Committee. Hence these transactions are 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, 2023 and therefore details in Form AOC-2 are not given.

COST RECORDS:

The Company maintains cost records as per the provisions of the Companies Act, 2013 and the relevant rules made thereunder.

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 nor made any investments during the financial year under review.

ENVIRONMENT AND SAFETY

The Company considers clean and safe mode of operations in all respects. 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.

PROCEEDINGS UNDER INSOLVENCY AND BANKRUPTCY CODE, 2016, IF ANY

No proceedings were initiated against the Company during the year under review under the Insolvency and Bankruptcy Code, 2016.

ACKNOWLEDGEMENTS

The Board of Directors of the Company appreciates 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.

For and on behalf of the Board

Regd Office:

612, GIDC Industrial Estate
Chahtral, Tal: Kalol
Dist : Gandhinagar-382 729
Date: 12th August, 2023

Neel D Bilgi
Mg Director
DIN:00096180

Chirag D Bilgi
Mg Director
DIN: 02094970

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, 2023.

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

	2022-23	2021-22
Power and Fuel Consumption		
Electricity		
Purchased Unit	3896574	5303660
Total Amount (Rs)	31420058	37754575
Rate/Unit	8.06	7.12
Production in Million Units	11139	15075
Avg. KWH Consumption per million Units	350	352
Electricity Generated from Windmill – KWH	2114920	2232413
Wheeling of Electricity Generated – KWH	1903427	2009171

Form B

Technology Absorption

- | | |
|--|--|
| (1) Efforts made towards technology absorption | The Company utilizes indigenously developed production |
|--|--|

(2)	Benefits derived like product improvement cost reduction, product development or import substitution	technology. The technology has already been fully absorbed.
(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	N. A.
d)	If not fully absorbed, areas where this has not taken place & reasons thereof and	
(4)	The expenditure incurred on Research & Development	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	: Rs. 3275872/-
b)	Import of Capital Goods	: Rs. NIL
c)	Import of Stores & Spares	: Rs. 12419602/-
d)	Travelling	: Rs. NIL
e)	Commission & Others	: Rs. 1291350
ii)	Foreign Exchange Earned on account of exports	: Rs. 10419710/-

For and on behalf of the Board

Regd Office:

612, GIDC Industrial Estate
Chahtral, Tal: Kalol
Dist : Gandhinagar-382 729
Date: 12th August, 2023

Neel D Bilgi
Mg Director
DIN:00096180

Chirag D Bilgi
Mg Director
DIN: 02094970

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

for the financial year ended on 31st March, 2023

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 (CIN: L99999GJ1989PLC012213)
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 by 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, 2023, *generally* complied with the statutory provisions listed hereunder and also that the Company follows proper Broad-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, 2023 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') to the extent applicable to the Company:-
 - (a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015,
 - (d) *The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (e) *The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; - Not Applicable
 - (f) *The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; - Not Applicable
 - (g) *The Securities and Exchange Board of India (Registrars to Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with clients;
 - (h) *The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 – Not Applicable; and
 - (i) *The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998.
(*No event took place under these Regulations during the year under audit)
- (v) We have relied on the representation made by the Company, its Officers for systems and mechanism formed by the Company for compliances under the other applicable Acts, Rules, Laws, Guidelines and Regulations as applicable to the Company and we are of the opinion that the Company has *generally* complied with the following specific laws applicable to the Company as identified by it.
 1. The Factory Act, 1948
 2. The Electricity Act, 2003
 3. Textiles Committee Act, 1963
 4. Textiles (Development & Regulation) Order, 2001

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

- (a) The Secretarial Standards – I & II issued by the Institute of Company Secretaries of India as applicable.
- (b) Listing Agreement (LA) entered into by the Company with the BSE Ltd, Mumbai read with Listing Regulations entered into with the BSE Ltd under SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 (LODR).

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, subject to the following observations.

(Information of earlier years under few sub-regulation of Regulation 46 of the SEBI (LODR) Regulations, 2015 are not available on the website. As informed by the Management, the Company is in process of developing new website with bigger internet space and shall be updating all the information in near future).

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 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.

No specific events like Public Issue, Right Issue, Redemption or Buy-back of securities, Resolutions u/s 180 etc, were observed during the year under audit.

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 : 12th August, 2023

CS Abraham Pingle
FCS10290 CP13206
UDIN: F010290E000808771
Peer Review Certificate no.: 2031/2022
(Due to technical error the UDIN was generated on 16.8.2023)

The Members
Arex Industries Ltd (CIN: L99999GJ1989PLC012213)
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 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.
6. 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 : 12th August, 2023

CS Abraham Pingle
FCS10290 CP13206

Annexure `C` MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Overview

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

Industry Structure

The war between Russia and Ukraine has led to an increase in commodity price and disruptions in supply chain, resulting into inflations across goods and services and impacting economies across the globe. The major forces that shaped the world economy in 2022 seem to continue in 2023 with changed intensities. Debt levels remain high, limiting the ability of fiscal policymakers to respond to new challenges. The Covid-19 and the war between Russia and Ukraine had challenged the textile industry significantly which is now recovering. Demand in from fashion industry and growth of e-commerce platforms is expected to drive the industry growth over few coming years.

Persistent of Global Inflation and possibilities of recession has led to weakening of demand in Textile sector. Inflation has affected consumers and manufacturers alike as they have to pay more along all stages of their supply chains, from cost of freight to wage increases of workers. Despite global slowdown the Indian Textile and apparel industry is expected to grow and to be worth more than US\$ 209 billion by 2029. The industry is poised to grow, led by boost in demand and the government support in the form of various schemes.

Opportunities, Threats, Risk and Concern

The Government Support in the form of various schemes shall help for the development of the Textile Industry. India is expected to be benefited by the 'China Plus One' diversification policy adapted by multinational corporations and for such corporations India has greater appeal as an attractive option for manufacturing and exports of textiles and apparels. The growth of the technical textile market shall also provide attractive opportunities. Increasing demand from the fashion industry and currently ongoing growth of e-commerce platforms shall help boost the growth of the textile and apparel industry.

The textile industry is a labour-intensive sector and shortage of skilled workforce impacts the operations of the industry. The global trends in the economy are expected to have an impact on the Industry and the inflation is expected to remain high for the foreseeable future, due to increase in commodity prices. Also increase of interest rates by Central Banks in the coming period are also expected to lower growth and exert pressure on economies particularly those in emerging markets. Diminishing purchasing power and demand due to the economic circumstances could result in fundamental shifts in consumer behaviours and adversely impact the market for textiles and apparels. The management of the Company continuously strives to make dynamic strategy to adapt to the changing global circumstances impacting the textile industry and try to effectively workout for the minimal impact on the operations and stability of the Company.

Outlook

The Company continues its belief to continuous upgradation of its technology for efficient and better productivity. The Company has spent amount of about Rs. 124.19 lacs for spare parts and upgradation of its machineries. Due to the overall weak demand in the Textile Industry the revenue from operations of the Company has been impacted and it stands reduced by approx.16.25% in comparison to the previous year. The Company's operation at the two units, i.e. at Chhatral and Anjar have been satisfactory in line with the affected demand for apparels. The Company believes in providing quality products and it's such belief leads towards its products being 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 Revenue from Operations of the Company was impacted due to global weakening of the demand in the Textile Industry. The Revenue from Operations of the Company stands reduced by 16.25% in comparison to the previous year. Due to decrease in revenue from operations, increase in commodity prices, labour cost and supply chain costs, the Company has earned a profit of Rs. 70.08/- lacs as against a profit of Rs. 369.79 lacs. Your Directors do not recommend dividend for the current year.

Human Resources

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

Significant Change

The changes in various ratios have been provided in the notes to the Financial Statements.

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 ‘D’

REPORT ON CORPORATE GOVERNANCE

This Report sets forth the disclosures for the F.Y. 2022-23, pertaining to Corporate Governance of Arex Industries Limited (“the Company”), as required by SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 (“Listing Regulations”):

1. COMPANY’S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

The Company’s philosophy is based on trusteeship, transparency and accountability. The Company believes in following the law in letter and spirit. Good governance practice is an essential part of well-managed, successful business that delivers value to its 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 six are non-executive Directors and out of them 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. Shri Dinesh A Bilgi, Managing Director and CFO, Shri Neel D Bilgi, Managing Director and Shri Chirag D Bilgi, Managing Director of the Company are related to each other. No other Directors are related to each other. Shri Pragnesh Kantilal Shah, resigned as a Whole-time Director of the Company w.e.f. 27th June, 2022. He continues to be Non-Executive Non-Independent Director of the Company.

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 in 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 20.5.2022, 12.8.2022, 11.11.2022 and 10.2.2023. The gap between any two meetings did not exceed 120 days, except wherein extensions were provided by SEBI and Ministry of Corporate Affairs due to the COVID-19, pandemic situation.

The attendance record of each of the Directors at the Board Meetings held during 2022-23 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.	No. of Shares Held by Each Director as at the end of the Financial Year
Dinesh A Bilgi (DIN:00096099)	MD/CFO	4	Y	Nil	Nil	707952
Neel D Bilgi (DIN:00096180)	MD	4	Y	Nil	Nil	253550
Chirag D Bilgi (DIN:02094970)	MD	4	Y	Nil	Nil	256500
Pragnesh K Shah (DIN:00228223)	Director	4	Y	Nil	Nil	31100
Laxman C Tilani (DIN:00532516)	Director	4	Y	Nil	Nil	78500
Vasant R Shah (DIN:00371634)	Director	4	N	Nil	Nil	NIL
Balkrishna I Makwana (DIN:00287931)	NED	4	Y	Nil	Nil	10
Smt Harsha H Parikh (DIN:06931405)	NED	4	Y	Nil	Nil	10
Shri Aviv J Divekar (DIN: 00689884)	NED	4	N	Nil	Nil	NIL

Notes:

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

MD:- Managing Director. Appointments are contractual

NED- Non Executive Director and Independent Director.

b. Familiarisation Programme:

The Company and business familiarisation process for Independent Directors was an ongoing process during the Financial Year and largely carried out by way of special discussions at Board / Committee meetings on important matters such as key regulatory changes, material legal matters, changing industry trends, periodic operations review, strategy discussions and exceptional developments, if any, in the Company.

