



Fairdeal Filaments Ltd.

25th

TWENTY FIFTH
ANNUAL REPORT

ANNUAL REPORT 2014-15

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BOARD OF DIRECTORS : Mr. Jayantilal R. Shah Chairman
: Mr. Dhirajlal R. Shah Managing Director
: Mr. Arvind R. Shah Whole-time Director
: Mr. Rajendra K. Desai Independent Director
: Mr. Nandish S. Vin Independent Director
: Ms. Sonia P. Khanna Woman Independent Director
(Appointed w.e.f. 31/03/2015)

COMPANY SECRETARY : CS Jitesh R. Varkal

CFO : Mr. Satish H. Shah

AUDITORS : M/s. Natvarlal Vepari & Co.
Chartered Accountants, Surat.

BANKERS : Bank of Baroda
Zampa Bazar, Surat.

PLANT LOCATION : 1. Mota Borasara, Kim, Taluka : Mangrol, District : Surat
2. Limodara Patiya, Karanj, Taluka : Mandvi, District : Surat

REGISTERED OFFICE : 3rd Floor, Dawer Chambers, Near Sub-Jail, Ring Road, Surat - 395 002.
Tel. No. (0261) 3090200 Fax No. (0261) 2635550
E-mail: info@shahlon.com Website: www.shahlon.com

REGISTRARS AND TRANSFER AGENTS : **MCS SHARE TRANSFER AGENT LIMITED**
10, Aram Apartment, 12 Sampatrao Colony,
B/h Laxmi Hall, Alkapuri, Vadodara - 390 007
Tel No.: (0265) 2314757 / 2350490
Fax No.: (0265) 2341639
E-mail: mcsltdbaroda@yahoo.com

ISIN for NSDL & CDSL : INE719D01011

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ANNUAL REPORT
2014-15

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NOTICE

Notice is hereby given that the 25th Annual General Meeting of members of FAIRDEAL FILAMENTS LIMITED will be held on Wednesday, 30th day of September, 2015 at 11:00 A.M. at the Registered Office of the company situated at 3rd Floor, Dawer Chambers, Nr. Sub Jail, Ring Road, Surat- 395 002 to transact the following Business:

Ordinary Business:

1. To receive, consider and adopt the Audited Financial Statement for the year ended 31st March, 2015, together with the Report of the Board of Directors and Auditors thereon.
2. To declare Dividend on Equity Shares.
3. To appoint a Director in place of Shri Arvind R. Shah (DIN 00010483), Director who retires by rotation and being eligible, offers himself for re-appointment.
4. To ratify the appointment of Auditors and fix their remuneration by passing the following resolution as an **Ordinary Resolution:**

“RESOLVED THAT the appointment of M/s Natvarlal Vepari & Co., Chartered Accountants (having Firm Registration No. 123626W), who were appointed as Statutory auditors of the Company at the Annual General Meeting of the company held on 30.09.2014 from the conclusion of that meeting till the conclusion of the 27th Annual General Meeting pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under, be and are hereby ratified at a remuneration as may be fixed by the Board of Directors.”

Special Business:

5. **To appoint Ms. Sonia Piyush Khanna (DIN 07111677), as an Independent Director pursuant to the Companies Act, 2013.**

In this connection, to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (‘the Act’), and the rules made there under, including any amendment, modification, variation or re-enactment thereof read with Schedule IV to ‘the Act’, for the time being in force, Ms. Sonia Piyush Khanna (DIN 07111677), who was appointed as an Additional Director(Independent) of the Company by the Board of Directors with effect from March 31, 2015 and who holds office upto the date of the AGM, in terms of Section 161 of the ‘the Act’, in respect of whom the Company has received a notice in writing from a Member under Section 160 of ‘the Act’ proposing her candidature for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company, to hold office as such for a period of 5 (five) consecutive years effective from the date of appointment by the Board, i.e. from March 31, 2015 to March 30, 2020.”

6. **To Ratify the Remuneration of Cost Auditors.**

In this connection, to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013, Companies (Cost records and Audit Rules) 2014 and The Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration payable to M/s. Kannaujya & Co., Cost Accountants having Firm Registration No. 102990 appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year 2015-2016, amounting to Rs. 25,000/- (Rupees Twenty Five Thousand) as also the payment of service tax as applicable and reimbursement of out of pocket expenses incurred by them in connection with the aforesaid audit be and is hereby ratified and confirmed.”

7. To consider Issue of Bonus Shares

In this connection, to consider and if thought fit, to pass the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the recommendation of the Board of Directors and provisions of Section 63 and other applicable provisions, if any, of the Companies Act, 2013, read with the relevant rules thereof (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Articles of Association of the Company, the applicable regulations/ guidelines issued by the Securities and Exchange Board of India (SEBI) and subject to such approvals, consents, permissions and sanctions, as may be necessary from appropriate authorities, the consent of the Members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “Board”) for capitalization of a sum /not exceeding Rs. 55,00,000/- (Rupees Fifty Five Lacs Only) out of its Free Reserves/ Securities Premium Account or any other permitted reserves/ surplus of the Company for the purpose of issue of Bonus Shares of Rs.10/- (Rupees Ten) each credited as fully paid-up Equity Shares to the holders of the Equity Shares of the Company, whose names shall appear in the Register of Members or in the respective beneficiary account with their respective Depository Participants, on the ‘Record Date’ to be determined by the Board of Directors of the Company for the purpose, in the proportion of 1 (One) fully paid up Bonus Equity Shares of Rs.10/-(Rupees Ten) each for every 10 (Ten) fully paid-up Equity Share of Rs.10/- (Rupees Ten) each held by them and that the Bonus Shares so distributed shall, for all purposes, be treated as an increase in the nominal amount in the Capital of the Company held by each such member, and not as income.

RESOLVED FURTHER THAT the new Equity shares of Rs. 10/- each to be allotted as bonus shares shall be subject to the Memorandum and Articles of Association of the Company and shall rank pari-passu in all respects with the fully paid up Equity shares of the Company as existing on the Record Date.

RESOLVED FURTHER THAT no letter of allotment shall be issued in respect of the Bonus Shares but in the case of Members who hold Equity Shares in dematerialized form, the Bonus Shares shall be credited to the respective beneficiary accounts of the Members with their respective Depository Participants and in the case of Members who hold Equity Shares in physical form, the share certificates in respect of the Bonus Shares shall be dispatched, within such time as prescribed by law and the relevant authorities.

RESOLVED FURTHER THAT the issue and allotment of the Bonus Shares to Non-resident Members, and other foreign investors, shall be subject to the compliance under the applicable regulations of the Foreign Exchange Management Act, 1999 and the Rules made thereunder, as may be necessary.

RESOLVED FURTHER THAT the Board be and is hereby authorized to take necessary steps for listing of such equity shares on the Stock Exchanges where the shares of the Company are listed and to make necessary application to the depositories for crediting the Bonus shares to the depository accounts of the allottees.

RESOLVED FURTHER THAT for the purpose of giving effect to the aforesaid resolution, the Board/Committee of the Board be and is hereby authorized to do or cause to do all such acts, deeds, matters and things, including but not limited to filing of necessary forms with the Registrar of Companies and to comply with all other requirements in this regard and for any matters connected herewith or incidental hereto, as may be deemed necessary and expedient in this regard.”

8. Disclosure of Ultimate Beneficial Owners of the allottees with respect to Item No.3 ‘Preferential issue of equity shares of the Company’ in the notice of Extra-ordinary General Meeting held on 14th March, 2015

To consider and, if thought fit, to pass the following Resolution as a **Special Resolution**:

“RESOLVED THAT in modification and continuation of the special resolution passed by the shareholders of Fairdeal Filaments Limited at the Extra-ordinary General Meeting held on 14th March, 2015 in respect of preferential allotment and in compliance with the direction of BSE vide its in-principle approval letter dated 30th March, 2015, identity of ultimate beneficiary of non-promoter allottee i.e. Mr. Shyamsundar Kabra HUF, be and are hereby noted and ratified as detailed below:

Name of the allottee	Pre Preferential Issue		New Allotment	Post Preferential Issue		Natural persons, who are ultimate beneficial owners
	Category – Non - Promoter	No. of Shares held	% of Holding	No. of Shares	No. of Shares held	
Shyamsundar Kabra HUF	0	0%	133000	133000	2.42%	1. Shyam Sundar Kabra (Karta) 2. Latadevi Kabra (Member) 3. Amitkumar Kabra (Member) 4. Anandkumar S. Kabra (Member)

RESOLVED FURTHER THAT the names of the ultimate beneficiaries of the above allottee be and are hereby noted and approved, to enable Fairdeal Filaments Limited or its Board of Directors to take requisite further action for seeking listing approval from BSE Limited, for the Equity Shares allotted on preferential basis.

RESOLVED FURTHER THAT all other terms and conditions of the preferential allotment as approved by the shareholders of the Company vide Special Resolution passed at the Extra-ordinary General Meeting held on 14th March, 2015 remain the same.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorized to take all actions and do all such acts, deeds, matters and things as it may, in its absolute discretion deemed necessary, expedient, usual or proper and to settle any questioner difficulty that may arise with regard to the above or any other matter incidental or consequential there to without being required to seek any further approval and/ or consent of the members of the Company and it is deemed that the members have given their approval for the purpose of these acts”.

9. To increase the remuneration of Managing Director:

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

RESOLVED THAT, pursuant to Section 197 and other applicable provisions, if any, of the Companies Act, 2013 read with Part II of Schedule V of the Companies Act, 2013, and subject to approval of requisite authorities, if any, approval, be and is hereby accorded to increase in remuneration of Mr. Dhirajlal R. Shah as a Managing Director upto Rs.42.00 lakhs per annum and on such other terms and conditions as set out in the draft Supplemental Agreement as approved by the Nomination and Remuneration Committee as also the Board of Directors of the Company at its respective meeting held on 13th August, 2015, w.e.f. 1st October, 2015 for his residual tenure ending on 30th September, 2016.

FURTHER RESOLVED THAT the Board of Directors of the Company shall have liberty to vary any terms and conditions relating to appointment of and remuneration payable to Mr. Dhirajlal R. Shah as a Managing Director.

FURTHER RESOLVED THAT in case of absence or inadequacy of profit, aforesaid remuneration shall be treated as minimum remuneration.

10. To increase the remuneration of Whole-time Director:

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

RESOLVED THAT, pursuant to Section 197 and other applicable provisions, if any, of the Companies Act, 2013 read with Part II of Schedule V of the Companies Act, 2013, and subject to approval of requisite authorities, if any, approval, be and is hereby accorded to increase in remuneration of Mr. Arvind R. Shah as a Whole-time Director upto Rs.42.00 lakhs per annum and on such other terms and conditions as set out in the draft Supplemental Agreement as approved by the Nomination and Remuneration Committee as also the Board of Directors of the Company at its respective meeting held on 13th August, 2015, w.e.f. 1st October, 2015 for his residual tenure ending on 30th September, 2016.

FURTHER RESOLVED THAT the Board of Directors of the Company shall have liberty to vary any terms and conditions relating to appointment of and remuneration payable to Mr. Arvind R. Shah as a Whole-time Director.

FURTHER RESOLVED THAT in case of absence or inadequacy of profit, aforesaid remuneration shall be treated as minimum remuneration.

By Order of Board of Directors of
Fairdeal Filaments Limited

Place : Surat

Date : 13th August, 2015

Jitesh R. Varkal
Company Secretary

IMPORTANT COMMUNICATION TO MEMBERS

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 / documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered e-mail addresses, so far, are requested to register their e-mail addresses, in respects of electronic holding with the Depository through their concerned Depository Participants.

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY.

A person can act as proxy on behalf of members not exceeding 50 (fifty) and holding in the aggregate not more than 10 (ten) percent of the total share capital of the Company carrying voting rights. A member holding more than 10 (ten) percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is enclosed herewith. Corporate members are requested to send a duly certified copy of the Board resolution/authority letter, authorizing their representative(s) to attend and vote on their behalf at the meeting.

2. The Explanatory statement pursuant to Section 102 of the Companies Act, 2013 setting out material facts relating to Special Businesses to be transacted at the Annual General Meeting (“AGM”) is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will be closed from September 19, 2015 to September 30, 2015 (both days inclusive) for the purpose of payment of dividend to those members whose names stand on the Register of Members as on September 19, 2015. The dividend in respect of equity shares held in electronic form will be payable to the beneficial owners of the equity shares as at the end of business hours on September 18, 2015 as per details furnished by National Securities Depository Limited and Central Depository Services (India) Limited.
4. The dividend on equity shares as recommended by Board of Directors for the year ended on 31.03.2015 will be payable on or after September 30, 2015 in accordance with the resolution to be passed by members of the Company.
5. Members are requested immediately to notify any change in their address:
 - To their Depository Participants (DPs) in respect of shares held electronically and
 - To Company at its Registered Office or MCS Share Transfer Agent Limited, the Registrar and Share Transfer Agent of Company, in respect of shares held physically, by sending duly filled and signed “INTIMATION FORM FOR CHANGE/CORRECTION IN ADDRESS OF COMMUNICATION”, along with all evidential documents as mentioned in the said form. The above said form is available at the end of this Annual Report as well as on the website of the Company.
6. The Securities and Exchange Board of India (SEBI) has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in dematerialized form are requested to submit their PAN details to their Depository Participant (DP) and members holding shares in physical form are requested to submit their PAN details to the Company / MCS Share Transfer Agent Limited, Registrar and Share Transfer Agent of Company.
7. Pursuant to the provisions of section 205A and 205C of the Companies Act, 1956 the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of transfer to the Unpaid Dividend Account of the company shall be transferred to the Investor Education and Protection Fund (the Fund) set up by the Central Government and thereafter no claims shall lie against the company or the Fund and no payments shall be made in respect of any such claim.

Details pertaining to the unclaimed and unpaid dividends transferred by Company to the Fund, pursuant to Section 205C of the Companies Act, 1956, during last 3 financial years are tabulated as below:

Financial Year	Date of Declaration of Dividend	Amount Transferred to the Fund (₹)	Date of Transfer to IEPF
31.03.2005	24.09.2005	161943	01.12.2012
31.03.2006	23.09.2006	144146	23.11.2013
31.03.2007	29.09.2007	183676	17.11.2014

8. Members/Proxy Holders should bring Attendance Slips duly filled in for attending the meeting. Members are requested to bring their copy of Annual Report at the Meeting.
9. Members seeking any information concerning the accounts and operations are requested to send their queries to the company at least 10 days before the date of the meeting, so that information required can be made available at the meeting.
10. Members holding shares in dematerialised mode are requested to intimate all changes with respect to their bank details, mandate, nomination, power of attorney, change of address, e-mail address, change in name etc. to their depository participant. These changes will be automatically reflected in the Company's records which will help the Company to provide efficient and better service to the members.
11. Members holding shares in physical form are requested to intimate changes with respect to their bank account (viz. name and address of the branch of the bank, MICR code of branch, type of account and account number), mandate, nomination, power of attorney, change of address, e-mail address, change in name etc. immediately to the Company.
12. Voting through Electronic Means

The Company is pleased to provide e-Voting facility as an alternative mode of voting which will enable the members to cast their votes electronically in compliance with the provisions of Section 108 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014. Necessary arrangements have been made by the Company with CDSL to facilitate e-Voting. The instructions and manner for availing e-Voting facility are as under:

The instructions for shareholders voting electronically are as under:

- i) The voting period begins on 27th September, 2015 (9 AM) and ends on 29th September, 2015 (5 PM). 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 23rd September, 2015 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) The shareholders should log on to the e-voting website www.evotingindia.com.
- iv) Click on Shareholders.
- v) Now Enter your User ID
 - a. For CDSL : 16 digits beneficiary ID.
 - b. For NSDL : 8 Character DP ID followed by 8 Digits Client ID
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

- vi) Next enter the Image Verification as displayed and Click on Login.
- vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- viii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) - Members who have not updated their PAN with the Company/Depository Participant are requested to use the serial number print in address slip.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Date of Birth as registered with the DP/RTA in dd/mm/yyyy format Or Enter the Dividend Bank Details as recorded with your DP/RTA. Please note - In respect of Physical shareholding and whose DOB and Dividend bank details are not registered with DP/RTA should enter No. of shares held by you as on the cut-off date i.e. "23rd September, 2015"

- ix) After entering these details appropriately, click on "SUBMIT" tab.
- x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xii) Click on the EVSN No. 150821006 for the relevant Fairdeal Filaments Ltd on which you choose to vote.
- xiii) 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.
- xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xv) 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.
- xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- xviii) 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.
- xix) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporate.

