

# AADI INDUSTRIES LIMITED

421, 4<sup>th</sup> Floor, Kailash Plaza, VallabhBaug Lane, Near R-Odeon Mall, Ghatkopar (East),  
Mumbai – 400077.

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June 10, 2022

To,

**BSE Limited**

Department of Corporate Services

Corporate relation department

14<sup>th</sup> floor, Phiroze Jeejeebhoy Towers,

Dalal Street, Mumbai-400001

**Ref:- Security Code : 530027**

**ISIN:- INE563D01013**

**Sub:** Annual Report for the financial year ended 31<sup>st</sup> March 2022

Dear Sir,

This is to inform you that the 28<sup>th</sup> Annual General Meeting of the Company is scheduled to be held on Thursday, June 30, 2022 at 11 am at the registered office of the Company at 421, 4th Floor, Kailash Plaza, Vallabh Baug Lane, Near R-Odeon Mall, Ghatkopar East Mumbai-400077.

Please find enclosed Annual Report for the financial year ended March 31, 2022.

Kindly take the same on record.

Thanking you,

**For Aadi Industries Limited**

**Rushabh Shah**

**Managing Director**

**(01944390)**

**AADI INDUSTRIES LIMITED**

**28<sup>TH</sup> ANNUAL REPORT**

**2021-2022**

CHAIRMAN & MANAGING DIRECTOR	MR. RUSHABH SHAH
CHIEF FINANCIAL OFFICER	MR. SUSHIL SURVE
DIRECTORS	MR. RUSHABH SHAH MS. GAYATHRI MUTTUR NAGARAJ MR. SHARANABASAWESHWAR HIEMATH MS. SONAM KINJAL GANDHI
COMPANY SECRETARY AND COMPLIANCE OFFICER	MS. RUGVEDA WAGH
AUDITORS	M/S. RAK CHAMPS & Co. LLP. CHARTERED ACCOUNTANTS MUMBAI
BANKERS	DENA BANK (Now BANK OF BARODA due to merger)
REGISTERED OFFICE	421, 4 <sup>TH</sup> FLOOR, KAILASH PLAZA BUILDING, VALLABH BAUG LANE, GHATKOPAR (EAST), MUMBAI- 400 075.
REGISTRAR & SHARE TRANSFER AGENT	LINK INTIME INDIA PVT. LTD  C 101, 247 PARK, L.B.S. MARG, VIKHROLI (WEST), MUMBAI - 400083.

Notice is hereby given that the 28<sup>th</sup> Annual General Meeting of the Members of Aadi Industries Limited will be held on Thursday, June 30, 2022 at 11:00 a.m. at the Registered Office of the Company at 421, 4th Floor, Kailash Plaza Building, VallabhBuag Lane, Ghatkopar (East) Mumbai- 400075 to transact the following business:

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**Ordinary Business:**

- (1) To receive, consider and adopt the Audited Balance Sheet as at March 31, 2022 and the Profit and Loss Account for the year ended on that date and Cash Flow Statement together with the Report of the Directors and the Auditors thereon
- (2) To appoint Mr. Rushabh Shah, who retires by rotation and being eligible, offers himself for re- appointment as a Director.

**Special Business:**

- (3) APPOINTMENT OF DR. SHARANABASAWESHWAR G HIREMATH (DIN: 08912844) AS AN INDEPENDENT DIRECTOR

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 (‘Act’) and the Companies (Appointment and Qualification of Directors) Rules, 2014, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and Articles of Association and based on the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors, Dr. Sharanabasaweshwar G Hiremath (DIN: 08912844), who was appointed as an Additional Independent Director of the Company with effect from March 31, 2022 under Section 161 of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term up to five consecutive years commencing from March 31, 2022;

**RESOLVED FURTHER THAT** the Board of Directors (including its committee thereof) and/or Company Secretary of the Company be and are hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this resolution.”



(4) APPOINTMENT OF MS. SONAM KINJAL GANDHI (DIN: 09593620 AS AN INDEPENDENT DIRECTOR

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 ('Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and Articles of Association and based on the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors, Ms. Sonam Kinjal Gandhi (DIN: 09593620), who was appointed as an Additional Independent Director of the Company with effect from May 23, 2022 under Section 161 of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term up to five consecutive years commencing from May 23, 2022;

RESOLVED FURTHER THAT the Board of Directors (including its committee thereof) and/or Company Secretary of the Company be and are hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this resolution.”

By Order of the Board of Directors  
**For Aadi Industries Limited**

**Rushabh Shah**  
**Managing Director**  
(DIN:01944390)

Registered Office:  
421, 4<sup>th</sup> Floor,  
Kailash Plaza Building,  
Vallabhbaug Lane,  
Ghatkopar (East),  
Mumbai - 400075

Date: May 30, 2022  
Place: Mumbai

Notes:

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ('the Act') relating to the Special Business to be transacted at the Annual General Meeting ('AGM') is annexed hereto. Additional information of Director seeking re-appointment at the ensuing AGM, as required under Regulations 26(4) and 36(3) of the SEBI Listing Regulations and Clause 1.2.5 of the SS-2, is annexed.
2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF, AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A person can act as a proxy on behalf of members up to and not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other member.
3. Corporate Members are requested to send a duly certified copy of the Board Resolution authorizing their representative(s) to attend and vote on their behalf at the Meeting.
4. The Register of Directors and key managerial personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Act, will be available for inspection by the members during the AGM. All documents referred to in the Notice will also be available for inspection by the members from the date of circulation of this Notice upto the date of AGM, i.e June 30, 2022. Members seeking to inspect such documents can send an email to [aadi.industries@hotmail.com](mailto:aadi.industries@hotmail.com)
5. Members are requested to furnish their Bank Account details, change of address, e-mail address, etc. to the Company's Registrar and Transfer Agent viz; Link Intime India Private Limited, in respect of shares held in the physical form and to their respective Depository Participants, if shares are held in electronic form.
6. Members are advised to get their shares demated by sending Dematerialization Request Form (DRF) alongwith Share Certificates through their Depository Participant (DP) to Company's Registrar i.e. Link Intime India Private Limited.
7. SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form, are therefore, requested to submit their PAN to their Depository Participants with whom they maintain their Demat Accounts. Members holding shares in physical form and submit their PAN to the Company/ RTA viz. Link Intime India Private Limited.
8. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, June 24, 2022 to Thursday, June 30, 2022.

