

Ref: AIL/BSE-33/2607/776

August 24, 2026

To,
The Manager
Department of Corporate Services
BSE Limited
25th Floor, P. J. Towers
Dalal Street
Mumbai – 400 001

Sub.: Notice of 37th Annual General Meeting (“AGM”) along with Integrated Annual Report of the Company for FY 2025-26

Dear Sir/Madam,

We would like to inform that 37th AGM of the Members of the Company is scheduled to be held on Wednesday, 23rd September, 2026 at 12:30 am IST through Video Conferencing / Other Audio-Visual Means in terms of applicable circulars issued by the Ministry of Corporate Affairs and by Securities and Exchange Board of India (“SEBI”), to transact the businesses, as set out in the Notice of AGM.

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith Notice of AGM along with Integrated Annual Report for FY 2025-26, which is being sent to all the Members of the Company whose E-mail IDs are registered with the Company / Registrar and Transfer Agent / Depository Participant(s). The Members whose E-mail IDs are not registered, a letter providing a web-link and path for accessing Notice of the AGM and Integrated Annual Report for FY 2025-26 is being sent.

Further, the company is pleased to provide e-voting facilities through Central Depository Services (India) Ltd (CDSL) to the Members holding shares in physical or in dematerialised form, as on cut-off date i.e. September, July 16, 2026 to cast their votes by using remote e-voting and e-voting during the AGM on the resolutions as set forth in the Notice of AGM.

The Integrated Annual Report containing the AGM Notice is also available on the website of the Company at: https://www.arex.in/investors/Financial_Results/Annual_Report_2025-26.pdf.

Kindly take the same on records.

Thanking you,

Yours faithfully,
For AREX INDUSTRIES LTD

NEEL Digitally signed
by NEEL
DINESH BILGI
Date:
2026.08.24
18:56:37 +05'30'
DINESH
BILGI

Neel Bilgi
(DIN: 00096180)
Managing Director



Arex Industries Limited

37TH ANNUAL REPORT 2025-2026



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 Manoj U Shah (DIN:00371917) Shri Aviv J Divekar (DIN:00689884) Smt Rekha Agarwal (DIN: 10687675) Shri Sunil Bansibhai Shah (DIN: 02107662)	<i>Managing Director & CFO</i> <i>Managing Director</i> <i>Managing Director</i> <i>Director</i> <i>Director</i> <i>Director</i> <i>Independent Director</i> <i>Independent Director</i> <i>Independent Director</i>
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Company Secretary & Compliance Officer	Smt Kairavi Bilgi (Membership No. ACS 21519)
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Bankers	State Bank of India
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Auditors	M/s Sweta Patel & Associates <i>Chartered Accountants</i> Ahmedabad Firm Regn No.139165W
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Secretarial Auditors	M/s Preyansh Shah & Associates Practising Company Secretary Head Office: Vadodara
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Registrars and Transfer Agent	MUFG INTIME INDIA PRIVATE LIMITED 506-508, Amamath Business Centre-1 (ABC-1), Beside Gala Business Centre Near St. Xavier's College Comer Off C G Road, Ellisbridge, Ahmedabad -380006 Tel: 079 26465179 / 86 / 87 Email: ahmedabad@in.mpms.mufg.com Web Site: www.in.mpms.mufg.com
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Registered Office & Plant	612, GIDC Industrial Estate Chhatral, Tal.: Kalol Dist : Gandhinagar - 382 729
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37TH ANNUAL GENERAL MEETING

Date	:	23 rd September, 2026
Day	:	Wednesday
Time	:	12.30 P.M. (IST)
Place	:	Registered Office (through video conference)

Notice of the 37th AGM along with the Annual Report for Financial Year 2025-26 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 37th Annual General Meeting of members of the Company will be held on Wednesday, 23rd day of September, 2026 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, 2026 and the reports of the Directors and Auditors thereon. To consider and if thought fit, to pass the following resolution as Ordinary Resolution:

"RESOLVED THAT the Directors Report and Audited Balance Sheet as on 31st March, 2026 and Statement of Profit & Loss Account for the year ended on that date, together with attached Schedules and Notes thereto, the Cash Flow Statement, Audit Report and the Secretarial Audit Report for the year ended on that date, as laid before this Meeting and circulated to the Members of the Company, be and are hereby received, approved and adopted."

2. To declare dividend on equity shares for the financial year ended 31st March, 2026. To consider and if thought fit, to pass the following resolution as Ordinary Resolution:

"RESOLVED THAT dividend at the rate of Rs. 2.50/- (Rupees Two and Fifty Paise Only) per equity share of Rs. 10/- (Rupees Ten Only) each fully paid-up of the Company, as recommended by the Board of Directors, be and is hereby declared for the financial year ended 31st March, 2026."

3. To appoint a Director in place of Shri Pragnesh Kantilal Shah (DIN: 00228223), Director who retires by rotation and being eligible, offers himself for re-appointment. To consider and if thought fit, to pass the following resolution as Ordinary Resolution:

"RESOLVED THAT Shri Pragnesh Kantilal Shah (DIN: 00228223), who retires by rotation at this meeting and being eligible, be and is hereby re-appointed as a Director of the Company."

SPECIAL BUSINESS:

4. To appoint a Director in place of Shri Laxman Chetandas Tilani (DIN: 00532516), Director who retires by rotation and being eligible, offers himself for re-appointment. To consider and if thought fit, to pass the following resolutions as a Special Resolution:

"RESOLVED THAT Shri Laxman Chetandas Tilani (DIN: 00532516), who retires by rotation at this meeting and being eligible, be and is hereby re-appointed as a Director of the Company;

RESOLVED FURTHER THAT pursuant to Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, consent of the members be and is hereby accorded to the continuity of the appointment of Shri Laxman Chetandas Tilani (DIN: 00532516) as Non-Executive Non-Independent Director of the Company;

RESOLVED FURTHER THAT the Board of Directors or Committee thereof, be and are severally authorised to do all such acts, deeds, matters and things as may be deemed necessary to give effect to the above resolutions."

5. To re-appoint Shri Aviv Joseph Divekar (DIN: 00689884) as an Independent Director. To consider and if thought fit, to pass the following resolutions as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, 160 read with Schedule IV to the Companies Act, 2013 ("the Act") and all other applicable provisions of the Act, if any and the Rules made thereunder and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Mr. Aviv Joseph Divekar (DIN: 00689884), be and is hereby re-appointed as an Independent Director on the Board of the Company for a second and final term of five consecutive years commencing from 1st September, 2026 to 31st August, 2031 (both days inclusive), and who shall not be liable to retire by rotation;

RESOLVED FURTHER THAT the Board be and is hereby authorised to settle any question, difficulty or doubt that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution and for matters concerned and incidental thereto."

By Order of the Board

Regd Office:

612, GIDC Industrial Estate
Chhatral, Tal : Kalol
Dist : Gandhinagar-382 729
CIN: L14101GJ1989PLC012213
Phone: 091-2764-233435 Website: www.arex.in Email: mail@arex.in
Date : 29th July, 2026
Place: Ahmedabad

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 ("LODR") and Secretarial Standard – 2 is annexed hereto.
4. A statement pursuant to the provisions of Section 102(1) of the Companies Act, 2013 ("the Act"), relating to the Special Business to be transacted at the AGM, is annexed hereto. Further, additional information as required under the LODR and Circulars issued thereunder are also annexed.
5. 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.
6. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, 17th September, 2026 to Wednesday, 23rd September, 2026 (both days inclusive) for the purpose of AGM.

7. The Ministry of Corporate Affairs ("the MCA") vide its Circular No. 03/2025 dated 22nd September, 2025 permitted the companies to hold the AGM through Video Conferencing ("VC")/Other Audio Visual Means ("OVAM"), without the physical presence of the Members at a common venue, in accordance with the requirements of the General Circular No. 20/2020 dated 5th May, 2020 and General Circular No. 02/2022 dated 5th May, 2022, (collectively referred to as "the MCA Circulars") in compliance with the provisions of the Act, the LODR and the MCA Circulars, AGM of the Company for FY 2025-26 is being held through VC/OVAM. Hence, Members can attend and participate in the ensuing AGM through VC/OVAM. In compliance with the provisions of the Act, provisions of LODR and MCA Circulars, the AGM of the Company is being held through VC.
8. 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.
9. 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.
10. In compliance with the MCA Circulars and the Securities and Exchange Board of India ("SEBI") Circulars, Notice of the 37th AGM along with the Annual Report for Financial Year 2025-26 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") as on the cut-off date. A copy of this Notice along with the Annual Report for Financial Year 2025-26 is uploaded on the Company's website www.aren.in, websites of the Stock Exchange i.e. The BSE Limited at www.bseindia.com and on the website of Central Depository Services (India) Limited at www.evotingindia.com.
11. The dividend, if declared, would be paid after the conclusion of the said AGM to those Members whose name appear in the Register of Members of the Company maintained by the Registrar and Share Transfer Agent ("RTA") and Register of Beneficial Owners maintained by the Depositories under Section 11 of the Depositories Act, 1996, at the end of the business hours on Wednesday, 16th September, 2026.
12. The final dividend, if declared at AGM, payment of such dividend will be made on or before 22nd October, 2026, subject to deduction of tax at source.
13. Pursuant to the Finance Act, 2020, dividend income is taxable in the hands of the Members w.e.f. 1st April, 2020 and the Company is required to deduct tax at source from dividend paid to the Members at the prescribed rates. For the prescribed rates of Income Tax for various categories, please refer to the Income Tax Act, 2025 and amendments thereto.
14. Members are encouraged to utilize the Electronic Clearing System (ECS) for receiving dividends by registering their updated bank account details with the Company/RTA/DP. For further information Members are requested to approach the RTA of the Company.
15. In case the shareholder holding shares in physical mode has not registered his/her e-mail address with the Company/MUFG/Depositories, he/she may do so by sending a duly signed request letter/applicable forms to the Company by providing Folio No. and Name of shareholder alongwith requisite details as may be required, at its Registered Office or its Registrar & Share Transfer Agent M/s MUFG 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@in.mpms.mufg.com, Web Site: www.in.mpms.mufg.com
16. 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.
17. Relevant documents as required by law and referred to in the accompanying Notice, shall be available for inspection without any fee at the registered office of the Company during normal business hours on any working day upto and including the date of the AGM of the Company.
18. 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.
19. 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. Further SEBI vide its circular No. SEBI/HO/MIRSD/MIRSD/MIRSD_RTAMB/P/CIR/2022/65 dated 18.5.2022 has simplified the procedure and standardized the format of documents for transmission of securities. Accordingly, members are requested to make service requests by submitting a duly filled and signed Form ISR-4 and ISR-5, as the case may be, the formats of which are available on the website of MUFG at <https://in.mpms.mufg.com/>. Members are requested to note that any service request would only be processed after the folio is KYC Compliant.
20. 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 as may be applicable duly filled in to MUFG. Members holding shares in dematerialized form may contact their respective DP for availing this facility.
21. 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.
22. 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 Mufg Intime India Private Limited, M/s Mufg Intime India Private Limited 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@in.mpms.mufg.com, Web Site: www.in.mpms.mufg.com
23. SEBI has mandated the updation of PAN, contact details, Bank account, specimen signature and nomination details, against folio/ demat account. PAN is also required to be updated for participating in the securities market, deletion of name of deceased holder and transmission / transposition of shares. As per applicable SEBI Circular, PAN details are to be compulsorily linked to Aadhar details by the date specified by Central Board of Direct Taxes. Shareholders are requested to submit PAN, or intimate all changes pertaining to their bank details, mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, specimen signature (as applicable) etc., to their DP in case of holding in dematerialised form or to Company's RTA, MUFG through Form ISR-1, Form ISR-2 and Form ISR-3 (as applicable) available on the website of MUFG at <https://in.mpms.mufg.com/> in case of holdings in physical form.
24. 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).
25. 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.
26. 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 <http://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.
27. 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
2018-19	17.09.2019	20	Final Dividend	2.00	20.10.2026