- 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 should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
13. Electronic copy of the Notice of the 25th annual general meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 25th annual general meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
14. Pursuant to section 101 and section 136 of the Companies Act, 2013 read with relevant rules made thereunder, Companies can serve annual reports and other communications through electronic mode to those members who have registered their e-mail address with the Company or with the Depository. Members who have not registered their e-mail address with the Company can now register the same by submitting the duly filled in "E-mail Registration Form", available on the website of the Company, to the Company. Members holding shares in demat form are requested to register their e-mail address with their Depository Participant(s) only. Members of the Company, who have registered their e-mail address, are entitled to receive such communication in physical form upon request.
- The Notice of annual general meeting and the copies of audited financial statements, directors' report, auditors' report etc. will also be displayed on the website (www.shahlon.com) of the Company.

Annexure to Notice

Statement of material facts concerning items of Special Business

(Annexed to notice pursuant to Section 102 of the Companies Act, 2013)

Item No. 5

The Board of Directors of the Company ("Board"), in its meeting held on March 31, 2015, appointed Ms. Sonia P. Khanna, as an Additional Director (Independent) of the Company pursuant to the provisions Section 161 of the Companies Act, 2013 ("Act") and all other applicable provisions, if any.

In terms of the provisions of Section 161 of the Act, Ms. Sonia P. Khanna holds office up to the date of the ensuing Annual General Meeting. The Company has received a notice in writing under the provisions of Section 160 of the Act, from one of member, along with a deposit of Rs. 1,00,000/- proposing her candidature for the office of Independent Director, to be appointed as such under the provisions of Section 149 of the Act.

The Company has received from Ms. Sonia P. Khanna:

- i). Consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014,
- ii). intimation in Form DIR-8 in terms of Rule 14 of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that she is not disqualified under sub-section (2) of Section 164 of the Act, and
- iii). a declaration to the effect that she meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

The resolution seeks the approval of members for the appointment of Ms. Sonia P. Khanna as an Independent Director of the Company for 5 (Five) years effective from the date of appointment by the Board, i.e. from March 31, 2015 to March 30, 2020, pursuant to Section 149 and other applicable provisions of the Act and the Rules made thereunder. She is not liable to be retire by rotation.

In the opinion of the Board of Directors, Ms. Sonia P. Khanna, fulfils the conditions specified in the Act and the Rules made thereunder and she is independent of the Management.

Brief Profile of Ms. Sonia P. Khanna is as follows:

Ms. Sonia P. Khanna, aged about 50 years, is a B.Com. and Fellow member of the Institute of Chartered Accountants of India, has vast experience as practicing Chartered Accountants and expertise in the field of Accounts, Finance and Taxation. She has also completed DISA from The Institute of Chartered Accountants of India.

Accordingly, the Board recommends the resolutions at set out Sr. No. 5 of this Notice for the approval of the Members as an ordinary resolution.

None of the Directors or Key Managerial Personnel of the Company or their relatives except Ms. Sonia P. Khanna, herself is in any way concerned or interested, financially or otherwise, in the resolution set out at Sr. No. 5 of this Notice.

Item No. 6

Pursuant to provisions of Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Board shall appoint an individual/ firm of cost accountant(s) in practice as cost auditor on the recommendations of the Audit Committee, which shall also recommend remuneration for such cost auditor. The remuneration recommended by the Audit Committee shall be considered and approved by the Board of Directors and ratified subsequently by the shareholders.

On recommendation of the Audit Committee at its meeting held on 29th May, 2015, the Board has considered and approved appointment of M/s Kannaujiya & Co., Cost Accountants having Firm Registration No. 102990, for the conduct of the Cost Audit of the Company's Textiles products for financial year commencing on 1st April, 2015 and ending on 31st March, 2016 at a remuneration of Rs.25,000 plus service tax as applicable and reimbursement of out-of-pocket expenses.

The Board recommends the resolution set out at Sr. No. 6 of the Notice for the approval and ratification by the members in terms of Section 148 of the Companies Act, 2013, as an Ordinary Resolution.

None of the Directors or Key Managerial Personnel of the Company or their relatives is in any way concerned or interested, financially or otherwise, in the resolution set out at Sr. No. 6 of this Notice.

Item No. 7

The proposal for issuance of Bonus Shares is made to provide liquidity to the equity shares by increasing the available number of equity shares in the market and also to reward the members by allotting bonus shares.

Hence, your Directors propose to issue 1 (One) Bonus equity shares of Rs. 10/- each for every 10 (Ten) fully paid-up equity shares of Rs. 10/- each held. Such Fully Paid-up Bonus Shares shall be distributed to the Members of the Company, whose names shall appear on its Register of Members or in the respective beneficiary account with their respective Depository Participants, on the Record Date to be determined by the Board of Directors of your Company for the purpose of issue of Bonus Shares, in the proportion of one new equity share for every Ten existing equity shares held by them respectively on the Record Date.

The Bonus Shares to be allotted from the Free Reserves / Securities Premium Account or any other permitted reserves/ surplus of the Company by capitalization of a sum not exceeding Rs.55,00,000/- (Rupees Fifty Five Lacs Only). By issuance of 5,50,000 fully paid equity shares by way of Bonus shares, the paid-up equity share capital of the company will increased from Rs.5,50,00,000/-(Rupees Five Crores Fifty Lacs only) to Rs. 6,05,00,000/- (Rupees Six Crores Five Lacs only).

The Bonus Shares so allotted shall rank pari passu in all respects including dividend with the existing equity shares of the Company.

The proposal for issuance of Bonus Shares is beneficial to the members of the company as well as to the company.

In terms of Clause No.191 of the Articles of Association of the Company, any capitalization of Reserves will require the approval of shareholders to be obtained. Accordingly, the Board recommends the said resolution as set out at Sr. No.7 of this notice for approval of the shareholders by way of Special resolution.

The Directors, the Key Managerial Personnel of the Company and their relatives are deemed to be concerned or interested in the resolution set out at Sr. No. 7 of this Notice only to the extent of entitlement of bonus shares on the shares already held by them, if any, in the Company.

Item No. 8

The members of the Company had in terms of Special Resolution passed at their Extra-ordinary General Meeting held on 14th March, 2015, approved the issue of 18,39,960 Equity shares of Rs.10/- each on Preferential Allotment basis to the promoters and non-promoters at Rs. 24/- each AND the Company made an application to Bombay Stock Exchange (BSE) for seeking its in-principle approval for listing of the Equity Shares to be issued on preferential basis.

BSE has given its in-principle approval vide its letter dated March 30, 2015 for afore-mentioned issue of equity shares. In terms of the said letter, BSE has advised the Company to disclose the identity of ultimate beneficiary of non-promoter allottee i.e. Mr. Shyamsundar Kabra – HUF to shareholders.

Further, the Company had undertaken to disclose the identity of ultimate beneficiary of Shyamsundar Kabra – HUF in the ensuing General Meeting to the shareholders of the Company. Accordingly, the Board of Directors of the Company recommends the Resolution set out at Sr. No. 8 of notice for approval of shareholders by way of a Special Resolution.

A copy of document referred in the resolution and this statement will be available for inspection by the members of the company at registered office of the company between 11.00 A.M. to 1.00 P.M. on any working day of the company.

None of the Directors or Key Managerial Personnel of the Company or their relatives is in any way concerned or interested, financially or otherwise, in the resolution set out at Sr. No. 8 of this Notice.

Item No. 9

Mr. Dhirajlal Raichand Shah was re-appointed as a Managing Director of the company for a period of 3 years with effect from 1st October'2013 by Board of Directors at their meeting held on 07.08.2013. The members at their Annual General Meeting held on 30th September, 2013 approved his appointment. The term of his office will expire on 30.09.2016.

Taking into consideration his present salary, the industry scenario, performance and growth of the company under his management and based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors at their meeting held on August 13, 2015 has proposed to increase his remuneration from Rs. 2,50,000/- p.m. to Rs. 3,50,000/- p.m. w.e.f. 1st October, 2015 for his residual term expiring on 30.09.2016 subject to the approval of the Members.

Pursuant to Sections 197 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V of the Companies Act, 2013 and rules made thereunder, approval of members is required by way of Special Resolution for increase in remuneration of Mr. Dhirajlal R. Shah, Managing Director of the Company.

The Board accordingly recommends the resolution set out at Sr. No. 9 of this Notice for the approval of the Members as a special resolution.

Statement as required under Section II of Part II of Schedule V to the Companies Act, 2013:

I. General Information :

1.	Nature of Industry:	The Company is engaged in manufacturing and trading of synthetic textile yarn and fabrics, both for domestic and international markets.		
2.	Date or expected date of Commencement of commercial production	The company is already engaged in the business since its incorporation i.e. May'1990		
3.	In case of new companies, expected date of commencement of activities	Not Applicable		
4.	Financial performance based on given indicators	Particulars	(Rs. in Lacs)	
			FY 2014-15	FY 2013-14
		Paid up Capital	550.00	366.00
		Reserves & Surplus	1218.89	812.96
		Income from operations	18709.05	16681.44
		EBIDTA	929.02	832.47
		Profit before Tax	311.70	176.33
	Profit after Tax	211.83	109.39	
5.	Foreign investments, if any	Particulars	FY 2014-15	FY 2013-14
			(No. of shares)	(No. of shares)
		Foreign Institutional Investors	-	-
		Non Resident Indians	534691	528900
	Foreign Nationals	-	-	

II. Information about the appointee :
(1) Background details

Mr. Dhirajlal R. Shah is a commerce graduate aged about 60 years is having rich experience of more than 30 years in textile business. He is a Promoter-Director since inception of the company. He is associated with various business associations and has successfully represented various issues of the textile industry before government and other authorities from time to time.

(2) Past remuneration

The company has paid to him remuneration of Rs. 2,50,000/- p.m. for financial year 2014-15.

(3) Recognition or awards

He has been awarded "Outstanding Business person" for the year 2013-14 by Southern Gujarat Chamber of Commerce and Industry, Surat

(4) Job Profile and his suitability

The Managing Director shall be responsible for the management of the whole of the affairs of the company and to do all acts and things, which in the ordinary course of business, he considers necessary or proper in the interest of the company. Considering the above and having regard to age, qualifications, ability and experience and looking to the business requirement, the proposed remuneration is in the interest of the company.

(5) Remuneration Proposed

The Board of Directors of the company on the basis of recommendation of the Nomination and Remuneration Committee has proposed to increase his remuneration from Rs. 2,50,000/- p.m. to Rs. 3,50,000/- p.m. for his remaining term (i.e., from October 01, 2015 to September 30, 2016) subject to the approval of the Members.

(6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person

Compared to the remuneration with respect to industry, size of the company and profile of the position and person, the Directors are of the view that the remuneration proposed is commensurate with his experience and ability.

(7) Pecuniary relationship directly or indirectly with the company, or relationship with managerial personnel if any.

The company has no pecuniary relationship or transaction with Mr. Dhirajlal R. Shah other than payment of his remuneration. He is a brother of Mr. Jayantilal R. Shah and Mr. Arvind R. Shah, Directors of the company.

III. Other information

(1) Reasons for loss or inadequate profits

The company is in the competitive and fragmented segment of textile industry. Higher portion of trading sales in total turnover pulls down the profitability margin for the company due to limited value addition. Further profitability also remains susceptible to inherent commodity price fluctuation risk associated in business.

(2) Steps taken or proposed to be taken for improvement

The company proposes to improve its productivity and profitability through higher capacity utilization and better utilization of available resources. The company is also adding manufacturing capacity through modernization of technologies.

(3) Expected increase in productivity and profits in measurable terms

The Company has projected increase in its turnover from Rs. 18709.05 Lacs for the financial year 2014-15 to Rs. 20424.30 Lacs for financial year 2015-16. Proposed increase in turnover for financial year 2015-16 would be 9.17% as compared to actual turnover for financial year 2014-15.

Your Directors expect to achieve net profit after tax of Rs. 252.99 Lacs for financial year 2015-16 as compared to net profit of Rs. 211.83 Lacs for financial year 2014-15.

The draft agreement between the company and Mr. Dhirajlal R. Shah is available for inspection by the members of the company at registered office of the company between 11.00 A.M. to 1.00 P.M. on any working day of the company.

None of the Directors or Key Managerial Personnel of the Company except Mr. Dhirajlal R. Shah or their relatives including Mr. Jayantilal R. Shah and Mr. Arvind R. Shah, Directors of the Company, is in any way concerned or interested, financially or otherwise, in the resolution set out at Sr. No. 9 of this Notice.

Mr. Dhirajlal R. Shah holds 2,63,791 equity shares constituting 4.80% of the total paid up share capital of the company.

Item No.10

Mr. Arvind Raichand Shah was re-appointed as a Whole-time Director of the company for a period of 3 years with effect from 1st October'2013 by Board of Directors at their meeting held on 07.08.2013. The members at their Annual General Meeting held on 30th September, 2013 approved his appointment. The term of his office will expire on 30.09.2016.

Taking into consideration his present salary, the industry scenario, performance and growth of the company under his management and based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors at their meeting held on August 13, 2015 has proposed to increase his remuneration from Rs. 2,50,000/- p.m. to Rs. 3,50,000/- p.m. w.e.f. 1st October, 2015 for his residual term expiring on 30.09.2016 subject to the approval of the Members.

Pursuant to Sections 197 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V of the Companies Act, 2013 and rules made thereunder approval of members is required by way of Special Resolution for increase in remuneration of Mr. Arvind R. Shah, Whole-time Director of the Company.

The Board accordingly recommends the resolution set out at Sr. No. 10 of this Notice for the approval of the Members as a special resolution.

Statement as required under Section II of Part II of Schedule V to the Companies Act, 2013:

I. General Information :

1.	Nature of Industry:	The Company is engaged in manufacturing and trading of synthetic textile yarn and fabrics, both for domestic and international markets.		
2.	Date or expected date of Commencement of commercial production	The company is already engaged in the business since its incorporation i.e. May'1990		
3.	In case of new companies, expected date of commencement of activities	Not Applicable		
4.	Financial performance based on given indicators	Particulars	(Rs. in Lacs)	
			FY 2014-15	FY 2013-14
		Paid up Capital	550.00	366.00
		Reserves & Surplus	1218.89	812.96
		Income from operations	18709.05	16681.44
		EBIDTA	929.02	832.47
		Profit before Tax	311.70	176.33
	Profit after Tax	211.83	109.39	
5.	Foreign investments, if any	Particulars	FY 2014-15	FY 2013-14
			(No. of shares)	(No. of shares)
		Foreign Institutional Investors	-	-
		Non Resident Indians	534691	528900
	Foreign Nationals	-	-	

II. Information about the appointee:
(1) Background details

Mr. Arvind R. Shah is a science graduate aged about 56 years having rich experience of more than 30 years in textile business. He is a Promoter-Director since inception of the company. He is heading marketing department and has efficiently developed large number of local as well as export customer base.

(2) Past remuneration

The company has paid to him remuneration of Rs. 2,50,000/- p.m. for financial year 2014-15.

(3) Recognition or awards- NIL

(4) Job Profile and his suitability

Shri Arvind R. Shah as a whole-time director looks after marketing department and has efficiently developed large number of local as well as export customer base. An active member in the marketing at globe, he has been leading discussions across the globe regarding potential business opportunities.

Considering the above and having regard to age, qualifications, ability and experience and looking to the business requirement, the proposed remuneration is in the interest of the company.

(5) Remuneration Proposed

The Board of Directors of the company on the basis of recommendation of the Nomination and Remuneration Committee has proposed to increase his remuneration from Rs. 2,50,000/- p.m. to Rs. 3,50,000/- p.m. for his remaining term (i.e., from October 01, 2015 to September 30, 2016) subject to the approval of the Members.

(6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person

Compared to the remuneration with respect to industry, size of the company and profile of the position and person, the Directors are of the view that the remuneration proposed is commensurate with his experience and ability.

(7) Pecuniary relationship directly or indirectly with the company, or relationship with managerial personnel if any.