9. Electronic copy of the Notice convening the 28<sup>th</sup> Annual General Meeting of the Company along with the Annual Report and the process of e-voting and the attendance slip and proxy form is being sent to the members whose e-mail addresses are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for hard copy of the same. For members who have not registered their e-mail addresses, physical copies of the Notice convening the 28<sup>th</sup> Annual General Meeting of the Company, the process of e-voting and the attendance slip and proxy form is being sent to the members in the permitted mode.
10. Members may also note that the Notice of the Annual General Meeting of the Company will also be available on the Company's website at [www.aadiindustries.co](http://www.aadiindustries.co). The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Mumbai for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same.
11. In accordance with the provisions of Section 72 of the Companies Act, 2013, members are entitled to make nominations in respect of the Equity Shares held by them, in physical form. Members desirous of making nominations may procure the prescribed form from the RTA i.e. Link Intime India Private Limited. and have it duly filled and sent back to them.
12. The Proxy Forms in order to be valid and effective should be deposited at the Registered Office of the Company not less than Forty-eight (48) hours before the commencement of the Meeting.
13. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified true copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
14. Members/Proxies are requested to bring the copies of Annual Reports to the meeting. Member / proxy holders shall hand over the attendance slips, duly filled in all respect, at the entrance of the hall for attending the Meeting.
15. Queries proposed to be raised at the Annual General Meeting may be sent to the Company at its registered office at least seven days prior to the date of Annual General Meeting to enable the management to compile the relevant information to reply the same in the meeting.
16. Road map to reach to the venue of the Meeting from the nearest Railway station is provided below:



17. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed in this notice by electronic means and the business may be transacted through e-Voting Services the said resolutions will not be decided on a show of hands at the AGM.
18. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the Annual General Meeting (AGM) ("remote e-voting") will be provided by Central Depository Services Limited (CDSL)
19. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
20. The members who have cast their vote by remote e-voting may attend the meeting but shall not be entitled to cast their vote again.
21. The Board of Directors of the Company ("Board") has appointed Ms. (Krupa Joisar), Practising Company Secretaries (CP No. 15263) as the Scrutinizer ("Scrutinizer"), for conducting the voting process in a fair and transparent manner.
22. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of ballot paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
23. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than two days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

24. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company [www.aadiindustries.com](http://www.aadiindustries.com) and on the website of CDSL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited.

### **Explanatory Statement Pursuant to Section 102 of the Companies Act, 2013**

#### **Item No. 2:**

Brief resume of the persons proposed to be re-appointed as the Directors of the Company at the 28<sup>th</sup> Annual General Meeting in accordance with Secretarial Standards ['SS - 2']:

Name of the Director	Mr. Rushabh Shah
Age	43 years
Date of Appointment on the Board	07/11/2007
Qualifications	B. Com
Shareholding in the Company	2,486,429
Nature of Expertise & Experience	Has over 26 years of experience in the field of Plastic Industries and expertise and knowledge in Finance and Accounts.
Terms and Conditions of Appointment/re-appointment	5 Years
Details of Remuneration sought to be paid	Nil
Remuneration last drawn	Nil
Number of Meetings attended during the year	8 Meetings of the Board
Relationship with other Director, Manager and other Key Managerial Personnel of the Company	Not related to any other Board Member of Key Managerial Personnel of the Company
Name of the other Companies in which also holds Directorship	—

**Item No. 3:**

Appointment of Dr. Sharanabasaweshwar Hiremath as an Independent Director.

The Nomination and Remuneration Committee after considering the skills, experience and expertise recommended the name of Dr. Sharanabasaweshwar Hiremath for appointment of Independent Director and the Board of Directors of the Company through resolution passed in their meeting held on March 31, 2022 had appointed Dr. Sharanabasaweshwar Hiremath as an Additional Director of the company who shall hold office upto the date of the ensuing annual general meeting. Accordingly, in terms of the provisions of Companies Act, 2013 approval of the members of the company is required for appointment of Dr. Sharanabasaweshwar Hiremath as an Independent Director of the company for a term of 5 years. None of the Directors or their relatives of the Company is concerned or interested in the resolution except to the extent of their shareholding of the Company. The Board recommends the resolution set forth in item no. 3 for the approval of the members.

Brief profile of Dr.. Sharanabasaweshwar Hiremath is mentioned below:

<b>Sr. No</b>	<b>Details of events that need to be provided</b>	<b>Information of such event(s)</b>
1.	Reason for change viz. appointment, resignation, removal, death or otherwise;	Dr. Sharanabasaweshwar Hiremath has been appointed as an Additional Independent Director of the Company.
2.	Date of appointment (as applicable)  Term of appointment	Effective from March 31, 2022  Dr. Sharanabasaweshwar Hiremath will be responsible for all functions of an Independent Director of the Company for a term of 5 years.
3.	Brief Profile (in case of appointment)	Brief Profile of Dr. Sharanabasaweshwar Hiremath  Dr. Sharanabasaweshwar has Twenty Four years of extensive experience in teaching and has handled various roles, responsible for establishing different laboratories like Analog & Digital electronics, Digital Signal processing lab, Instrumentation Lab, Medical science Lab, Medical signal processing Lab, DSP Lab, MP and MC Lab, Etc. He is a Professor and Head ECE and worked as Independent Director in listed companies.
4.	Disclosure of relationships between directors (in case of appointment of a director).	Not Applicable

**Item No. 4:**

Appointment of Ms. Sonam Kinjal Gandhi as an Independent Director.

The Nomination and Remuneration Committee after considering the skills, experience and expertise recommended the name of Ms. Sonam Kinjal Gandhi for appointment of Independent Director and the Board of Directors of the company through resolution passed in their meeting held on May 23, 2022 had appointed Ms. Sonam Kinjal Gandhi as an Additional Director of the company who shall hold office upto the date of the ensuing annual general meeting. Accordingly, in terms of the provisions of Companies Act, 2013 approval of the member's of the company is required for appointment of Ms. Sonam Kinjal Gandhi a as director of the company. None of the Director's of the company is concerned or interested in the resolution. The Board recommends the resolution set forth in item no.4 for the approval of the members.