The details of such familiarisation program have been disclosed on the Company's website at <https://www.arex.co.in/investors/Policies/Familiarization%20Programme%20Imparted%20to%20Independent%20Directors.pdf>

c. Chart Setting out Skills/Expertise/Competence of the Board of Directors:

Skills, Expertise, Competencies	Dinesh Bilgi	Neel Bilgi	Chirag Bilgi	Pragnesh Shah	Laxman Tilani	Vasant Shah	Balkrishna Makwana	Harsha Parikh	Aviv Divekar
Strategic Leadership	Significant Leadership experience to think strategically and develop effective strategies to drive change and growth in context of the Company's overall objectives								
Industry Experience	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Financial Expertise	Experience and/or knowledge of the industry in which the Company operates								
Governance, Risk and Compliance	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	-
	Qualifications and / or Experience in Financial Matters								
	Yes	Yes	Yes	-	-	-	Yes	Yes	Yes
	Knowledge and experience of best practices in governance, policies and processes including establishing risk and compliance frameworks, identifying and monitoring risks								
	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

d. Independent Directors

The Non Executive Independent Directors fulfills the conditions of the independence specified as per the Companies Act, 2013 and the Rules made thereunder and requirements under Listing Regulations. A formal letter of appointment as provided in the said Act and the Listing Regulations have been issued to the Independent Directors respectively. One separate meeting of the Independent Directors was held on 4th January, 2023 and all the Independent Directors were present.

e. 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. The details of the Code of Conduct have been disclosed on the Company's website at <https://www.arex.co.in/investors/Policies/Code%20of%20Conduct%20for%20Directors%20and%20Senior%20Management.pdf>

f. 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.

g. 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. The details of the Code of Conduct for Prevention of Insider Trading have been disclosed on the Company's website at <https://www.arex.co.in/investors/Policies/Code%20Fair%20Disclosure%20&%20Code%20of%20Conduct%20-%20Insider%20Trading.pdf>

3. AUDIT COMMITTEE

a. Terms of Reference: The terms of reference of the Audit Committee cover all the areas mentioned under Part C of the Schedule II to the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013. The Board has also included in the terms of reference of the Audit Committee, the monitoring, implementing and review of risk management plan as required under Regulation 18 and as per part C (Role of Audit Committee) of Schedule II of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. The broad terms of reference of the Audit Committee therefore include review of financial reporting process and all financial results, statements and disclosures and recommending the same to the Board, reviewing the internal audit reports and discussing the same with the internal auditors, reviewing internal control systems and procedures, to meet the statutory auditors and discuss their findings, their scope of audit, post audit discussion, adequacy of internal audit functions, audit qualifications, if any, appointment / removal and remuneration of auditors, change in accounting policies and practices, reviewing approval and disclosure of all related party transactions, reviewing with the management, the performance of the statutory and internal auditors and their remuneration, compliance with listing agreements / SEBI (LODR) Regulations, 2015 and other legal requirements and the Company's financial and risk management plans and policies and its implementation, disaster recovery policies and compliance with statutory requirements.

b. Composition and Committee Meetings: The Audit Committee comprises of (1) Shri Balkrishna I Makwana (2) Smt Harsha H Parikh and (3) Shri Laxman C Tilani. Shri Balkrishna I Makwana is the Chairman of the Committee. The Committee met 4 times on 20.5.2022, 12.8.2022, 11.11.2022 and 10.2.2023 during the year. The attendance record of each of the Directors at the Audit Committee Meetings held during 2022-23 is as under: Shri Balkrishna I Makwana attended 4 meetings, Smt Harsha H Parikh attended 4 meetings, and Shri Laxman C Tilani attended 4 meetings.

4. NOMINATION AND REMUNERATION COMMITTEE

a. 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. The committee comprises of (1) Shri Balkrishna I Makwana, (2) Smt Harsha H Parikh, and (3) Shri Vasant R Shah as members of the Nomination and Remuneration Committee. Smt Harsha H Parikh is the Chairman of the Committee. The Nomination & Remuneration Committee met 2 times, i.e. on 20.5.2022 and 12.8.2022 during the financial year and all the Members of the Committee attended the meeting.

b. Performance Evaluation Criteria for Independent Directors:

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 Directors express their satisfaction with the evaluation process.

5. REMUNERATION OF DIRECTORS

a. 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 Rs. 1.90 Lacs during the FY 2022-23. Non executive Independent Directors do not have material pecuniary relationship or transactions with the Company.

b. 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 Nomination and Remuneration 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, 2023.

6. STAKEHOLDERS GRIEVANCE COMMITTEE

The Stakeholders Grievance Committee comprises of (1) Smt Harsha H Parikh, (2) Shri Dinesh A Bilgi, and (3) Shri Chirag D Bilgi, for addressing the grievances of the investors. Smt Harsha H Parikh is the Chairman of the Committee. The Committee meets as and when required and looks after shareholders complaints and matters relating to 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 NIL complaints from the shareholders, and there is no complaint pending as on 31st March, 2023. 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 is the Company Secretary and Compliance Officer of the Company. The Company has not received any complaint during the year. The Committee met as and when required during the financial year.

7. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Company has constituted Corporate Social Responsibility Committee (CSR) comprising of (1) Smt Harsha H Parikh, (2) Shri Laxman C Tilani, 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.

8. PARTICULARS OF SENIOR MANAGEMENT

There is no change in the senior management of the Company during the year.

9. GENERAL BODY MEETINGS

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

Year	Location/Venue	Date	Time
2019-2020	612, GIDC Estate, Chhatral, Tal.: Kalol, Dist.: Gandhinagar, Gujarat – 382729 through Video Conference (VC)/Other Audio Visual Means(OAVM)	24.9.2020	12.30 p.m.
2020-2021	612, GIDC Estate, Chhatral, Tal.: Kalol, Dist.: Gandhinagar, Gujarat – 382729 through Video Conference (VC)/Other Audio Visual Means(OAVM)	27.9.2021	12.30 p.m.
2021-2022	612, GIDC Estate, Chhatral, Tal.: Kalol, Dist.: Gandhinagar, Gujarat – 382729 through Video Conference (VC)/Other Audio Visual Means(OAVM)	21.9.2022	12.30 p.m.

b. Special Resolutions passed at the Previous Three Annual General Meetings:

The following resolutions were passed as Special Resolutions at the previous three Annual General Meetings:

- (i) Reappointment of Shri Dinesh A Bilgi as Managing Director of the Company for a period of three years (At 31st AGM)
- (ii) Reappointment of Shri Neel D Bilgi as Managing Director of the Company for a period of three years (At 31st AGM)
- (iii) Reappointment of Shri Chirag D Bilgi as Managing Director of the Company for a period of three years (At 31st AGM)
- (iv) Reappointment of Shri Pragnesh K Shah as Whole-time Director of the Company for a period of three years (At 31st AGM)
- (v) Appointment of Shri Aviv J Divekar as Independent Director of the Company for a period of five years (At 32nd AGM)
- (vi) Reappointment of Shri Dinesh A Bilgi as Managing Director of the Company for a period of three years (At 33rd AGM)
- (vii) Reappointment of Shri Neel D Bilgi as Managing Director of the Company for a period of three years (At 33rd AGM)
- (viii) Reappointment of Shri Chirag D Bilgi as Managing Director of the Company for a period of three years (At 33rd AGM)

c. Passing of resolutions by Postal Ballot:

No resolution was passed through Postal Ballot during the Financial Year.

9. 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.

10. GENERAL SHAREHOLDER INFORMATION

a) Annual General Meeting

Date and Time : Saturday, 30th September, 2023 at 12.30 p.m.(IST)
Venue : Video Conference (VC)/Other Audio Visual Means(OAVM)

b) Financial Calendar for 2022-2023 (Tentative)

Un-audited Results for First Quarter : 12th August, 2023
Annual General Meeting for the year 2022-23 : 30th September, 2023
Un-audited Results for Second Quarter/Half Year : By 14th of November, 2023
Un-audited Results for Third Quarter : By 14th of February, 2024
Audited Annual Results 2022-23 : By 30th of May, 2024

c) Date of Book Closure

The Book Closure for payment of dividend, if any, is from **Saturday, 23rd September, 2023 to Saturday, 30th September, 2023** (both days inclusive).

d) Dividend Payment

The Board has not recommended dividend during the Financial Year.

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 paid the Annual Listing Fees. The Company has also paid custodial charges to National Securities Depository Ltd and Central Depository Services (India) Ltd for the year 2023-24.

g) 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, 2022	167.00	146.55	2,238
May, 2022	160.65	136.55	2,887
June, 2022	144.55	118.95	648
July, 2022	218.80	151.75	4,978
August, 2022	251.95	189.05	7,482
September, 2022	262.55	216.70	7,528
October, 2022	314.70	237.50	4,709
November, 2022	253.00	124.40	12,363
December, 2022	141.00	107.85	3,20,554
January, 2023	128.00	107.40	16,016
February, 2023	124.00	87.55	8,802
March, 2023	110.70	76.05	19,684

f) Distribution of Shareholding as on 31st March, 2023

No of Shares	No of Shareholders	% of Shareholders	Total Shares	% of Shareholding
Less than 500	2290	92.86	262060	6.62
500 to 1000	64	2.60	52133	1.32
1001 to 2000	38	1.54	55291	1.40
2001 to 3000	15	0.61	38515	0.97
3001 to 4000	8	0.32	28902	0.73
4001 to 5000	7	0.28	33024	0.83
5001 to 10000	13	0.53	83934	2.12
10001 and above	31	1.26	3404841	86.01
Total	2466	100.00	3958700	100.00

g) Shareholding Pattern as on 31st March, 2023

Sr. No.	Category	No of Shares Held	% of Shareholding
1.	Promoters		
	Indian Promoters	2638332	66.65
	Foreign Promoter	NIL	NIL
2.	Mutual Fund and UTI	NIL	NIL
3.	Banks, Financial Institutions, Insurance Companies	100	0.00
4.	Private Corporate Bodies	16305	0.41
5.	Foreign Institutional Investors	NIL	NIL
6.	NRIs/OCBs	1839	0.05
7.	Indian Public	1041035	26.30
8.	Clearing Members	26	0.00
9.	Investor Education & Protection Fund	261063	6.59
	Grand Total	3958700	100.00

h) Registrar and Share Transfer Agents

M/s Link Intime India Pvt. Ltd, Mumbai 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:

Link Intime India Pvt Ltd, 506-508, Amarnath Business Centre-1 (ABC-1), Besides Gala Business Centre, Near St. Xavier's College Corner, Off. C. G. Road, Ellisbridge, Ahmedabad 380006, Gujarat