The company has no pecuniary relationship or transaction with Mr. Arvind R. Shah other than payment of his remuneration. He is a brother of Mr. Jayantilal R. Shah and Mr. Dhirajlal R. Shah, Directors of the company.

III. Other information

(1) Reasons for loss or inadequate profits

The company is in the competitive and fragmented segment of textile industry. Higher portion of trading sales in total turnover pulls down the profitability margin for the company due to limited value addition. Further profitability also remains susceptible to inherent commodity price fluctuation risk associated in business.

(2) Steps taken or proposed to be taken for improvement

The company proposes to improve its productivity and profitability through higher capacity utilization and better utilization of available resources. The company is also adding manufacturing capacity through modernization of technologies.

(3) Expected increase in productivity and profits in measurable terms

The Company has projected increase in its turnover from Rs. 18709.05 Lacs for the financial year 2014-15 to Rs. 20424.30 Lacs for financial year 2015-16. Proposed increase in turnover for financial year 2015-16 would be 9.17% as compared to actual turnover for financial year 2014-15.

Your Directors expect to achieve net profit after tax of Rs. 252.99 Lacs for financial year 2015-16 as compared to net profit of Rs. 211.83 Lacs for financial year 2014-15.

The draft agreement between the company and Mr. Arvind R. Shah is available for inspection by the members of the company at registered office of the company between 11.00 A.M. to 1.00 P.M. on any working day of the company.

None of the Directors or Key Managerial Personnel of the Company except Mr. Arvind R. Shah or their relatives including Mr. Jayantilal R. Shah and Mr. Dhirajlal R. Shah, Directors of the Company, is in any way concerned or interested, financially or otherwise, in the resolution set out at Sr. No. 10 of this Notice.

Mr. Arvind R. Shah holds 2,63,632 equity shares constituting 4.79% of the total paid up share capital of the company.

By Order of Board of Directors of
Fairdeal Filaments Limited

Place : Surat

Date : 13th August, 2015

Jitesh R. Varkal
Company Secretary

Directors' Report

Your Directors are pleased to present 25th Annual Report alongwith the audited financial statements for the Financial Year ended March 31, 2015.

FINANCIAL RESULTS

(Rs. in Lacs)

Particulars	2014-15	2013-14
Total Revenue	18709.05	16681.44
Profit before interest and depreciation	929.02	832.47
Less : Interest	447.43	435.78
Depreciation	169.89	220.36
Profit before Tax	311.70	176.33
Less : Provision for Current Taxation	128.16	84.11
Provision for Deferred Taxation	(29.91)	(18.12)
Profit after Tax adjustment	213.45	110.34
Excess/(Short) provision for taxation in earlier year	(1.62)	(0.95)
Net Profit	211.83	109.39
Add : Balance brought forward from previous year	457.54	404.47
Amount available for Appropriation	669.37	513.86
Less : Transfer to General Reserve	5.30	2.80
Proposed Dividend	27.50	45.75
Tax on Dividend	4.67	7.78
Adjustment relating to Fixed Assets	25.56	-
Balance Carried to Balance Sheet	606.34	457.54

OPERATIONAL PERFORMANCE

Your Company has achieved turnover of Rs. 18709.05 lacs during the year under review as compared to Rs. 16681.44 lacs for the previous year thereby registering a growth of 12.15% compared to previous year.

Earnings before Interest, Depreciation and Tax (EBIDTA), during the year under review are Rs. 929.02 lacs as compared to Rs. 832.47 lacs for the previous year. Profit before tax for the financial year under review has accelerated by 76.77% to Rs. 311.70 lacs during the year under review from Rs. 176.33 lacs for the previous year. Your Company has achieved Net Profit after tax of Rs. 211.83 lacs, an increase by 93.65% from Rs. 109.39 lacs during the previous year. The Company is C&F Marketing Agent of Reliance Industries Limited for yarn products. Commission income from the agency business with Reliance Industries Ltd. increased considerably during the year under review which mainly contributed to increase in profits.

EQUITY INFUSION

The paid up Equity Share Capital as on 31st March 2015 was Rs.550 lacs increased from Rs. 366.00 Lacs to Rs. 550 Lacs during the year under review consequent to allotment of 18,39,960 equity shares of Rs.10/- each at premium of Rs.14/- each on preferential allotment basis to promoters and non-promoters.

DIVIDEND

Your Directors have recommended dividend at the rate of 5.00% i.e. Rs. 0.50 per share on the Paid-up Equity Share Capital of company (amounting to Rs. 27.50 Lacs) for the year ended on 31st March, 2015, subject to the approval of members at the forthcoming Annual General Meeting of Company.

TRANSFER TO RESERVES

Your Directors propose to transfer Rs. 5.30 Lacs to General Reserves which would enhance the balance of Reserves & Surplus to Rs. 1218.89 Lacs as at 31.03.2015.

DEPOSITS

Your Company has neither accepted nor renewed any deposit within the meaning of the Companies (Acceptance of Deposits) Rules, 2014.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Pursuant to the provisions of section 152 of the Companies Act, 2013 and in accordance with provisions of Articles of Association of the Company, Shri Arvind R. Shah, Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. Your Directors recommend his reappointment.

Ms. Sonia P. Khanna appointed as an Additional (Independent) Director of the Company with effect from March 31, 2015 to hold office up to the date of ensuing Annual General Meeting. The Company has received requisite notice together with deposit of Rupees One Lakh, as provided under section 160 of the Companies Act, 2013, from the shareholder proposing the appointment of Ms. Sonia P. Khanna as Independent director not liable to retire by rotation.

During the year Mr. Satish H. Shah was appointed by the Board of Directors as a Chief Financial Officer of the Company w.e.f. May 29, 2014, pursuant to Section 203 of the Companies Act, 2013.

Ms. Prachi Shukla, Company Secretary has resigned from its post w.e.f. May 28, 2014. Mr. Jitesh R. Varkal appointed by the Board of Directors in her place as a Company Secretary of the company w.e.f. May 29, 2014, as per requirements of Section 203 of the Companies Act, 2013.

NUMBER OF MEETINGS OF THE BOARD

During the financial year 2014-15, the Board met ten (10) times. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES

Your Company does not have either Subsidiary or Joint Venture Company. The company has one Associate company namely Fairdeal Textile Park Pvt. Ltd.

The statement containing the salient feature of the financial statement of a company's subsidiary or subsidiaries, associate company or companies and joint venture or ventures under the first proviso to sub-section (3) of section 129 in Form AOC-1 as required to be attached with the Board's Report is As per 'Annexure - A'..

However, no consolidated financial statement is attached in line with the exemption granted in third proviso to rule 6 of the Companies (Accounts) Rules, 2014.

NOMINATION AND REMUNERATION POLICY:

Policy for selection and appointment of Directors and their remuneration:

The Nomination and Remuneration (N&R) Committee has adopted a Policy which, inter alia, deals with the manner of selection of Board of Directors and CEO & Managing Director and their remuneration are as under:

- i. **Appointment criteria and qualification** : The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director in terms of Diversity Policy of the Board and recommend to the Board his / her appointment.

A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.

The Company shall not appoint or continue the employment of any person as Managing or Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

ii. **Remuneration Policy** : The Company has a standard remuneration policy for the Executive and Non Executive Directors, which is periodically reviewed by the Nomination and Remuneration Committee. The broad idea for the policy is as under.

- The remuneration / commission / sitting fees, as the case may be, to the Non-Executive / Independent Director, shall be in accordance with the provisions of the Act and the Rules made thereunder for the time being in force or as may be decided by the Committee / Board / Shareholders.
- An Independent Director shall not be entitled to any stock option of the Company unless otherwise permitted in terms of the Act and the Clause 49, as amended from time to time
- Non-Executive Directors shall be paid a sitting fee for Board Meeting and Committee Meetings fixed by the Board of Directors from time to time.
- The remuneration / compensation / commission, etc., as the case may be, to the Managing / Whole Time Director will be determined by the Committee and recommended to the Board for approval. Subject to the prior / post approval of the shareholders of the Company and Central Government, wherever required and shall be as per agreement as may be executed in accordance with the provisions of the Act and Rules made thereunder.
- The Board has approved Nomination and Remuneration Policy which has been uploaded on the Company's website.

The committee presently consists of three Directors. The Company Secretary acts as the Secretary of the Nomination and Remuneration Committee. Composition of the Nomination and Remuneration Committee is as under:

Name of Directors	Category	Position
Rajendra K. Desai	Non-Promoter/Independent/ Non-Executive Director	Chairman
Nandish S. Vin	Non-Promoter/Independent/ Non-Executive Director	Member
Jayantilal R. Shah	Promoter/Non-Executive Director	Member

DETAILS OF REMUNERATION TO ALL THE DIRECTORS :

The company has no pecuniary relationship or transaction with its non-executive Directors other than payment of sitting fees to them for attending the Board meeting and Committee meeting. No sitting fees are paid to Executive Directors. The remuneration policy of the company is directed towards rewarding performance. The Company has no stock option scheme. Further no commission is paid to any of the Directors.

Total remuneration paid to Managing Director and Whole-time Director of the company during the year ended on 31st March, 2015 is Rs. 60.39 Lacs including sitting fees paid to non-executive Directors.

Details of the ratio of the remuneration of each director to the median employee's remuneration and other details as required pursuant to Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.–As per 'Annexure - B'.

Shareholding of non-executive directors :

Name of non-executive Director	No. of shares held as on March 31, 2015	% Shareholding
Jayantilal R. Shah	261887	4.7616
Rajendra K. Desai	1200	0.0218
Nandish S. Vin	NIL	NIL
Sonia P. Khanna	NIL	NIL

PARTICULARS OF EMPLOYEES

There were no employees whose remuneration was in excess of the limits in pursuance of section 134(3)(q) of the Companies Act, 2013 read with Rule 5(2) & (3) of The Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014.

DECLARATION BY AN INDEPENDENT DIRECTOR(S) :

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

As required under section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 the particulars relating to conservation of energy, Technology Absorption and foreign exchange earnings and outgo is appended as an Annexure-C to the Board's Report.

DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge, belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

- a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) The directors had prepared the annual accounts on a going concern basis; and
- e) The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- f) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

SECRETARIAL AUDITORS :

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Shri Bhairav H. Shukla, Practising Company Secretary, (CP: 5820) Surat, has been appointed as the Secretarial Auditors to conduct the Secretarial Audit of the Company for the financial year 2014-15, the Secretarial Audit Report is annexed herewith as Annexure- D and forms part of this report". The report is self-explanatory and does not call for any further explanation / comments as required under Section 134(3)(f) of the Companies Act, 2013.

STATUTORY AUDITORS AND AUDITOR'S REPORT

M/s. Natvarlal Vepari & Co., Chartered Accountants, Surat, Statutory Auditors of the Company, having Firm Registration Number 123626W, was appointed as Auditors at the last AGM for three consecutive years. They have furnished requisite consent & certificate. It is proposed to ratify their appointment and fix remuneration.

The observations made in the Auditor's Report are self-explanatory and, therefore, do not call for any further explanation /comments as required under Section 134(3)(f) of the Companies Act, 2013.

COST AUDITORS

The Central Government has notified Companies (cost records and audit) Rules, 2014 as on June 30, 2014. As per these rules the company is not required to get its cost records audited. Hence the company has not appointed Cost Auditors for financial year 2014-15.

As per the requirements of Companies (cost records and audit) Amendment Rules, 2014 dated 31 December, 2014, M/s. Kannaujiya & Co. Cost Accountants, Surat, have been appointed as the Cost Auditors to conduct the audit of the cost accounts maintained by the Company for the Financial Year 2015-16.

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

Employee relations throughout the year were harmonious. Your company treats its human resources as its important asset contributing to the all round growth of your company. Industrial relations have continued to be cordial at all levels of the organization during the year under review.

INTERNAL FINANCIAL CONTROLS SYSTEMS AND THEIR ADEQUACY :

Your company is conscious about the need to line up modern management practices. The company has been successfully running RAMCO ERP software since long back. The company has recently implemented BI tools to add further values and to make the information flow more dynamic to top and mid management levels. The company has an internal control system commensurate with its size and nature of its business which covers areas such as optimum utilization of resources, accurate and prompt recording of transactions, safeguarding of assets, adherence to applicable accounting standards and policies, review of IT and other systems, compliance with prevalent statutes, management policies and procedures. These are aimed at giving the Audit Committee a reasonable assurance on the reliability of financial reporting and statutory & regulatory compliances, effectiveness and efficiency of your Company's operations. The Internal Financial Control Systems are reviewed periodically and revised to keep in tune with the changing business environment.

COMPOSITION OF AUDIT COMMITTEE

Audit Committee presently consists of three Directors. The composition of Audit Committee is as follows.

Name of Directors	Category	Position
Rajendra K. Desai	Non-Promoter/Independent/ Non-Executive Director	Chairman
Jayantilal R. Shah	Promoter/Non-Executive Director	Member
Nandish S. Vin	Non-Promoter/Independent/ Non-Executive Director	Member

There are no instances where the Board has not accepted any recommendation of the Audit Committee.

VIGIL MECHANISM / WHISTLE BLOWER POLICY :

In pursuance of the provisions of section 177(9) & (10) of the Companies Act, 2013, a Vigil Mechanism for directors and employees to report genuine concerns or grievances about unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy has been established. The Vigil Mechanism Policy has been uploaded on the website of the Company.

BUSINESS RISK MANAGEMENT

The Company has laid down a Risk Management Policy and identified threat of such events which if occur may adversely affect either or value to shareholders, ability of Company to achieve objectives, ability to implement business strategies. Such inherent risks are categorized into Strategic risk, Operating risk and Regulatory risk. Managing Director and Whole-time Director of the Company in consultation with Audit Committee will review from time to time the risk and suggest steps to be taken to control and mitigate the same through a properly defined framework. It may be noted that none of the identified risks is of a nature which would threaten the existence of the Company. We consistently and periodically review our systems and policies in order to establish sound risk management and internal control systems.

EXTRACT OF ANNUAL RETURN :

The details forming part of the extract of the Annual Return in form MGT 9 is annexed herewith as "Annexure E" pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS :

During the year under review, the company has not made any loans, guarantees and investments which are governed by the provisions of section 186 of the Companies Act, 2013. Details of Investments made under the provisions of the Companies Act, 1956, are provided in the notes to the Financial Statements.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES :

All related party transactions that were entered into during the financial year were in the ordinary course of business and were on arm's length basis. All related party transactions for the year are placed before the Audit Committee as well as before the Board for approval. The transactions entered into with related parties are reviewed on a quarterly basis by the Audit Committee.

Members can refer to Note no. 28 to the Financial Statements which set out related party transactions.

The details of the transactions with related parties to be provided in Form No.AOC-2 is annexed herewith as **Annexure F**.

EVALUATION OF THE BOARD'S PERFORMANCE

During the year, the Board adopted a formal mechanism for evaluating its performance and as well as that of its Committees and individual Directors, including the Chairman of the Board. The exercise was carried out through a structured evaluation process covering various aspects of the Boards functioning such as composition of the Board & committees, experience & competencies, performance of specific duties & obligations, governance issues etc. Separate exercise was carried out to evaluate the performance of individual Directors including the Board Chairman who were evaluated on parameters such as attendance, contribution at the meetings and otherwise, independent judgment, safeguarding of minority shareholders interest etc.

The evaluation of the Independent Directors was carried out by the entire Board and that of the Chairman and the Non-Independent Directors were carried out by the Independent Directors.

The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees with the Company.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS :

There are no significant and material orders passed by the Regulators or Courts or tribunals which would impact the going concern status of the Company and its future operations.

DISCLOSURE AS PER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has zero tolerance for sexual harassment at workplace and has adopted a policy against sexual harassment in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed thereunder.

During the financial year 2014-15, the company has not received any complaints on sexual harassment and hence no complaints remain pending as of 31 March, 2015.

CORPORATE GOVERNANCE :

As per Circular No. CIR/CFD/POLICY CELL/7/2014 dated September 15, 2014 issued by The Securities and Exchange Board of India (SEBI), compliance with the provisions of Clause 49 of Listing Agreement shall not be mandatory for the time being, in respect of the companies having paid up equity share capital not exceeding Rs. 10.00 crores and Net worth not exceeding Rs. 25.00 crores as on the last day of previous financial year. Since the paid up equity share capital of the company is Rs. 5.50 crores and networth is Rs. 17.69 crores, compliance with the provisions of Clause 49 of Listing Agreement relating to corporate governance is presently not compulsory for the company.