The brief profile of Ms. Sonam Kinjal Gandhi is mentioned below:

<b>Sr. No</b>	<b>Details of events that need to be provided</b>	<b>Information of such event(s)</b>
1.	Reason for change viz. appointment, resignation, removal, death or otherwise;	Ms. Sonam Kinjal Gandhi has been appointed as an Additional Independent Director of the Company.
2.	Date of appointment (as applicable)  Term of appointment	Effective from May 23, 2022  Ms. Sonam Kinjal Gandhi will be responsible for all functions of an Independent Director of the Company for a term of 5 years.
3.	Brief Profile (in case of appointment)	Brief profile of Ms. Sonam Kinjal Gandhi  Ms. Sonam Kinjal Gandhi is a qualified Company Secretary by profession. She is a fellow member of the Institute of Company Secretaries of India (ICSI). She is proficient in the field of Legal and Secretarial works having specialization in the area of NBFC sector, Corporate Social and Corporate Governance and Internal Audit.
4.	Disclosure of relationships between directors (in case of appointment of a director).	Not Applicable

### Instructions for remote e-voting:

#### The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on Monday, 27<sup>th</sup> June, 2022 (9:00 a.m.) and ends on Wednesday, 29<sup>th</sup> June, 2022 (5:00 p.m.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e 23<sup>rd</sup> June, 2022 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](http://www.evotingindia.com).
- (iv) Click on Shareholders /Members
- (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](http://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	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"><li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li><li>Incase the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two</li></ul>



	characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul>

- (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 for the relevant <Company Name> 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 changed 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) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile..

**(xx) 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](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto: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](mailto: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.
- (xxi) 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](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

Aadi Industries Limited

Registered Office: 421, 4<sup>th</sup> Floor, Kailash Plaza Building, Vallabh baug Lane, Ghatkopar (East) Mumbai - 400075

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## PROXY FORM

[(Pursuant to Section 105(6) of the Companies Act 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2015]

CIN	:	L25203MH1994PLC206053		
Name of the Company	:	Aadi Industries Limited		
Registered Office	:	421, 4 <sup>th</sup> Floor, Kailash Plaza Building, Vallabhbaug Lane, Ghatkopar (East), Mumbai -400075		
Name of the Member(s)	:			
Registered Address	:			
E-mail Id	:			
Folio No. / Client ID	:		DP ID	
I/We being the member(s) of _____ the above named Company, hereby appoint				
1	Name			
	Address			
	E-mail Id		Signature	
	Or failing him			
2	Name			
	Address			
	E-mail ID		Signature	
	Or failing him			
3	Name			
	Address		Signature	
	E-mail ID			

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on Thursday, June 30, 2022 at 11.00 a.m at the Registered Office of the Company, 421, 4<sup>th</sup> Floor, Kailash Plaza Building, Vallabh Baug Lane, Ghatkopar (East), Mumbai – 400075 and at any adjournment thereof

Signed this\_\_\_\_day of\_\_\_\_\_2022

Signature of the Shareholder\_\_\_\_\_

Signature of Proxy holder(s) :\_\_\_\_\_

Affix  
Revenue  
Stamp

**Note:** This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting

Aadi Industries Limited

Registered Office: 421, 4<sup>th</sup> Floor, Kailash Plaza Building, Vallabhbaug Lane,  
Ghatkopar (East), Mumbai – 400075

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Attendance Slip

(To be handed over at the entrance of the Meeting hall)

I hereby record my presence at the 28th Annual General Meeting of Aadi Industries Limited held at the Registered Office of the Company at 421, 4<sup>th</sup> Floor, Kailash Plaza Building, Vallabh baug Lane, Ghatkopar (East), Mumbai – 400075 at 11.00 a.m

Full name of the Member (in BLOCKLETTERS)\_\_\_\_\_

Full name of the Proxy (in BLOCKLETTERS)\_\_\_\_\_ -

Member's/ Proxy's Signature\_\_\_\_\_

## **MANAGEMENT DISCUSSION AND ANALYSIS**

Statements in this Report, particularly those which relate to the Company's objectives, projections, estimates and expectations may constitute forward looking statements within the meaning of applicable laws and regulations. Actual results might differ materially from those either expressed or implied.

### **A. Industry structure and developments**

Considering the plastic industry, in India, high-density polyethylene (HDPE), low-density polyethylene (LDPE), linear low-density polyethylene (LLDPE), polypropylene (PP) and poly vinyl chloride (PVC) are widely used polymers. This segment of polymers is maintained at the same level. More than 50% of LDPE/ LLDPE are used by the packaging industry. The second most used polymer in India is HDPE. The value of its domestic consumption is growing at expected level due to increase in all round of usage of plastics. HDPE is used in the manufacturing of raffia, blow molding, injection molding, and in the paper industry as well. The majority of manufacturing capacities are owned by the big industrial houses.

### **B. Opportunities and Threats, Risks and Concerns**

Plastic industry is making significant contribution to the economic development and growth of various key sectors in the country namely: Automotive, Agriculture, Construction, Electronics, Healthcare, Textiles, FMCG, etc.

Due to volatile prices fluctuation of oil coupled with absence of clear governmental policies on various sector, the capital inflow from the foreign countries have been slowed down. The Indian economy is also passing through its tough time with lower GDP, depreciation in rupee value and all-round increase in cost. The plastic industry in particular with environment issue, and likely adverse effects from use of recycled hazardous sub grade raw materials has also witnessed recessionary trend. However, considering the size of Indian economy the plastic industry has good potential. The industry will do better with good market conditions and stable oil prices.

With more concentration on the specialty grades quality products which are more eco-friendly plastic products and moving away from the type of commodity made cheaply will have more scope to survive in the long run considering the environmental issues attached with the Plastic Industry. With the quality consciousness, India can regain its position in the international market.

The main threat is from the unorganized sector comprising low grade plastic goods manufacturers and from non eco-friendly manufacturing units. This may lead to quality problems in the international market and downgrading of Indian manufacturers image. Secondly, due to its basic nature and use of low grade of plastic which is not eco-friendly, there has always been a threat of substitution of plastic as basic material with other metal or alternate material. These are the key risk factors which the Plastic Industry has to tackle in future.

The Company is in negotiation with various oversea vendors for import of best quality raw material. Further 1 year down the line, the Company plans either on its joint venture to establish a tarpaulin manufacturing plant with capacity of 300 to 400 mt per month near Ahmedabad and the Company is already in negotiation with the concerned business associates.