Tel: 079 26465179 / 86 / 87 Email: Ahmedabad@linkintime.co.in, Website: www.linkintime.co.in

i) Share Transfer System

The transfer of shares in physical form has been stopped as per the circular issued by the SEBI. In case of shares in electronic form, the transfers are processed by NSDL/CDSL through respective Depository Participants.

j) 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.

k) Plant Location and Address for correspondence

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

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

AFFIRMATION AND DISCLOSURES

a) Related Party Transactions

All transactions entered into with the Related Parties as defined under the Companies Act, 2013 and Listing Regulations during the year were in ordinary course of business and on arm's length basis. The Company has already taken approval for the related party transactions from the members of the Company. There were no materially significant transactions with related parties during the financial year. The Related Party Transactions have been disclosed under Note No.33 of the significant accounting policies and Notes forming part of the financial statements in accordance with Indian Accounting Standards.

b) 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 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.

c) Whistle Blower Policy

Pursuant to section 177(9) and (10) of the Companies Act, 2013 and Listing Regulations, 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 2022-23.

d) Compliance with all the mandatory requirements of Corporate Governance

The Company has complied with all the mandatory requirements of Corporate Governance applicable to the Company.

e) Policy for determining 'material' subsidiaries

The Company does not have subsidiary Company.

f) Certificate from Practicing Company Secretary:

The Company has obtained a certificate from M/s Abraham Pingle & Associates, Practicing Company Secretary, Ahmedabad, stating that none of the Directors on the Board of the Company have been debarred / disqualified from being appointed / continuing as Directors of any Company, by the SEBI and the Ministry of Corporate Affairs or any such Statutory Authority.

g) Fees Paid to Statutory Auditors

During the year under review, the total fees, for all services (including out of pocket expenses and taxes), paid by the Company, to the Statutory Auditors – M/s. Sweta Patel & Associates was aggregating to Rs. 4.30 lacs.

h) Protection of Women against Sexual Harassment at Work Place

The Company considers clean and safe mode of operations in all respects. 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.

i) Compliance with Corporate Governance

The Company has complied with the Corporate Governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of Listing Regulations as may be applicable to the Company.

CERTIFICATE OF COMPLIANCE WITH THE CODE OF BUSINESS CONDUCT

To,
The Members,
Arex Industries Limited

Arex Industries Limited has in place a Code of Business Conduct (the 'Code') for its Board of Directors, Senior Management Personnel and other employees of the Company. I report that the Board of Directors have received affirmations on compliance with the Code from the members of the Board and Senior Management of the Company for the year under review.

Place: Chhatral
Date: 12th August, 2023

Dinesh Bilgi
(DIN:00096099)
Managing Director

CERTIFICATE

I, Dinesh Apparao Bilgi, Managing Director and Chief Financial officer and Neel Dinesh Bilgi, Managing Director, certify that:

- A. We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
(1) These statements do not contain any materiality untrue statement or omit any material fact or contain statements that might be misleading.
(2) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting, and we have not noticed any deficiency in the design of operation of such internal controls, or of which we are aware that needs to be rectified or informed to the auditors and the Audit Committee.
- D. During the year it was disclosed to the Auditors and the Audit Committee that:
(1) There were no significant changes in internal control over financial reporting;
(2) No significant changes in accounting policies were made during the year that require disclosures in the notes to the financial statements; and
(3) No instances of significant fraud and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting, has come to our notice.

Place: Chhatral
Date: 12th August, 2023

Dinesh Bilgi
(DIN:00096099)
Mg. Director & CFO

Neel Bilgi
(DIN:00096180)
Mg. Director

AUDITORS' CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To the Members of **AREX INDUSTRIES LIMITED**

This certificate is issued in accordance with terms of our engagements with AREX INDUSTRIES LIMITED ("the Company").

- We have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31st March, 2023, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').
- The compliance of conditions of Corporate Governance is the responsibility of the Company's Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.
- Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
- We have examined the books of account and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
- We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India ('the ICAI'), the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
- We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
- In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended 31st March, 2023.
- We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For, SWETA PATEL & ASSOCIATES
Chartered accountants
(Registration No. 139165W)

Place : AHMEDABAD
Date : 12-08-2023

(Sweta H Patel)
Partner
Membership No. 154493
UDIN: 23154493BGZFFT7224

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause 10(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended)

To the Members of **AREX INDUSTRIES LIMITED**

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Arex Industries limited having CIN: L99999GJ1989PLC012213 and having registered office at 612, GIDC Estate, Chhatral, Tal.: Kalol, Dist.: Gandhinagar – 382729, India (hereinafter referred to as "the Company"), produced before us by the Company for the purpose of issuing this certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

In our opinion and to the best of our information and according to the verification (including Director Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2023 have been debarred or disqualified from being appointed or continuing as Directors of company by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company*
1	Dinesh Apparao Bilgi	00096099	01-05-2009
2	Neel Dinesh Bilgi	00096180	01-08-2005

3	Pragnesh Kantilal Shah	00228223	14-12-1990
4	Balkrishna Ishwarlal Makwana	00287931	01-02-2003
5	Vasant Ravji Shah	00371634	11-07-1994
6	Laxman Chetandas Tilani	00532516	14-12-1990
7	Aviv Joseph Divekar	00689884	01-09-2021
8	Chirag Dinesh Bilgi	02094970	01-08-2010
9	Harsha Hemantkumar Parikh	06931405	01-08-2014

*The date of appointment is as per the MCA Portal.

Ensuring the eligibility of/for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Ahmedabad

Date : 12th August, 2023

CS Abraham Pingle

FCS10290 CP13206

UDIN: F010290E000808824

Peer Review Certificate no.: 2031/2022

(Due to technical error the UDIN was generated on 16.8.2023)

Annexure "E"

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

(i)	The Ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2022-23	Director's Name	Ratio to mean remuneration
		Mr. Dinesh A Bilgi, MD & CFO	30.25:1
		Mr. Neel D Bilgi, MD	22.27:1
		Mr. Chirag D Bilgi, MD	19.99:1
		Mr. Pragnesh K Shah, WTD	0.49:1
		(upto: 27.6.2022)	
(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 2022-23 compared to 2021-22	Director's/ CFO/ CEO/ CS/ Mgr Name	%age increase in remuneration
		Mr. Dinesh A Bilgi, MD & CFO	(29.29%)
		Mr. Neel D Bilgi, MD	(47.95%)
		Mr. Chirag D Bilgi, MD	(53.29%)
		Mr. Pragnesh K Shah, WTD	18.60%
		(upto: 27.6.2022)	
		Ms. Kairavi Bilgi – CS	6.48%
		(13.28%)	
(iii)	Percentage increase in the median remuneration of employees in the financial year 2022-23 compared to 2021-22		
(iv)	Number of permanent employees on the roll of the Company	As on 31.03.2023	As on 31.03.2022
		292	299
(v)	Average percentile increase in salaries of Employees other than managerial personnel	During 2021-22	During 2022-23
		--	(13.28%)

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

To the Members of Arex Industries Limited,

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Arex Industries Limited** ("the Company"), which comprise the balance sheet as at 31st March, 2023, and the statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information

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 Companies Act, 2013 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, 2023, and its profit (including other comprehensive income), change in equity and its cash flow for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

In our opinion and based on audit of the financial statement of the Company, we have determined that there are no key audit matters to communicate in our report.

Other Information

The Company's management and Board of Directors is responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 state of affairs, profit (including other comprehensive income), changes in equity and cash flow of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act.. 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.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system with reference to the financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit

evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

- As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
- As required by section 143(3) of the Act, we report that:
 - 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.
 - 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.
 - The Balance Sheet and the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - 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;
 - On the basis of written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of section 164(2) of the Act.
 - With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - 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:
 - The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements (refer note no.26 to the Ind AS financial statements).
 - The Company does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - (a) On the basis of written representation from management, other than other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) On the basis of written representation from management, other than other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on the audit procedures performed by us, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) above contain any material mis-statement.
 - The company has not declared or paid any dividend during the year, hence provisions of section 123 of the company's act, 2013 is not applicable.
 - With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

For, SWETA PATEL & ASSOCIATES
Chartered accountants
(Firm Registration No. 139165W)

Place : CHHATRAL
Date : 27-05-2023

(Sweta H Patel)
Partner
Membership No. 154493
UDIN : 23154493BGZFFC8115

Annexure 'A' 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) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment;
- (B) The Company is maintaining proper records showing full particulars of Intangible assets;
- (b) Some of the Property, Plant and Equipment were physically verified during the year by the management in accordance with a program of verification, which in our opinion provides for physical verification of all the Property, Plant and Equipment at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and records examined by us and based on the examination of registered sale deed/transfer deed/conveyance deed provided to us, we report that, the title deeds, comprising of all the immovable properties of land and self-constructed buildings which are freehold, are held in the name of the company as at the balance sheet date. In respect of immovable properties of land and buildings that have been taken on lease and disclosed as fixed asset in the financial statements, the lease agreements are in the name of company, where the company is lessee in the agreement as at the balance sheet date.
- (d) The company has not revalued its Property, Plant and Equipment (including right to use assets) or intangible assets or both during the year.
- (e) No proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
2. (a) The inventory has been physically verified by the management at reasonable intervals during the year. In our opinion the coverage and procedure of such verification is appropriate. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (b) During the year the company has been sanctioned working capital limit in excess of five crore rupees, in aggregate from any bank or institutions on the basis of security of current assets and the quarterly returns or statements filed by the company with such banks or financial institutions are in agreement with the books of accounts, except in the following cases;
3. The Company has not made any investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, limited liabilities partnerships or other parties hence 3(iii)(b), 3(iii)(c), 3(iii)(d), 3(iii)(e), 3(iii)(f) of the said order is not applicable to the company.
4. The Company has not granted any loans or made any investments or provided any guarantees or securities to the parties covered under sections 185 and 186 of the Companies Act. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.

Quarter	Name of Bank	Amount as per books of accounts (Rupees in Lakh)	Amount as reported in the quarterly return/statement (Rupees in Lakh)	Amount in difference (Rupees in Lakh)	Reason for material discrepancies
Jun-22	State Bank of India	1749.91	1740.45	-9.46	#Refer Note below
Sep-22	State Bank of India	1642.85	1640.98	-1.88	
Dec-22	State Bank of India	1644.80	1619.74	-25.06	
Mar-23	State Bank of India	1511.42	1510.70	-0.72	

Reason for material discrepancies: -

On verification of statements submitted to bank, on prima facie we observed that company is transferring the amount received from debtors, to one common pool account know as debtors clearing account, for which bill-to-bill details are not available with company at the time of receipt of money. While submitting the details to bank, company did not consider the said amount in arriving the number of debtors outstanding on the respective period end, in the statement. Later on, on receipt of such bill-to-bill bifurcation, the company is transferring the said debtors clearing account to respective debtors. Due to this the said difference is arising.