Hence, Report on Corporate Governance, a certificate from the Auditors of the company regarding compliance of conditions of corporate governance and Management's Discussion and Analysis does not form the part of Annual Report.

Disclosure of Remuneration to all the Directors pursuant to Schedule V of the Companies Act, 2015:

The Details of remuneration/sitting fees paid/payable to the Directors for the financial year 2014-15 are as under:

Name of Directors	Salary, Allowance, Perquisites and other benefits (In Rs.)	stock options, pension, etc.,	Performance-linked Income/Bonus Paid/ Commission Payable	Sitting Fees Paid (In Rs.)	Service Contract / Notice Period / Severance Fees
Mr.Dhirajlal R. Shah	3000000	-	-	-	As Per Agreement
Mr. Arvind R. Shah	3000000	-	-	-	As Per Agreement
Mr. Jayantilal R. Shah	-	-	-	-	-
Mr. Rajendra K. Desai	-	-	-	5508.00	-
Mr. Nandish Vin	-	-	-	-	-
Ms. Sonia P. Khanna (App.w.e.f. 31/03/2015)	-	-	-	612.00	-

Acknowledgment

Your Directors express their grateful appreciation for the assistance and co-operation received from the Banks, Financial Institutions, Government Authorities, Customers, Suppliers and Shareholders during the year under review. Your Directors also wish to place on record their deep sense of appreciation for committed services of employees of the Company at all the levels.

For and on behalf of the Board of Directors

Place : Surat

Date : 13th August, 2015

Jayantilal R. Shah
Chairman

ANNEXURE - A TO THE DIRECTORS' REPORT 2015
Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures
Part "A": Subsidiaries
Not Applicable
Part "B": Associates and Joint Ventures
Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Sr. No.	Name of associates/Joint Ventures	Fairdeal Textile Park Private Limited
1.	Latest audited Balance Sheet Date	31st March, 2015
2.	Shares of Associate/Joint Ventures held by the company on the year end	
	No.	880733
	Amount of Investment in Associates/Joint Venture	Rs.186.05 lacs
	Extend of Holding%	22.72%
3.	Description of how there is significant influence	There is Significant influence due to percentage(%) of Share Capital.
4.	Reason why the associate/joint venture is not consolidated	Exemption granted in third proviso to Rule 6 of the Companies (Accounts) Rules, 2014.
5.	Net worth attributable to shareholding as per latest audited Balance Sheet	Rs. 9,044.95 Lacs
6.	Profit/Loss for the year	
	i. Considered in Consolidation	Not Applicable
	ii. Not Considered in Consolidation	Rs.15.95 Lacs

For and on behalf of the Board,

D. R. Shah
Managing Director

A. R. Shah
Whole-time Director

Jitesh R. Varkal
Company Secretary

Satish H. Shah
Chief Financial Officer

Place : Surat

Date : 13th August, 2015

ANNEXURE - B TO THE DIRECTORS' REPORT 2015
Disclosure in the Board's Report under Rule 5 of Companies (Appointment & Remuneration) Rules, 2014

(i)	The Ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year 2014-15	Director's Name	Ratio to mean remuneration	
		1	Mr. Dhirajlal R. Shah	27 : 1
		2	Mr. Arvind R. Shah	27 : 1
(ii)	The Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager if any in the financial year 2014-15 compared to 2013-14 means part of the year	Director's/CFO/CEO/CS/Mgr name	% age increase in remuneration	
		1	Mr. Dhirajlal R. Shah	0%
		2	Mr. Arvind R. Shah	0%
		3	Ms. Prachi Shukla	Resigned as on 28.05.2014
		4	Mr. Jitesh R. Varkal	Appointed as on 29.05.2014
		5	Mr. Satish H. Shah	Appointed as on 29.05.2014
(iii)	Percentage increase in the median remuneration of employees in the financial year 2014-15 compared to 2013-14	7.69%		
(iv)	Number of permanent employees on the rolls of the company	As on 31.03.2015	As on 31.03.2014	
		305	352	
(v)	Explanation on the relationship between average increase in remuneration and the company performance	The Company's total turn-over increased by 12.15% during the year and the Net Profit after Tax increased by 93.65% during the year as compared to last year, while the increase in median remuneration was 7.69% only.		
(vi)	Comparison of the remuneration of the Key Managerial Personnel against the performance of the company	Not applicable		
(vii)	Variation in	Details	31.03.2015	31.03.2014
		Market Capitalization (Rs. in Lacs)	1,100.00	655.15
		Price Earning Ratio	3.46	5.99
		Percentage Increase/decrease of market quotations of the shares of the Company as compared to the rate at which the Company came out with the last public offer in the year:-	There has not been any public offer by the Company in last year.	
		Net worth of the Company (Rs. in Lacs)	1620.86	1025.17

(viii)	Average percentile increase in salaries of Employees other than managerial personnel		During 2014-15			
			7.48%			
		Justification for increase with reasons for any exceptional circumstances	Normal industry standards applied			
(ix)	Comparison of each remuneration of the Key Managerial Personnel against the performance of the Company	Name of Key Managerial personnel	Remuneration for the years ended			Reason against performance of the Company
			31.03.2015	31.03.2014	% change	
	1	Mr. Dhirajlal R. Shah	Rs. 30,00,000	Rs. 30,00,000	Nil	NA
	2	Mr. Arvind R. Shah	Rs. 30,00,000	Rs. 30,00,000	Nil	NA
	3	Ms. Prachi Shukla	Resigned on 28.05.2014	Rs. 3,41,812	NA	NA
	4	Mr. Jitesh R. Varkal	Rs. 2,37,528	appointed on 29.05.2014	NA	NA
	5	Mr. Satish H. Shah	Rs. 8,12,612	appointed on 29.05.2014	NA	NA
(x)	Key parameter for any variable component of remuneration availed by the Directors	Not applicable				
(xi)	Ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess the highest paid director during the year	Not applicable				

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

ANNEXURE - C TO THE DIRECTORS' REPORT 2015

Information on Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules, 2014.

(A) Conservation of energy-

- (i) the steps taken or impact on conservation of energy;
- Replaced 36 watt conventional tube light with latest technology LED lighting system of 18 watt LED tube light, at our plants which give same amount of light.
 - Fixed the standard cost of power consumption for each and every machine of different qualities, if it is deviated from standard; we find out the root cause of it and make it proper.
 - In Humidification plant, company replaced aluminium blade with FR blade for fan for energy conservation, hence it increased the efficiency of the machineries.
- (ii) the steps taken by the company for utilising alternate sources of energy;
- The Company is exploring potential of using alternate source of energy, which may be considered for implementation in future. The company has installed One 0.6MW windmill for captive generation of power.
- (iii) the capital investment on energy conservation equipments; - NIL

(B) Technology absorption-

- (i) The efforts made towards technology absorption and
- (ii) the benefits derived

Your company is keeping a close eye on the new product development and upgradation of technology in existing products. Upgradation in various areas of plant and machinery is continuously carried out. The company has adopted standard cost for each product quality and constantly comparing it with actual cost. If there is any major deviation, then proper and prompt remedial action is taken to improve it.

- (iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)- N.A.
- (iv) the expenditure incurred on Research and Development. – NIL.

(C) Foreign exchange earnings and Outgo-

Total Foreign Exchange used and earned.

(Rs. in Lacs)

	2014-15	2013-14
I) Foreign Exchange Earnings	985.30	896.70
II) Foreign Exchange Outgo:		
a) Raw Material	152.30	-
b) Consumable Goods	14.97	-
c) Capital Goods	-	-
d) Consumable Spares	10.85	18.75
e) Foreign Travelling	-	-
f) Commission Expenses on Export	8.11	9.87

ANNEXURE - D TO THE DIRECTORS' REPORT 2015

Form No. MR - 3

SECRETARIAL AUDIT REPORT

For The Financial Year Ended on 31st March, 2015

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

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2015

To,
The Members,
FAIRDEAL FILAMENTS LTD
3rd Floor Dawer Chambers,
Nr.Sub-Jail, Ring Road
Surat – 395002.
Gujarat.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Fairdeal Filaments Ltd (the Company)** Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2015, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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

- (i) The Companies Act, 2013 (the Act) and the rules made there-under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there-under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there-under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there-under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz:-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 – Not applicable as the company had not issued any debt securities;

- (e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client- Not applicable as the company is not registered as Registrar to Issue and Share Transfer Agent during the financial year under review;

The Company, its management & officers represented that the company has formed and formulated adequate systems and processes commensurate with the size and operations of the company to monitor and ensure compliance other applicable laws, rules as applicable to the company to carry out operational / industrial activities.

I have also examined compliances with the applicable clauses of the following:

- (i) I have not examined compliance with respect of Secretarial Standards issued by The Institute of Company Secretaries of India. (As it was not Applicable to the company during audit period);
- (ii) I have examined compliance with the applicable clauses of the Listing Agreements entered into by the company with the BSE Ltd. I report that, during the year under review, the company has complied with the provisions of the Acts, rules, regulations and guidelines mentioned above except to the extent as mentioned below.

The company has offered, issued and allotted 1839960 equity shares under preferential issue during the year under review for that the company had filed an application to the BSE Ltd., for In-principal approval.

In response to the application filed for In-Principal approval the BSE Ltd has directed to ratify from shareholders, at ensuing General Meeting, the name(s) of beneficial owner of Hindu Undivided Family (HUF) to whom the company had allotted 133000 equity shares. The same is yet to be ratified from share-holders as on the date of report therefore; listing of those 133000 equity shares is pending as on the date.

I further report that considering the non-applicability clause No. 49 of the Listing Agreement vide circular No. CIR / CFD / POLICY CELL / 7 / 2014 dated September 15, 2014 issued by the Securities and Exchange Board of India (SEBI), the Board of Directors was constituted with the proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance or a meeting of the Board was called at shorter notice to transact urgent business subject to the condition as prescribed in provision to Section 173 (3) of the Companies Act, 2013 and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the Minutes of the meetings of the Board of Directors & the committee thereof duly recorded and signed by the Chairman the decision of the Board or Committee was unanimous and no dissenting views have been recorded.

I further report that based on review of compliance mechanism established by the company and on the basis of representation made the management of the company, 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.

I further report that during the audit period -

- i. The company has offered, issued and allotted 1839960 fully paid Equity Shares of Rs.10/- each @ Premium of Rs.14 /- on 31st March, 2015 on preferential basis u/s – 42 & 62 of the Companies Act, 2013 along with Rules made there-under.
- ii. The members at their Annual General Meeting held on 30th September, 2014 has vested the powers of borrowing u/s 180(1) (c) of the Companies Act, 2013 up to the limit of Rs.75 Cr (Rupees Seventy Five crores Only) and also given authority to create charge on the assets and properties of the company u/s 180(1) (a) to its Board of Directors up to the limit of Rs.75 Cr (Rupees Seventy Five crores Only).

- iii. The members at their Extra – Ordinary General meeting held on 14th March, 2015 has approved to increased Authorized Share Capital of the company from Rs.5,50,00,000/- (Rupees Five Crore Fifty Lacs Only) to Rs.20,00,00,000/- (Rupees Twenty Crores Only).

Place : Surat

Date : 13th August, 2015

Bhairav H. Shukla
Practising Company Secretary

FCS No. - 6212

COP No.: 5820

Note : This report is to be read with our letter of even date which is annexed as “ANNEXURE A” and forms an integral part of this report.

“ANNEXURE – A”

To,
The Members,
FAIRDEAL FILAMENTS LTD
3rd Floor Dawer Chambers,
Nr.Sub-Jail, Ring Road
Surat – 395002.
Gujarat.

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes 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 processes and practices, we followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place : Surat

Date : 13th August, 2015

Bhairav H. Shukla
Practising Company Secretary

FCS No. - 6212

COP No.: 5820

ANNEXURE - E TO THE DIRECTORS' REPORT 2015
Form No. MGT-9
EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON MARCH 31, 2015

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS :

i.	CIN	L17110GJ1990PLC013771
ii.	Registration Date	15/05/1990
iii.	Name of the Company	FAIRDEAL FILAMENTS LTD
iv.	Category/Sub-Category of the Company	Public Company
v.	Address of the Registered office and contact details	3rd Floor, Dawer Chambers, Near Sub-Jail, Ring Road, Surat – 395002, GUJARAT, INDIA. Ph. No. : (91) (261) 3090200 Fax No. (0261) 2635550 E-mail: info@shahlon.com Website: www.shahlon.com
vi.	Whether listed company Yes/No	Yes
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s MCS Share Transfer Agent Ltd. 10, Aaram Apartment 12, Sampatrao Colony, Behind Laxmi Hall, Alkapuri, Vadodara – 390007, Gujarat, India. Tel No. : (0265) 2314757 / 2350490 Fax No. : (0265) 2341639 E-mail : mcsltdbaroda@yahoo.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Manufacturing of Synthetic Textile Yarn and Grey Fabrics	131	100%

* As per National Industrial Classification- Ministry of Statistics and Programme Implementation.

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of The Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	FAIRDEAL TEXTILE PARK PVT. LTD.	U45300GJ2005PTC047282	Associate	22.72	2(6)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter									
1) Indian									
a) Individual/ HUF	1231104	112000	1343104	36.70	2451504	21600	2473104	44.97	8.27
b) Central Govt	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) State Govt(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) Bodies Corp	359200	Nil	359200	9.81	359200	Nil	359200	6.53	-3.28
e) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f) Any Other	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total(A)(1):-	1590304	112000	1702304	46.51	2810704	21600	2832304	51.50	4.99
2) Foreign									
a) NRIs-Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Other-Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) Bodies Corp.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Any Other....	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total(A)(2):-	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) Central Govt	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) State Govt(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f) Insurance Companies	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
g) FIs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
h) Foreign Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
i) Others (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total(B)(1)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

2. Non Institutions									
a) Bodies Corp.									
(i) Indian	51977	90700	142677	3.90	44269	7100	51369	0.93	-2.97
(ii) Overseas	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	628278	345837	974115	26.61	641042	335737	976779	17.76	-8.85
(ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	742444	98500	840944	22.98	1541048	98500	1639548	29.81	6.83
c) Others(Specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total(B)(2)	1422699	535037	1957736	53.49	2226359	441337	2667696	48.50	-4.99
Total Public Shareholding (B)=(B)(1)+ (B)(2)	1422699	535037	1957736	53.49	2226359	441337	2667696	48.50	-4.99
C. Shares held by Custodian for GDRs & ADRs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Grand Total (A+B+C)	3013003	647037	3660040	100.00	5037063	462937	5500000	100.00	Nil

ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Anant Zaverchand Gada	13759	0.38	Nil	14259	0.26	Nil	-0.12
2.	Arvind Raichand Shah	223632	6.11	Nil	263632	4.79	Nil	-1.32
3.	Avani Arvind Shah	70300	1.92	Nil	133300	2.42	Nil	0.50
4.	Bhavini Dhaval Shah	2950	0.08	Nil	2950	0.05	Nil	-0.03
5.	Damyanti Jayantilal Shah	5000	0.14	Nil	68000	1.24	Nil	1.10
6.	Dhaval Jineshbhai Shah	4900	0.13	Nil	4900	0.09	Nil	-0.04
7.	Dhirajlal Raichand Shah	131291	3.59	Nil	263791	4.80	Nil	1.21
8.	Dinesh M. Rego	8000	0.22	Nil	8000	0.15	Nil	-0.07
9.	Dipan Jayantilal Shah	35200	0.96	Nil	138200	2.51	Nil	1.55
10.	Harsh Mahendra Shah	35500	0.97	Nil	138500	2.52	Nil	1.55
11.	Jambunathan Raju	50	0.00	Nil	50	0.00	Nil	0.00
12.	Jayaben Jinesh Shah	8000	0.22	Nil	8000	0.15	Nil	-0.07
13.	Jayantilal Raichand Shah	131887	3.60	Nil	261887	4.76	Nil	1.16
14.	Jinesh Fulchand Shah	6400	0.17	Nil	6400	0.12	Nil	-0.05
15.	Jiviben Raichand Shah	8000	0.22	Nil	8000	0.15	Nil	-0.07
16.	Kala Raju	50	0.00	Nil	50	0.00	Nil	0.00
17.	Kanchan Dhirajlal Shah	50800	1.39	Nil	113800	2.07	Nil	0.68
18.	Lewellyn Joseph Rego	38000	1.04	Nil	38000	0.69	Nil	-0.35
19.	Mahendra Raichand Shah	87600	2.39	Nil	227600	4.14	Nil	1.75
20.	Meena Mahendra Shah	80400	2.20	Nil	143400	2.61	Nil	0.41
21.	Mepa Punja Shah	6500	0.18	Nil	6500	0.12	Nil	-0.06
22.	Minaxi Nitin Shah	29100	0.80	Nil	92100	1.67	Nil	0.87
23.	Neeta Virendra Mehta	62000	1.69	Nil	62000	1.13	Nil	-0.56
24.	Nitin Raichand Shah	117500	3.21	Nil	257500	4.68	Nil	1.47
25.	Pravin Raichand Chheda	139700	3.82	Nil	139700	2.54	Nil	-1.28
26.	R. Rohan	3500	0.10	Nil	3500	0.06	Nil	-0.04
27.	R. Varun	3500	0.10	Nil	3500	0.06	Nil	-0.04
28.	Sonal Dipan Shah	10000	0.27	Nil	16000	0.29	Nil	0.02
29.	Suresh Somchand Shah	9585	0.26	Nil	9585	0.17	Nil	-0.09
30.	Virendra Janakray Mehta	20000	0.55	Nil	20000	0.36	Nil	-0.19
31.	Dhruv Shah	0	0.00	Nil	20000	0.36	Nil	0.36
32.	Guinea Securities & Finance Pvt. Ltd.	143200	3.91	Nil	143200	2.60	Nil	-1.31
33.	Sanket Finance & Leasing Pvt. Ltd.	216000	5.90	Nil	216000	3.93	Nil	-1.97
	Total	1702304	46.51		2832304	51.49		4.98

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

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
	At the beginning of the year	1702304	46.51	1702304	46.51
	Transaction (purchase/sale) during the year	3000	-	1705304	46.59
	Allotment on 31/03/2015	1127000	-	2832304	51.49
	At the End of the year	2832304	51.49	2832304	51.49

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

Sr. No.	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1.	Mahesh Khetshi Gosrani				
	Opening Balance	384000	10.49	384000	10.49
	Transaction (purchase/sale) during the year	Nil	Nil	384000	10.49
	Allotment on 31/03/2015	Nil	Nil	384000	6.98
	Closing Balance	384000	10.49	384000	6.98
2.	Sangeetha S.				
	Opening Balance	149450	4.08	149450	4.08
	Transaction (purchase/sale) during the year	Nil	Nil	149450	4.08
	Allotment on 31/03/2015	Nil	Nil	149450	2.72
	Closing Balance	149450	2.72	149450	2.72
3.	Shyamsundar Kabra (HUF)				
	Opening Balance	Nil	Nil	Nil	Nil
	Transaction (purchase/sale) during the year	Nil	Nil	Nil	Nil
	Allotment on 31/03/2015	133000	2.42	133000	2.42
	Closing Balance	133000	2.42	133000	2.42
4.	Pawankumar Kabra				
	Opening Balance	Nil	Nil	Nil	Nil
	Transaction (purchase/sale) during the year	Nil	Nil	Nil	Nil
	Allotment on 31/03/2015	104500	1.90	104500	1.90
	Closing Balance	104500	1.90	104500	1.90

5. Latadevi Kabra				
Opening Balance	Nil	Nil	Nil	Nil
Transaction (purchase/sale) during the year	Nil	Nil	Nil	Nil
Allotment on 31/03/2015	92000	1.67	92000	1.67
Closing Balance	92000	1.67	92000	1.67
6. Amitkumar Kabra				
Opening Balance	Nil	Nil	Nil	Nil
Transaction (purchase/sale) during the year	Nil	Nil	Nil	Nil
Allotment on 31/03/2015	75000	1.36	75000	1.36
Closing Balance	75000	1.36	75000	1.36
7. Kapoorchand D. Shah				
Opening Balance	68500	1.87	68500	1.87
Transaction (purchase/sale) during the year	Nil	Nil	68500	1.87
Allotment on 31/03/2015	Nil	Nil	68500	1.25
Closing Balance	68500	1.87	68500	1.25
8. Madhu Narayan Saboo				
Opening Balance	56001	1.53	56001	1.53
Transaction (purchase/sale) during the year	Nil	Nil	56001	1.53
Allotment on 31/03/2015	Nil	Nil	56001	1.02
Closing Balance	56001	1.02	56001	1.02
9. Shyamsundar Kabra				
Opening Balance	Nil	Nil	Nil	Nil
Transaction (purchase/sale) during the year	Nil	Nil	Nil	Nil
Allotment on 31/03/2015	42000	0.76	42000	0.76
Closing Balance	42000	0.76	42000	0.76
10. Manoj Kumar Panda				
Opening Balance	26600	0.73	26600	0.73
Transaction (purchase/sale) during the year	10100	-	36700	1.00
Allotment on 31/03/2015	Nil	Nil	36700	0.67
Closing Balance	36700	0.67	36700	0.67

v) Shareholding of Directors and Key Managerial Personnel :

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1.	DHIRAJLAL R. SHAH Opening Balance Transaction (purchase/sale) during the year Allotment on 31/03/2015 Closing Balance	131291 2500 130000 263791	3.59 Nil Nil 4.80	131291 133791 263791 263791	3.59 3.66 4.80 4.80
2.	ARVIND R. SHAH Opening Balance Transaction (purchase/sale) during the year Allotment on 31/03/2015 Closing Balance	223632 Nil 4000 263632	6.11 Nil Nil 4.79	223632 223632 263632 263632	6.11 6.11 4.79 4.79
3.	JAYANTILAL R. SHAH Opening Balance Transaction (purchase/sale) during the year Allotment on 31/03/2015 Closing Balance	131887 Nil 130000 261887	3.60 Nil Nil 4.76	131887 131887 261887 261887	3.60 3.60 4.76 4.76
4.	RAJENDRA K. DESAI Opening Balance Transaction (purchase/sale) during the year Allotment on 31/03/2015 Closing Balance	1200 Nil Nil 1200	0.03 Nil Nil 0.02	1200 1200 1200 1200	0.03 0.03 0.02 0.02
5.	NANDISH VIN Opening Balance Transaction (purchase/sale) during the year Allotment on 31/03/2015 Closing Balance	Nil Nil Nil Nil	Nil Nil Nil Nil	Nil Nil Nil Nil	Nil Nil Nil Nil
6.	SONIA P. KHANNA Opening Balance Transaction (purchase/sale) during the year Allotment on 31/03/2015 Closing Balance	Nil Nil Nil Nil	Nil Nil Nil Nil	Nil Nil Nil Nil	Nil Nil Nil Nil
7.	JITESH R. VARKAL Opening Balance Transaction (purchase/sale) during the year Allotment on 31/03/2015 Closing Balance	Nil Nil Nil Nil	Nil Nil Nil Nil	Nil Nil Nil Nil	Nil Nil Nil Nil
8.	SATISH H. SHAH Opening Balance Transaction (purchase/sale) during the year Allotment on 31/03/2015 Closing Balance	Nil Nil Nil Nil	Nil Nil Nil Nil	Nil Nil Nil Nil	Nil Nil Nil Nil

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	<i>Secured Loans excluding deposits</i>	<i>Unsecured Loans</i>	<i>Deposits</i>	<i>Total Indebtedness</i>
Indebtedness at the beginning of the financial year				
i) Principal Amount	287829003	156713850	-	444542853
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	116566	35211	-	151777
Total (i+ii+iii)	287945569	156749061	-	444694630
Change in Indebtedness during the financial year				
- Addition	-	51373515	-	51373515
- Reduction	29484460	75920000	-	105404460
Net Change	-29484460	-24546485.2	-	-54030946
Indebtedness at the end of the financial year				
i) Principal Amount	258461109	132167365	-	390628474
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	53874	35211	-	89085
Total (i+ii+iii)	258514983	132202576	-	390717559

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. Remuneration to Managing Director, Whole-time Directors and/or Manager

Sr. No.	Particulars of Remuneration	Shri Dhirajlal R. Shah MD	Shri Arvind R. Shah WTD	Total Amount
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1650000.00	1650000.00	3300000.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.00	0.00	0.00
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	1350000.00	1350000.00	2700000.00
2.	Stock Option	0.00	0.00	0.00
3.	Sweat Equity	0.00	0.00	0.00
4.	Commission	0.00	0.00	0.00
	- as % of profit			
	- Others, specify...			
5.	Others, please specify	0.00	0.00	0.00
6.	Total (A)	3000000.00	3000000.00	6000000.00
	Ceiling as per the Act	3000000.00	3000000.00	6000000.00

B. Remuneration to other directors :

Sr. No.	Particulars of Remuneration	Name of Directors			Total Amount
		Shri Rajendra K. Desai	Shri Nandish Vin	Smt. Sonia P. Khanna w.e.f. 31.03.2015	
1.	Independent Directors				
	• Fee for attending board committee meetings	5508.00	-	612.00	6120.00
	• Commission				
	• Others, please specify				
	Total (1)	5508.00	-	612.00	6120.00
2.	Other Non-Executive Directors	Shri Jayantilal R. Shah			
	• Fee for attending board committee meetings		0.00		0.00
	• Commission		0.00		0.00
	• Others, please specify		0.00		0.00
	Total (2)		0.00		0.00
	Total (B)=(1+2)				6120.00

C. Remuneration to Key Managerial Personnel Other Than MD /Manager / WTD

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Shri Jitesh R. Varkal, Company Secretary w.e.f. 29/05/2014	Shri Satish H. Shah, CFO w.e.f. 29/05/2014	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	132901.00	551633.00	684534.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.00	0.00	0.00
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	104627.00	416303.00	520930.00
2.	Stock Option	0.00	0.00	0.00
3.	Sweat Equity	0.00	0.00	0.00
4.	Commission - as % of profit - Others, specify...	0.00	0.00	0.00
5.	Others, please specify	0.00	0.00	0.00
6.	Total	237,528.00	967,936.00	1205464.00

VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES :

Type	Section of the companies Act	Brief description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/NCLT/ Court]	Appeal made, If any (give details)
A. Company					
Penalty			None		
Punishment			None		
Compounding			None		
B. Directors					
Penalty			None		
Punishment			None		
Compounding			None		
C. Other Officers In Default					
Penalty			None		
Punishment			None		
Compounding			None		

ANNEXURE - F TO THE DIRECTORS' REPORT 2015

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.

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

There were no contracts or arrangements or transactions entered into during year ended March 31, 2015 which were not at arm's length basis.

2. Details of material contracts or arrangements or transactions at Arm's length basis.

Sr. No.	Particulars	Details
a)	Name (s) of the related party	SHABLON SILK INDUSTRIES PVT. LTD.
b)	Nature of relationship	Dahirajlal R. Shah - Member Jayantilal R. Shah - Director, Member Arvind R. Shah - Member
c)	Nature of contracts/arrangements/transaction	Sale, purchase or supply of any goods materials
d)	Duration of the contracts/arrangements/transaction	3 years
e)	Salient terms of the contracts or arrangements or transaction including the value, if any	Agreement for sale, purchase or supply of goods, material or services not exceeding Rs.2500.00 lacs, other terms are as per Agreement.
f)	Date of approval by the Board	approved by the Audit Committee and the Board as on 28.05.2014 Also approved by the member at the AGM held on 30.09.2014.
g)	Amount paid as advances, if any	Nil

AUDITORS' REPORT

To,
The Members of
FAIRDEAL FILAMENTS LIMITED,
Surat.

Report on the Financial Statements

We have audited the accompanying financial statements of Fairdeal Filaments Limited, which comprise the Balance Sheet as at March 31, 2015, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information for the year then ended.

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 standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

Emphasis of Matters

We draw attention to the following matters in the Notes to the financial statements:

- a. Note No. 16.1 to the financial statements which states that the company has discontinued accounting for further accrual of interest subsidy claim under TUF, following conservatism.
- b. Note No. 24 to the financial statements which shows the amount of Rs. 51.44 lacs written off during the year as bad debts under 'Selling & Distribution Expenses' includes the amount of Rs.30.77 lacs relating to foreign debtors.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the company so far as it appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

Forming an Opinion and Reporting on Financial Statements

For, NATVARLAL VEPARI & CO.

CHARTERED ACCOUNTANTS

Firm Reg. No. 123626W

Ravindra Vepari

Partner

Membership No. : 006728

Place : Surat

Date : 29th May, 2015

ANNEXURE TO THE AUDITOR'S REPORT

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2015, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) We are informed that the physical verification of the fixed assets has been carried out by the management at reasonable intervals and no material discrepancies were noticed on such physical verification;
- (ii) (a) The inventories have been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable;
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of Inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business;
- (c) The Company has maintained proper records of inventories. As explained to us, there was no material discrepancies noticed on physical verification of inventories as compared to the book records.
- (iii) As per the information and explanations given to us and the records produced before us for our verification, the Company has not granted secured or unsecured loan to companies, firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013. Accordingly, paragraph (iii) (a) and (b) of the Order, are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regards to the purchases of inventory and fixed assets and also for the sale of goods and services. During the course of our audit, we have not come across any major weaknesses in the internal control system of the Company.
- (v) In our opinion and according to the information given to us, the Company has not accepted any deposits from the public, which come under the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act and Rules framed there under.
- (vi) We have broadly reviewed the books of account and records maintained by the Company pursuant to the rules made by the Central Government for the maintenance of Cost Records under Section 148(1) of the Companies Act, 2013, and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determine whether they are accurate.
- (vii) (a) According to the information and explanations given to us and the records examined by us, the Company has generally been regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales tax, value added tax, wealth tax, customs duty, excise duty, service tax, cess and any other statutory dues wherever applicable. There are no arrears of statutory dues as at March 31, 2015 which are outstanding for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of Income Tax or Sales Tax or Wealth Tax or Service Tax or duty of Customs or duty of excise or value added tax or cess wherever applicable on account of any dispute.

- (c) In our opinion and according to the information and explanations given to us and according to records of the Company, during the year, the amount required to be transferred to the investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under has been transferred to such fund within time.
- (viii) The Company does not have any accumulated losses at the end of the financial year March 31, 2015. Further, the Company has not incurred cash losses during the financial year ended March, 31, 2015 and in the immediately preceding financial year.
- (ix) On the basis of the records examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to banks and financial institutions. The Company has not issued debentures during the year.
- (x) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xi) In our opinion and according to the information and explanations given to us, no additional term loans availed by the Company during the year.
- (xii) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the Management.

For, NATVARLAL VEPARI & CO.
CHARTERED ACCOUNTANTS
Firm Reg. No. 123626W

Ravindra Vepari
Partner

Place : Surat
Date : 29th May, 2015

Membership No. : 006728

BALANCE SHEET AS AT 31ST MARCH, 2015

PARTICULARS	Note	As at 31-Mar-15		As at 31-Mar-14	
EQUITY AND LIABILITIES (₹ in Lacs)					
Shareholders' Funds					
a. Share Capital	1	550.00		366.00	
b. Reserves & Surplus	2	<u>1,218.89</u>	1,768.89	<u>812.96</u>	1,178.96
Non - Current Liabilities					
a. Long Term Borrowing	3	576.78		1,441.97	
b. Deferred Tax Liability (Net)	4	<u>74.35</u>	651.13	<u>104.27</u>	1,546.24
Current Liabilities					
a. Short Term Borrowing	5	3,227.25		2,779.22	
b. Trade Payables	6	133.55		1,409.42	
c. Other Current Liabilities	7	532.21		397.40	
d. Short Term Provisions	8	131.03	4,024.05	122.67	4,708.72
TOTAL		<u><u>6,444.08</u></u>		<u><u>7,433.92</u></u>	
ASSETS					
Non Current Assets					
Fixed Assets					
a. Tangible Asset	9	1,237.10		1,395.69	
b. Intangible Asset		-		-	
c. Capital Work in Progress		<u>14.90</u>		<u>0.20</u>	
		1,252.00		1,395.89	
Non Current Investments (Trade)	10	208.45		208.45	
Long Term Loan and advances	11	<u>179.82</u>	1,640.28	<u>177.27</u>	1,781.61
Current Assets					
a. Inventories	12	847.92		765.33	
b. Trade Receivables	13	3,639.16		4,641.51	
c. Cash and Bank Balance	14	26.07		19.38	
d. Other Bank Balance	15	15.23		14.16	
e. Short Term Loans and Advances	16	275.42	4,803.80	211.92	5,652.31
TOTAL		<u><u>6,444.08</u></u>		<u><u>7,433.92</u></u>	
Significant Accounting Policies					
Notes to Financial Statements 1 to 32					

For, NATVARLAL VEPARI & CO.