### **C. Internal control systems and their adequacy**

The Company is in process of designing and putting in place various internal control

## **Aadi Industries Limited**

systems for all the key departments. Further Internal Audit systems will also be placed and proposed to be carried out to check the implementation and working of the Internal Systems.

### **D. Social Responsibility**

The company is conscious of its obligations towards Health, Safety & Environment to meet the norms of Pollution Control Board.

### **E. Cautionary Statement**

Statement in the management discussion & analysis describing the Company's objectives, projections, estimates & exceptions may be "forward looking statements" within the meaning of applicable securities laws & regulations. Actual results could differ materially from those expressed or implied. Important factors that could make difference to the company's operations include economic conditions affecting demand/supply and price conditions in the domestic & overseas markets in which the company operates changes in the Government regulations, tax laws & other statutes & other incidental factors.

### **F. Future Outlook**

The trading in equity shares of the Company was suspended w.e.f. 5th September, 2017 due to non-compliance with Regulation 34 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 for two consecutive years i.e. March 2015 & March 2016. The Company would like to inform its members that BSE Limited has issued the notice dated September 8, 2021 for resumption of trading. It would also like to inform its members that the suspension in trading of equity shares of Aadi Industries Limited has been revoked with effect from September 15, 2021.

### **G. Industrial Relations**

During the year under review, your Company had cordial and harmonious industrial relations at all levels of the organization.

### **H. Forward looking and cautionary statements**

Statements in the Management Discussion and Analysis Report detailing the Company's objectives, projections, estimates, expectations or predictions may be forward looking statements within the meaning of applicable laws and regulations. These statements being based on certain assumptions and expectation of future events, actual results could differ materially from those expressed or implied. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements on the basis of subsequent developments, information or events.

### **I. Human Capital**

Human Capital refers to our employees and their commitment and motivation towards achieving organizational goals. This is critical to creating value for our clients and ensuring the long-term sustainability of our business. We strive to foster a people centric culture that enables high performance. Our unwavering focus on engaging, developing and retaining talent, while promoting inclusivity, diversity and transparency, is central to our business strategy.

Your Company has 3 employees during financial year 2021-22.

### **J. Details of significant changes in key financial ratios**

The financial ratios of the Company for financial year 2020-21 and financial year 2021-22 are as follows.

**Aadi Industries Limited**

Sr. No.	Ratio	FY 2020-21	FY 2021-22
1.	Current Ratio	0.08	0.08
2.	Debt Equity Ratio	-1.05	-1.05
3.	Debtors Turnover Ratio	-0.05	-0.02
4.	Inventory Turnover Ratio	0	0
5.	Interest Coverage Ratio	0	0
6.	Operating Profit Margin	0	0
7.	Net Profit Margin	0	0

**K. Return on Net Worth:**

The Company had incurred net loss of Rs. 10,68,597 in previous financial year in comparison to net loss of Rs. 35,39,282 in current financial year. Shareholders' equity is Rs. - 6,06,91,634 in the previous financial year as compared to Rs. -6,42,30,913. In the current financial year. Accordingly, return on Net Worth of the Company has changed from -0.018 in the previous financial year to -0.055 in the financial year 2021-22.

**For and on behalf of the Board,**

Sd/-  
Rushabh Shah  
Chairman and Managing Director  
DIN: 01944390  
Date: May 30, 2022  
Place: Mumbai



**DIRECTORS' REPORT**

Dear Shareholders,

The Board of Directors of your Company take pleasure in presenting the Twenty-Eighth Annual Report together with Audited Financial Statements of the Company for the financial year ended March 31, 2022.

**1. Financial Performance:**

(Amount in Rs.)		
Particulars	As on 31 <sup>st</sup> March, 2022	As on 31 <sup>st</sup> March, 2021
Total Income	2,66,750	0
Total Expenses	37,89,487	10,68,597
Profit/(loss) before Tax	(35,22,737)	(10,68,597)
Provision for Income Tax (including for earlier years)	16,545	0
Net Profit/(Loss) After Tax	(35,39,282)	(10,68,597)

Your Company has earned an Income of Rs. 2,66,750 during the current financial year. The total expenses increased from Rs. 10,68,597 to Rs. 37,89,487. Accordingly, the Company has incurred a net loss of Rs. 35,39,282 in the current financial year as compared to a net loss of Rs. 10,68,597 in the preceding financial year.

**2. Operations:**

The Company was in the business of manufacturing but due to losses the Company has started trading of plastic products and plastic granules.

There was no change in nature of the business of the Company, during the year under review.

**3. Dividend:**

The Board of Directors of your Company has not recommended any dividend for the year under review.

**4. Transfer to Reserve:**

The Company has not transferred any amount to the General Reserves during the year.

**5. Revision of Financial Statement:**

There was no revision of the financial statements for the year under review.

**6. Disclosures under section 134(3)(1) of the Companies Act, 2013:**

Except as disclosed elsewhere in this report, no material changes and commitments which could affect the Company's financial position have occurred between the end of the financial year of the Company and date of this report.

**7. Change in nature of business, if any:**

There were no changes in the nature of business during financial year ending 31st March, 2022.

**8. Significant and material orders passed by the regulators or courts or tribunals:**

There are no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.

**9. Share Capital:**

During the year under review, there was no change in the Authorised and Paid-up Share Capital of the Company.

As on March 31, 2022, the Authorised share capital stands at Rs. 25,00,00,000 divided into 2,50,00,000 equity shares of Rs.10/- each whereas issued, subscribed & paid-up share capital of your Company stand at Rs.10,00,00,000 divided into 1,00,00,000 Equity Shares of Rs.10 each.

**a) Disclosure under Section 43(a)(ii) of the Companies Act, 2013:**

The Company has not issued any shares with differential rights and hence no information as per provisions of Section 43(a) (ii) of the Act read with Rule 4(4) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

**b) Disclosure under Section 54(1)(d) of the Companies Act, 2013:**

The Company has not issued any sweat equity shares during the year under review and hence no information as per provisions of Section 54(1) (d) of the Act read with Rule 8(13) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

**c) Disclosure under Section 62(1)(b) of the Companies Act, 2013:**

The Company has not issued any equity shares under Employees Stock Option Scheme during the year under review and hence no information as per provisions of Section 62(1) (b) of the Act read with Rule 12(9) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

**d) Disclosure under Section 67(3) of the Companies Act, 2013:**

During the year under review, there were no instances of non-exercising of voting rights in respect of shares purchased directly by employees under a scheme pursuant to Section 67(3) of the Act read with Rule 16(4) of Companies (Share Capital and

## **Aadi Industries Limited**

Debentures) Rules, 2014 is furnished.