5. The Company has not accepted deposits or any amount which are deemed to be deposits from the public within the meaning of directives issued by Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Companies Act, and the Rules made thereunder. Accordingly, the Provisions of Clause (v) of the order are not applicable to the Company.
6. According to the information and explanation given to us and on the basis of our examination of the books of account, 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, Goods and Service Tax, Custom duty, Cess and any other statutory 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, 2023 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and on the basis of our examination of the books of account, there are no amounts in respect of sales tax/ income tax/ custom duty / excise duty/ service tax that have not been deposited with the appropriate authorities on account of any dispute except the following:

Name of the Statute	Nature of the dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Income tax Act	Income tax	765729	Assessment year 2018-19	CIT (A)

8. According to the information and explanations given to us and on the basis of our examination of the books of account, there are no unrecorded transactions in the books of accounts that have been surrendered or disclosed as income during the year in tax assessment under the Income Tax Act, 1961.
9. (a) According to the information and explanations given to us and based on our audit procedure performed, the Company has not defaulted in repayment of loans or borrowings or in the payment of interest thereon to any lender, hence reporting under clause 3(ix)(a) is not applicable to the company.
- (b) According to the information and explanations given to us and based on our audit procedure performed, the company has not declared willful defaulter by any bank or financial institution or other lender, hence clause 3(ix)(b) is not applicable to the company.
- (c) In our opinion and according to the information and explanations given to us, the term loan obtained during the year were applied for the purpose for which they were availed.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) According to the information and explanations given to us and based on our audit procedure performed, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures, hence clause 3(ix)(e) is not applicable to the company.
- (f) According to the information and explanations given to us and based on our audit procedure performed, the company has not raised any loan during the year on pledge of securities held in its subsidiaries, joint ventures or associate companies, hence clause 3(ix)(f) is not applicable to the company.
10. (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year under review. Accordingly, the provisions of Clause 3(x)(a) of the Order are not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the provisions of Clause 3(x)(b) of the Order are not applicable to the Company.
11. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanation given to us we have neither come across any instance of fraud by the company or on the company, noticed or reported during the year, nor have we been informed of any such case by the Management.
- (b) We have not issued any report under section 143(12) of the Companies Act, hence the provisions of Clause 3(xi)(b) of the Order are not applicable to the Company.
- (c) As informed to us, the company has not received any whistle-blower complaints during the year, hence the provisions of Clause 3(xi)(c) of the Order are not applicable to the Company.
12. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it; hence the provisions of Clause 3(xii)(a), 3(xii)(b) and 3(xii)(c) of the Order are not applicable to the Company.
13. The Company has entered into transactions with related parties in compliance with the provisions of section 177 and section 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014..
14. (a) In our opinion and according to information and explanation given to us, the company has internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the company issued for the period under audit.
15. In our opinion, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi)(a), 3(xvi)(b), 3(xvi)(c) of the Order are not applicable to the Company.
17. The company has not incurred any cash losses in the financial year and in the immediately preceding financial year provisions of clause 3(xvii) of the Order is not applicable to the Company.
18. There has been no resignation of statutory auditor during the year, accordingly clause 3(xviii) of the Order is not applicable to the Company.
19. On the basis of financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, to the best of our opinion and information and explanation available to us, company is capable of meeting its liabilities existing at the balance sheet date as and when they fall due within period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will discharge by the company as and when they fall due.
20. In our opinion and based on our examination of books of accounts, provision of section 135 in respect of corporate social responsibility of the act is not applicable to the company and hence provisions of clause 3(xx)(a) and 3(xx)(b) of the order is not applicable to the company.
21. The reporting under clause 3(xxi) of the order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said clause has been included in this report.

For, **SWETA PATEL & ASSOCIATES**
Chartered accountants
(Firm Registration No 139165W)

Place : CHHATRAL Date : 27-05-2023

(Sweta H Patel)
Partner
Membership No. 154493
UDIN : 23154493BGZFFC8115

Annexure 'B' to Independent Auditors' Report

[Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date]
Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Arex Industries Limited** ("the Company") as of 31st March, 2023 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management and board of directors are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit, we conducted our audit in accordance with the Guidance Note issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013 to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial control over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or, fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

For, SWETA PATEL & ASSOCIATES
Chartered accountants
(Firm Registration No 139165W)

Place : CHHATRAL
Date : 27-05-2023

(Sweta H Patel)
Partner
Membership No. 154493
UDIN : 23154493BGZFFC8115

Balance Sheet as at 31st March, 2023

	Note	Amount in Rupees in Lacs	
		As at 31st March, 2023	As at 31st March, 2022
ASSETS			
Non-current assets			
Property, Plant & Equipment	3	3338.54	3614.07
Capital Work in progress	3	0.00	48.53
Other Intangible assets	3	0.02	0.03
Financial assets			
Other non-current financial assets	4	84.99	84.28
Income tax assets (net)	5	28.17	64.87
Total Non-current assets		3451.72	3811.78
Current assets			
Inventories	6	889.26	965.42
Financial assets			
Trade Receivables	7	814.47	944.02
Cash and cash equivalents	8	5.15	4.74
Bank balances other than Cash and cash equivalents above	9	30.07	33.32
Other current assets	10	78.76	86.14
Total Current assets		1817.70	2033.64
Total assets		5269.42	5845.42
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	11	395.87	395.87
Other Equity	12	2510.88	2440.80
Total Equity		2906.75	2836.67
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Non current Borrowings	13	1137.58	1614.84
Deferred tax liabilities (net)	30	176.41	162.50
Total Non-current liabilities		1313.99	1777.34
Current liabilities			
Financial liabilities			
Current Borrowings	14	637.43	717.27
Trade payables	15	312.91	388.46
Other current financial liabilities	16	49.87	45.20
Other current liabilities	17	48.46	80.50
Total Current liabilities		1048.68	1231.42
Total equity and liabilities		5269.42	5845.42
Significant Accounting Policies	2		
Notes 1 to 38 are an integral part of the Financial Statements			
As per our report of even date attached			
For, Sweta Patel & Associates		For and on behalf of the Board	
Chartered Accountants			
Firm Registration No. 139165W			
Sweta H. Patel	Dinesh Bilgi	Neel Bilgi	Chirag Bilgi
(Partner)	(DIN:00096099)	(DIN:00096180)	(DIN:02094970)
	Mg. Director & CFO	Mg. Director	Mg. Director
Membership No. : 154493	Balkrishna	Kairavi Bilgi	
UDIN :	Makwana	(ACS:21519)	
Place : Chhatral	(DIN:00287931)	Company Secretary	
Date : 27-05-2023	Director		
			Place : Chhatral
			Date : 27-05-2023

Statement of Profit and Loss for the Year ended 31st March, 2023

	Note	Amount in Rupees in Lacs	
		2022-23	2021-22
INCOME			
Revenue from Operations	18	4502.12	5375.32
Other Income	19	13.41	6.30
Total Revenue		4515.53	5381.62
EXPENSES			
Cost of Materials Consumed	20	1354.01	1564.75
Purchases of Stock-in-Trade		21.98	34.71
Changes in Inventories of Finished Goods, Stock-in-Process and Stock-in-Trade	21	6.53	(60.06)
Employee Benefits Expense	22	1364.65	1529.39
Finance Costs	23	181.37	210.63
Depreciation and Amortisation Expenses	3	423.41	449.42
Other Expenses	24	1062.58	1187.70
Total Expenses		4414.53	4916.54
Profit Before Tax		100.99	465.08
Tax Expenses			
Current Income Tax		17.00	77.76
Deferred Tax		13.91	17.52
Profit for the year		70.08	369.79
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Gain /(Loss) on measurement of Equity instruments at fair value		0.00	1.48
Other comprehensive income for the year		0.00	1.48
Total Comprehensive income for the year		70.08	371.27
Earnings per equity share of face value of Rs.10 each			
Basic and Diluted (in Rs.)	31	0.00	0.00
Significant Accounting Policies			
Notes 1 to 38 are an integral part of the Financial Statements			
As per our report of even date attached			
For, Sweta Patel & Associates		For and on behalf of the Board	
Chartered Accountants			
Firm Registration No. 139165W			
Sweta H. Patel (Partner)	Dinesh Bilgi (DIN:00096099)	Neel Bilgi (DIN:00096180)	Chirag Bilgi (DIN:02094970)
Membership No. : 154493	Mg. Director & CFO	Mg. Director	Mg. Director
UDIN :			
Place : Chhatral			
Date : 27-05-2023	Balkrishna Makwana (DIN:00287931) Director	Kairavi Bilgi (ACS:21519) Company Secretary	
Place : Chhatral			
Date : 27-05-2023			

Cash Flow Statement for the year ended 31st March,2023

	Amount in Rupees in Lacs		
	As at 31st March, 2023	As at 31st March, 2022	
A. CASH FLOW FROM OPERATING ACTIVITIES			
Profit Before Tax	100.99	465.08	
Depreciation and Amortisation Expenses	423.41	449.42	
Finance Costs	181.37	210.63	
Loss /(Profit) on sale of Assets	(9.52)	1.52	
Other Income	(13.41)	(6.30)	
Operating Profit before Working Capital Changes	682.85	1120.34	
Trade Receivables	129.56	211.92	
Inventories	76.17	(134.70)	
Other non-current & current assets	6.67	(7.16)	
Trade and Other Payables	(102.90)	(35.60)	
Cash generated from Operations	792.34	1154.81	
Direct Tax	19.70	(108.71)	
Net Cash Flow from Operating Activities (A)	812.04	1046.10	
B. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Property, Plant & Equipment	(149.06)	(124.79)	
Sale of Property, Plant & Equipment	10.70	1.02	
Other Bank balances	3.25	3.16	
Movement in Capital work in progress	48.53	(48.53)	
Proceeds from sale of Investment in Mutual Fund	0.00	102.38	
Other Income	13.41	6.30	
Net Cash Used in Investing Activities (B)	(73.17)	(60.45)	
C. CASH FLOW FROM FINANCING ACTIVITIES			
Long-term borrowings Raised / (Repaid)	(477.25)	(900.93)	
Shor-term borrowings Raised / (Repaid)	(79.84)	126.97	
Finance Costs paid	(181.37)	(210.63)	
Net Cash Used in Financing Activity (C)	(738.46)	(984.58)	
Net Increase in Cash & Cash Equivalents (D = A+B+C)	0.41	1.06	
Opening Cash & Cash Equivalents	4.74	3.67	
Closing Cash & Cash Equivalents	5.15	4.74	
Significant Accounting Policies	2		
Notes 1 to 38 are an integral part of the Financial Statements			
As per our report of even date attached			
For, Sweta Patel & Associates	For and on behalf of the Board		
Chartered Accountants			
Firm Registration No. 139165W			
 Sweta H. Patel (Partner)	Dinesh Bilgi (DIN:00096099) Mg. Director & CFO	Neel Bilgi (DIN:00096180) Mg. Director	Chirag Bilgi (DIN:02094970) Mg. Director
Membership No. : 154493			
UDIN :			
Place : Chhatral			
Date : 27-05-2023	Balkrishna Makwana (DIN:00287931) Director	Kairavi Bilgi (ACS:21519) Company Secretary	
	Place : Chhatral		
	Date : 27-05-2023		