28. The Company has transferred whole of the unpaid and/or unclaimed dividend amount for the year 2017-18 to the Investor Education and Protection Fund (IEPF) on 20.02.2026. 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 29th September, 2025 (date of last AGM). The Company has also transferred 20430 equity shares on which dividend remain unpaid/unclaimed for seven years, to the IEPF on 13.02.2026.
29. The Company has appointed Shri Abraham Pingle (Membership No.: F10290, COP: 13206), 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.
30. 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.aren.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.
31. The resolutions shall be deemed to have been passed on the date of the AGM, subject to the same being passed with requisite majority.
32. Process regarding remote e-voting and e-voting during the meeting, and attending the meeting through VC/OVAM:

THE INSTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS 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 20th September, 2026, 09:00 a.m. and ends on 22nd September, 2026, 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 (record date) of 16th September, 2026 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
Individual Shareholders holding securities in Demat mode with CDSL Depository	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 users to login to Easi / Easiest are requested to visit cdsl website www.cdslindia.com and click on login icon & My Easi New (Token) Tab. 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, 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 & My Easi New (Token) 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.
Individual Shareholders holding securities in demat mode with NSDL Depository	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 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. 4) For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID, 8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. 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 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.
Individual Shareholders (holding securities in demat mode) login through their Depository Participants (DP)	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.

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 21 09911
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 : 022 - 4886 7000 and 022 - 2499 7000

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 meetings for Physical shareholders and shareholders other than individual 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	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • 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)	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. • 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 <AREX INDUSTRIES LIMITED> 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 mandatorily 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 Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
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 mail@arex.in. 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 through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
 10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders may 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 21 09911

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Assistant Vice President, (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 toll free no. 1800 21 09911.

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 and Information on Directors retiring by rotation seeking re-appointment at this Annual General Meeting as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Item No.3

Shri Pragnesh Kantilal Shah (DIN: 00228223) aged about 73 years (DOB: 23.4.1953) is an Engineer in Metallurgy from M. S. University, Baroda and holds Diploma in Marketing Management from K C College, Mumbai. He has excelled marketing skills to his credit. His insight knowledge of woven labels has been a guiding force for the growth of the Company. He has been a Director of the Company since 14th December, 1990. He was appointed as Whole-time Director of the Company w.e.f. 18th November, 2020. He has resigned as an Whole-time Director w.e.f. 27th June, 2022 and continues to be Non-Independent, Non-Executive Director of the Company. Due to his change in designation he is liable to retire by rotation. He has attended 3 no. of Board Meetings during the financial year 2025-26. He holds 27298 shares in the share capital of the Company and does not hold any directorship in any other Companies nor has resigned from any listed entities during the past 3 years. He is paid sitting fees and no other remuneration by the Company. He is appointed as a member of Corporate Social Responsibility Committee w.e.f. 1st September, 2024. The Board of Directors hereby recommend his re-appointment.

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

Item No. 4

Shri Laxman Chetandas Tilani (DIN: 00532516) aged about 74 years (DOB: 25.4.1952) is under graduate having vast experience in marketing and other areas in woven, printed fabrics and label industry. He has been a Director since 14th December, 1990. He is a member of the Nomination and Remuneration Committee w.e.f. 1st September, 2024. He has provided valuable services to the Company. He has attended 1 No. of Board Meeting during the financial year 2025-26. He does not hold directorship in other companies nor has resigned from any listed entities during the past 3 years. He holds 78500 equity shares in the capital of the Company. He is paid sitting fees and no other remuneration by the Company.

Additional Information as per Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Shri Laxman Chetandas Tilani is one of the Promoter Director of the Company. During his long association with the Company, he has contributed significantly to the Company's growth, strategic decision-making and business development. His industry knowledge, commercial acumen and understanding of the Company's business and operations continue to provide valuable guidance to the Board. Considering his extensive experience, deep understanding of the industry, long-standing association with the Company and the valuable contribution made by him over the years, the Board believes that his continued directorship would be in the best interests of the Company.

The Board of Directors hereby recommend his re-appointment and seeks the approval of the members by way of Special Resolution pursuant to Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

None of the Directors, Key Managerial Personnel, except Shri Laxman Chetandas Tilani, is interested or concerned in the resolution.

Item No.5

In terms of the provisions of Section 149 of the Companies Act, 2013 an Independent Director of the Company shall hold office for a term of up to five consecutive years on the Board and shall be eligible for re-appointment for one more term on passing of a Special Resolution by the Company and disclosure of such appointment in its Board's Report. An Independent Director shall not hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiration of three years.

The Shareholders, at 32nd Annual General Meeting held on 27th September, 2021 had approved appointment of Shri Aviv Joseph Divekar (DIN: 00689884) as an Independent Director of the Company for a term of five consecutive years commencing from 1st September, 2021 to 31st August, 2026 both days inclusive.

The above term of Shri Aviv Joseph Divekar will end on 31st August, 2026. The Board of Directors, on the recommendation of the Nomination and Remuneration Committee at its meeting held on 29th July, 2026 and based on the report of performance evaluation, has recommended re-appointment of Shri Aviv Joseph Divekar as Independent Director for second and final term of 5 consecutive years commencing from 1st September, 2026 to 31st July, 2031 (both days inclusive).

In the opinion of the Board, Shri Aviv Joseph Divekar fulfils the conditions as specified in the Companies Act, 2013 and rules made thereunder for his re-appointment as an Independent Director of the Company and is independent of the management.

Copy of the draft letter for re-appointment of Shri Aviv Joseph Divekar as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

Shri Aviv Joseph Divekar (DIN: 000689884) aged about 59 years (DOB: 31.08.1967) is an A.M.I.E., Chartered Engineer. He is a founder and Director of a public limited Information Technology Company founded in the year 2000. He also runs computer classes. He is also involved with different State Governments as consortium partner for setting up of Health-IT projects. He is also involved in Fast Moving Consumer Goods distribution since 2014. He

has expertise in Information Technology. Based on his vast experience and expertise his re-appointment as Independent Director is in the interest of the Company. He is the Chairman of the Stakeholders Grievance Committee and a member of the Corporate Social Responsibility Committee. He does not hold directorship in other company except for 1 public company named Astech Informatics Limited. He has not resigned from any listed entities during the past 3 years. He has attended 4 nos. of Board meeting during the financial year 2025-26. He does not hold any shares in the capital of the Company. He is paid sitting fees and no other remuneration by the Company.

The Board of Directors hereby recommend his re-appointment and seeks the approval of the members by way of Special Resolution.

None of the Directors, Key Managerial Personnel, except Shri Aviv Joseph Divekar, is interest or concerned in the resolution.

Regd Office:

612, GIDC Industrial Estate
Chhatral, Tal : Kalol
Dist : Gandhinagar-382 729
CIN: L14101GJ1989PLC012213
Phone: 091-2764-233435 Website: www.arex.in Email: mail@arex.in

Date : 29th July, 2026
Place: Ahmedabad

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 Seventh Annual Report together with the Audited Statement of Accounts of the Company for the year ended on 31st March, 2026.

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 2025-26 has been prepared in compliance with the Companies (Indian Accounting Standard) Rules, 2015.

Financial Performance

	(Amount in Rupees in Lakhs)	
	31.03.2026	31.03.2025
Revenue from operations	4963.74	5114.11
Profit before Depreciation & Finance Cost	731.38	889.15
Less: Finance Cost	103.76	109.40
Depreciation & Amortisation Expenses	435.74	413.13
Profit before Tax	191.88	366.62
Tax Expenses- Current Taxation	94.08	120.25
Deferred Tax	(50.35)	(17.04)
Add/(Less):		
(Excess)/Short Provision of tax of earlier years		
Profit/(Loss) for the year	148.15	263.41
Other comprehensive Income		
Items that will not be reclassified to profit or loss	(14.54)	0.00
Gain/(Loss) on measurement of Equity Share instruments at fair value	0.00	0.00
Income tax impact on above	3.66	0.00
Other comprehensive Income for the year	(10.88)	0.00
Total comprehensive Income/(Loss) for the year	137.27	263.41

OPERATIONS

The revenue from operations (net) stood at Rs.4963.74 lakhs, i.e. an decrease of 2.94% over the previous year's revenue. The Company continued to explore overseas market opportunities and has been able to achieve exports amounting to Rs. 296.71 lakhs, i.e. increase of 311.18% over the previous year's exports. There was heavy fluctuation in foreign exchange rates resulting into net gain of Rs.4.71 lakhs. The bad debts amounting to Rs. 1.40 lacs were written off during the year as against bad debts of Rs. 1.54 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.137.27 lakhs as against profit of Rs 263.41 lakhs made after taxes during the previous year. Your Directors continue to explore further growth opportunities.

DIVIDEND

The Board of Directors have recommended a dividend of Rs. 2.50/- (Rupees Two and Fifty Paise Only) per equity share of Rs. 10/- (Rupees Ten Only) each, aggregating to Rs. 89.97 lacs for the financial year ended on 31st March, 2026. The Company has not declared any dividend in the previous financial year. Dividend is subject to approval of members at the ensuing Annual General Meeting (AGM) and shall be subject to deduction of income tax at source. Your Directors 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 Pragnesh K Shah (DIN 00228223), Director and (2) Shri Laxman C Tilani (DIN 00532516), 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 (DIN 00096099), Managing Director cum Chief Financial Officer of the Company, Shri Neel Dinesh Bilgi (DIN 00096180) and Shri Chirag Dinesh Bilgi (DIN 02094970) was set to expire on 31st July, 2026. The Nomination & Remuneration Committee and the Board of Directors, in their meetings held on 13th August, 2025 and the members at the Annual General Meeting held on 29th September, 2025 approved their re-appointments for a period from 1st August, 2026 to 31st July, 2029.

The term of Shri Aviv J Divekar (DIN 00689884) as an Independent Director is set to expire on 31st August, 2026. Being eligible the Nomination & Remuneration Committee and the Board of Directors in their meetings held on 29th July, 2026, subject to approval of the members at the ensuing Annual General Meeting have re-appointed Shri Aviv J Divekar (DIN 00689884) as Non-Executive Independent Director of the Company for his second and final term of five years starting from 1st September, 2026 to 31st August, 2031. The Board hereby re-commends his re-appointment.

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.

The details of Audit Committee and the Stakeholders Grievance Committee 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 05.01.2026. 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.

SHARE CAPITAL OF THE COMPANY

There is no change in the share capital of the Company for the year under review.

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.

However, the Board of Directors, in their meeting held on 13th August, 2025 and the members in the Annual General Meeting held on 29th September, 2025, have approved to amend the Main Objects Clause of the Memorandum of Association of the Company by adding clause no. 8 after clause no. 7 as follows:

Addition of the following sub-clause after clause (7):

8. To carry on business as manufacturers, printers, processors, inventors, convertors, importers, exporters, traders, buyers, sellers, retailers, wholesalers, suppliers, indenters, packers, movers, preservers, stockists, agents, merchants, distributors, consignors, jobbers, brokers, concessionaires or otherwise deal in aluminium foils coating, lamination and printing, card board packing, plastic packing, polythene packing, gunny bags, paper tags, containers, bottles, hollow wares, whether made of leather, plastics, H.D.P., L.D.P., polypropylene, P.V.C. and manmade fibrous materials and all kinds of varieties of packaging materials in India or elsewhere in the world.