CHARTERED ACCOUNTANTS

Firm Reg. No. 123626W

R. N. Vepari

Partner

Membership No. : 6728

SURAT, Date : 29.05.2015

For and on behalf of the Board,

D. R. Shah

Managing Director

A. R. Shah

Whole-time Director

Jitesh R. Varkal

Company Secretary

Satish H. Shah

Chief Financial Officer

SURAT, Date : 29.05.2015

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2015

PARTICULARS	Note	As at 31-Mar-15	As at 31-Mar-14
			(₹ in Lacs)
INCOME :			
Revenue from Operations	17	18,703.91	16,674.92
Other Revenues	18	5.14	6.53
Total Revenue		<u>18,709.05</u>	<u>16,681.44</u>
EXPENDITURE :			
Cost of Material Consumed	19	5,297.44	5,940.44
Purchases of Stock in Trade		10,614.12	8,263.25
Changes in Inventories of Finished Goods, Stock in Process and Stock in Trade	20	(29.62)	(13.13)
Employee Benefits Expense	21	632.22	517.27
Finance Costs	22	447.43	435.78
Depreciation and Amortisation Expense	23	169.89	220.36
Other Expenses	24	1,265.88	1,141.15
Total Expenses		<u>18,397.35</u>	<u>16,505.11</u>
Profit before exceptional and extraordinary items and tax		311.70	176.33
Tax Expense :			
a. Current tax		128.16	84.11
b. Deferred Tax		(29.92)	(18.12)
		<u>98.24</u>	<u>65.99</u>
Profit after tax adjustment		213.45	110.34
Excess/(Short) provision for taxation in earlier year		(1.62)	(0.95)
Profit after Tax		211.83	109.39
Profit for the Period		211.83	109.39
Earning per Equity Share :			
1. Basic	25	5.78	2.99
2. Diluted		5.78	2.99
Significant Accounting Policies			
Notes to Financial Statements 1 to 32			

For, NATVARLAL VEPARI & CO.

CHARTERED ACCOUNTANTS

Firm Reg. No. 123626W

R. N. Vepari

Partner

Membership No. : 6728

SURAT, Date : 29.05.2015

For and on behalf of the Board,

D. R. Shah

Managing Director

Jitesh R. Varkal

Company Secretary

SURAT, Date : 29.05.2015

A. R. Shah

Whole-time Director

Satish H. Shah

Chief Financial Officer

CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET FOR THE YEAR ENDED 31st MARCH, 2015

PARTICULARS	2014-2015	2013-2014
A. CASH FLOW FROM OPERATING ACTIVITIES :		(₹ in Lacs)
Net profit before Tax and Extraordinary Items	311.70	176.33
Adjusted For :		
Depreciation	169.89	220.36
Interest Paid	447.43	435.78
Extra ordinary item (loss on sale of assets/ earlier year taxes)	(0.93)	(1.11)
Operating Profit before Working Capital Charges	928.08	831.36
Adjusted For :		
Trade and other receivable	938.84	(1,333.81)
Inventories	(82.58)	(33.81)
Trade & Other Payables	(1,010.71)	987.41
Cash Generated From Operations	773.62	451.15
Interest Paid	(425.01)	(395.14)
Cash flow before Extraordinary items	348.61	56.01
Current tax	(128.16)	(84.11)
Net Cash from operating Activities	220.45	(28.10)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(59.16)	(52.37)
Sales of Fixed Assets	1.16	1.64
Movement in Loans & Advances	(2.55)	(4.11)
Net Cash used in Investing Activities	(60.55)	(54.84)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Loan repayment	(227.98)	(252.11)
Share Capital raised with premium	441.59	-
Other Loan	(759.20)	109.65
Short Term Borrowings (Net)	448.04	321.14
Interest Paid on Term Loan	(22.42)	(40.64)
Dividend paid (Including Dividend Tax)	(32.17)	(53.53)
Net Cash used in Financial Activities	(152.15)	84.52
NET INCREASE IN CASH & CASH EQUIVALENTS (A) + (B) + (C)	7.76	1.58
Opening Cash and Cash Equivalents	33.54	31.96
Closing Cash and Cash Equivalents	41.30	33.54

For, NATVARLAL VEPARI & CO.

CHARTERED ACCOUNTANTS

Firm Reg. No. 123626W

R. N. Vepari

Partner

Membership No. : 6728

SURAT, Date : 29.05.2015

For and on behalf of the Board,

D. R. Shah

Managing Director

A. R. Shah

Whole-time Director

Jitesh R. Varkal

Company Secretary

Satish H. Shah

Chief Financial Officer

SURAT, Date : 29.05.2015

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

PARTICULARS	As at 31-Mar-15	As at 31-Mar-14
1 SHARE CAPITAL		(₹ in Lacs)
AUTHORISED :		
2,00,00,000 (Previous year 55,00,000) Equity Share of Rs. 10/- each.	<u>2000.00</u>	<u>550.00</u>
ISSUED, SUBSCRIBED & PAID UP :		
55,00,000 (Previous year 36,60,040) Equity Shares of Rs. 10/- each fully paid up	<u>550.00</u>	<u>366.00</u>
1.1 The reconciliation of the number of shares outstanding is set out below:		
Equity Shares outstanding at the beginning of the year	36.60	36.60
Equity Shares Issued during the year	18.40	-
Equity Shares bought back during the year	-	-
Any other movement (please specify)	-	-
Equity Shares outstanding at the end of the year	<u><u>55.00</u></u>	<u><u>36.60</u></u>
1.2 The details of Shareholders holding more than 5% shares	<u>No. of Shares</u> <u>% held</u>	<u>No. of Shares</u> <u>% held</u>
Name of the Shareholders		
Mahesh Khetshi Gosrani	384,000	6.98
Arvind Raichand Shah	263,632	4.79
Sanket Finance & Leasing Pvt. Ltd.	216,000	3.93
	384000	10.49
	223632	6.11
	216000	5.90
1.3 During the last quarter, the Company allotted 18,39,960 equity shares of Rs.10 each fully paid up at a premium of Rs. 14.00 per share on preferential basis pursuant to the SEBI (ICDR) Regulations 2009. As a result of such allotment, the paid up equity share capital of the Company increased from 36,60,040 equity shares of Rs.10 each aggregating to Rs.3,66,00,400 to 55,00,000 equity shares of Rs.10 each aggregating to Rs.5,50,00,000.		
2 RESERVES AND SURPLUS		
Capital Reserve		
As per Last Balance Sheet	69.97	69.97
Security Premium Reserve		
As per Last Balance Sheet	365.86	108.27
Profit & Loss Account		
As per Last Balance Sheet	457.54	404.47
Add : Profit for the year	<u>211.83</u>	<u>109.39</u>
	669.37	513.86
Less : Appropriations		
Adjustment relating to Fixed Assets (Refer Note 23.1)	25.55	-
Transferred to General Reserve	5.30	2.80
Proposed Dividend on Equity Shares	27.50	45.75
Tax on Dividend	<u>4.67</u>	<u>7.78</u>
	63.03	56.33
	606.34	457.54

PARTICULARS	As at 31-Mar-15		As at 31-Mar-14	
	(₹ in Lacs)			
Revaluation Reserve				
As Per Last Balance Sheet	153.79		165.83	
Less : Transferred to Profit and Loss Account	<u>5.76</u>	148.03	<u>12.04</u>	153.79
General Reserve				
As Per Last Balance Sheet	23.40		20.60	
Add : Transferred from Profit & Loss Account	<u>5.30</u>	28.70	<u>2.80</u>	23.40
TOTAL		<u>1,218.89</u>		<u>812.96</u>
3 LONG TERM BORROWING	Non Current	Current *	Non Current	Current *
Secured				
a. Term Loan				
Bank of Baroda (Refer Note no. 3.1.a)	18.18	83.02	101.63	140.60
Bank of Baroda - Vehicle Loan (Refer Note no. 3.1.b)	-	-	1.74	1.20
Kotak Mahindra Prime Ltd. (Refer Note no. 3.1.c)	11.70	19.23	32.51	40.70
b. Corporate Loan				
From Bank of Baroda (Refer Note no. 3.1.a)	-	-	-	41.74
	<u>29.88</u>	<u>102.25</u>	<u>135.87</u>	<u>224.24</u>
Unsecured				
a. Inter Corporate Deposit from Company	512.90	-	1,272.10	-
b. LIC of India	34.00	-	34.00	-
	<u>546.90</u>	-	<u>1,306.10</u>	-
TOTAL	<u>576.78</u>	<u>102.25</u>	<u>1,441.97</u>	<u>224.24</u>

3.1 Security Details of Secured Loan

- a. Secured by Hypothecation of raw material, stock-in-process, finished goods, books debts, plant and machinery and equitable mortgage of factory, Land and building situated at village karanj; Taluka; Mandvi, Dist.: Surat and village Mota Borasara Taluka: Mangrol, Dist. Surat. Facility further secured by equitable mortgage of office premises third floor Dawer Chamber, Ring Road, Surat and hypothecation of Wind mill Situated at village : Suthari, Taluka: Abdasa, Dist: Kutch.
- b. Secured against hypothecation of Vehicle
- c. Secured against hypothecation of Car

* Refer Note no .7 for Current maturities of Long Term Debt

PARTICULARS	As at 31-Mar-15	As at 31-Mar-14
		(₹ in Lacs)
4 DEFERRED TAX LIABILITY (NET)		
Deferred Tax Asset		
a. Provision for bonus	1.18	1.35
b. Provision for leave	1.19	1.40
c. Provision for gratuity	<u>4.83</u>	<u>-</u>
	7.20	2.75
Deferred Tax Liability		
Block of Assets	<u>81.55</u>	<u>107.02</u>
TOTAL	<u><u>74.35</u></u>	<u><u>104.27</u></u>
5 SHORT TERM BORROWING		
Secured		
a. Working Capital Loans From Banks		
Rupee Loan (Refer Note no. 5.1)	2,281.92	2,518.18
Export Finance - PCFC & FBD (Refer Note no. 5.1)	<u>170.56</u>	<u>-</u>
	2,452.48	2,518.18
Unsecured		
a. Short Term Loan from ICICI Bank Ltd. (Under Channel Financing)	<u>774.77</u>	<u>261.04</u>
TOTAL	<u><u>3,227.25</u></u>	<u><u>2,779.22</u></u>
5.1 Security details for secured Loan		
Secured by Hypothecation of raw material, stock-in-process, finished goods, books debts, plant and machinery and equitable mortgage of factory Land and building situated at Village : Karanj, Taluka : Mandvi, Dist.: Surat and Village : Mota Borasara, Taluka : Mangrol, Dist.: Surat. Facility further secured by equitable mortgage of office premises at third floor Dawer Chambers, Ring Road, Surat and hypothecation of Wind mill Situated at Village : Suthari, Taluka : Abdasa, Dist.: Kutch.		
6 TRADE PAYABLES		
a. For goods & other purchases	92.29	1368.53
b. For expenses	<u>41.27</u>	<u>40.89</u>
TOTAL	<u><u>133.55</u></u>	<u><u>1409.42</u></u>
7 OTHER CURRENT LIABILITIES		
Current Maturities of long term debts (Refer Note 3)	102.25	224.24
Interest accrued but not due on borrowings	0.89	1.52
Unclaimed Dividend	13.99	13.92
Employees benefits payables	41.93	35.44
Advance from Customers	251.33	31.12
Expenses Payable	81.46	57.69
Duties & Taxes	<u>40.36</u>	<u>33.47</u>
	<u><u>532.21</u></u>	<u><u>397.40</u></u>

PARTICULARS	As at 31-Mar-15	As at 31-Mar-14
		(₹ in Lacs)
8 SHORT TERM PROVISIONS		
Provision for Taxation (Net of Advance Taxation)	76.68	60.67
Proposed dividend	27.50	45.75
Tax on Dividend	4.67	7.78
Provision for earned Leave	3.66	4.31
Provision for earned Bonus	3.63	4.17
Provision for gratuity	14.89	-
TOTAL	<u><u>131.03</u></u>	<u><u>122.67</u></u>

(₹ in Lacs)

Sr. No.	PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK				
		AS ON 01.4.2014	ADDITION	ADJUSTMENT	AS ON 31.3.2015	UP TO 31.3.2014	DURING THE YEAR (P & L)	RETAINED EARNING	ADJUSTMENT	TOTAL 31.3.2015	AS ON 31.3.2015	AS ON 31.3.2014
1	LAND	143.13	-	-	143.13	-	-	-	-	-	143.13	143.13
2	FACTORY BUILDING	423.50	2.24	-	425.75	151.35	16.42	-	-	167.77	257.98	272.15
3	PLANT AND MACHINERY	1,373.06	20.76	-	1,393.82	959.59	56.75	-	-	1,016.35	377.48	413.47
4	OFFICE EQUIPMENT	40.43	8.82	0.71	48.53	22.11	15.30	12.50	0.16	37.25	11.28	18.32
5	COMPUTER	108.86	7.08	1.99	113.95	97.15	10.57	4.39	1.97	105.75	8.20	11.71
6	VEHICLES	93.45	-	7.23	86.23	55.03	12.92	6.40	5.94	62.00	24.23	38.43
7	FURNITURES & FIXTURE	33.62	1.44	-	35.07	27.21	3.66	2.16	-	30.87	4.20	6.42
8	BEAM PIPE	42.58	4.12	-	46.70	37.90	5.10	-	-	43.00	3.70	4.68
9	OFFICE BUILDING	15.03	-	-	15.03	4.51	0.24	-	-	4.75	10.28	10.52
10	ELECTRICAL INSTALLATION	2.19	-	-	2.19	1.37	0.26	0.11	-	1.63	0.55	0.82
11	PLANT & MACHINERY UNDER TUF	1,143.72	-	-	1,143.72	783.40	59.03	-	-	842.43	301.29	360.32
12	WIND MILL	372.68	-	-	372.68	256.94	20.95	-	-	277.89	94.79	115.74
	TOTAL	3,792.24	44.46	9.92	3,826.78	2,396.55	201.20	25.55	8.07	2,589.68	1,237.10	1,395.69
	PREVIOUS YEAR	3,744.81	52.17	4.74	3,792.24	2,167.39	232.41	-	3.25	2,396.55	1,395.69	1,577.42

Depreciation of Rs. 201.20 Lacs has been calculated as per Schedule-II of the Companies Act, 2013. The written down value of Fixed Assets whose life has expired as at 1st April 2014 have been adjusted net of residual value (Rs. 25.55 Lacs) in the opening balance of Profit and Loss Account under Reserves and Surplus.