Statement of Changes in Equity for the year ended 31st March,2023

(A) Equity share capital

Particulars	Note no.	Amount in Rupees in Lacs	
		As at	As at
		31st March,2023	31st March,2022
Opening balance	11	395.87	395.87
Changes in equity share capital		0.00	0.00
Restated balance as at April 1, 2022		395.87	395.87
Changes in equity share capital		0.00	0.00
Closing balance	11	395.87	395.87

(A) Other Equity

Particulars	State Capital Subsidy	General reserve	Retained earning	Amount in Rupees in Lacs	
				Other Comprehensive income	Total
				Fair value reserve	
Balance as at 01st April, 2021	23.92	10.00	2034.70	0.90	2069.52
Add/ (Less):					
Profit for the year	0.00	0.00	369.79	0.00	369.79
Fair valuation of Financial instrument	0.00	0.00	0.00	1.48	1.48
Transfer to Retained earnings	0.00	0.00	2.38	(2.38)	0.00
Payment of dividend and tax	0.00	0.00	0.00	0.00	0.00
Balance as at 31st March, 2022	23.92	10.00	2406.88	0.00	2440.80
Add/ (Less):					
Profit for the year	0.00	0.00	70.08	0.00	70.08
Fair valuation of Financial instrument	0.00	0.00	0.00	0.00	0.00
Transfer to Retained earnings	0.00	0.00	0.00	0.00	0.00
Payment of dividend and tax	0.00	0.00	0.00	0.00	0.00
Balance as at 31st March, 2023	23.92	10.00	2476.96	0.00	2510.88

Notes 1 to 38 are an integral part of the Financial Statements
As per our report of even date attached

For, Sweta Patel & Associates
Chartered Accountants
Firm Registration No. 139165W

For and on behalf of the Board

Sweta H. Patel
(Partner)
Membership No. : 154493
UDIN :
Place : Chhatral
Date : 27-05-2023

Dinesh Bilgi
(DIN:00096099)
Mg. Director & CFO

Neel Bilgi
(DIN:00096180)
Mg. Director

Chirag Bilgi
(DIN:02094970)
Mg. Director

Balkrishna
Makwana
(DIN:00287931)
Director

Kairavi Bilgi
(ACS:21519)
Company Secretary

Place : Chhatral
Date : 27-05-2023

Notes to the Financial Statements for the year ended 31st March, 2023**1. Corporate information**

Arex Industries Limited (the 'Company') is a public limited Company incorporated in India with its registered office at 612, G.I.D.C. Estate, Chhatral, Taluka, Gandhinagar, Dist. Gandhinagar, Kalol, Gujarat-382729. The equity shares of the Company are listed on recognised stock exchange in India. The Company is principally engaged in the business of manufacturing & Trading of Woven & Printed Labels.

2. Significant accounting policies**2.1 Basis of preparation of Financial Statement:**

Statement of Compliance with Indian Accounting Standards (Ind AS) : The financial statements have been prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 ("the Act") and other relevant provisions of the Act and other accounting principles generally accepted in India.

2.2 Use of estimates and judgements

The preparation of financial statements requires management to make judgments, estimates, and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates. The difference between the actual results and estimates are recognized in the period in which the results are known or materialised. Continuous evaluation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognised prospectively.

2.3 Critical accounting estimates**A. Useful lives and residual values of property, plant and equipment**

Property, plant and equipment represent a material portion of the Company's asset base. The periodic charge of depreciation is derived after estimating useful life of an asset and expected residual value at the end of its useful life. The useful lives and residual values of assets are estimated by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on various external and internal factors including historical experience, relative efficiency and operating costs and change in technology.

B. Income taxes

The Company's tax jurisdiction is India. Significant judgments are sometimes involved in determining the provision for income taxes including amounts to be recovered or paid for uncertain tax positions. Management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits.

C. Contingencies

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that are possible but not probable of crystallising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognised.

2.4 Summary of significant accounting policies**a) Current versus non-current classification**

An asset is treated as current when it is :

- Expected to be realised or intended to be sold or consumed in normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

b) Revenue recognition**➤ Sale of Goods :**

Revenue from the sale of goods is recognised when ownership in the goods is transferred to the buyer for a price, when significant risks and rewards of ownership have been transferred to the buyer and no effective control, to a degree usually associated with ownership, is retained by the Company. Sale of goods is stated net off VAT, CST, GST, discounts and rebates and excise duty.

➤ Interest Income :

Interest income is recognised on a time proportion basis taking into account the amount outstanding and applicable interest rate.

➤ Dividend Income :

Dividend Income is recognized when right to receive the same is established.

c) Foreign currency

The functional currency of the Company is the Indian rupee. These financial statements are presented in Indian rupees.

Transactions and balances

Foreign currency transactions are recorded in the functional currency by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction. All foreign currency monetary assets and monetary liabilities as at the Balance Sheet date are translated into the functional currency at the applicable exchange rates prevailing on that date. All exchange differences arising on translation, are recognised in the Statement of Profit and Loss. Non-monetary assets and non-monetary liabilities denominated in foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction.

Gain or losses upon settlement of foreign currency transactions are recognised in the Statement of Profit and Loss for the period in which the transaction is settled.

d) Retirement and Other employee benefits :• **Defined Benefit Plan**➤ **Gratuity**

The Company provides for gratuity through a defined benefit plan covering all eligible employees. The plan provides a lump sum payment to eligible employees at retirement or on termination of employment based on the salary of the respective employee and the years of employment with the Company. The Company contributes to a gratuity fund maintained by Life Insurance Corporation of India. The amount of contribution is determined based upon actuarial valuations as at the year end. Such contributions are charged off to the Statement of Profit and Loss.

➤ **Leave Encashment :**

Leave liability which is not expected to occur within twelve months after the end of the period in which the employee renders the related services is recognised as a liability at the present value of defined benefit obligation as at the Balance Sheet less the fair value of the plan assets, if any, out of which the obligations are expected to be settled. Leave liability is funded with Life Insurance Corporation of India.

• **Defined Contribution Plan**

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Company makes specified monthly contributions towards employee provident fund to Government administered provident fund scheme which is a defined contribution plan. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

• **Other employee Benefits**

Short term employee benefits are recognised as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the related service is rendered.

e) Taxes

Income tax expense comprises current income tax and deferred income tax. Income tax expense is recognised in the Statement of Profit and Loss except to the extent it relates to items recognised directly in equity, in which case it is recognised in other comprehensive income or other equity as the case may be.

Current Income tax

Provision for current tax is made considering various allowances and benefits available to the Company under Income Tax Act. Current tax is the amount of tax payable based on the taxable profit for the year as determined in accordance with as applicable tax rates and the provisions of the Income tax Act, 1961.

Deferred tax

In accordance with Indian Accounting Standard -12 "Income Taxes", Deferred taxes resulting from temporary difference between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred income tax is measured using tax rates and tax laws that have been enacted or substantively enacted by the end of reporting period and are expected to apply when the related deferred income tax asset is realised or deferred tax liability is settled.

f) Property ,Plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises the purchase price (Net of Cenvat and VAT credit/GST input credit wherever applicable) and any attributable cost of bringing the assets to its working condition for its intended use. Such cost also includes the cost of replacing part of the Property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of Property, plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All Other repair and maintenance costs are recognised in the statement of profit and loss as incurred.

Depreciation on Property, plant and equipment is calculated on a straight-line basis, from the month of addition, using the estimated useful lives, as specified in schedule II to the Companies Act, 2013, except in respect of the following assets:

Assets description	Useful life as per management	Used life under schedule II
Office Equipment	10 Years	5 Years
Air Condition	8 Years	15 years
Vehicles	6 Years	8 years
Machineries (Parts)	5 Years	15 Years
Building (Renovation)	5 Years	3 Years
Mobile Phone	3 Years	5 Years

Depreciation on Windmill is charged on written down value method based on the estimated useful life of the assets as specified under Schedule II of the Companies Act, 2013.

Gain or loss arising from de-recognition of property, plant & equipment are measured as the difference between the net disposal proceeds and carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

The residual values, useful lives, and methods of depreciation of Property plant and equipment are reviewed at the end of each reporting period and adjusted prospectively, if appropriate.

g) Intangible Assets

Intangible assets acquired separately are measured at initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets being Software is amortised over a period of 3 years based on management assessment and assessed for impairment whenever there is an indication that the intangible may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate and are treated as changes in accounting estimates. The amortisation expense on intangible assets is recognised in the statement of profit and loss. Gain or loss arising from de-recognition of an intangible assets are measured as the difference between the net disposal proceeds and carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

h) Leases

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 is charged as rent in the statement of profit and loss.

i) Inventories

- Inventories are valued as under:
- Raw Material: at weighted average cost or net realisable value whichever is lower.
- Work in Progress: 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.
- Store, Spare & Packing Material: Weighted average cost or net realisable value whichever is lower.

j) Impairment of non-financial assets

The carrying amount of assets is reviewed for impairment at the end of each reporting date if there is any indication of impairment based on internal/external factor. An impairment loss is recognised in the statement of profit and loss wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's or cash generating unit's fair value less cost of disposal and value in use. In assessing value in use, the estimated future Cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. In determining fair value, recent market transactions are taken into account.