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, 2026, 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, 2026 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. The Company has received notice for demand and interest from the GST Authorities during the year under review. The Company has filed appeal against such notice for demand and interest. The demand shall not have any significant and/or material effect on the Company.

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 except from Mr. Laxman Chetandas Tilani for FY 2026-27.

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 mechanization. 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. 3 lacs to Sri Hombuja Padmavathi Education Trust, Rs. 12 lacs to Gunayatan Trust, Rs. 0.25 lacs to Harekrishna Movement, Ahmedabad, Rs. 0.05 lacs to Kamladevi Jeetmal Charitable Trust, Ahmedabad, Rs. 0.21 lacs to Gayatri Parivar Trust, Kalol, 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.arenx.in.

CEO/CFO CERTIFICATION

Shri Dinesh A Bilgi (DIN:00096099), 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 Secretarial Auditor has confirmed that he is not disqualified from continuing as the Secretarial Auditor of the Company.

The Secretarial Auditor in its report attached to this Directors Report has noted that the Directors Declarations from all the Directors have been received except from Mr. Laxman Chetandas Tilani. The Company in reply to such noting wishes to clarify that the Company has made efforts to receive the necessary Directors Declarations from Mr. Laxman Chetandas Tilani, but no response has been received till date to the communications made relating to the Director Declaration.

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, 2026 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 2026-27. The Company has also paid custodial charges to National Securities Depository Ltd and Central Depository Services (India) Ltd for the year 2026-27.

REGISTRAR AND SHARE TRANSFER AGENT (RTA)

M/s MUFG INTIME INDIA PRIVATE LIMITED (Formerly known as M/s. Link Intime India Private Limited), 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 Form AOC-2 at Annexure – A1.

COST RECORDS:

The Company is not required to maintain 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.

PROVISIONS RELATING TO THE MATERNITY BENEFIT ACT, 1961

The Company has complied with the requisite provisions relating to the Maternity Benefit Act, 1961, to the extent applicable to the Company.

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: 29th July, 2026

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, 2026.

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

The Company always emphasizes conservation and reduction in consumption of energy. The Company generates green energy through its 1.6MW wind turbine generators & 130 KW Solar power 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

- (d) Total energy consumption and energy consumption per unit of production

Form A

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

	2025-26	2024-25
Power and Fuel Consumption		
Electricity		
Purchased Unit	4188645	4432734
Total Amount (Rs)	33602166	37438793
Rate/Unit	8.02	8.45
Production in Million Units	11860	12577
Avg. KWH Consumption per million Units	353	352
Electricity Generated from Windmill & Solar Generation – KWH	2216276	2207325
Wheeling of Electricity Generated – KWH	2002703	1995457

Form B

Technology Absorption

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

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

N. A.

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

C. Foreign Exchange Earnings and Outgo

- (i) Foreign Exchange Used
 - a) Import of Raw Material : Rs. 2957474/-
 - b) Import of Capital Goods : Rs. 8438800/-
 - c) Import of Stores & Spares : Rs. 6709030/-
 - d) Travelling : NIL
 - e) Commission & Others : Rs. 211572/-
- ii) Foreign Exchange Earned on account of exports : Rs. 29671959/-

For and on behalf of the Board

Regd Office:
612, GIDC Industrial Estate
Chahtral, Tal: Kalol
Dist : Gandhinagar-382 729
Date: 29th July, 2026

Neel D Bilgi
Mg Director
DIN:00096180

Chirag D Bilgi
Mg Director
DIN: 02094970

Annexure – "A1" FORM NO. AOC -2

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

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

Details of contracts or arrangements or transactions not at Arm's length basis.

Sr. No	Particulars	Details
1	Name (s) of the related party & nature of relationship	None
2	Nature of contracts/arrangements/transaction	None
3	Duration of the contracts/arrangements/transaction	None
4	Salient terms of the contracts or arrangements or transaction including the value, if any	None
5	Justification for entering into such contracts or arrangements or transactions	None
6	Date of approval by the Board	None
7	Amount paid as advances, if any	None
8	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	None

DETAILS OF MATERIAL CONTRACTS OR ARRANGEMENTS OR TRANSACTIONS AT ARM'S LENGTH BASIS:

Name (s) of the Related Party and nature of Relationship	ANC System LLP, Director is a Designated Partner in the LLP	ACN Estates LLP, Director is a Designated Partner in the LLP	Latha Services LLP, Director is a Designated Partner in the LLP	Ultra Polydye Pvt Ltd, Director is a Director in the Company
Nature of contract / arrangement / transactions	Leave & License Agreement	Leave & License Agreement	Leave & License Agreement	Purchase of Dyed Yarn
Duration of contract / arrangements / transactions				Till mutual agreement between parties
Salient Terms of contract/ arrangements/ transactions including the value if any	Area of 30,966 Sq. Ft. taken on Leave & License basis on a monthly rental of Rs. 3,63,370/- subject to renewal on the terms and conditions as may be mutually agreed between the parties. The Agreement was valid upto 30 th September, 2025, which was further renewed upto 31 st March, 2026.	Area of 24174 Sq. Ft. taken on Leave & License basis on a monthly rental of Rs. 2,83,270/- subject to renewal on the terms and conditions as may be mutually agreed between the parties. The Agreement was valid upto 30 th September, 2025 which was further renewed upto 31 st March, 2026	Area of 6250 Sq. Ft. of Industrial Space and 4968 Sq. Ft. of residential space taken on Leave & License basis on a aggregate monthly rental of Rs. 2,46,796/- subject to renewal on the terms and conditions as may be mutually agreed between the parties. Both agreements were valid upto 30 th September, 2025 which were further renewed upto 31 st March, 2026.	Purchase of dyed yarn at rates as may be mutually agreed upon based upon the specifications required by Arex Industries Limited. The rates charged are on arms-length basis. The total purchases during the year under review aggregated to Rs. 666.48 lacs.
Justification for entering into such contracts or arrangements or transactions	The LLP owns land adjoining the factory premises of Arex Industries Limited	The LLP owns residential premises in Anjar where staff accommodation is provided by Arex Industries Limited for its Anjar Plant staff.	The LLP owns land adjoining the factory premises of Arex Industries Limited	As Ultra Polydye Pvt Ltd is situated near the factory premises of Arex Industries Limited it is more convenient and the cost of transportation is saved. Also colour matching of yarn is processed on urgent basis and supply is made in smaller quantities of 1 Kg and above.
Date(s) of approval by the Board	28.05.2025	28.05.2025	28.05.2025	28.05.2025
Amount paid as Advances, if any	NIL	NIL	NIL	NIL

For and on behalf of the Board

Regd Office:
612, GIDC Industrial Estate
Chahtral, Tal: Kalol
Dist : Gandhinagar-382 729
Date: 29th July, 2026

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, 2026

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: L14101GJ1989PLC012213)
Chahtral

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial period ended on 31st March, 2026, generally complied with the statutory provisions listed hereunder and also that the Company follows proper Board-process and compliance mechanism in place to the extent, in the manner and subject to reporting hereinafter:

We have examined the books, papers, minute books, forms and returns and other records made available to us and maintained by the Company for the financial year ended on 31st March, 2026 according to the provisions of:

- The Companies Act, 2013 and the Rules made thereunder
- The Securities Contract (Regulation) Act, 1956 (SCRA) and the Rules made thereunder
- The Depositories Act, 1996 and the Regulations and Bye-Laws framed thereunder to the extent of Regulation 76 of Securities and Exchange board of India (Depositories and Participants) Regulations, 2018

- (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:-
- The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015,
 - The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; - No event took place under these Regulations during the year under audit
 - The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; - Not Applicable
 - The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; - Not Applicable
 - The Securities and Exchange Board of India (Registrars to Issue and Share Transfer Agents) Regulations, 1993 and the Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 2025, regarding the Companies Act and dealing with clients;
 - The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 – Not Applicable; and
 - The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018 – Not Applicable.
- (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.
- The Factory Act, 1948 (Currently known as Occupational Safety, Health and Working Conditions Code, 2020)
 - The Electricity Act, 2003
 - Textiles Committee Act, 1963
 - Textiles (Development & Regulation) Order, 2001

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

- The Secretarial Standards – I & II issued by the Institute of Company Secretaries of India as applicable.
- 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.

As informed, the Company has received notice for demand and interest from the GST Authorities during the audit period. The Company has filed appeal against such notice for demand and interest.

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.

(Note: The Company has received relevant declarations from all the Directors of the Company except for from Mr. Laxman Chetandas Tilani).

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 and Committee were taken unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees thereof, as the case may be.

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

No specific events like Public Issue, Right Issue, Redemption or Resolutions u/s 180 etc, were observed during the year under audit except for the following:

- Mr. Dinesh Apparao Bilgi re-appointed as Managing Director cum Chief Financial Officer w.e.f. 1st August, 2026 by the members in the Annual General Meeting held on 29th September, 2025 by way of Special Resolution.
- Mr. Neel Dinesh Bilgi re-appointed as Managing Director w.e.f. 1st August, 2026 by the members in the Annual General Meeting held on 29th September, 2025 by way of Special Resolution.
- Mr. Chirag Dinesh Bilgi re-appointed as Managing Director w.e.f. 1st August, 2026 by the members in the Annual General Meeting held on 29th September, 2025 by way of Special Resolution.
- Approval of Alteration to the main object of the Company (via addition of object) by the members in the Annual General Meeting held on 29th September, 2025 by way of Special Resolution.
- Approval of appointment of M/s. Preyansh Shah & Associates, Company Secretaries, as Secretarial Auditors of the Company for a period of five years commencing from 2025-26 to 2029-30, by the members in the Annual General Meeting held on 29th September, 2025.

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: Vadodara
Date : 29th July, 2026

CS Preyansh Shah
FCS: F9941 CP No.: 11970
UDIN: F009941H000966336
Peer Review Certificate no.: 7966/2026

The Members
Arex Industries Ltd (CIN: L14101GJ1989PLC012213)
Chhatral

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

- 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.
- 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.
- We have not verified the correctness and appropriateness of financial records and books of accounts of the company.
- Wherever required, we have obtained management representation about the compliance of laws, rules and regulations and happening of an events etc.
- 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: Vadodara
Date : 29th July, 2026

CS Preyansh Shah
FCS: F9941 CP No.: 11970

Annexure 'C' MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Overview

The Company is engaged in the manufacture of all types of woven and printed labels, which promote and protect the brand identity of its customers. Labels carry a garment's brand identity together with mandatory product information such as fibre content, care instructions, etc., and are an essential trim in the apparel value chain. The Company's products are largely used by garment manufacturers within India and abroad. The Company operates from its two manufacturing units at Chhatral and Anjar (Gujarat) and functions as single segment business – manufacturing of garment labels.

Industry Structure

During the year, the global economy continued to expand at a moderate pace amid easing inflation, evolving trade dynamics and geopolitical uncertainty. India retained its position among the fastest growing major economies, supported by resilient domestic demand, sustained government capital expenditure and a stable policy environment. Broadly contained inflation and supportive fiscal and monetary measures underpinned consumption. These conditions augur well for apparel demand and, in turn, for demand for garment labels.

The Indian textile industry is a cornerstone of the Indian economy and a significant contributor to its industrial output, exports and employment. The Government of India has continued its proactive support for the sector through various initiatives. The Production Linked Incentive (PLI) scheme, the establishment of PM Mega Integrated Textile Region and Apparel (PM MITRA) parks, and the National Technical Textiles Mission which are expected to encourage in modern infrastructure and technology and to expand the domestic apparel base.