Depreciation on revalued portion of Fixed Assets calculated on written down method over balance useful life of assets, is transferred from revaluation reserve to the Profit & Loss Amounting to Rs. 5.76 lacs (PY 12.04 Lacs)

PARTICULARS	As at 31-Mar-15	As at 31-Mar-14
		(₹ in Lacs)
10 NON CURRENT INVESTMENTS		
"In Equity Shares of Associate Companies-Unquoted fully paid up (Valued at cost)"		
3,200 Shahlon Silk Industries P. Ltd. (Refer Note 10.1)	22.40	22.40
(2,24,000 Shares of Shahlon Industrial Infrastructure Pvt. Ltd.)		
8,80,733 (8,80,733) Shares of Fairdeal Textile Park Pvt. Ltd. (Refer Note 10.2)	186.05	186.05
TOTAL	208.45	208.45
<p>10.1 In exchange of 2,24,000 shares of Shahlon Industrial Infrastructure Private Limited, the company has been allotted 3,200 shares of Shahlon Silk Industries Private Limited (Transferee Company) pursuant to the scheme of amalgamation as approved by Hon'ble High Court of Gujarat</p> <p>10.2 Investment in the equity shares of Fairdeal Textile Park Pvt. Ltd. has been made as Promoter member and to acquire leasehold rights of an industrial plot in a Textile Park developed by Fairdeal Textile Park for a period of 99 years. Lease rentals paid / accrued are charged to profit and loss account during the period they occur.</p>		
11 LONG TERM LOANS & ADVANCES (Unsecured and Considered Good)		
Keyman Insurance Premium	128.37	124.37
Utility Deposits	49.53	51.75
Pre-paid Expenses	1.92	1.15
TOTAL	179.82	177.27
12 INVENTORIES		
Raw Materials	279.19	256.02
Stock in Process	41.89	83.13
Finished Goods	399.94	357.71
Traded Goods	30.86	2.23
Consumable stores, etc.	96.04	66.25
TOTAL	847.92	765.33
13 TRADE RECEIVABLES (Unsecured and Considered Good)		
Outstanding for more than six months	126.20	135.81
Other debts	3,512.97	4,505.71
TOTAL	3,639.16	4,641.51
14 CASH AND BANK BALANCE		
Cash in hand	10.20	3.91
Balance with Banks		
Current Account	1.88	1.55
Unpaid Dividend	13.99	13.92
TOTAL	26.07	19.38

PARTICULARS	As at 31-Mar-15	As at 31-Mar-14
15 Other Bank Balance		(₹ in Lacs)
Fixed Deposit with Bank	15.23	14.16
TOTAL	<u>15.23</u>	<u>14.16</u>
16 SHORT TERM LOANS & ADVANCES (Unsecured and Considered Good)		
Balance with Revenue Authorities	73.28	78.71
Interest subsidy under TUF receivable (Refer Note 16.1)	88.14	88.14
Advance recoverable in cash or in kind or for value to be received	92.43	34.83
Others	21.57	10.24
TOTAL	<u>275.42</u>	<u>211.92</u>
<p>16.1 The Interest subsidy claim amounting to Rs. 200.52 Lacs was submitted to Ministry of Textile through bank out of which amount of Rs. 88.14 Lacs has been provided in the books of accounts is pending to be received. Considering the prolonged process and resultant uncertainty, the company has discontinued accounting for further accrual of interest subsidy claim under TUF, following conservatism.</p>		
17 REVENUE FROM OPERATIONS		
Sales	19,117.77	17,054.62
Add : Job charges	81.54	89.40
Less : Excise Duty	18.03	27.52
Less : Value Added Tax	712.36	605.78
Net Sales	18,468.92	16,510.73
Commission Income Net	160.17	84.95
Export Incentives	43.92	53.68
Profit/(Loss) from Currency Swap/Option Contract/Exchange variance	13.60	2.62
Other Operating Income	11.91	20.63
Profit/(Loss) on sale of assets / Investment	(0.69)	0.16
Sundry Balances written up	6.08	2.16
TOTAL	<u>18,703.91</u>	<u>16,674.92</u>
18 OTHER REVENUES		
Interest	5.14	6.53
TOTAL	<u>5.14</u>	<u>6.53</u>
19 CONSUMPTION OF RAW MATERIALS		
	<u>% of Consumption</u>	<u>% of Consumption</u>
Imported	3%	0%
	Rs. In Lacs	Rs. In Lacs
	150.13	-
Indigenous	97%	100%
	5,147.31	5,940.44
TOTAL	<u>100%</u>	<u>100%</u>
	<u>5,297.44</u>	<u>5,940.44</u>

PARTICULARS	As at 31-Mar-15	As at 31-Mar-14
		(₹ in Lacs)
19.1 Changes in Raw Material		
Opening Stock	256.02	218.85
Purchases Indigenous	5,168.31	5,977.61
Purchases Import	152.30	-
	<u>5,576.63</u>	<u>6,196.46</u>
Less: Closing Stock	279.19	256.02
TOTAL	<u><u>5,297.44</u></u>	<u><u>5,940.44</u></u>
19.2 Particulars of Material Consumed		
Yarn	<u>5,297.44</u>	<u>5,940.44</u>
20 CHANGES IN FINISHED GOODS, STOCK-IN-PROCESS AND STOCK-IN-TRADE		
Opening Stock		
Finished Goods/Stock-in-Trade	359.94	316.58
Stock-in-Process	<u>83.13</u>	<u>113.36</u>
	443.06	429.94
Less :		
Closing Stock		
Finished Goods/Stock-in-Trade	430.80	359.94
Stock-in-Process	<u>41.89</u>	<u>83.13</u>
	472.68	443.06
TOTAL	<u><u>(29.62)</u></u>	<u><u>(13.13)</u></u>
21 PAYMENT AND BENEFITS TO EMPLOYEES		
Salary, Wages, Bonus & Benefits	582.91	491.99
Contribution to Provident fund & expenses	20.05	9.42
Group Gratuity Expenses	17.39	3.09
Staff Welfare Expenses	11.87	12.78
TOTAL	<u><u>632.22</u></u>	<u><u>517.27</u></u>
21.1 Gratuity :		
The employee gratuity fund is managed by "Life Insurance Corporation of India". The Present value of obligation is determined based on actuarial valuation. The liability is fully funded.		
a. Amounts recognized in Balance Sheet are as follows :		
A. Present Value of Defined Benefit Obligation		
- Wholly Funded	67.04	60.43
- Wholly Unfunded	-	-
	<u>67.04</u>	<u>60.43</u>
Less : Fair Value of Plan Assets	<u>67.04</u>	<u>60.43</u>
Amount to be recognized as Liability or (Assets)	<u>-</u>	<u>-</u>
B. Amount Reflected in Balance Sheet		
- Liability	-	-

PARTICULARS	As at 31-Mar-15	As at 31-Mar-14
		(₹ in Lacs)
b. Amounts recognized in Profit & Loss Account :		
1. Current Service Cost	17.39	2.72
2. Interest Cost	5.33	4.72
3. Expected Return on Plan Assets	5.33	4.72
4. Actuarial Losses/(Gains)	-	(0.37)
Total included in "Payment and Benefits to Employees"	17.39	3.09
c. Changes in present value of defined benefit obligation		
Opening Value of present value of defined benefit obligation	60.43	54.69
Add : Current service cost	17.39	2.72
Add : Interest Cost	5.33	4.72
	<u>83.15</u>	<u>62.12</u>
Less : Benefits paid	1.21	1.69
Less: Current service cost Provision	14.90	-
Closing Value of present value of defined benefit obligation	<u>67.04</u>	<u>60.43</u>
d. Principal Actuarial Assumptions at the Balance Sheet		
Discount Rate (p.a.)	8.00%	8.00%
Expected Rate of Return on Assets (p.a.)	8.00%	8.00%
22 FINANCE COST		
Term Loan Interest	22.42	40.64
Interest to Others	30.25	24.09
Working Capital Interest	338.80	314.65
Bill Discount Charges	42.97	35.30
Bank Charges	12.99	21.09
TOTAL	<u>447.43</u>	<u>435.78</u>
23 DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation for the period	201.20	232.41
Less : Depreciation withdrawn from Revaluation Reserve	5.76	12.04
Adjustment relating to Fixed Assets (Refer Note 23.1)	25.55	-
TOTAL	<u>169.89</u>	<u>220.36</u>

23.1 Pursuant to the enactment of Companies Act 2013, the company has applied the estimated useful lives as specified in Schedule II, as disclosed in Accounting Policy on Depreciation. Accordingly, the carrying value as on 1st April 2014 is being depreciated over the remaining useful life of the assets. The written down value of Fixed Assets whose life has expired as at 1st April 2014 have been adjusted net of residual value in the opening balance of Profit and Loss Account under Reserves and Surplus.

PARTICULARS	As at 31-Mar-15	As at 31-Mar-14
24 OTHER EXPENSES		(₹ in Lacs)
Manufacturing Expenses		
Job Charges	7.13	6.00
Leave & Licenses Agreement	0.11	0.11
Lising Charges	4.11	4.27
Power and Fuel	473.21	439.11
Consumption of stores (including Packing and Chemical Materials)	400.65	402.62
Repairs to Machinery	31.40	27.29
Building Repairs	4.89	6.87
Factory Expenses	17.68	13.37
Wind Mill Expenses		
Lease Rent	0.11	0.11
Insurance Exp.	0.36	0.67
Repairs & Maintenance Charges	10.55	9.81
Sundry Expenses	-	0.07
TOTAL	950.20	910.30
Administrative & Other Expenses		
Insurance	4.40	5.11
Printing and Stationary	5.12	4.64
Postage & Telephone	12.31	11.53
Electrical Expenses	6.54	5.41
Tours Travelling & Conveyance	19.53	19.52
Directors' Remuneration	60.33	60.19
Director's Fees	0.06	0.13
Legal and Professional Charges	36.06	17.01
Audit Fees	3.93	3.93
Sundry Expenses	8.56	4.62
Computer Charge	5.98	5.50
Donation	0.38	1.41
Repairs & Maint. to Furniture & Office Equip.	1.80	2.04
TOTAL	165.01	141.03
Selling & Distribution Expenses		
Brokerage	56.15	51.31
Advertisement and Sales Promotion	3.73	3.93
Freight	38.49	25.51
Bad debts	51.44	8.19
Vehicle Repairs & Maintenance	0.85	0.87
TOTAL	150.67	89.81
TOTAL	1,265.88	1,141.15

PARTICULARS	As at 31-Mar-15		As at 31-Mar-14	
	(₹ in Lacs)			
	Rs. In Lacs	% of Consumption	Rs. In Lacs	% of Consumption
24.1 Value of Consumables				
Imported	10.85	2.71%	18.75	4.66%
Indigenous	389.80	97.29%	383.87	95.34%
TOTAL	400.65	100.00%	402.62	100.00%
24.2 Value of Imports on CIF basis in respect of				
Raw Materials and Stock-in-trade		152.30		-
Consumables goods		14.97		-
24.3 Payment to Auditors as: (Excluding the amount of Service Tax)				
a. As an Auditor (including Tax Audit Fees)		3.50		3.50
b. Capacity in respect of :				
i. Company law matter		0.08		0.08
ii. Taxation matter		-		-
iii. Management Services		0.08		-
iv. In any other manner		0.38		0.34
v. Reimbursement of expenses		-		-
TOTAL		4.04		3.92
24.4 Expenditure in foreign currency (On Payment basis):				
Commission Expense (On Export)		8.11		9.87
25 EARNING PER SHARE				
i) Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders		211.83		109.39
ii) Weighted Average number of equity shares used as denominator for calculating EPS		36.65		36.60
iii) Basic Earning per share (Refer Note 25.1)		5.78		2.99
iv) Face Value per equity share		10.00		10.00
25.1 There are no diluted equity shares of the company.				
26 EARNING IN FOREIGN CURRENCY				
FOB value of Exports		985.30		896.70

PARTICULARS	As at 31-Mar-15	As at 31-Mar-14
27 REMITTANCE IN FOREIGN CURRENCY ON ACCOUNT OF DIVIDEND		(₹ in Lacs)
Remittances by the company in foreign currencies for dividends (including amount credited to Non-Resident External Accounts):		
a) No. of Non-resident shareholders	6	6
b) No. of Equity Shares of face value of Rs. 10 each held	124700	124700
c) i) Amount of Dividend Paid (Gross)	1.56	1.56
ii) Year to which dividend relates	2013-14	2012-13

28 Related parties where common control exist and transactions entered into : (₹ in Lacs)

Sr. No.	Name of the Related Party (Relationship)	Nature of Transactions	Amount (in Lacs)	Balance as on 31.03.15	Amount (in Lacs)	Balance as on 31.03.14
1	Shahlon Silk Industries Pvt.Ltd. (Refer Note 28.1) (Common Control of Managerial Person)	Sales Interest (Income) Job Income Chemical (Income) Yarn Purchase Job Charges Reimbursement of Utility Expense	509.44 7.91 80.26 - 294.00 78.78 4.31	NIL	422.08 3.55 88.05 14.76 267.05 57.95 3.32	NIL
2	Fairdeal Textile Park Pvt. Ltd. (Associates)	Lease Rent	0.11	NIL	0.11	NIL
3	Shri D. R.Shah (Key Management Personnel)	Remuneration	30.17	NIL	30.09	NIL
4	Shri A. R. Shah (Key Management Personnel)	Remuneration	30.17	NIL	30.09	NIL

28.1 Pursuant to the scheme of amalgamation as approved by Hon'ble High Court of Gujarat, Shahlon Industries Private Limited and Shahlon industrial Infrastructure Private Limited have been amalgamated with the resultant company Shahlon Silk Industries Private Limited.

PARTICULARS	As at 31-Mar-15	As at 31-Mar-14
(₹ in Lacs)		
29 CONTINGENT LIABILITIES AND COMMITMENTS		
I) Contingent Liabilities		
Guarantees		
a) Counter guarantees given to banks	2.27	2.27
b) Bank Guarantee provided to DGFT to secure texturising under EPCG Scheme	6.11	6.11
Others		
a) Custom Duty on Capital Goods or Raw Material Imported under Advance Licence/ EPCG Scheme, against which export obligation is to be fulfilled	20.53	20.53

30. Sale /Purchase includes inter-divisional transfer is Nil (Previous Year-Nil)

31. There are no dues (Previous Year - Nil) from the companies or firms where Directors are Directors/Partners.

32. Previous year figures have been regrouped/reclassified wherever necessary to correspond with the Current year's Classification/disclosure.

For, NATVARLAL VEPARI & CO.

CHARTERED ACCOUNTANTS

Firm Reg. No. 123626W

R. N. Vepari

Partner

Membership No. : 6728

SURAT, Date : 29.05.2015

For and on behalf of the Board,

D. R. Shah
Managing Director

A. R. Shah
Whole-time Director

Jitesh R. Varkal
Company Secretary

Satish H. Shah
Chief Financial Officer

SURAT, Date : 29.05.2015

Significant Accounting Policies

(a) Basis of preparation of financial statements :

- i) The financial statements are prepared and presented under the historical cost convention in accordance with the Generally Accepted Accounting Principles and the provisions of The Companies Act, 2013.
- ii) The financial statements have been prepared under the historical cost convention on an accrual basis and in accordance with Generally Accepted Accounting Principles including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- iii) The Accounting policies are consistently applied by the Company.

(b) Use of Estimates :

The preparation of financial statements in conformity with Indian GAAP requires judgments, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized.

(c) Fixed Assets :

Fixed Assets (except land) are carried at cost of acquisition or construction (net of CENVAT) less accumulated depreciation and impairment losses, if any. All costs including interest and financing cost till the assets put to use are capitalized to the extent they are measurable. Subsequent expenditure incurred on assets put to use is capitalized only where it increases future benefits/functioning capabilities from/of such assets.

(d) Depreciation :

- i) Depreciation on all assets except on assets as provided in clause ii hereunder is provided on Straight Line Method basis over the useful lives of the assets estimated by the Management in accordance with Part C of the Schedule II of the Companies Act, 2013.
- ii) Depreciation on machineries at Karanj unit acquired on or after 01-04-2001 is provided on Written down value over the useful lives of the assets estimated by the Management in accordance with Schedule II of the Companies Act, 2013.
- iii) The Residual value for all the existing assets have been determined by the Company which is in accordance with Schedule II of the Companies Act, 2013
- iv) The Residual value of all the new assets have been considered at 5 % cost of acquisition as prescribed under the Part C of Schedule II of the Companies Act, 2013

(e) Impairment :

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal / external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use.

(f) Investments :

All investments are stated at cost of acquisition. No provision is made in respect of diminution in the value of investment, which is temporary in nature.

(g) Inventories :

Inventories are valued in accordance with the requirements of the Revised Accounting Standard 2(AS-2) issued by the Institute of Chartered Accountants of India on valuation of inventories which are as under:

- i) Raw Material, Stock-in-process Finished Goods and Stock-in-trade are valued at lower of cost or net realizable value.
- ii) Stores, chemicals, fuel and packing materials are valued at cost or Net Realizable Value whichever is lower.

(h) Borrowing Cost :

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset to the extent it is measurable are capitalized as part of the cost of the asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.

(i) Revenue recognition :

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

- i) Sale of Goods :
Sale is accounted when goods are supplied and recorded net of trade discount and rebates.
- ii) Late Payment Charges / Discount :
Late payment charges / discounts are recognized on the ground of prudence as and when recovered.