### **e) Information about Subsidiary/ JV/ Associate Company:**

Company does not have any Subsidiary, Joint Venture or Associate Company.

### **10. Means of Communication:**

The quarterly and annual results are generally published in English and Marathi Newspaper named Financial Express and Mumbai Lakshadweep/ Pratahkal respectively and simultaneously posted on the Company's website ([www.aadiindustries.com](http://www.aadiindustries.com)) and are also sent to the BSE Limited.

As per SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018, transfer and transmission of securities held in physical mode has been discontinued with effect from April 1, 2019 and hence, members were requested to convert their physical holdings into dematerialized form.

### **11. Internal Financial Controls:**

The Internal Financial Controls with reference to financial statements as designed and implemented by the Company are adequate. During the year under review, no material or serious observation has been received from the Auditors of the Company for inefficiency or inadequacy of such controls.

### **12. Board of Directors:**

#### **a) Composition & Constitution of Board of Directors & KMP:**

As on date, your Board comprises of four directors – Mr. Rushabh Shah (Executive), Ms. Gayathri Nagaraj (Non-Executive Independent Director), \*Mr. Sharanabasaweshwar Hiremath (Non-Executive Independent Director) and \*\*Ms. Sonam Kinjal Gandhi (Non-Executive Independent Director) and 2 Key Managerial Personnels – Ms. Rughveda Wagh as a Company Secretary and Compliance Officer and Mr. Sushil Surve as the Chief Financial Officer

During the year under review, the following changes were made in the composition of directors.

\* Mr. Sharanabasaweshwar Hiremath was appointed as an Additional Non-Executive Independent Director on March 31, 2022.

\*\* Ms. Sonam Kinjal Gandhi was appointed as an Additional Non-Executive Independent Director on May 23, 2022.

\*\*\*Ms. Kavita Jamsutkar gave her resignation from the post of Independent Director on June 29, 2021 due to personal and unavoidable circumstances.

\*\*\*Ms. Trusha Shah gave her resignation from the post of Independent Director on

## Aadi Industries Limited

January 5, 2022 due to personal and unavoidable circumstances.

As per the provisions of Section 152 of the Companies Act, 2013, Mr. Rushabh Shah retires by rotation at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment.

The Company has received declarations of Independence as stipulated under Section 149(7) of the Companies Act, 2013 from Independent Directors i.e Ms. Gayathri Muttur Nagaraj, Mr. Sharanabasaweshwar Hiremath and Ms. Sonam Kinjal Gandhi confirming that he/she is not disqualified from appointing/continuing as Independent Director as laid down in section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI LODR Regulations. The same are also displayed on the website of the Company i.e <https://www.aadiindustries.co/>. The Independent Directors have complied with the Code for Independent Directors prescribed in Schedule IV to the Companies Act, 2013. The Independent Directors of the Company have registered / in the process of registering themselves with the data bank maintained by Indian Institute of Corporate Affairs (IICA). In terms of Section 150 of the Act read with Rule 6(4) of the Companies (Appointment & Qualification of Directors) Rules, 2014, the Independent Directors are required to undertake online proficiency self-assessment test conducted by the IICA within a period of two (2) years from the date of inclusion of their names in the data bank. The said online proficiency self-assessment test will be undertaken by the Independent Directors of the Company, as applicable, within the prescribed timelines.

### b) **Board Meeting & Attendance:**

During the year under review, the Board of your company met eight (8) times. The details of Board Meeting held and participation of Directors thereat is enumerated as below:

Sr. No.	Date of meeting	Total No. of Directors on the Date of Meeting	No. of Directors attended	% of Attendance
1	10-05-2021	4	4	100.00
2	29-06-2021	4	4	100.00
3	13-08-2021	3	3	100.00
4	24-08-2021	3	3	100.00
5	12-11-2021	3	3	100.00
6	29-11-2021	3	3	100.00
7	14-02-2022	2	2	100.00
8	31-03-2022	3	3	100.00

The details of Board Meetings held from April 01, 2021 to March 31, 2022 and attendance of each Director thereat is as follows:

Sr. No.	Name of the Board Member	No. of Meetings entitled to	No. of Meetings attended	% of Attendance
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		<b>attend</b>		
1.	Mr. Rushabh Shah	8	8	100
2.	Ms. Kavita Jamsutkar*	2	2	100
3.	Ms. Gayathri Nagaraj	8	8	100
4.	Ms. Trusha Shah**	6	6	100
5.	Mr. Sharanabasaweshwar Hiremath***	1	1	100

\*Ms. Kavita Suresh Jamsutkar gave her resignation from the post of Independent Director on June 29, 2021 due to personal and unavoidable circumstances.

\*\*Ms. Trusha Shah gave her resignation from the post of Independent Director on January 5, 2022 due to personal and unavoidable circumstances.

\*\*\*Mr. Sharanabasaweshwar has been appointed as a Non-Executive, Independent Director with effect from March 31, 2022.

### a) Board-skills/expertise/competencies:

The Board of directors based on the recommendations of the Nomination and Remuneration Committee, identified the following core skills/expertise/competencies of Directors as required in the context of business of the Company for its effective functioning:

Sr. No	Skills/Expertise/Competencies
1	Leadership qualities
2	Industry knowledge and experience
3	Understanding of relevant laws, rules and regulations
4	Financial Expertise
5	Risk Management

Following are the details of the skills and competence possessed by the Board of Directors:

S. N	Name of Directors	Leadership qualities	Industry knowledge and experience	Understanding of relevant laws, rules and regulations	Financial Expertise	Risk Management
1	Mr. Rushabh Shah	Expert	Expert	Expert	Expert	Expert
2	Ms. Trusha Shah	Expert	Proficient	Expert	Proficient	Expert
3	Ms. Gayathri Nagaraj	Expert	Expert	Expert	Expert	Expert
4	Ms. Kavita Suresh Jamsutkar	Proficient	Proficient	Proficient	Expert	Proficient
5	Mr. Sharanabasaweshwar	Expert	Proficient	Expert	Expert	Expert

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	Hiremath					
6	Ms. Sonam Kinjal Gandhi	Proficient	Expert	Expert	Proficient	Proficient

The identified skills / competences are broad-based and marking of 'Proficient' against a particular member does not necessarily mean the member does not possess the corresponding skills / competences.