Globally, the textile industry is witnessing a paradigm shift towards sustainability and digitalization. The "China Plus One" sourcing strategy together with India's expanding network of Free Trade Agreements, continue to present opportunities. The garment label manufacturing segment, in which the Company operates, is a critical ancillary to the apparel industry. Labels are no longer just a branding and information tool, they are evolving into a key component of a garment's identity, with increasing demand for innovative and sustainable solutions. The growth of this segment is intrinsically linked to the performance of the apparel industry.

Opportunities, Threats, Risk and Concern

The growth of the domestic apparel market, increasing disposable incomes, expansion of organised retail and e-commerce, and the emergence of new-age and direct-to-consumer brands provide opportunities for the Company. Increasing emphasis on brand identity and product presentation is also expected to support demand for quality woven and printed garment labels.

At the same time, the industry remains highly competitive, with the presence of organised as well as unorganised players. Price competition may impact margins. The Company's performance is also influenced by the overall demand in the apparel and textile industry, fluctuations in raw material prices, labour costs, power and other operating costs, supply-chain conditions and changes in domestic and international market conditions. The Company continues to monitor these factors and take appropriate measures to improve operational efficiency, maintain product quality and strengthen customer relationships.

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. 76.38 lacs for spare parts and upgradation of its machineries. The demand has been affected due to global volatility in comparison to the previous year and thus the revenue from operations of the Company has been decreased by approx. 2.94% 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.

Segment-wise

The Company has single segment of manufacturing garment labels.

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 has decreased by 2.94% in comparison to the previous year. The Company has earned a profit of Rs. 137.27 lacs as against a profit of Rs. 263.41 lacs in the previous year. Your Directors have recommended a dividend of Rs. 2.50/- on equity share of Rs. 10/- each.

Human Resources / Industrial Relations

The relations between the employees and the management remained cordial throughout the year and the Company continued to focus on skill development, workplace safety and employee well-being. The Company employed 227 persons as on 31st March, 2026.

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 statements. 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. 2025-26, 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.

The tenure of three managing director is ending on 31st July, 2026. The members at the 36th Annual General Meeting held on 29th September, 2025 have approved the re-appointment of all the three Managing Directors w.e.f. 1st August, 2026. The tenure of Shri Aviv Joseph Divekar Non-executive Independent Director is set to expire on 31st August, 2026 and being eligible the Board of Directors in their meeting held on 29th July, 2026 have proposed to re-appoint him for second and final consecutive term of another five years from 1st September, 2026 to 31st August, 2031 (both days inclusive), subject to approval of the members at the ensuing Annual General Meeting.

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 28.5.2025, 13.8.2025, 12.11.2025 and 27.1.2026. The gap between any two meetings did not exceed 120 days during the period under review.

The attendance record of each of the Directors at the Board Meetings held during 2025-26 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 listed public companies	No. 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	7,62,320
Neel D Bilgi (DIN: 00096180)	MD	4	Y	Nil	Nil	2,23,965
Chirag D Bilgi (DIN: 02094970)	MD	3	Y	Nil	Nil	2,26,501
Pragnesh K Shah (DIN: 00228223)	Director	3	Y	Nil	Nil	27,298
Laxman C Tilani (DIN: 00532516)	Director	1	Y	Nil	Nil	78,500
Manoj Uttam Shah (DIN: 00371917)	Director	2	N	Nil	Nil	1,30,900
Sunil B Shah (DIN: 02107662)	NED	4	Y	Nil	Nil	NIL
Smt Rekha Agarwal (DIN: 10687675)	NED	4	Y	Nil	Nil	NIL
Shri Aviv J Divekar (DIN: 00689884)	NED	4	Y	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	Aviv Divekar	Sunil Shah	Rekha Agrawal	Manoj Shah
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								
Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Industry Experience	Experience and/or knowledge of the industry in which the Company operates								
Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	-	Yes
Financial Expertise	Qualifications and / or Experience in Financial Matters								
Yes	Yes	Yes	-	-	Yes	Yes	Yes	Yes	Yes
Governance, Risk and Compliance	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	Yes

d. Independent Directors

The Non-Executive Independent Directors fulfils 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 5th January, 2026 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.arem.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.arem.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 Sunil Bansibhai Shah (2) Smt. Rekha Agarwal, and (3) Shri Manoj Uttam Shah. Shri Sunil Bansibhai Shah is the Chairman of the Committee. The Committee held meetings on 28.5.2025, 13.8.2025, 12.11.2025 and 27.1.2026. The attendance record of each of the Directors during the period under review is as under: Shri Sunil Bansibhai Shah attended 4 meetings, Smt. Rekha Agarwal attended 4 meetings, and Shri Manoj Uttam Shah attended 2 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. Smt. Rekha Agarwal as the Chairman, 2. Shri Sunil Bansibhai Shah and 3. Shri Laxman Chetandas Tilani. The Nomination & Remuneration Committee met 2 time, i.e. on 28.05.2025 and 13.08.2025 during the financial year. The attendance record of each of the Directors during the period under review is as under: Smt. Rekha Agarwal attended 2 meetings, Shri Sunil Bansibhai Shah attended 2 meetings and Shri Laxman Chetandas Tilani attended NIL meetings.
 - 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. 1.80 Lacs during the FY 2025-26. 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 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, 2026.
 6. **STAKEHOLDERS GRIEVANCE COMMITTEE**
The Stakeholders Grievance Committee comprises of (1) Shri Aviv Joseph Divekar as the Chairman, (2) Shri Neel D Bilgi (3) Shri Chirag D Bilgi and (4) Smt Rekha Agarwal w.e.f. 1st September, 2025, for addressing the grievances of the investors. 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, duplicate shares issuance, 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, 2026. The Complaints are normally resolved within the stipulated period under the Listing Agreement, Listing Regulations and relevant circulars issued from time to time. 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.
 7. **CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**
The Company has constituted Corporate Social Responsibility Committee (CSR) comprising of (1) Shri Aviv Joseph Divekar, (2) Shri Sunil Bansibhai Shah, and (3) Shri Pragnesh Kantilal Shah. Shri Aviv Joseph Divekar 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

2022-2023	612, GIDC Estate, Chhatral, Tal.: Kalol, Dist.: Gandhinagar, Gujarat – 382729 through Video Conference (VC)/Other Audio Visual Means(OAVM)	30.09.2023	12.30 p.m.
2023-2024	612, GIDC Estate, Chhatral, Tal.: Kalol, Dist.: Gandhinagar, Gujarat – 382729 through Video Conference (VC)/Other Audio Visual Means(OAVM)	30.09.2024	12.30 p.m.
2024-2025	612, GIDC Estate, Chhatral, Tal.: Kalol, Dist.: Gandhinagar, Gujarat – 382729 through Video Conference (VC)/Other Audio Visual Means(OAVM)	29.09.2025	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:

- No Special resolution was passed. (At 34th AGM)
- Appointment of Shri Manoj Uttam Shah as Non-Executive Non-Independent Director of The Company (At 35th AGM)
- Appointment of Shri Sunil Bansibhai Shah as Independent Director of The Company (At 35th AGM)
- Appointment of Smt. Rekha Agarwal as Independent Woman Director of The Company (At 35th AGM)
- To Revise the Remuneration Payable to Mr. Dinesh Apparao Bilgi, Managing Director cum CFO of the Company (At 35th AGM)
- Reappointment of Shri Dinesh A Bilgi as Managing Director of the Company for a period of three years (At 36th AGM)
- Reappointment of Shri Neel D Bilgi as Managing Director of the Company for a period of three years (At 36th AGM)
- Reappointment of Shri Chirag D Bilgi as Managing Director of the Company for a period of three years (At 36th AGM)
- Alteration of Main Object (Addition of Object) of the Memorandum of Association of the Company (At 36th AGM)

c. Passing of resolutions by Postal Ballot:

No resolution was passed through Postal Ballot during the Financial Year 2025-26.

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 : Wednesday, 23rd September, 2026 at 12.30 p.m.(IST)
Venue : Video Conference (VC)/Other Audio Visual Means(OAVM)

b) Financial Calendar for 2026-2027 (Tentative)

Un-audited Results for First Quarter : 29th July, 2026
Annual General Meeting for the year 2025-26 : 23rd September, 2026
Un-audited Results for Second Quarter/Half Year : By 14th of November, 2026
Un-audited Results for Third Quarter : By 14th of February, 2027
Audited Annual Results 2026-27 : By 30th of May, 2027

c) Date of Book Closure

The Book Closure for payment of dividend, if any, is from Thursday, 17th September, 2026 to Wednesday, 23rd September, 2026 (both days inclusive).

d) Dividend Payment

The Board of Directors have recommended dividend of Rs. 2.50/- per Equity Share of Rs. 10/- each. The dividend subject to approval of the members at the ensuing Annual General Meeting shall be paid to the members whose name appears in the register of members as on the record date being 16th September, 2026. Dividend if being declared at the ensuing Annual General Meeting shall be paid on or before 22nd October, 2026.

e) Listing on Stock Exchange

The Equity Shares of the Company are listed at the BSE Ltd, Mumbai under Scrip 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 2025-26 and 2026-27.

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, 2025	167.00	132.65	1,716
May, 2025	175.00	145.60	1,658
June, 2025	168.50	144.15	4,978
July, 2025	157.50	143.05	2,296
August, 2025	159.00	142.50	1,225
September, 2025	165.70	143.55	1,475
October, 2025	157.00	134.90	926
November, 2025	151.80	131.20	472
December, 2025	148.00	129.40	452
January, 2026	141.70	128.30	1,589
February, 2026	147.95	118.00	926
March, 2026	118.50	96.60	3,786

f) Distribution of Shareholding as on 31st March, 2026

No of Shares	No of Shareholders	% of Shareholders	Total Shares	% of Shareholding
Less than 500	2062	93.09	195027	05.42
500 to 1000	53	2.39	43252	01.20
1001 to 2000	31	1.40	41773	01.16
2001 to 3000	20	00.90	51258	01.42
3001 to 4000	08	00.36	28267	00.79
4001 to 5000	06	00.27	27169	00.76
5001 to 10000	09	00.41	55904	01.55
10001 and above	26	01.18	3156050	87.70
Total	2215	100.00	3598700	100.00

g) Shareholding Pattern as on 31st March, 2026

Sr. No.	Category	No of Shares Held	% of Shareholding
1.	Promoters		
	Indian Promoters	2540727	70.60
	Foreign Promoter	NIL	NIL

2.	Mutual Fund and UTI	NIL	NIL
3.	Banks, Financial Institutions, Insurance Companies	100	0.00
4.	Private Corporate Bodies	14605	0.41
5.	Foreign Institutional Investors	NIL	NIL
6.	NRIs/OCBs	1213	0.03
7.	Indian Public	726042	20.18
8.	Clearing Members	NIL	0.00
9.	Investor Education & Protection Fund	316013	8.78
	Grand Total	3598700	100.00

h) Registrar and Share Transfer Agents

M/s MUFG Intime India Private Limited (Previously known as Link Intime India Private Limited), 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:

MUFG 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@in.mpms.mufg.com, Website: www.in.mpms.mufg.com

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.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.34 of the significant accounting policies and Notes forming part of the financial statements in accordance with Indian Accounting Standards. The related party transaction policy is on the website of the Company at <https://www.arex.in/investors/Policies/Related%20Party%20Transaction%20Policy.pdf>

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 2025-26.