(j) Foreign Currency Transactions :

- i) The reporting currency of the company is Indian rupees.
- ii) Transactions in foreign currencies are recognized at the prevailing exchange rates on the transaction dates. Realized gain and losses on settlement of foreign currency transactions are recognized in the Profit and Loss Account under the natural revenue heads of accounts.
- iii) Foreign currency assets and liabilities at the year end are translated at the year end exchange rates, and the resultant exchange difference is recognized in the Profit and Loss Account.
- iv) In case of forward contract, or other financial instruments that are in substance forward exchange contracts, the premium or discounts arising at the inception of the contract is amortize as expense or income over the life of the contract. Gains /(losses) on settlement of the transactions arising on cancellation/renewal of forward exchange contracts are recognized as income or expense.

(k) Retirement Benefits :

i) Short term Employee Benefits :

All employee benefits falling due within twelve months of rendering the service are classified as short term employee benefits. The benefits like salaries, wages, bonus, leave salary, exgratia are recognized in the period in which employee renders the related services.

ii) Post Employment Plans :

- a) Defined Contribution Plan : Provident fund and pension scheme are the defined contribution plans in the company. The contribution paid /payable under these schemes is recognized during the period in which the employee renders the related services.
- b) Defined Benefit Plans : Employee Gratuity fund scheme is the defined benefit plan. The Company makes annual contributions for gratuities to funds administered by trustees and managed by insurance company for amounts notified by the said insurance company. The present value of obligation under such defined benefit plan is determined based on actuarial valuation carried out by an independent actuary.

(l) Provisions, Contingent Liabilities and Contingent Assets :

- i) Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.
- ii) Liabilities which are material, and whose future outcome cannot be ascertained with reasonable certainty, are treated as contingent, and disclosed by way of notes to the accounts.
- iii) Contingent Assets are neither recognized nor disclosed in the financial statement, Provisions, Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet date.

(m) Taxation :

- i) Income-tax expense comprises current tax/MAT
- ii) In accordance with the Accounting Standard – 22, Accounting for Taxes on Income, issued by the Institute of Chartered Accountants of India ('ICAI'), the Company provides for deferred tax at the year end. Deferred tax resulting from timing differences between taxable income and accounting income for the year and reversal of timing difference of earlier years are recognized at the current rate of tax, to the extent that the timing differences are expected to crystallise.
- iii) Deferred tax arising on account of unabsorbed depreciation and other provisions are recognized only when there is a virtual certainty supported by convincing evidence that such assets will be realized.

(n) Earnings per share :

Basic Earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For, NATVARLAL VEPARI & CO.

CHARTERED ACCOUNTANTS

Firm Reg. No. 123626W

R. N. Vepari

Partner

Membership No. : 6728

SURAT, Date : 29.05.2015

For and on behalf of the Board,

D. R. Shah
Managing Director**A. R. Shah**
Whole-time Director**Jitesh R. Varkal**
Company Secretary**Satish H. Shah**
Chief Financial Officer

SURAT, Date : 29.05.2015

**ELECTRONIC CLEARING SERVICES (ECS)
MANDATE FORM**

To,
COMPANY SECRETARY
FAIRDEAL FILAMENTS LIMITED
3RD FLOOR, DAWER CHAMBERS,
NEAR SUB-JAIL, RING ROAD,
SURAT – 395002
Ph.: 0261-3090200

Dear Sir/ Madam,

RE : Registration for remittance of dividend through electronic mode

I/We wish to avail ECS facility of the Company for remittance of dividend through electronic mode. Please take on your records my/our following details for the said purpose.

Registered Folio No. : No. of shares :

A. Identity Details (FILL IN CAPITAL LETTERS ONLY)			
Name of Sole/Joint Holder(s)	Father's/Husband's Name	Surname of Sole/Joint Holder(s)	Date of Birth

B. Contact Details			
Name of Sole/Joint Holder(s)	E-mail Id	Contact No. (with STD Code)	Registered Address

C. Permanent Account Number (PAN) (MANDATORY)		
Sole/First Holder	Second Holder	Third Holder

ELECTRONIC CLEARING SERVICE (ECS) DETAILS : (Please fill in Capital Letters only)

Bank Name																			
Branch Name																			
Branch Code	<table border="1"> <tr> <td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td> </tr> </table> <p>(9 Digits code number appearing on the MICR Band of the cheque supplied by the Bank)</p> <p>Please attach following documents as a mandatory requirement to register/update your ECS details:</p> <ol style="list-style-type: none"> 1. A cancelled leaf or a xerox copy of a blank cheque of shareholder's bank account duly cancelled for ensuring accuracy of the bank's name, branch name and code number. 2. Xerox copy of PAN Card of the shareholder including all the joint holders. 																		
Bank Account No.	<table border="1"> <tr> <td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td> </tr> </table> <p>(As appearing on the cheque book)</p>																		
Type of Account	<table border="1"> <tr> <td style="text-align: center;">S.B. Account</td> <td style="text-align: center;">Current Account</td> <td style="text-align: center;">Cash Credit Account</td> </tr> </table> <p>(Please tick whichever is applicable)</p>	S.B. Account	Current Account	Cash Credit Account															
S.B. Account	Current Account	Cash Credit Account																	

I/We hereby declare that the particulars given above are correct and complete. If any transaction is delayed or not effected at all for reasons of incompleteness or incorrectness in information supplied as above, Fairdeal Filaments Limited will not be held responsible for the same.

I/We further undertake to inform the Company any change in my/our Bank details and Account Number.

Signature(s) as per specimen recorded with Company		
Sole/First Holder	Second Holder	Third Holder

Place : _____ Date : _____

Important Notes :

1. **The Company will register ECS details in its database only if the signatures of the shareholder(s) match with specimen signatures on records of the Company.**
2. After ECS registration, dividend, as and when declared by the Company, will be remitted into the bank account as per the details registered with the Folio No. / DP ID & Client ID of the shareholder.
3. Shareholders are requested to keep the Company informed as and when there is any change in bank details registered with the Company.
4. Unless bank details are changed by the shareholder(s) by sending communication in writing, the Company will continue to remit dividend, as and when declared by Company, as per the details registered with the Company.
5. On dematerialization of existing physical shares for which shareholder(s) have availed ECS facility, the bank details are required to be submitted to DP of the shareholder for availing ECS facility.

INTIMATION FORM FOR CHANGE/CORRECTION IN ADDRESS OF COMMUNICATION

FOR SHAREHOLDING IN PHYSICAL FORM	FOR SHAREHOLDING IN DEMAT FORM
TO, COMPANY SECRETARY FAIRDEAL FILAMENTS LIMITED 3RD FLOOR, DAWER CHAMBERS, NR. SUB-JAIL, RING ROAD, SURAT – 395 002	TO BE SENT TO YOUR DEPOSITORY PARTICIPANT (DP)

Dear Sir/Madam,

Re. : Change/Correction in address of communication

Please refer to my/our shareholding in Fairdeal Filaments Limited as per below mentioned details:

1. **No. of equity shares held :**
2. **(i) For shareholding in physical form :**
 Registered Folio No. :
- (ii) For shareholding in Demat Form :**
 DP ID : **Client ID :**

I/We hereby request to change my/our address of communication as per below details, under an intimation to me/us.
 (Please fill in the details in CAPITAL LETTERS ONLY)

Old Address
Flat/Block/House No. :
Building/House Name :
Landmark Details :
Road/Lane/Area Name I :
Road/Lane/Area Name II :
City :
State :
PIN Code :

New Address

Flat/Block/House No. :

Building/House Name :

Landmark Details :

Road/Lane/Area Name I :

Road/Lane/Area Name II :

City :

State :

PIN Code :

I/We hereby declare that the particulars given above are correct and complete. If any transaction is delayed or not effected at all for reasons of incompleteness or incorrectness in information supplied as above, Fairdeal Filaments Limited will not be held responsible for the same.

I/We further undertake to inform the Company any change in my address of communication.

Thanking You,

	Name	Signature
Sole/First Holder		
Second Holder		
Third Holder		

Place : _____ Date : _____

Important Notes :

- The Company or its R & T Agent will update the new address in database only if the signatures of the shareholders match with specimen signature on record of the Company.**
- This form must be accompanied by one self-attested copy of new address proof in the name of the shareholder (e.g. Driving License, Passport, Ration Card and Light Bill/Gas Bill)**

Fairdeal Filaments Ltd.

(CIN : L17110GJ1990PLC013771)

Regd. Office : 3rd Floor, Dawer Chambers, Near Sub-Jail, Ring Road, Surat – 395002 (Gujarat)

Tel : +91 261 3090200, **Fax :** +91 261 2635550, **Web :** www.shahlon.com

PROXY FORM

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

25th Annual General Meeting – 30th September, 2015

Name of the member (s) :	
Registered address :	
E-mail Id :	
Folio. No. / DP ID No. & Client ID No. :	

I/We being the Member(s) of _____ shares of Fairdeal Filaments Limited, hereby appoint :

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

as my/our proxy to attend and vote (on a poll) for me/us, on my/our behalf at the TWENTY FIFTH ANNUAL GENERAL MEETING of the Company, to be held on Wednesday, 30th day of September, 2015 at 11.00 A.M. at the Registered office of the company and at any adjournment thereof in respect of such resolutions as are indicated below:

Sr.	Resolutions	Vote (*Optional)	
		For	Against
1	To receive, consider and adopt the Audited Financial Statement for the year ended 31st March, 2015, together with the Report of the Board of Directors and Auditors thereon.		
2	To declare Dividend on Equity Shares.		
3	To appoint a Director in place of Shri Arvind R. Shah (DIN 00010483), Director who retires by rotation and being eligible, offers himself for re-appointment.		
4	To ratify the appointment of Auditors and fix their remuneration.		
5	To appoint Ms. Sonia Piyush Khanna (DIN 07111677), as an Independent Director pursuant to the Companies Act, 2013.		
6	To Ratify the Remuneration of Cost Auditors.		
7	To consider Issue of Bonus Shares		
8	Disclosure of Ultimate Beneficial Owners of the allottees with respect to Item No.3 'Preferential issue of equity shares of the Company' in the notice of Extra-ordinary General Meeting held on 14th March, 2015		
9	To increase the remuneration of Managing Director		
10	To increase the remuneration of Whole-time Director		

Signed this _____ day of September, 2015.

Signature of the Shareholder(s) _____

Signature of Proxy holder(s) _____

Affix
 Rs.1
 Revenue
 Stamp

- NOTE:**
1. The proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the registered office of the company not less than 48 hours before the time for holding the aforesaid meeting. The Proxy need not be a member of the company.
 2. A Proxy need not be a member of the Company. Pursuant to the provisions of section 105 of the Companies Act, 2013, a person can act as proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total share capital of the Company. Members holding more than ten percent of the total share capital of the Company may appoint a single person as proxy, who shall not act as proxy for any other member.
 3. Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.

Fairdeal Filaments Ltd.

(CIN : L17110GJ1990PLC013771)

Regd. Office : 3rd Floor, Dawer Chambers, Near Sub-Jail, Ring Road, Surat – 395002 (Gujarat)

Tel : +91 261 3090200, **Fax :** +91 261 2635550

Web : www.shahlon.com

**ATTENDANCE SLIP
TWENTY FIFTH ANNUAL GENERAL MEETING**

- PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTERANCE OF THE MEETING VENUE.
- THIS ATTENDANCE IS VALID ONLY IN CASE SHARES ARE HELD ON THE DATE OF MEETING.

I/We hereby record my/our presence at TWENTY FIFTH ANNUAL GENERAL MEETING of the Company held on Wednesday, 30th September, 2015 at 11.00 A.M. at the registered office of the Company.

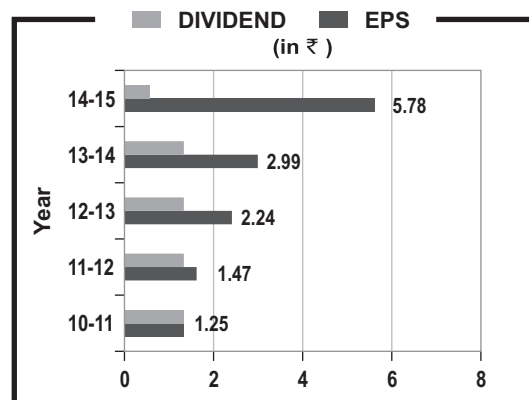
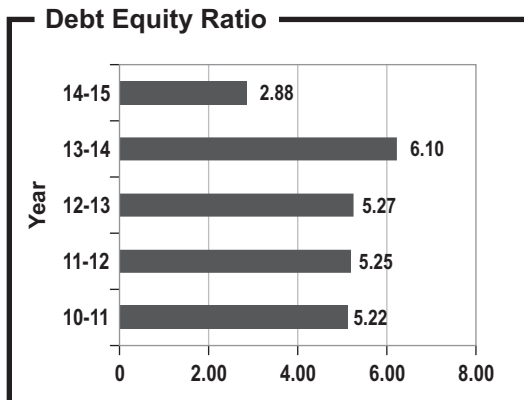
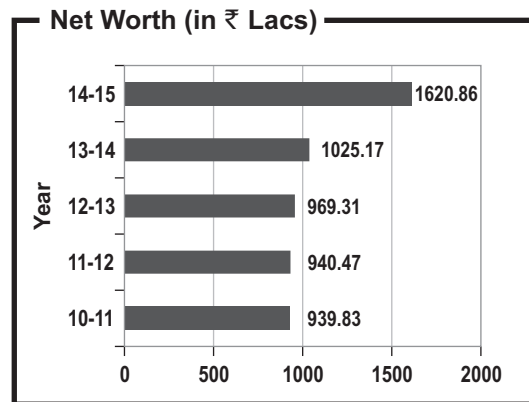
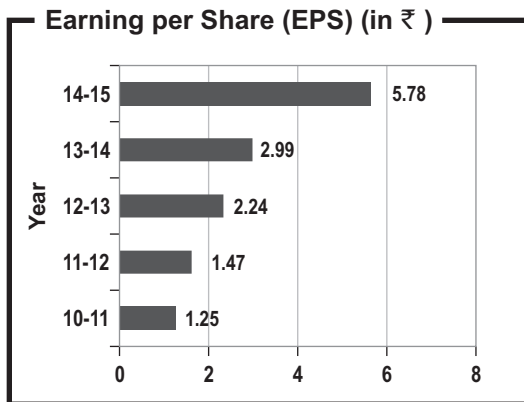
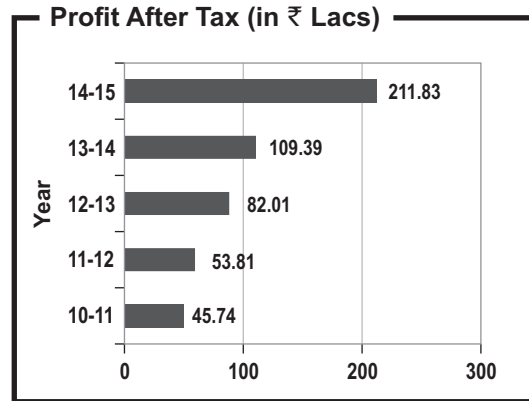
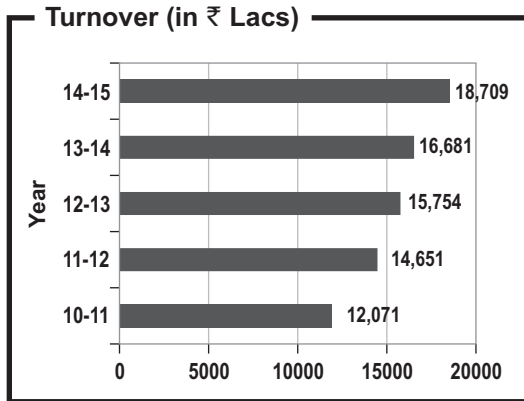
Ledger Folio / Client ID. No. :

No. of shares held :

Name/s of the Shareholder(s) / proxy :

Signature of shareholder(s) / Proxy present

KEY PERFORMANCE INDICATORS



Book-Post
Printed Matter

To,



If Undelivered please return to :

Fairdeal Filaments Ltd.

3rd Floor, Dawer Chambers,

Near Sub-Jail, Ring Road,

SURAT - 395 002.

Phone : (0261) 3090200, 2635541-42.