### c) **Nomination and Remuneration Committee:**

There was change in constitution of Nomination and Remuneration Committee.

During the year under review, Ms. Trusha Shah stepped down from the Nomination and Remuneration Committee with effect from January 5, 2022 and Mr. Sharanabasaweshwar Hiremat joined the Committee with effect from March 31, 2022.

The Nomination and Remuneration Committee of Directors as constituted by the Board of Directors of the Company in accordance with the requirements of Section 178 of the Companies Act, 2013.

The composition of the committee as on March 31, 2022 is as under:

1. Mr. Sharanbasaweshwar Hiremath, Independent Director, Chairman,
2. Ms. Gayathri Muttur Nagaraj, Independent Director and
3. Mr. Rushabh Shah, Director

The Board has in accordance with the provisions of sub-section (3) of Section 178 of the Companies Act, 2013, formulated the policy setting out the criteria for determining qualifications, positive attributes, independence of a Director and policy relating to remuneration for Directors, Key Managerial Personnel and other employees.

Major criteria defined in the policy framed for appointment of and payment of remuneration to the Directors of the Company, are as under

The details of Meeting held and participation of Members of the Committee there at is as below:

Sr. No.	Date of meeting	Total No. of Directors on the Date of Meeting	No. of Directors attended	% of Attendance
1	29.06.2021	3	3	100%
2	31.03.2022	3	3	100%

The details of Nomination and Remuneration Committee Meetings held from April 01, 2021 to March 31, 2022 and attendance of each Director thereat is as follows:

Sr. No.	Name of the Board Member	No. of Meetings	No. of Meetings	% of Attendance
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## Aadi Industries Limited

		entitled to attend	attended	
1.	Mr. Rushabh Shah	2	2	100
2.	Ms. Gayathri Nagaraj	2	2	100
3.	Ms. Trusha Shah*	1	1	100
4.	Mr. Sharanbasaweshwar Hiremath**	1	1	100

\*Ms. Trusha Shah gave her resignation as a Non-Executive Independent Director with effect from January 5, 2022.

\*\* Mr. Sharanbasaweshwar Hiremath has been appointed as the Chairman of the Committee with effect from March 31, 2022.

The terms of reference of the Committee inter alia, include the following:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to our Board a policy relating to the remuneration of the Directors, key managerial personnel and other employees;
2. The Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. For the purpose of identifying suitable candidates, the Committee may:
  - a. Use the services of an external agencies, if required;
  - b. Consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - c. Consider the time commitments of the candidates.
3. Formulation of criteria for evaluation of independent directors and the board of directors;
4. Devising a policy on diversity of board of directors;
5. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to our Board their appointment and removal;
6. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
7. Recommend to the board, all remuneration, in whatever form, payable to senior management.

### **I Selection of Directors and Key Managerial Personnel**

In case of Executive Directors and Key Managerial Personnel, the selection can be made in either of the ways given below:

- a) by way of recruitment from outside;
- b) from within the Company hierarchy; or

## **Aadi Industries Limited**

- c) Upon recommendation by the Chairman or other Directors.

The appointment may be made either to fill up a vacancy caused by retirement, resignation, death or removal of an existing Executive Director or it may be a fresh appointment.

In case of Non-Executive directors the selection can be made in either of the ways given below:

- a) By way of selection from the data bank of Independent Directors maintained by the Government.
- b) Upon recommendation by Chairman or other Directors.

### **II Qualifications, Experience and Positive Attributes of Directors**

While appointing a Director, it shall always be ensured that the candidate possesses appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations or other disciplines related to the Company's business.

- a) In case of appointment as an Executive Director, the candidate must have the relevant technical or professional qualifications and experience as are considered necessary based on the job description of the position. In case no specific qualification or experience is prescribed or thought necessary for the position then, while recommending the appointment, the job description to the Committee shall be provided and along with justifications that the qualifications, experience and expertise of the recommended candidate are satisfactory for the relevant appointment.
- b) The Board, while making the appointment of a Director, shall also try to assess from the information available and from the interaction with the candidate that he is a fair achiever in his chosen field and that he is a person with integrity, diligence and open mind.

### **III Board Diversity and Independence of Directors**

While making appointment of directors, following principles shall be observed by the Board, as far as practicable:

- There shall be a proper mix of Executive and Non-Executive Directors and Independent and Non-independent directors on the Board. The Company shall always be in compliance of the provisions of Section 149 of the Companies Act, 2013 in this regard.
- There shall be a workable mix of directors drawn from various disciplines like technical, finance, commercial, legal, etc.
- While appointing a director to fill in a casual vacancy caused by death, resignation etc. of a director, an effort shall be made, as far as possible, to appoint such a person in his place who has the relevant experience in the fields or disciplines in which the outgoing director had with relevant expertise as requisite to Business



## **Aadi Industries Limited**

of the Company.

- No preference on the basis of gender, religion or cast shall be given while considering the appointment of directors.
- While appointing independent directors, the criteria for the independent directors, as laid down in Section 149 (6) of the Companies Act, 2013 shall be followed.

### **IV Remuneration of Directors**

- Remuneration to Directors is based on various factors like Company's size, economic and financial position, Directors' participation in Board and Committee Meetings and after benchmarking with peer companies. Based on the same and performance evaluation of the concerned director, NRC recommends to the Board, remuneration payable to the Directors.
- The remuneration paid to Managing Director and Executive Director(s) includes base salary and variable compensation while remuneration to Independent Directors is based on the various factors like committee position, chairmanship, attendance, participation and performance evaluation. The Independent Directors are entitled to receive remuneration by way of sitting fees, reimbursement of expenses for participation in the Board/Committee meetings and commission.

In terms of Regulation 46 of the SEBI Listing Regulations, the criteria for payment to Non-Executive Directors is made available on the website of the Company - <https://www.aadiindustries.co/>

For details of remuneration paid/payable to Directors for the year ended March 31, 2022. The same is available on <https://www.aadiindustries.co/>

### **d) Audit Committee:**

There was change in constitution of Audit Committee in the financial year 2021-22.