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 Preyansh Shah & Associates, Practicing Company Secretary, Vadodara, 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 subject to the comments as mentioned in the certificate which has been annexed to this report.

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. 3.50 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.

For and on behalf of the Board

Place: Chhatral
Date: 29th July, 2026

Dinesh Bilgi
(DIN:00096099)
Managing Director cum CFO

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: 29th July, 2026

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

1. This certificate is issued in accordance with terms of our engagements with AREX INDUSTRIES LIMITED ("the Company").
2. We have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31st March, 2026, 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').

Management's Responsibility

3. 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.

Auditor's Responsibility

4. 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.
5. 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.
6. 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.
7. 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.

Opinion

8. 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, 2026.
9. 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 : 29th July, 2026

(Sweta H Patel)
Partner
Membership No. 154493
UDIN: 26154493GNKJBR6218

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: L14101GJ1989PLC012213 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, 2026 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	Laxman Chetandas Tilani**	00532516	14-12-1990
5	Aviv Joseph Divekar***	00689884	01-09-2021
6	Chirag Dinesh Bilgi	02094970	01-08-2010
7	Manoj Uttam Shah	00371917	01-09-2024
8	Sunil Bansibhai Shah	02107662	01-09-2024
9	Rekha Agarwal	10687675	01-09-2024

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

** No Declaration under Section 164 of the Companies Act, 2013 has been received from Shri Laxman Chetandas Tilani for FY 2026-27.

*** Shri Aviv Joseph Divekar term of appointment as an Non-executive Independent Director is set to expire on 31st August, 2026 and being eligible it has been proposed by the Board of Directors to re-appoint Shri Aviv Joseph Divekar as Non-Executive Independent Director for second and final term of five years from 1st September, 2026 to 31st August, 2031 subject to approval of members at the ensuing Annual General Meeting.

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: Vadodara
Date : 29th July, 2026

CS Preyansh Shah
FCS: F9941 CP No.: 11970
UDIN: F009941H000966743
Peer Review Certificate no.: 7966/2026

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 2025-26	Director's Name Mr. Dinesh A Bilgi, MD & CFO Mr. Neel D Bilgi, MD Mr. Chirag D Bilgi, MD	Ratio to mean remuneration 41.95:1 18.36:1 18.36:1
(ii)	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager if any of the financial year 2025-26 compared to 2024-25	Director's/ CFO/ CEO/ CS/ Mgr Name Mr. Dinesh A Bilgi, MD & CFO Mr. Neel D Bilgi, MD Mr. Chirag D Bilgi, MD	%age increase in remuneration (11.10) (10.25) (10.25)
(iii)	Percentage increase in the median remuneration of employees in the financial year 2025-26 compared to 2024-25	Ms. Kairavi Bilgi – CS 6.69%	0.14
(iv)	Number of permanent employees on the roll of the Company	As on 31.03.2026 227	As on 31.03.2025 247
(v)	Average percentile increase in salaries of Employees other than managerial personnel	During 2024-25 --	During 2025-26 3.44

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

INDEPENDENT AUDITOR'S REPORT

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, 2026, 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, 2026, 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

1. 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.
2. As required by section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The Balance Sheet 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.
 - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e. On the basis of written representations received from the directors as on 31st March, 2026 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2026 from being appointed as a director in terms of section 164(2) of the Act.
 - f. 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.
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements (refer note no.27 to the Ind AS financial statements).
 - ii. The Company does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. (a) On the basis of written representation from management, 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 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.
 - v. 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.
 - vi. Based on our examination which included test checks, the company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we did not come across any instance of the audit trail feature being tampered with.

- h. 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 : Ahmedabad
Date : 21-05-2026

(Sweta H Patel)
Partner
Membership No. 154493
UDIN : 26154493REIJKL5594

[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) The management conducted a physical verification of some Property, Plant, and Equipment throughout the year, following a verification program designed to ensure that all assets are physically checked at reasonable intervals. Based on the information and explanations provided to us, we found no significant discrepancies during this verification process.
- (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-25	State Bank of India	1273.56	1232.44	41.12	#Refer Note below
Sep-25	State Bank of India	1305.78	1297.58	8.20	
Dec-25	State Bank of India	1291.05	1285.32	5.73	
Mar-26	State Bank of India	1243.18	1250.59	-7.40	
# Reason for material discrepancies: - Upon reviewing the statements submitted to the bank, we noted that the company transfers amounts received from debtors into a common account known as the debtors' clearing account. At the time of receiving these payments, detailed bill-to-bill information is not available. As a result, when the company submits details to the bank, it fails to include these amounts in the calculation of outstanding debtors at the end of the respective period in the statement. Later, once the company obtains the detailed bill-to-bill breakdown, it transfers the amounts from the debtors' clearing account to the appropriate debtors' accounts. This practice leads to the discrepancies mentioned above. We have also observed that in the fourth quarter, when submitting the creditors' details to the bank, the company reported a lower total amount owed than was actually owed. Specifically, the company did not include one creditor, totalling Rs. 7.40 lakh, in the stock statement. This omission occurred because the company recorded these creditors only after submitting the stock statement to the bank, as the invoices were received or provisions were created after that submission.					

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, 2026 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
Goods and Service Tax Act	Input Tax Credit	31,92,734/-	Assessment year 2018-19 to 2023-24	Commissioner (Appeals), CGST

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 Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under section 133 of the Act, read with relevant rules issued thereunder.
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 : Ahmedabad
Date : 21-05-2026

(Sweta H Patel)
Partner
Membership No. 154493
UDIN : 26154493REIJKL5594

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")*

Opinion

We have audited the internal financial controls over financial reporting of Arex Industries Limited ("the Company") as of 31st March, 2026 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

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, 2026, 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.

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.

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

Place : Ahmedabad
Date : 21-05-2026

(Sweta H Patel)
Partner
Membership No. 154493
UDIN : 26154493REIJKL5594

Balance Sheet as at 31st March, 2026

		Amount in Rupees in Lacs	
	Note	As at 31st March, 2026	As at 31st March, 2025
ASSETS			
Non-current assets			
Property, Plant & Equipment	3	2538.61	2699.25
Capital Work in progress	3	300.22	87.81
Other Intangible assets	3	0.02	0.02
Financial assets			
Other non-current financial assets	4	91.58	87.82
Income tax assets (net)	5	2.76	0.00
Total Non-current assets		2933.19	2874.90
Current assets			
Inventories	6	753.30	780.89
Financial assets			
Trade Receivables	7	682.80	807.25
Cash and cash equivalents	8	10.58	4.53
Bank balances other than Cash and cash equivalents above	9	6.17	10.67
Other current assets	10	110.67	184.03
Total Current assets		1563.53	1787.36
Total assets		4496.72	4662.26
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	11	359.87	359.87
Other Equity	12	2413.77	2207.47
Total Equity		2773.64	2567.34
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Non current Borrowings	13	0.00	524.56
Deferred tax liabilities (net)	31	158.34	212.35
Total Non-current liabilities		158.34	736.91
Current liabilities			
Financial liabilities			
Current Borrowings	14	1060.02	708.80
Trade payables	15	311.46	455.82
Other current financial liabilities	16	116.13	60.55
Other current liabilities	17	77.14	126.00
Current tax liabilities (net)	18	0.00	6.85
Total Current liabilities		1564.74	1358.01
Total equity and liabilities		4496.72	4662.26
Significant Accounting Policies		2	
Notes 1 to 39 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	SD/-	SD/-	SD/-
(Partner)	Dinesh Bilgi	Neel Bilgi	Chirag Bilgi
Membership No. : 154493	(DIN:00096099)	(DIN:00096180)	(DIN:02094970)
UDIN : 26154493REIJKLS594	Mg. Director & CFO	Mg. Director	Mg. Director
Place : Ahmedabad			
Date : 21-05-2026			
	SD/-	SD/-	SD/-
	Sunil B Shah	Rekha Agarwal	Pragnesh K Shah
	(DIN:02107662)	(DIN:10687675)	(DIN:00228223)
	Director	Director	Director
			SD/-
			Kairavi Bilgi
			(ACS:21519)
			Company Secretary
Place : Ahmedabad			
Date : 21-05-2026			

Statement of Profit and Loss for the Year ended 31st March, 2026

		Amount in Rupees in Lacs	
	Note	2025-26	2024-25
INCOME			
Revenue from Operations	19	4963.74	5114.11
Other Income	20	6.22	69.44
Total Revenue		4969.96	5183.55
EXPENSES			
Cost of Materials Consumed	21	1365.08	1423.50
Purchases of Stock-in-Trade		16.24	25.04
Changes in Inventories of Finished Goods, Stock-in-Process and Stock-in-Trade	22	14.94	16.12
Employee Benefits Expense	23	1768.97	1735.78
Finance Costs	24	103.76	109.40
Depreciation and Amortisation Expenses	3	435.74	413.13
Other Expenses	25	1073.35	1093.96
Total Expenses		4778.08	4816.93
Profit Before Tax		191.88	366.62
Tax Expenses			
Current Income Tax		98.00	122.00
(Excess) / Short Provision of Income tax for earlier years		(3.92)	(1.75)
Deferred Tax		(50.35)	(17.04)
Profit for the year		148.15	263.41
Other Comprehensive Income			
Items that will not be reclassified to profit or loss		(14.54)	0.00
Income tax impact on above		3.66	0.00
Other comprehensive income for the year		(10.88)	0.00
Total Comprehensive income for the year		137.27	263.41
Earnings per equity share of face value of Rs.10 each			
Basic and Diluted (in Rs.)	32	4.12	7.32
Significant Accounting Policies		2	
Notes 1 to 39 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)	SD/- Dinesh Bilgi (DIN:00096099)	SD/- Neel Bilgi (DIN:00096180)	SD/- Chirag Bilgi (DIN:02094970)
Membership No. : 154493			
UDIN : 26154493REIJKLS594	Mg. Director & CFO	Mg. Director	Mg. Director
Place : Ahmedabad			
Date : 21-05-2026			
	SD/- Sunil B Shah (DIN:02107662) Director	SD/- Rekha Agarwal (DIN:10687675) Director	SD/- Pragnesh K Shah (DIN:00228223) Director
			SD/- Kairavi Bilgi (ACS:21519) Company Secretary
Place : Ahmedabad			
Date : 21-05-2026			