The business plans which are approved on annual basis by senior management are the primary source of information for the determination of value in use. As an initial step in the preparation of these plans, various assumptions regarding market conditions, and cost inflation rates are set by senior management. These assumptions take account of existing prices and other macro-economic factors and historical trends and variability.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life. A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment. Such reversal is recognised in the statement of profit and loss.

k) Financial instruments

All financial assets and liabilities are initially recognised at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and liabilities, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition. Purchase and sale of financial assets are recognised using trade date accounting. Financial liabilities i.e. borrowing & trade payables are recognised net of directly attributable transactions cost.

The classification of financial instruments depends on the objective of the business model for which it is held. Management determines the classification of its financial instruments at initial recognition. For the purpose of subsequent measurement, financial instruments of the Company are classified in the following categories:

➤ **Non derivative financial assets**

1) **Financial assets at amortised cost**

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash payments of principal and interest on the principal amount outstanding.

They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. Financial assets are measured initially at fair value plus transactions costs and subsequently carried at amortised cost using the effective interest method, less any impairment loss.

Financial assets at amortised cost are represented by trade receivables, security deposits, cash and bank balances, other advances and eligible current and non-current assets.

2) **Financial assets at fair value through other comprehensive income (FVTOCI)**

All equity instruments are measured at fair value. For all Equity instruments which are not held for trading, the Company may make an irrevocable election to present subsequent changes in the fair value in Other Comprehensive Income (OCI). This election is made on an investment-to-investment basis. If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividend are recognised in OCI which is not subsequently recycled to the statement of profit and loss.

3) **Financial assets at fair value through profit and loss (FVTPL)**

A financial asset which is not classified in any of the above categories are measured at FVTPL.

➤ **Non derivative financial liabilities**

All financial liabilities are classified into following categories:

1) **Financial liabilities at amortised cost**

Financial liabilities at amortised cost represented by borrowings, trade payables and other liabilities are initially recognised at fair value and subsequently carried at amortised cost using the effective interest rate method.

2) **Financial liabilities at fair value through profit and loss**

Financial liabilities at FVTPL are measured at fair value with all changes recognised in the statement of profit or loss.

De-recognition of financial instruments

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

Financial liabilities

The Company derecognises financial liabilities when and only when, the Company's obligations are discharged, cancelled or have expired.

Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, trade receivables and other contractual rights to receive cash or other financial asset not designated as at FVTPL.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12 months expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on historical credit loss experience and adjusted for forward looking information.

l) Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits with banks other than deposits pledged with government authorities and margin money deposits.

m) Cash flow statement

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

n) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

o) Provisions, Contingent liabilities, 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. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance sheet date. These are reviewed at each Balance sheet date and adjusted to reflect the current best estimate. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements. Contingent Assets are neither recognised nor disclosed in the financial Statements.

p) Borrowing Cost:

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.

q) Government Grant:

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

r) Power Generation from Windmill:

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.

Notes to Financial Statements for the year ended 31st March, 2023

		Amount in Rupees in Lacs	
		As at 31st March,2023	As at 31st March,2022
4 Other non-current financial assets			
Unsecured and Considered good :			
Security Deposits			
Related parties (Refer Note no.33)		0.00	0.00
Others		84.99	84.28
	TOTAL	84.99	84.28
5 Income tax assets (net)			
Advance Payment of Taxes (Net)		28.17	64.87
	TOTAL	28.17	64.87
6 Inventories			
(valued at lower of cost and net realizable value)			
Raw Materials		369.25	492.26
Work in Process		77.37	91.92
Finish Goods		211.62	203.59
Stores and Spares		219.87	162.13
Packing Materials		3.85	7.35
Other Materials		7.30	8.17
	TOTAL	889.26	965.42
7 Trade Receivables			
Unsecured and Considered good		814.47	944.02
	TOTAL	814.47	944.02

Aging for the Trade Receivables as at 31st March 2023							Amount in Rupees in Lacs
Particulars	Outstanding for following periods from due date of payment						
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total	
Undisputed Trade receivables — considered good	774.51	34.98	2.71	1.41	0.85	814.47	
Undisputed Trade Receivables — which have significant increase in credit risk	0.00	0.00	0.00	0.00	0.00	0.00	
Undisputed Trade Receivables — credit impaired	0.00	0.00	0.00	0.00	0.00	0.00	
Disputed Trade Receivables — considered good	0.00	0.00	0.00	0.00	0.00	0.00	
Disputed Trade Receivables — which have significant increase in credit risk	0.00	0.00	0.00	0.00	0.00	0.00	
Disputed Trade Receivables — credit impaired	0.00	0.00	0.00	0.00	0.00	0.00	

Aging for the Trade Receivables as at 31st March 2022							Amount in Rupees in Lacs
Particulars	Outstanding for following periods from due date of payment						
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total	
Undisputed Trade receivables — considered good	913.05	25.30	3.77	1.81	0.09	944.02	
Undisputed Trade Receivables — which have significant increase in credit risk	0.00	0.00	0.00	0.00	0.00	0.00	
Undisputed Trade Receivables — credit impaired	0.00	0.00	0.00	0.00	0.00	0.00	
Disputed Trade Receivables — considered good	0.00	0.00	0.00	0.00	0.00	0.00	
Disputed Trade Receivables — which have significant increase in credit risk	0.00	0.00	0.00	0.00	0.00	0.00	
Disputed Trade Receivables — credit impaired	0.00	0.00	0.00	0.00	0.00	0.00	

8 Cash and cash equivalents			
Balance with Banks - In current account		0.00	0.00
Cash on hand		5.15	4.74
	TOTAL	5.15	4.74
9 Bank balances other than Cash and cash equivalents above			
Unclaimed Dividend Account		30.07	33.32
	TOTAL	30.07	33.32
10 Other current assets			
Unsecured and Considered good			
Advances to suppliers		24.11	37.23
Loans & Advances to Employees		21.78	21.82
Balances with statutory authorities		0.05	0.08
Interest Accured		4.21	2.18
Prepaid Expenses		28.61	24.83
	TOTAL	78.76	86.14

Notes to Financial Statements for the year ended 31st March, 2023

	Amount in Rupees in Lacs	
	As at 31st March, 2023	As at 31st March, 2022
11 Equity		
Authorised Share Capital :		
5000000 (31/03/2022: 5000000) Equity Shares of Rs.10/- each	500.00	500.00
Issued, Subscribed and Paid up Capital		
3958700 (31/03/2022: 3958700) Equity shares of Rs.10/- each fully paid up	395.87	395.87
TOTAL	395.87	395.87

Particulars	Amount in Rupees in Lacs			
	As at 31st March 2023		As at 31st March 2022	
	Nos.	Amount	Nos.	Amount
Shares outstanding at the beginning of the year	3958700	395.87	3958700	395.87
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	395.87	3958700	395.87

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

Name of the Shareholder	As at 31st March 2023		As at 31st March 2022	
	Nos.	%	Nos.	%
Dinesh A. Bilgi	707952	17.88	519952	13.13
Neel D. Bilgi	253550	6.40	253550	6.40
Chirag D. Bilgi	256500	6.48	256500	6.48
Bhavna D. Bilgi	280020	7.07	280020	7.07
Manoj Agrawal	86964	2.20	340915	8.61
Investers Education and Protection Fund	261063	6.59	250359	6.32

Terms / Rights attached to Shares

Equity Shares : The Company has only one class of equity shares having at par value of Rs.10/- per share. Equity shares are pari passu in all respects and each shareholder is eligible for one vote per share held. The Company declares 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.

Disclose of share holding of promoters at the beginning and at the end of the year

Name of the Promoters	As at 31st March 2023			As at 31st March 2022		
	Nos.	% of total Shares	% change during the year	Nos.	% of total Shares	% change during the year
Dinesh A. Bilgi	707952	17.88	4.75	519952	13.13	0.30
Bhavna D. Bilgi	280020	7.07	0.00	280020	7.07	0.00
Chirag D. Bilgi	256500	6.48	0.00	256500	6.48	0.00
Neel D. Bilgi	253550	6.40	0.00	253550	6.40	0.00
Aashna Dinesh Bilgi	190000	4.80	0.00	190000	4.80	0.00
Dinesh A. Bilgi (HUF)	182200	4.60	0.00	182200	4.60	0.00
Manoj U. Shah	130900	3.31	0.00	130900	3.31	0.00
Kala M. Shah	119300	3.01	0.00	119300	3.01	0.00
Harkhchand R. Shah	100500	2.54	0.00	100500	2.54	0.00
Premal V. Shah	83700	2.11	0.00	83700	2.11	0.00
Hiren V. Shah	78800	1.99	0.00	78800	1.99	0.00
Laxman C. Tilani	78500	1.98	0.00	78500	1.98	0.00
Meeta L. Tilani	64600	1.63	0.00	64600	1.63	0.00
Sushila H. Shah	35600	0.90	0.00	35600	0.90	0.00
Jayesh L. Tilani	35000	0.88	0.00	35000	0.88	0.00
Pragnesh K Shah	31100	0.79	0.00	31100	0.79	0.00
Akansha L Tilani	7500	0.19	0.00	7500	0.19	0.00
Chirag D. Bilgi (HUF)	1300	0.03	0.00	1300	0.03	0.00
Neel D. Bilgi (HUF)	1300	0.03	0.00	1300	0.03	0.00
Nirmala L. Tilani	10	0.00	0.00	11	0.00	0.00
Lalchand C. Tilani	0	0.00	0.00	5	0.00	0.00

12 Other Equity

State Cash Subsidy		23.92	23.92
General Reserve		10.00	10.00
Retained Earnings		2476.96	2406.88
TOTAL		2510.88	2440.80

12.1 For movement, refer Statement of changes in Equity

13 Non current Borrowings

Secured			
Term Loans From Banks		1137.58	1614.84
TOTAL		1137.58	1614.84

Notes to Financial Statements for the year ended 31st March, 2023

Details of Secured Loans			Amount in Rupees in Lacs		
Particulars	Outstanding Amount as on 31st March, 2023	Outstanding Amount as on 31st March, 2022	Details of Security	Rate of Interest	Other Major Terms and Conditions
Term Loans from SBI	872.53	1251.42	1st and exclusive charge by way of hypothecation over Raw Material, Stock in process, Stock in transit, finished goods & store, book debt and other receivables and Plants & Machinery (Present & Future) of the company. Further secured by collateral security of Mortgage of lease hold plot no. 610,611,612 of GIDC Chhatal and pledge of 11,80,500 shares of the company in the name of promoters and their family members	MCLR plus 2.50%	Repayable in 96 monthly installments start from April 2019 and end on March-2027 and monthly installments ranging from Rs.18 Lacs to Rs.38.25 Lacs.
	0.51	66.43		MCLR + 0.75%	Repayable in 36 monthly installments start from August 2021 and end on July-2024 and monthly installments ranging from Rs.16.35 Lacs to Rs.15.75 Lacs.
	264.54	296.99		MCLR + 1%	Repayable in 36 monthly installments start from December 2023 and end on November-2026 and monthly installments ranging from Rs.8.19 Lacs.
Total Rs.	1137.58	1614.84	# Rs. 223.78 Lacs (31/03/2022: Rs.251.20 Lacs) being current maturities disclosed under current maturities of Long-term debt in Note no. 14 Current Borrowings		