During the year under review, Ms. Trusha Shah stepped down from the Audit Committee with effect from January 5, 2022 and Mr. Sharanabasaweshwar Hiremat joined the Committee with effect from March 31, 2022.

The Audit Committee of Directors was constituted pursuant to the provisions of Section 177 of the Companies Act, 2013. The composition of the Audit Committee is in conformity with the provisions of the said section. The Audit Committee as on March 31, 2022 comprises of:

1. Ms. Gayathri Muttur Nagaraj, Chairperson,
2. Mr. Sharanabasaweshwar Hiremat Independent Director and
3. Mr. Rushabh Shah, Director

The scope and terms of reference of the Audit Committee have been amended in accordance with the Act and the Listing Agreement entered into with the Stock

## Aadi Industries Limited

Exchanges. During the year under review, the Board of Directors of the Company had accepted all the recommendations of the Committee.

The details of Audit Committee Meeting held and participation of Members of the Committee there at is as below:

Sr. No.	Date of meeting	Total No. of Directors on the Date of Meeting	No. of Directors attended	% of Attendance
1	10-05-2021	3	3	100%
2	29-06-2021	3	3	100%
3	13-08-2021	3	3	100%
4	12-11-2021	3	3	100%
5	14-02-2022	2	2	100%

The details of Audit Committee Meetings held from April 01, 2021 to March 31, 2022 and attendance of each Member thereat is as follows:

Sr. No.	Name of the Board Member	No. of Meetings entitled to attend	No. of Meetings attended	% of Attendance
1.	Mr. Rushabh Shah	5	5	100
2.	Ms. Gayathri Nagaraj	5	5	100
3.	Ms. Trusha Shah*	4	4	100

\*Ms. Trusha Shah gave her resignation from the post of Independent Director on January 5, 2022 due to personal and unavoidable circumstances.

The Committee is governed by a term of reference, which is in line with the regulatory requirements mandated by the Companies Act, 2013. Some of the important functions performed by the Committee are:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of our Company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to our Board for approval, with particular reference to:
  - (a) Matters required to be included in the Director's Responsibility Statement, to be included in our Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act;
  - (b) Changes, if any, in accounting policies and practices and reasons for the same;
  - (c) Major accounting entries involving estimates based on the exercise of judgment by management;

- (d) Significant adjustments made in the financial statements arising out of audit findings;
  - (e) Compliance with listing and other legal requirements relating to financial statements;
  - (f) Disclosure of any related party transactions; and
  - (g) Modified opinion(s) in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to our Board for approval;
  6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to our Board to take up steps in this matter;
  7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
  8. Approval of any subsequent modification of transactions of our Company with related parties;
  9. Scrutiny of inter-corporate loans and investments;
  10. Valuation of undertakings or assets of our Company, wherever it is necessary;
  11. Evaluation of internal financial controls and risk management systems;
  12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems
  13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
  14. Discussion with internal auditors of any significant findings and follow up thereon;
  15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to our Board;
  16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post- audit discussion to ascertain any area of concern;
  17. Looking into the reasons for substantial defaults in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
  18. Reviewing the functioning of the whistle blower mechanism;
  19. Approval of appointment of CFO (i.e., the whole-time finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
  20. Carrying out any other function as is mentioned in the terms of reference of

## Aadi Industries Limited

the Audit Committee.

21. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.]
22. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.
23. Carrying out any other function as may be mentioned in the terms of reference of the Audit Committee.

All the Members on the Audit Committee have the requisite qualification for appointment on the Committee and possess sound knowledge of finance, accounting practices and internal controls.

The Company Secretary acts as the Secretary to the Committee

### e) **Stakeholders Relationship Committee:**

During the year under review, pursuant to Section 178 of the Companies Act, 2013, the Board of Directors of the Company has constituted the Stakeholder's Relationship Committee, comprising of \*Ms. Trusha Shah, Non-Executive Independent Director as its Chairperson, Mr. Rushabh Shah, Managing Director as the Committee Member and Ms. Gayathri Muttur Nagaraj, as the Committee Member respectively.

The Stakeholders Relationship Committee of Directors was constituted pursuant to the provisions of Section 178 of the Companies Act, 2013. The composition of the Stakeholders Relationship Committee is in conformity with the provisions of the said section.

The Stakeholders Relationship Committee as on March 31, 2022 comprises of:

1. Mr. Sharanbasaweshwar, Chairperson,
2. Ms. Gayathri Muttur Nagaraj, Independent Director and
3. Mr. Rushabh Shah, Director

The details of Meeting held and participation of Members of the Committee there at is as below:

Sr. No.	Date of meeting	Total No. of Directors on the Date of Meeting	No. of Directors attended	% of Attendance
1	29.06.2021	3	3	100%

## Aadi Industries Limited

The details of Stakeholders Relationship Committee Meetings held from April 01, 2021 to March 31, 2022 and attendance of each Director thereat is as follows:

Sr. No.	Name of the Board Member	No. of Meetings entitled to attend	No. of Meetings attended	% of Attendance
1.	Mr. Rushabh Shah	1	1	100
2.	Ms. Gayathri Nagaraj	1	1	100
3.	Ms. Trusha Shah*	1	1	100

\*Ms. Trusha Shah resigned from the position of Independent Director with effect from January 5, 2022.

\*\* Mr. Sharanabasaweshwar Hiremath, a non-executive Independent Director joined the Committee with effect from March 31, 2022.

The Compliance officer of the Company is Ms. Rugveda Wagh.

During the financial year under review there were no complaints received during the year, no complaints were unresolved and no complaints are pending.

The role of the Committee shall inter-alia include the following:

- (1) Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- (2) Review of measures taken for effective exercise of voting rights by shareholders.
- (3) Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- (4) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.]

### **f) Vigil Mechanism Policy for the Directors and Employees:**

The Board of Directors of the Company has, pursuant to the provisions of Section 178(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, framed "Vigil Mechanism Policy" for Directors and employees of the Company to provide a mechanism which ensures adequate safeguards to employees and Directors from any victimization on raising of concerns of any violations of legal or regulatory requirements, incorrect or misrepresentation of any, financial statements and reports, etc.

## **Aadi Industries Limited**

The employees of the Company have the right / option to report their concern / grievance to the Chairman of the Audit Committee.