Cash Flow Statement for the year ended 31st March, 2026

		Amount in Rupees in Lacs	
		As at 31st March, 2026	As at 31st March, 2025
A. CASH FLOW FROM OPERATING ACTIVITIES			
Profit Before Tax		191.88	366.62
Depreciation and Amortisation Expenses		435.74	413.13
Finance Costs		103.76	109.40
Expenses for buy-back of equity shares		0.00	26.59
Loss /(Profit) on sale of Assets		(2.35)	(4.83)
Effect of Exchange Rate Change		(4.71)	(1.85)
Provision for Gratuity		104.70	0.00
Other Income		(6.22)	(69.44)
Operating Profit before Working Capital Changes		822.81	839.62
Trade Receivables		124.45	149.02
Inventories		27.59	18.43
Other non-current & current assets		69.59	(77.31)
Trade and Other Payables		(183.15)	98.75
Cash generated from Operations		861.28	1028.57
Direct Tax		(103.69)	(138.03)
Net Cash Flow from Operating Activities (A)		757.59	890.54
B. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Property, Plant & Equipment		(275.10)	(78.26)
Sale of Property, Plant & Equipment		2.35	6.75
Other Bank balances		4.50	8.15
Movement in Capital work in progress		(212.40)	(85.25)
Other Income		6.22	69.44
Net Cash Used in Investing Activities (B)		(474.44)	(79.10)
C. CASH FLOW FROM FINANCING ACTIVITIES			
Long-term borrowings Raised / (Repaid)		(524.56)	(129.83)
Shor-term borrowings Raised / (Repaid)		351.22	313.98
Finance Costs paid		(103.76)	(109.40)
Buyback of equity shares (including tax and transaction cost)		0.00	(883.74)
Net Cash Used in Financing Activity (C)		(277.10)	(808.99)
Net Increase in Cash & Cash Equivalents (D = A+B+C)		6.05	2.45
Opening Cash & Cash Equivalents		4.53	2.08
Closing Cash & Cash Equivalents		10.58	4.53
Significant Accounting Policies		2	
Notes 1 to 39 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			
SD/- Dinesh Bilgi (DIN:00096099) Mg. Director & CFO		SD/- Neel Bilgi (DIN:00096180) Mg. Director	SD/- Chirag Bilgi (DIN:02094970) Mg. Director
Sweta H. Patel (Partner) Membership No. : 154493 UDIN : 26154493REUJLKS594 Place : Ahmedabad Date : 21-05-2026		SD/- Sunil B Shah (DIN:02107662) Director	SD/- Rekha Agarwal (DIN:10687675) Director
		SD/- Pragnesh K Shah (DIN:00228223) Director	SD/- Kairavi Bilgi (ACS:21519) Company Secretary
Place : Ahmedabad			
Date : 21-05-2026			

Statement of Changes in Equity for the year ended 31st March, 2026

(A) Equity share capital

Particulars	Note no.	Amount in Rupees in Lacs	
		As at 31st March, 2026	As at 31st March, 2025
Opening balance at the beginning of the year	11	359.87	395.87
Changes in equity share capital due to prior period error		0.00	0.00
Restated balance at beginning of the year		359.87	395.87
Changes in equity share capital during the year		0.00	36.00
Closing balance at the end of the year	11	<u>359.87</u>	<u>359.87</u>

(A) Other Equity

Particulars	State Capital Subsidy	General reserve	Capital redemption reserve	Retained earning	Amount in Rupees in Lacs	
					Other Comprehensive income	Total
					Fair value reserve	
Balance as at 01st April, 2024	23.92	10.00	0.00	2731.30	0.00	2765.22
Add/ (Less):						
Profit for the year	0.00	0.00	0.00	263.41	0.00	263.41
Transfer from Retained earnings to Capital Redemption reserve	0.00	0.00	36.00	(36.00)	0.00	0.00
Tax on buy-back of equity shares	0.00	0.00	0.00	(155.15)	0.00	(155.15)
Buy-back of equity shares	0.00	0.00	0.00	(666.00)	0.00	(666.00)
Balance as at 31st March, 2025	23.92	10.00	36.00	2137.55	0.00	2207.47
Add/ (Less):						
Profit for the year	0.00	0.00	0.00	148.15	0.00	148.15
Remeasurement impact on account of IND AS 19 Employee Benefit Planned Asset/Defined Obligation	0.00	0.00	0.00	69.02	0.00	69.02
Remeasurement gain/ (loss) - (net of tax)	0.00	0.00	0.00	0.00	(10.88)	(10.88)
Buy-back of equity shares	0.00	0.00	0.00	0.00	0.00	0.00
Balance as at 31st March, 2026	23.92	10.00	36.00	2354.73	(10.88)	2413.77

Notes 1 to 39 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 : 26154493REIJKLS594

Place : Ahmedabad

Date : 21-05-2026

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

SD/-
Neel Bilgi
(DIN:00096180)
Mg. Director

SD/-
Chirag Bilgi
(DIN:02094970)
Mg. Director

SD/-
Sunil B Shah
(DIN:02107662)
Director
Place : Ahmedabad
Date : 21-05-2026

SD/-
Rekha Agarwal
(DIN:10687675)
Director

SD/-
Pragnesh K Shah
(DIN:00228223)
Director

SD/-
Kairavi Bilgi
(ACS:21519)
Company Secretary

Notes to the Financial Statements for the year ended 31st March, 2026**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. The sale of goods is stated net of GST, discounts and rebates.

➤ 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. The Company accounts for the liability for gratuity benefits payable in the future based on a year-end actuarial valuation.

• **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 (Including Leave Encashment) 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 their working condition for their intended use. Such costs also include 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 the written down value method based on the estimated useful life of the assets as specified under Schedule II of the Companies Act, 2013.

Gains or losses arising from the derecognition of property, plant & equipment are measured as the difference between the net disposal proceeds and the 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 depreciation methods for 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, are 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. Gains or losses arising from the derecognition of intangible assets are measured as the difference between the net disposal proceeds and the 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 generally not cancellable, range from 11 months to 3 years and are usually renewable by mutual consent on agreed terms. The aggregate lease rent payable is charged as rent in the statement of profit and loss.

i) Inventories

Inventories are valued as follows:

- 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 the weighted average cost or net realisable value, whichever is lower.
- Store, Spare, Packing and other 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 the amount of 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 the 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 non-cash transactions and any deferrals or accruals of past or future cash receipts or payments. The cash flows from the Company's operating, investing, and financing activities 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 a 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 an 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 costs are recognised as an expense in the period in which they are incurred, except to the extent that borrowing costs that are directly attributable to the qualifying asset till put for its intended use are capitalised as part of the cost of that asset.

q) Government Grant:

Government grants received under the Technology Upgradation Fund (TUF) Scheme are recorded on an accrual basis. These grants are recognized as revenue in the Statement of Profit and Loss when there is reasonable assurance that the company will comply with the conditions attached to the grant and that the grant will be received.

r) Power Generation from Windmill/Solar:

Units generated from windmill/Solar are adjusted against the captive power consumption 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.

Notes to Financial Statements for the year ended 31st March, 2026

		Amount in Rupees in Lacs	
		As at 31st March, 2026	As at 31st March, 2025
4	Other non-current financial assets		
	Unsecured and Considered good :		
	Security Deposits		
	Others	91.58	87.82
	TOTAL	91.58	87.82
5	Income tax assets (net)		
	Advance Payment of Taxes (Net)	2.76	0.00
	TOTAL	2.76	0.00
6	Inventories		
	(valued at lower of cost and net realizable value)		
	Raw Materials	332.85	299.94
	Work in Process	105.08	90.98
	Finish Goods	111.25	140.28
	Stores and Spares	189.37	236.39
	Packing Materials	5.28	5.76
	Other Materials	9.47	7.54
	TOTAL	753.30	780.89
7	Trade Receivables		
	Unsecured and Considered good	682.80	807.25
	TOTAL	682.80	807.25

Aging for the Trade Receivables as at 31st March 2026		Amount in Rupees in Lacs				
Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables — considered good	621.77	19.90	30.10	8.18	2.85	682.80
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 2025		Amount in Rupees in Lacs				
Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables — considered good	727.79	59.12	16.41	0.98	2.94	807.25
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	8.29	1.50
	Cash on hand	2.29	3.02
	TOTAL	10.58	4.53
9	Bank balances other than Cash and cash equivalents above		
	Unclaimed Dividend Account	6.17	10.67
	TOTAL	6.17	10.67
10	Other current assets		
	Unsecured and Considered good		
	Advances to suppliers	41.89	132.61
	Loans & Advances to Employees	20.43	23.53
	Balances with statutory authorities	20.24	0.03
	Interest Accrued	3.38	3.51
	Prepaid Expenses	24.73	24.35
	TOTAL	110.67	184.03

Notes to Financial Statements for the year ended 31st March, 2026

		Amount in Rupees in Lacs	
		As at 31st March, 2026	As at 31st March, 2025
11	Equity		
	Authorised Share Capital :		
	5000000 (31/03/2025: 5000000) Equity Shares of Rs.10/- each	500.00	500.00
	Issued, Subscribed and Paid up Capital		
	3598700 (31/03/2025: 3598700) Equity shares of Rs.10/- each fully paid up	359.87	359.87
	TOTAL	359.87	359.87

The Board of Directors at its meeting held on August 6, 2024, approved a proposal to buy-back upto 3,60,000 equity shares of the Company for an aggregate amount not exceeding Rs. 702 Lakh, being 9.09% of the total paid up equity share capital at Rs. 195 per equity share. A Letter of Offer was made to all eligible shareholders. The Company bought back 3,60,000 equity shares out of the shares that were tendered by eligible shareholders and which was settled on 26th September, 2024 and the Shares were extinguished on 3rd October, 2024, in Compliance with the applicable rules and regulations as mention here. Capital redemption reserve was created to the extent of share capital extinguished (Rs. 36 Lakh). The cost of buy-back of Shares, Rs. 702 Lakh and corresponding tax on buy-back of Rs. 155 lakh were offset from retained earnings.

Reconciliation of Equity Shares at the beginning and at the end of the year			Amount in Rupees in Lacs	
Particulars	As at 31st March 2026		As at 31st March 2025	
	Nos.	Amount	Nos.	Amount
Shares outstanding at the beginning of the year	3598700	359.87	3958700	395.87
Shares issued during the year	Nil	Nil	Nil	Nil
Shares Bought back during the year	Nil	Nil	360000	36
Shares outstanding at the end of the year	3598700	359.87	3598700	359.87

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

Name of the Shareholder	As at 31st March 2026		As at 31st March 2025	
	Nos.	%	Nos.	%
Dinesh A. Bilgi	762320	21.18	757774	21.06
Neel D. Bilgi	223965	6.22	223037	6.20
Chirag D. Bilgi	226501	6.29	225573	6.27
Bhavna D. Bilgi	406340	11.29	246228	6.84
Investors Education and Protection Fund	316013	8.78	298283	8.29

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 2026			As at 31st March 2025		
	Nos.	% of total Shares	% change during the year	Nos.	% of total Shares	% change during the year
Dinesh A. Bilgi	762320	21.18	0.12	757774	21.06	(0.71)
Bhavna D. Bilgi	406340	11.29	4.45	246228	6.84	(0.23)
Chirag D. Bilgi	226501	6.29	0.02	225573	6.27	(0.21)
Neel D. Bilgi	223965	6.22	0.02	223037	6.20	(0.20)
Aashna Dinesh Bilgi	159903	4.44	0.00	159903	4.44	(0.36)
Dinesh A. Bilgi (HUF)	0	0.00	(4.45)	160112	4.45	(0.15)
Manoj U. Shah	130900	3.64	0.00	130900	3.64	0.33
Kala M. Shah	119300	3.32	0.00	119300	3.32	0.31
Harikishand R. Shah	100500	2.79	0.00	100500	2.79	0.25
Premal V. Shah	83700	2.33	0.00	83700	2.33	0.22
Hiren V. Shah	78800	2.19	0.00	78800	2.19	0.20
Laxman C. Tilani	78500	2.18	0.00	78500	2.18	0.20
Meeta L. Tilani	64800	1.80	0.00	64800	1.80	0.17
Sushila H. Shah	35600	0.99	0.00	35600	0.99	0.09
Jayesh L. Tilani	35000	0.97	0.00	35000	0.97	0.09
Pragnesh K. Shah	27298	0.76	0.00	27298	0.76	(0.03)
Akansha L. Tilani	7500	0.21	0.00	7500	0.21	0.02
Chirag D. Bilgi (HUF)	0	0.00	(0.03)	928	0.03	0.00
Neel D. Bilgi (HUF)	0	0.00	(0.03)	928	0.03	0.00
Nirmala L. Tilani	0	0.00	0.00	10	0.00	0.00