Amount in Rupees in Lacs

As at 31st March, 2023 As at 31st March, 2022

14 Current Borrowings

Secured

Cash Credit facilities from Bank

413.65

466.07

Current maturities of Long-Term debt (refer Note no.13)

223.78

251.20

TOTAL

637.43

717.27

Details of Secured short-term Borrowings

Particulars	Outstanding Amount as on 31st March, 2023	Outstanding Amount as on 31st March, 2022	Details of Security	Rate of Interest	Other Major Terms and Conditions
Cash Credit facilities	413.65	466.07	1st and exclusive charge by way of hypothecation over Raw Material, Stock in process, Stock in transit, finished goods & store, book debt and other receivables and Plants & Machinery (Present & Future) of the company. Further secured by collateral security of Mortgage of lease hold plot no. 610,611,612 of GIDC Chhatal and pledge of 11,80,500 shares of the company in the name of promoters and their family members and personal guarantee of directors	MCLR + 2%	Repayable on demand

Notes to Financial Statements for the year ended 31st March, 2023

Amount in Rupees in Lacs
As at
31st March, 2023 As at
31st March, 2022

15 Trade Payables

Trade payables

(Please refer Note no.35 for dues to Micro, small and medium enterprises)

dues of micro and small enterprise

0.00

0.00

dues of creditors other than micro and small enterprise

312.91

388.46

TOTAL

312.91

388.46

Aging for the Trade Payables as at 31st March 2023		Amount in Rupees in Lacs			
Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 years	1-2 years	2-3 years	More than 3 years	
MSME	0.00	0.00	0.00	0.00	0
Others	312.91	0.00	0.00	0.00	312.91
Disputed dues - MSME	0.00	0.00	0.00	0.00	0
Disputed dues - Others	0.00	0.00	0.00	0.00	0

Aging for the Trade Payables as at 31st March 2022		Amount in Rupees in Lacs			
Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 years	1-2 years	2-3 years	More than 3 years	
MSME	0.00	0.00	0.00	0.00	0
Others	388.46	0.00	0.00	0.00	388.46
Disputed dues - MSME	0.00	0.00	0.00	0.00	0
Disputed dues - Others	0.00	0.00	0.00	0.00	0

16 Other current financial liabilities

Unclaimed Dividends

30.07

33.32

Payable towards Capital Items

1.50

0.00

Payable for Expenses

18.31

11.87

TOTAL

49.87

45.20

17 Other current liabilities

Advance against Sales

13.39

6.86

Payable towards Statutory Taxes

35.07

73.63

TOTAL

48.46

80.50

18 Revenue from Operations (Net)

Sale of Products (Net)

4502.12

5375.32

TOTAL

4502.12

5375.32

19 Other Income

Interest Income

4.89

5.00

Bad Debts Recovery

8.12

1.16

Profit on sale of Assets

0.00

0.00

Other non-operating Income

0.40

0.14

TOTAL

13.41

6.31

20 Cost of Materials Consumed

Opening Stock of Raw Materials

492.26

488.37

Add : Purchases during year (net)

1231.01

1568.64

1723.26

2057.01

Less : Closing Stock of Raw Materials

369.25

492.26

TOTAL

1354.01

1564.75

21 Changes in Inventories of Finished Goods, Stock-in-Process and Stock-in-Trade

Opening Stock :

Finished goods

203.59

166.34

Work in Process

91.92

69.12

Total

295.52

235.46

Closing Stock :

Finished goods

211.62

203.59

Work in Process

77.37

91.92

Total

288.99

295.52

TOTAL

6.53

(60.06)

22 Employee Benefits Expenses

Salaries, Wages and Bonus

1042.58

972.93

Incentives & other benefits

250.90

487.13

Contribution to Provident Fund and other funds

71.18

69.32

TOTAL

1364.65

1529.39

23 Finance Costs

Interest on Term Loans and Working Capitals

180.79

210.39

Interest to Others

0.58

0.24

TOTAL

181.37

210.63

Notes to Financial Statements for the year ended 31st March, 2023

		Amount in Rupees in Lacs	
		As at	As at
		31st March, 2023	31st March, 2022
24	Other Expenses		
	Power & Fuel (refer Note no.24.1)	195.30	263.98
	Freight inwards	23.92	28.63
	Spares & Other Materials consumed	210.30	195.63
	Repairs & Maintenance-Machinery	48.46	43.49
	Repairs & Maintenance-Other asset	19.45	23.69
	Factory Expenses	71.83	81.13
	Packing Material Consumed	39.86	35.61
	Printing & Stationery	4.78	3.17
	Telephone	8.05	8.20
	Conveyance	47.10	39.65
	Travelling	15.23	5.43
	Rent	178.02	173.88
	Rates & Taxes	5.48	12.98
	Payment to Auditors	4.30	2.70
	Office & Misc. Expense	37.67	54.28
	Freight outward	73.10	87.16
	Selling Expense	6.89	4.80
	Commission Expenses	47.98	53.84
	Insurance	18.74	18.37
	Bad Debts written off	1.28	35.82
	Donation	17.55	16.81
	Net loss / (gain) on Currency fluctuation and translation	(3.18)	(3.07)
	Loss on Sale of Asset	(9.52)	1.52
	TOTAL	1062.58	1187.70
24.1	Power & Fuel expenses are net off recovery value of units generated from Windmills of Rs.145.64 Lacs (P.Y. Rs.138.92 Lacs).		
25	Estimated Amount of Contracts		
	Estimated Amount of Contracts remaining to be executed on capital account and not provided for	NIL	NIL
26	Contingent Liabilities of		
	Disputed Liability in respect of Income Tax Demands (matters under appeal)	7.66	7.66
27	Payment to Auditors		
	Audit Fees	4.30	2.70
28	In the opinion of the Board, the current assets, loans and advances have a value on realisation in ordinary course of business at least equal to the amount at which they are stated.		
29	Employee Benefits in respect of Gratuity and Leave encashment		
	1. Present value of obligations as at the beginning of the year	115.48	96.44
	Interest Cost	8.08	6.75
	Current Service Cost	11.23	1.12
	Benefits Paid	(0.32)	0.00
	Actuarial (gain) / loss on obligations	(23.89)	11.18
	Present value of obligations as at end of year	110.58	115.48
	2. Fair Value of plan assets at beginning of year	129.22	119.70
	Expected return of plan assets	8.64	8.80
	Contributions	0.00	0.72
	Benefits Paid	(0.32)	0.00
	Actuarial (gain) / loss on Plan assets	0.00	0.00
	Fair Value of plan assets at the end of year	137.54	129.22
	3. Present value of obligations as at end of year	110.58	115.48
	Fair value of plan assets as at the end of the year	137.54	129.22
	Funded status	26.95	13.74
	Net asset / (liability)	26.95	13.74
	4. Current Service Cost	11.23	1.12
	Interest Cost	8.08	6.75
	Expected return of plan assets	(8.64)	(8.80)
	Net Actuarial (gain) / loss recognized in the year	(23.89)	11.18
	Expenses Recognized in statement of Profit and loss	(13.21)	10.25
	Discount Rate	7.25%	7.00%
	Salary Escalation	7.00%	7.00%
Note	The Company has taken group gratuity and leave encashment policy from Life Insurance Company of India (LIC) for its liability to pay gratuity and leave encashment to its eligible employees at the time of their retirement. In view of this and based on materiality level, the Company does not envisage risks such as plan deficit in the fund. So, disclosures as required under Ind AS 19 "Employee Benefits" i.e. details of fund invested, sensitivity analysis, maturity profile of defined benefit obligation etc. are not provided.		
30	The Deferred Tax Liability / (Asset) :		
	Tax effect of item constituting deferred tax liability on difference between carrying value and tax base of Property, plant and Equipment and net of deferred tax asset on MAT Credit entitlement	Opening	162.50
		Current Year	13.91
		Closing	176.41
31	Earning Per Share		
	Profit attributable to Share Holders (Rs.)	70.08	369.79
	Basic/Weighted Average No. of Equity Shares O/s during Year	39.59	39.59
	Nominal Value of Equity Shares (Rs.)	10	10
	Basic/Diluted Earning per Share (Rs.)	1.77	9.34
32	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 Ind AS 108 "Operating Segment".		