12	Other Equity		
	State Cash Subsidy	23.92	23.92
	General Reserve	10.00	10.00
	Retained Earnings	2354.73	2137.55
	Other Comprehensive income	(10.88)	0.00
	Capital Redemption Reserve	36.00	36.00
	TOTAL	2413.77	2207.47
12.1	For movement, refer Statement of changes in Equity		
13	Non current Borrowings		
	Secured		
	Term Loans From Banks	0.00	524.56
	TOTAL	0.00	524.56

Notes to Financial Statements for the year ended 31st March, 2026

Details of Secured Loans			Amount in Rupees in Lacs		
Particulars	Outstanding Amount as on 31st March, 2026	Outstanding Amount as on 31st March, 2025	Details of Security	Rate of Interest	Other Major Terms and Conditions
Term Loans from SBI	0.00	459.00	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 9,86,285 shares of the company in the name of promoters and their family members	*EBR + 0.35%	Repayable in 96 monthly instalments start from April 2019 and end on March-2027 and monthly instalments ranging from Rs.18 Lacs to Rs.38.25 Lacs.
	0.00	65.56		**EBLR + 0.75%	Repayable in 36 monthly instalments start from December 2023 and end on November-2026 and monthly instalments ranging from Rs.8.19 Lacs.
Total Rs.	0.00	524.56	# Rs. 525.00 Lakh (31/03/2025: Rs.4.56) being current maturities disclosed under current maturities of Long-term debt in Note no. 14 Current Borrowings		
(Note :- * - Rate of Interest in the case of Term Loan is taken from the letter issued by Bank dated 17-09-2025 ** - Rate of Interest in the case of Term Loan is taken from the letter issued by Bank dated 08-08-2025)					

Amount in Rupees in Lacs		
	As at 31st March, 2026	As at 31st March, 2025
14 Current Borrowings		
Secured		
Cash Credit facilities from Bank	531.32	508.48
Current maturities of Long-Term debt (refer Note no.13)	528.70	4.57
Unsecured Loans from Director	0.00	195.75
TOTAL	1060.02	708.80

Details of Secured short-term Borrowings					
Particulars	Outstanding Amount as on 31st March, 2026	Outstanding Amount as on 31st March, 2025	Details of Security	Rate of Interest	Other Major Terms and Conditions
Cash Credit facilities	531.32	508.48	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 9,86,285 shares of the company in the name of promoters and their family members and personal guarantee of directors	*EBR + 0.35%	Repayable on demand
(Note :- * - Rate of Interest in the case of Term Loan is taken from the letter issued by Bank dated 17-09-2025)					

Notes to Financial Statements for the year ended 31st March, 2026

		Amount in Rupees in Lacs	
		As at 31st March, 2026	As at 31st March, 2025
15	Trade Payables		
	Trade payables		
	(Please refer Note no.35 for dues to Micro, small and medium enterprises)		
	dues of micro and small enterprise	38.48	1.14
	dues of creditors other than micro and small enterprise	272.97	454.68
	TOTAL	311.46	455.82

Aging for the Trade Payables as at 31st March 2026		Amount in Rupees in Lacs				
Particulars		Outstanding for following periods from due date of payment				
		Less than 1 years	1-2 years	2-3 years	More than 3 years	Total
MSME		38.48	0.00	0.00	0.00	38.48
Others		272.97	0.00	0.00	0.00	272.97
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 2025		Amount in Rupees in Lacs				
Particulars		Outstanding for following periods from due date of payment				
		Less than 1 years	1-2 years	2-3 years	More than 3 years	Total
MSME		1.14	0.00	0.00	0.00	1.14
Others		454.68	0.00	0.00	0.00	454.68
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	6.17	10.67
	Payable towards Capital Items	44.63	0.00
	Payable for Expenses	65.33	49.88
	TOTAL	116.13	60.55
17	Other current liabilities		
	Advance against Sales	5.32	5.36
	Payable towards Statutory Taxes	71.82	120.63
	TOTAL	77.14	126.00
18	Current tax liabilities (net)		
	Provision for Income Tax (Net of Advance Tax)	0.00	6.85
		0.00	6.85

Notes to Financial Statements for the year ended 31st March, 2026

		Amount in Rupees in Lacs	
		As at 31st March, 2026	As at 31st March, 2025
19	Revenue from Operations (Net)		
	Sale of Products (Net)	4963.74	5114.11
	TOTAL	4963.74	5114.11
20	Other Income		
	Interest Income	4.33	4.20
	Bad Debts Recovery	0.10	1.40
	Other non-operating Income	1.78	63.84
	TOTAL	6.22	69.44
21	Cost of Materials Consumed		
	Opening Stock of Raw Materials	299.94	323.51
	Add : Purchases during year (net)	1397.99	1399.93
		1697.93	1723.44
	Less : Closing Stock of Raw Materials	332.85	299.94
	TOTAL	1365.08	1423.50
22	Changes in Inventories of Finished Goods, Stock-in-Process and Stock-in-Trade		
	<u>Opening Stock :</u>		
	Finished goods	140.28	166.10
	Work in Process	90.98	81.28
	Total	231.26	247.38
	<u>Closing Stock :</u>		
	Finished goods	111.25	140.28
	Work in Process	105.08	90.98
	Total	216.33	231.26
	TOTAL	14.94	16.12
23	Employee Benefits Expenses		
	Salaries, Wages and Bonus	1210.58	1093.82
	Incentives & other benefits	377.46	546.03
	Gratuity Expense	104.70	0.00
	Contribution to Provident Fund and other funds	76.23	95.93
	TOTAL	1768.97	1735.78
24	Finance Costs		
	Interest on Term Loans and Working Capitals	101.90	103.45
	Interest to Others	1.86	5.95
	TOTAL	103.76	109.40

Notes to Financial Statements for the year ended 31st March, 2026

		Amount in Rupees in Lacs	
		As at	As at
		31st March, 2026	31st March, 2025
25	Other Expenses		
	Power & Fuel (refer Note no.25.1)	224.31	239.43
	Freight inwards	24.24	20.16
	Spares & Other Materials consumed	190.44	124.87
	Repairs & Maintenance-Machinery	69.33	68.13
	Repairs & Maintenance-Other asset	7.05	4.82
	Factory Expenses	46.85	44.71
	Packing Material Consumed	27.51	31.88
	Printing & Stationery	12.82	12.93
	Telephone	5.89	6.86
	Conveyance	47.96	49.10
	Travelling	11.74	30.51
	Rent	215.97	212.12
	Rates & Taxes	8.95	7.73
	Payment to Auditors	3.50	3.50
	Office & Misc. Expense	39.04	42.55
	Freight outward	74.55	72.12
	Selling Expense	7.07	6.22
	Commission Expenses	25.08	29.77
	Insurance	21.18	16.81
	Share Buy-Back Expenses	0.00	26.59
	Bad Debts written off	1.40	1.54
	Donation	15.51	48.25
	Net loss / (gain) on Currency fluctuation and translation	(4.71)	(1.85)
	Loss on Sale of Asset	(2.35)	(4.83)
	TOTAL	1073.35	1093.96

25.1 Power & Fuel expenses are net off recovery value of units generated from Windmills & Solar of Rs. 136.43 Lacs (P.Y. Rs.149.66 Lacs).

26	Estimated Amount of Contracts		
	Estimated Amount of Contracts remaining to be executed on capital account and not provided for	NIL	NIL
27	Contingent Liabilities of		
	Disputed Liability in respect of Income Tax Demands (matters under appeal)	NIL	NIL
	Disputed Liability in respect of Goods and Service Tax Demands (matters under appeal)	31.93	NIL

		Amount in Rupees in Lacs	
		As at	As at
		31st March, 2026	31st March, 2025
28	Payment to Auditors		
	Audit Fees	3.00	3.00
	Tax Audit Fees	0.40	0.40
	Others	0.10	0.10
	Total	3.50	3.50

29 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.

30 Employee Benefits in respect of Gratuity and Leave encashment			
1. Changes in the present value of the defined benefit obligation			
Present value of obligations as at the beginning of the year	108.04	117.43	
Interest Cost	9.83	8.51	
Current Service Cost	12.89	8.74	
Past Service Cost	93.89	-	
(Benefit Paid Directly by the Employer)	(17.28)	-	
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	(2.68)	-	
Actuarial (Gains)/Losses on Obligations - Due to Experience	17.50	-	
Actuarial (Gains)/Losses on Obligations	-	(26.65)	
Present value of obligations as at end of year	222.18	108.04	
2. Changes in the fair value of plan asset			
Fair Value of plan assets at beginning of year	156.08	146.08	
Interest income	11.90	-	
Expected return of plan assets	-	10.00	
Contributions by the Employer	41.95	-	
Benefits Paid	0.00	0.00	
Actuarial (gain) / loss on Plan assets	0.00	0.00	
Return on Plan Assets, Excluding Interest Income	0.28	0.00	
Fair Value of plan assets at the end of year	210.20	156.08	
3. Amount Recognized in the Balance Sheet			
Present value of obligations as at end of year	(222.18)	(108.04)	
Fair value of plan assets as at the end of the year	210.20	156.08	
Funded status	(11.98)	48.04	
Net asset / (liability)	(11.98)	48.04	
4. Expenses Recognized in the Statement of Profit or Loss for Current Period			
Current Service Cost	12.89	8.74	
Interest Cost	(2.07)	8.51	
Past Service Cost	93.89	-	
Expected return of plan assets	-	(10.00)	
Net Actuarial (gain) / loss recognized in the year	-	(26.65)	
Expenses Recognized in statement of Profit and loss	104.70	(19.40)	
5. Expenses Recognized in the Other Comprehensive Income (OCI) for Current Period			
Actuarial (Gains)/Losses on Obligation For the Period	14.82	-	
Return on Plan Assets, Excluding Interest Income	(0.28)	-	
Net (Income)/Expense For the Period Recognized in OCI	14.54	-	
Assumptions (Current Period)			
Expected Return on Plan Assets	6.77%	-	
Rate of Discounting	6.77%	7.25%	
Rate of Salary Increase	7.00%	7.00%	
Rate of Employee Turnover	20.00%	-	
Mortality Rate During Employment	Indian Assured Lives Mortality 2012-14 (Urban)	-	

Note The Company has taken group gratuity policy from Life Insurance Company of India (LIC) for its liability to pay gratuity 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 till 31st March 2025. The Company operates a defined benefit gratuity plan. Actuarial valuations are carried out annually by an independent actuary in accordance with Ind AS 19, Employee Benefits from Financial Year 2025-26.

In the previous year, the company has not appointed any actuarial for carrying out the valuation of gratuity provision as per the requirement of Ind AS 19 rather the company has represented the figures above till the last financial year from the summary provided by LIC generated from their system. Hence the required details as per Ind AS 19 has not been carried out to the extent of non availability of the information. As per the report generated from LIC, there is a net defined benefit asset position at the end of F.Y 2024-25. In accordance with paragraphs 57 to 65 of Ind AS 19, a net defined benefit asset is recognised only to the extent that the Company is able to recover the surplus through reduced future contributions or refunds from the plan. Having assessed the asset ceiling and the economic benefits available, the Company determined that the conditions for on-balance-sheet recognition of the net defined benefit asset were not met as at the previous year-end. The net asset position was accordingly not recognised and was disclosed by way of a note to the financial statements in the previous year.

During the current year, based on the report of the qualified actuary, the actuarial position has reversed and as at the current year-end, the present value of the defined benefit obligation exceeds the fair value of plan assets, resulting in a net defined benefit liability. The net defined benefit liability as at the current year-end has been recognised in full in accordance with Ind AS 19.