Notes to Financial Statements for the year ended 31st March, 2023

33 Related Party Disclosures

(A) Related Parties and nature of relationship

Sr. No. & Name of Related Party	Description of Relationship
Key Managerial Personnel	
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
6. Mr. Laxman C. Tilani	Non-executive Director
7. Mr. Balkrishna Makwana	Non-executive Director
8. Mr. Vasant R. Shah	Non-executive Director
9. Mr. Aviv J Divekar	Non-executive Director
Entities in which relatives of Key Managerial Personnel are interested	
1. ANC Systems LLP	Firm in which relative of a Director is Partner
2. ACN Systems LLP	Firm in which relative of a Director is Partner
3. Latha Services LLP	Firm in which relative of a Director is Partner
4. Ultra Polydye Pvt. Ltd.	Company in which relative of a Director is member

(B) Transactions with Related Parties

Nature of Transaction	Amount in Rupees in Lacs	
	As at	As at
	31st March, 2023	31st March, 2022
Key Managerial Personnel		
Remuneration	261.52	460.32
Deposit Taken	75.00	0.00
Deposit Repaid	75.00	0.00
Finance Cost	0.14	0.00
Sitting Fees	1.90	1.70
Entities in which relatives of Key Managerial Personnel are interested		
Purchases	567.59	668.87
Factory Expenses	0.00	33.68
Security Deposit	0.00	0.00
Rent	75.26	72.33

34 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 16 of Micro, Small and Medium Enterprises Development Act,2006	NIL	NIL
d. Interest due and payable for the period of delay in payment	NIL	NIL
e. Interest accrued and remaining due and payable even in succeeding years,	NIL	NIL

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

35 Income tax

Reconciliation of effective tax rate & income tax recognized in the Statement of Profit and Loss :-

Particulars	Amount in Rupees in Lacs	
	As at	As at
	31st March, 2023	31st March, 2022
Profit before tax	100.99	465.08
Tax using the Company's domestic tax rate	26.000%	26.000%
Tax at above rate	26.26	129.38
Add / (Less) :		
Tax exempt income	0.00	0.00
Non-deductible expense	114.80	130.78
Deductible expense	(117.79)	(132.97)
Others	(6.27)	(49.43)
Income tax expense	17.00	77.76
Add / (Less) :-		
Short/ (Excess) provision of income tax of earlier years	0.00	0.00
Deferred tax	13.91	17.52
Income tax recognised in Statement of Profit and Loss	30.91	95.28

Notes to Financial Statements for the year ended 31st March, 2023

36 Financial Instruments

a) The carrying value and fair value of financial instruments by categories at 31 March 2023 and 31 March 2022 is as follows :

Particulars	Carrying value		Fair value	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
	Amount in Rupees in Lacs			
Financial assets				
At Amortised cost				
Other non-current financial assets	84.99	84.28	84.99	84.28
Trade Receivables	814.47	944.02	814.47	944.02
Cash and Bank balances	35.22	38.06	35.22	38.06
Total assets	934.67	1066.36	934.67	1066.36
Financial liabilities				
At Amortised cost				
Non current Borrowings	1137.58	1614.84	1137.58	1614.84
Current Borrowings	637.43	717.27	637.43	717.27
Trade payables	312.91	388.46	312.91	388.46
Other current financial liabilities	49.87	45.20	49.87	45.20
Total liabilities	2137.80	2765.76	2137.80	2765.76

b) Fair value measurement :

Level 1 : Quoted price in active markets for identical assets or liabilities

Level 2 : Inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly or indirectly

Level 3 : Inputs for the assets or liabilities that are not based on observable market data (unobservable data)

Following table presents the Fair value measurement hierarchy for financial assets and financial liabilities :

Particulars	As at	Total	Amount in Rupees in Lacs		
			Level 1	Level 2	Level 3
Financial assets					
At Fair value through other comprehensive income					
Investment	31 March 2023	0.00	0.00	0.00	0.00
	31 March 2022	0.00	0.00	0.00	0.00

c) Fair valuation method

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

d) Financial Instrument measured at Amortised Cost

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

37 Financial risk management

The management monitors and manages the Financial Risks by reviewing, from time to time, the Cash Flows, during the year. The risk towards loss due to volatility in foreign currency is negligible, even though the Company takes precautionary measures like forward booking for payments of imports. The management takes due care for the credit risk of any default in contractual obligations. Obligations of interest and decrease in sale may be the highest risk on profitability of the Company. The Country is facing non-availability of skilled manpower which may adversely affect profitability of the Company.

38 Additional Regulatory Information as required by Schedule III of the Companies Act, 2013

- a) All title deeds of immovable properties (other than the properties where the company is the lessee and the lease agreement are duly executed in favour of lessee), are held in the name of company.
- b) The company has not revalued its property, plant and equipment during the year.
- c) The company has not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties, either severally or jointly with any other person.
- e) During the year there is no intangible assets under development hence ageing schedule is not applicable.
- f) There is no proceedings that have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.
- g) The company is having cash credit limit from bank which is secured against current assets. The company is required to submit quarterly returns or statements with bank. However there is a difference in the value of quarterly returns or statements submitted with bank and the value as appearing in the books of accounts. Detailed reconciliation of the said difference is shown in below mentioned table :-

Quarter	Name of Bank	Amount as per books of accounts	Amount as reported in the quarterly return/statement	Amount in Rupees in Lacs	
				Amount in difference	Reason for material discrepancies
Jun-22	State Bank of India	1749.91	1740.45	-9.46	Debtors value submitted to bank was lower than the actual debtors amount out standing in books of account.
Sep-22	State Bank of India	1642.85	1640.98	-1.88	
Dec-22	State Bank of India	1644.80	1619.74	-25.06	
Mar-23	State Bank of India	1511.42	1510.70	-0.72	

- h) The company is not declared willful defaulter by any bank or financial institution or other lender.
- i) The company is not having any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
- j) During the year there were no charges or satisfaction of charges yet to be registered with Registrar of Companies beyond statutory period.
- k) Provisions of clause (87) of section 2 of the act read with Companies (Restriction on number of Layers) Rules, 2017 regarding compliance with number of layers of companies is not applicable to the company.
- l) Details of ratio is provided in note 38.1.
- m) During the year the company has not proposed any Scheme of Arrangements.
- n) The company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall
 - (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- o) The company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall
 - (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- p) During the year the company is not having any unrecorded transactions that are surrendered or disclosed as income during tax assessments under Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961) and there is no previously unrecorded income and related assets that have been properly recorded in the books of accounts during the year.
- r) The company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- s) The company has used the borrowings from banks and financial institutions for the specific purpose for which it was obtained.

As per our report of even date attached
For, Sweta Patel & Associates
Chartered Accountants
Firm Registration No. 139165W

For and on behalf of the Board

Sweta H. Patel
(Partner)
 Membership No. : 154493
 UDIN :
 Place : Chhatral
 Date : 27-05-2023

Dinesh Bilgi
 (DIN:00096099)
 Mg. Director & CFO

Neel Bilgi
 (DIN:00096180)
 Mg. Director

Chirag Bilgi
 (DIN:02094970)
 Mg. Director

Balkrishna
 Makwana
 (DIN:00287931)
 Director

Kairavi Bilgi
 (ACS:21519)
 Company Secretary

Place : Chhatral
 Date : 27-05-2023

Notes to Financial Statements for the year ended 31st March, 2023

Note 3 : Property, Plant & Equipment, Capital work-in-progress and Other intangible assets :

(Amount in Lac)

Description	GROSS BLOCK						NET BLOCK	
	As at 01-04-2022	Additions (Deductions) upto 31-03-2023	As at 31-03-2023	As at 01-04-2022	During the year	As at 31-03-2023	As at 31-03-2023	As at 31-03-2022
A. Tangible Assets :								
Leasehold Land	7.79	0.00	7.79	0.00	0.00	0.00	7.79	7.79
Factory Buildings	124.61	0.00	124.61	83.98	5.20	89.18	35.43	40.63
Lease hold Improvement Building	59.71	0.00	59.71	55.05	4.66	59.71	0.01	4.66
Other Buildings	30.78	0.00	30.78	18.33	1.24	19.57	11.22	12.45
Plant and Machinery (Incuded Wind Mills)	9373.61	133.20 (66.00)	9440.81	6047.72 0.00	369.58 (64.82)	6417.30 (64.82)	3088.32	3325.89
Electrifications	206.78	0.00	206.78	115.80	14.39	130.19	76.59	90.98
Furniture & Fixtures	193.22	4.11	197.32	115.25	13.21	128.47	68.86	77.96
Office Equipment	54.37	1.35	55.72	25.98	4.21	30.19	25.53	28.39
Computers	111.63	9.35	120.98	105.20	3.67	108.87	12.11	6.43
Vehicles	159.53	1.06 (6.91)	153.68	142.03	7.24 (6.91)	142.36	11.32	17.50
Resort (Leasehold) #	1.37	0.00	1.37	0.00	0.00	0.00	1.37	1.37
Total Tangible Assets	10323.41	149.06 (72.91)	10399.56	6709.34	423.41 (71.73)	7061.02	3338.54	3614.07
B. Other Intangible Assets :								
Computer Software	118.48	0.00	118.48	118.45	0.01	118.46	0.02	0.03
Total Other Intangible Assets	118.48	0.00	118.48	118.45	0.01	118.46	0.02	0.03
C. Capital Work-in-Progress :								
Capital Work in Progress	48.53	0.00 (48.53)	0.00	0.00	0.00	0.00	0.00	48.53
Total (A + B + C)	10490.42	149.06 (121.44)	10518.04	6827.79	423.41 (71.73)	7179.48	3338.56	3662.63

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

Aging for the Capital Work-in-progress as at 31st March 2023						Amount in Lacs
Particulars	Amount in Capital work in progress for period of					Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years		
Projects work in progress	0.00	0.00	0.00	0.00	0.00	0.00

Aging for the Capital Work-in-progress as at 31st March 2022						Amount in Lacs
Particulars	Amount in Capital work in progress for period of					Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years		
Projects work in progress	48.53	0.00	0.00	0.00	0.00	48.53

Notes to the Standalone Financial Statements for the year ended on 31st March, 2023

Note : 38.1 Disclosure of Ratios

(Amount in Lacs)

Ratio	Numerator	Denominator	2022-23	2021-22	% Variance	Reason for Variance *
(A) Current Ratio	Current Assets	Current Liabilities	1.73	1.65	4.96	-
(B) Debt Equity Ratio	Total Borrowings (i.e Non-Current borrowings + Current Borrowings)	Total Equity	0.61	0.82	-25.72	Lower ratio on account of pre payment of term loans
(C) Debt Service Coverage Ratio	Profit before tax + depreciation + Interest on term loans	Interest on term loans + Scheduled principal repayments of term loans (excluding prepayments and refinancing of debts) during the year	1.77	1.73	2.43	-
(D) Return On Equity Ratio	Net Profit after tax	Average Networth	0.02	0.14	-82.50	Decrease is primarily on account of reduction in profit after tax in current financial year.
(E) Inventory Turnover Ratio	Revenue from operation	Average Inventory	0.21	0.17	23.29	-
(F) Trade Receivables Turnover Ratio	Revenue from operation	Average Trade Receivables	0.20	0.20	-0.02	-
(G) Trade Payables Turnover Ratio	Purchase	Average Trade Payables	0.23	0.21	9.05	-
(H) Net Capital Turnover Ratio	Revenue from operation	Working Capital	5.85	6.70	-12.63	
(I) Net Profit Ratio	Net Profit after tax	Revenue from operation	0.02	0.07	-77.37	Decrease is primarily on account of reduction in turnover in current financial year.
(J) Return On Capital Employed	Profit before tax + Interest on longterm loans	Networth + Total borrowings+Deferred Tax	0.05	0.12	-58.35	Decrease is primarily due to decrease in net profit before tax.
(K) Return On Investment	N.A	N.A	N.A	N.A	N.A	-