Since the net defined benefit asset was not carried on the balance sheet as at the previous year-end, its opening value as at the beginning of the current year has been recognised for the first time, and the corresponding credit has been adjusted to the opening balance of retained earnings in the Statement of Changes in Equity. This adjustment does not constitute a correction of a prior period error within the meaning of Ind AS 8 — the non-recognition in the previous year represented a deliberate and principle-based application of the asset ceiling provisions of Ind AS 19, and no information available at that time was overlooked or misapplied. The comparative figures for the previous year remain unchanged.

The components of the defined benefit cost recognised during the year — comprising current service cost and net interest cost — have been charged to profit or loss. Remeasurement gains and losses have been recognised in other comprehensive income and will not be reclassified to profit or loss in subsequent periods. 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.

31 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 Provisions.	Opening	212.35	229.39
	Current Year	(54.01)	(17.04)
	Closing	158.34	212.35
32			
a Earning Per Share			
Profit attributable to Share Holders (Rs.)	148.15	263.41	
Basic/Weighted Average No. of Equity Shares O/s during Year	35.99	35.99	
Nominal Value of Equity Shares (Rs.)	10	10	
Basic/Diluted Earning per Share (Rs.)	4.12	7.32	

b Proposed dividend

The board of directors recommended final dividend of Rs. 2.5/- (Two Rupee and Fifty Paise Only) (i.e. 25%) per equity share of face value of Rs. 10/- each for the financial year ended on March 31, 2026. This shall be paid subject to approval of shareholders in their ensuing Annual General Meeting and will be paid immediately thereafter i.e. within statutory time limit.

33 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, 2026**34 Related Party Disclosures****(A) Related Parties and nature of relationship****Sr. No. & Name of Related Party****Description of Relationship****Key Managerial Personnel & Other Employee**

1. Mr. Dinesh Bilgi	Managing Director & CFO
2. Mr. Neel Bilgi	Managing Director
3. Mr. Chirag Bilgi	Managing Director
4. Mr. Pragnesh K. Shah	Non-executive Director
5. Mrs. Kairavi Bilgi	Company Secretary
6. Mr. Laxman C. Tilani	Non-executive Director
7. Mr. Sunil B Shah	Non-executive Director
8. Mrs. Rekha S. Agrawal	Non-executive Director
9. Mr. Aviv J Divekar	Non-executive Director
10. Mr. Manoj U Shah	Non-executive Director
11. Ms. Aashna D Bilgi	Employee

Entities in which Key Managerial Personnel and their relatives are interested

1. ANC Systems LLP
2. ACN Systems LLP
3. Latha Services LLP
4. Ultra Polydyne Pvt. Ltd.

(B) Transactions with Related Parties

Nature of Transaction	Amount in Rupees in Lacs	
	As at 31st March, 2026	As at 31st March, 2025
Key Managerial Personnel		
Remuneration	458.51	510.88
Deposit Taken	286.56	994.50
Deposit Repaid	501.47	814.50
Finance Cost	21.29	17.50
Sitting Fees	1.80	2.00
Buy - Back of Shares	0.00	498.93
Entities in which relatives of Key Managerial Personnel are interested		
Purchases	666.48	700.49
Factory Expenses	0.00	0.00
Security Deposit	0.00	0.00
Rent	107.17	102.47

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

a. Principal amount remaining unpaid	38.48	1.14
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.

36 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 31st March, 2026	As at 31st March, 2025
Profit before tax	191.88	366.62
Tax using the Company's domestic tax rate	25.168%	27.820%
Tax at above rate	48.29	101.99
Add / (Less) :		
Tax exempt income	0.00	0.00
Non-deductible expense	139.97	129.09
Deductible expense	(89.84)	(106.92)
Others	(0.43)	(2.17)
Income tax expense	98.00	122.00
Add / (Less) :-		
Short/ (Excess) provision of income tax of earlier years	(3.92)	(1.75)
Deferred tax	(50.35)	(17.04)
Income tax recognised in Statement of Profit and Loss	43.73	103.21

Notes to Financial Statements for the year ended 31st March, 2026

37 Financial Instruments

- a) The carrying value and fair value of financial instruments by categories at 31 March 2026 and 31 March 2025 is as follows :

Particulars	Carrying value		Fair value	
	As at	As at	As at	As at
	31 March 2026	31 March 2025	31 March 2026	31 March 2025
Financial assets				
At Amortised cost				
Other non-current financial assets	91.58	87.82	91.58	87.82
Trade Receivables	682.80	807.25	682.80	807.25
Cash and Bank balances	16.75	15.19	16.75	15.19
Total assets	791.14	910.27	791.14	910.27
Financial liabilities				
At Amortised cost				
Non current Borrowings	0.00	524.56	0.00	524.56
Current Borrowings	1060.02	708.80	1060.02	708.80
Trade payables	311.46	455.82	311.46	455.82
Other current financial liabilities	116.13	60.55	116.13	60.55
Total liabilities	1487.60	1749.72	1487.60	1749.72

- 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 2026	0.00	0.00	0.00	0.00
	31 March 2025	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.

38 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.

39 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-25	State Bank of India	1273.56	1232.44	41.12	Debtors value submitted to bank was lower than the actual debtors amount out standing in books of account.
Sep-25	State Bank of India	1305.78	1297.58	8.20	
Dec-25	State Bank of India	1291.05	1285.32	5.73	
Mar-26	State Bank of India	1243.18	1250.59	(7.40)	Creditors value submitted to bank was lower than the actual Creditors amount out standing in books of account.

- 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 39.1.
- 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) Figures of previous reporting year have been regrouped/ reclassified to conform to current year's classification.

As per our report of even date attached

For, Sweta Patel & Associates

Chartered Accountants

Firm Registration No. 139165W

Sweta H. Patel

(Partner)

Membership No. : 154493

UDIN : 26154493REIJKL5594

Place : Ahmedabad

Date : 21-05-2026

For and on behalf of the Board

SD/- Dinesh Bilgi (DIN:00096099)	SD/- Neel Bilgi (DIN:00096180)	SD/- Chirag Bilgi (DIN:02094970)
Mg. Director & CFO	Mg. Director	Mg. Director

SD/- Sunil B Shah (DIN:02107662) Director Place : Ahmedabad Date : 21-05-2026	SD/- Rekha Agarwal (DIN:10687675) Director	SD/- Pragnesh K Shah (DIN:00228223) Director	SD/- Kairavi Bilgi (ACS:21519) Company Secretary
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Notes to the Standalone Financial Statements for the year ended on 31st March, 2026**Note : 39.1 Disclosure of Ratios****(Amount in Lacs)**

Ratio	Numerator	Denominator	Numerator	Denominator	2025-26	2024-25	% Variance	Reason for Variance *
(A) Current Ratio	Current Assets	Current Liabilities	156352684.64	156473951.25	1.00	1.32	-24.08	-
(B) Debt Equity Ratio	Total Borrowings (i.e Non-Current borrowings + Current Borrowings)	Total Equity	106001770.60	277363766.81	0.38	0.48	-20.45	-
(C) Debt Service Coverage Ratio	Profit before tax + depreciation + Interest on term loans	Interest on term loans + Scheduled principal repayments of term loans	73137806.03	53291881.00	1.37	0.88	56.12	The increase is primarily on account of the decrease in Profit before tax in current financial year.
(D) Return On Equity Ratio	Net Profit after tax	Average Networth	14815463.42	267049065.20	0.06	0.09	-39.67	The decrease is primarily on account of the decrease in profit after tax in the current financial year.
(E) Inventory Turnover Ratio	Revenue from operation	Average Inventory	496374230.06	76709797.46	6.47	6.47	-0.03	-
(F) Trade Receivables Turnover Ratio	Revenue from operation	Average Trade Receivables	496374230.06	74502724.83	6.66	5.80	14.87	-
(G) Trade Payables Turnover Ratio	Purchase	Average Trade Payables	159566697.46	38363756.34	4.16	3.80	9.53	-
(H) Net Capital Turnover Ratio	Revenue from operation	Working Capital	496374230.06	-121266.61	-4093.25	11.91	-34464.63	The decrease is primarily due to a reduction in current assets and an increase in current liabilities as compared to the previous year.
(I) Net Profit Ratio	Net Profit after tax	Revenue from operation	14815463.42	496374230.06	0.03	0.05	-42.05	The decrease is primarily on account of the decrease in profit after tax in the current financial year.
(J) Return On Capital Employed	Profit before tax + Interest on longterm loans	Networth + Total borrowings+Deferred Tax	29378147.03	399199537.41	0.07	0.12	-37.17	The decrease is primarily on account of the decrease in profit before tax in the current financial year.
(K) Return On Investment	N.A	N.A	N.A	N.A	N.A	N.A	N.A	-

Notes to Financial Statements for the year ended 31st March, 2026

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

(Amount in Lac)

Description	GROSS BLOCK						NET BLOCK	
	As at 01-04-2025	Additions (Deductions) upto 31-03-2026	As at 31-03-2026	As at 01-04-2025	During the year	As at 31-03-2026	As at 31-03-2026	As at 31-03-2025
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	99.59	4.30	103.89	20.73	25.03
Lease hold Improvement Building	59.71	0.00	59.71	59.71	0.00	59.71	0.01	0.01
Other Buildings	30.78	0.00	30.78	21.19	0.81	22.01	8.78	9.59
Plant and Machinery (Inculed Wind Mills)	9469.44	221.49	9690.93	6997.75	383.19	7380.94	2309.98	2471.69
		0.00			0.00	0.00		
Electrifications	206.78	36.82	243.61	159.54	14.35	173.88	69.72	47.24
Furniture & Fixtures	207.84	0.00	207.84	155.52	12.68	168.19	39.64	52.32
		0.00						
Office Equipment	74.52	0.00	74.52	41.16	5.85	47.01	27.50	33.35
Computers	120.51	8.24	128.76	112.10	4.67	116.76	11.99	8.42
		0.00			0.00			
Vehicles	167.70	8.54	155.72	125.26	9.89	114.63	41.09	42.44
		(20.52)			(20.52)			
Resort (Leasehold) #	1.37	0.00	1.37	0.00	0.00	0.00	1.37	1.37
Total Tangible Assets	10471.06	275.10	10725.64	7771.81	435.74	8187.03	2538.61	2699.25
		(20.52)			(20.52)			
B. Other Intangible Assets :								
Computer Software	118.48	0.00	118.48	118.46	0.00	118.46	0.02	0.02
Total Other Intangible Assets	118.48	0.00	118.48	118.46	0.00	118.46	0.02	0.02
Total (A + B)	10589.53	275.10	10844.12	7890.27	435.74	8305.49	2538.63	2699.26
		(20.52)			(20.52)			
Previous Year Figures	10619.13	78.26	10589.53	7583.04	413.13	7890.27	2699.26	3036.09
		(107.86)			(105.90)			
C. Capital Work-in-Progress :								
Capital Work in Progress	87.81	487.50	300.22	0.00	0.00	0.00	300.22	87.81
		(275.10)						
Previous Year Figures	2.56	85.25	87.81	0.00	0.00	0.00	87.81	2.56
		0.00						

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

Aging for the Capital Work-in-progress as at 31st March 2026					
Particulars	Amount in Lacs				
	Amount in Capital work in progress for period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects work in progress	293.71	6.51	0.00	0.00	300.22

Aging for the Capital Work-in-progress as at 31st March 2025					
Particulars	Amount in Lacs				
	Amount in Capital work in progress for period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects work in progress	85.25	2.57	0.00	0.00	87.81