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. The Whistle Blower Policy is hosted on the Company's website at: [www.aadiindustries.co](http://www.aadiindustries.co).

### **g) Annual evaluation of Directors, Committee and Board:**

Nomination and Remuneration Committee of the Board had prepared and sent, through its Chairman, feedback forms for evaluation of the Board, Independent Directors and the Chairman. The Independent Directors at their meeting considered and evaluated the Board's performance, performance of the Chairman. The Board subsequently evaluated performance of the Board, the Committees and Independent Directors; without participation of the concerned Director.

As stipulated by the Code of Independent Directors under the Companies Act, 2013 and the Listing Agreement, a separate meeting of the Independent Directors of the Company was held on March 31, 2022, to review the performance of Non-Independent Directors (including the Chairman) and the Board as whole.

Performance evaluation of Independent Directors was conducted by the Board of Directors, excluding the Director being evaluated. The criteria for performance evaluation of Independent Directors laid down by the Nomination, Remuneration and Compensation Committee is as below:

- [ Ethics and values,
- [ knowledge and
- [ proficiency, diligence,
- [ Behavioral traits and
- [ Efforts for personal development

Similarly, performance evaluation of the Chairman was carried out by the Independent Directors.

#### **Familiarization Programme**

The Company has familiarized the Independent Directors with the Company, their roles, responsibilities in the Company, nature of industry in which the Company operates. The details relating to the familiarization programme are available on the website of the Company at: <https://www.aadiindustries.co/>

### **h) Separate Meeting of Independent Directors:**

As stipulated by the Code for Independent Directors in Schedule IV of the Act and Regulation 25 of the Listing Regulations, a separate meeting of the Independent Directors of the Company was held on March 31, 2022 to review the performance of all Non-Independent Directors, the Board as a whole and the performance of the Chairman of the Company taking into account the views of other executive and non-executive directors. The independent directors also

reviewed the quality, content and timeliness of the flow of information between the Management and the Board and its Committees towards effective and reasonable performance and discharge of their duties.

**i) Declaration by 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.

**j) Internal Control System & Risk Management:**

Periodic assessments to identify the risk areas are carried out and management is briefed on the risks in advance to enable the company to control risk through a properly defined plan. The risks are classified as financial risks, operational risks and market risks. The risks are taken into account while preparing the annual business plan for the year. The Board is also periodically informed of the business risks and the actions taken to manage them.

**k) Transfer to Investor Education and Protection Fund:**

Pursuant to Section 125 of the Act, to the extent notified, dividends that are unclaimed for a period of seven years are to be transferred to the Investor Education and Protection Fund (IEPF) administered by the Central Government and no claim shall lie against IEPF. As the Company has not declared any dividend before, there are no dividends due for transfer.

**13. Prevention of Insider Trading**

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Compliance Officer is responsible for implementation of the Code.

The code of prevention of Insider Trading and fair disclosures is there on the website of the Company - <https://www.aadiindustries.co/>.

All Board Directors and the designated employees have confirmed compliance with the Code.

**14. Auditors**

**a) Statutory Auditors**

Pursuant to provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the Company has appointed RAK CHAMPS & CO LLP (Firm Registration No. 131094W) having Membership No: 218600 as

## **Aadi Industries Limited**

Statutory Auditors of the Company for a period of five years from the conclusion of 27th AGM till the conclusion of 32nd Annual General Meeting of the Company to be held in 2025-2026 in place of resigning auditors, M/s. N. K. Vyas & Co., Chartered Accountants, having Membership No: 014433.

### **Comment on Auditors' Report**

The report of the Auditors along with notes to Schedules forms part of this Annual Report.

During the year under review, the Auditor has mentioned Disclaimer of opinion in the Audit report that the Management has not been able to provide any cash credit loan statement or loan confirmation for Rs 35,00,000/- as on 31st March, 2022 reflected as borrowings under current financial liabilities. Similarly, management has not been able to provide bank statement or balance confirmation of Rs 1,994/- for the bank balance reflected as cash & cash equivalent. Accordingly, in the absence of sufficient and appropriate evidence to our satisfaction, the Auditors are unable to satisfy ourselves on the cash credit limit and bank balance.

Explanation to the disclaimer made by Auditor in their report is as under:

The Company owes the amount of Rs. 35,00,000, as the Bank has declared the Company as Non-Performing Asset, the Company was not able to give the confirmation to the Auditor about the cash credit loan statement.

The Bank account no. having the balance of Rs. 1,994/- has been deactivated and hence, the Company was not able to provide the bank statement or balance confirmation to the Auditor.

### **b) Secretarial Audit Report for the year ended 31<sup>st</sup> March, 2022:**

The Board appointed Ranjeet Kumar Sharma & Associates, Practising Company Secretary, to conduct Secretarial Audit for the FY 2021-22. The Secretarial Audit report for the financial year ended March 31, 2022 is annexed herewith marked as **Annexure 3** to this report.

### **c) Cost Audit:**

The provisions of Section 148 under Companies Act, 2013 are not applicable to the Company.

## **15. Related party transactions**

The transactions falling under Section 188 are annexed hereto as Annexure 2. However, related party transactions as per IND AS 24 forms part of the financials.

## **16. Particulars of loans, guarantees or investments under section 186:**

The particulars of loans, guarantees or investments covered under Section 186 of the Companies Act, 2013 form part of the notes to the financial statements provided in this Annual Report.



## **17. Annual Return**

Pursuant to provisions of Section 92(3) of the Companies Act, 2013 ('the Act') and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, extract of annual return is displayed on the website of the Company - <https://www.aadiindustries.co/>

## **18. Public Deposits**

As per notification dated 22<sup>nd</sup> January, 2019 issued by MCA on form DPT-3, it has been classified that all companies according to Rule 16 and Rule 16A of the Companies (Acceptance of Deposits) Rules, 2014 had to inform ROC about the outstanding loans of the Company by filing form DPT-3. Your Company has not accepted any deposits from public in terms of Section 73, 74, 75, 76 of the Companies Act, 2013 and accordingly your company has filed form DPT-3.

## **19. Corporate Social Responsibility**

Social Welfare Activities has been an integral part of the Company since inception. The Company is committed to fulfill its social responsibility as a good corporate citizen. However, the Company is not covered by the provisions of Section 135 of the Companies Act, 2013, as it does not satisfy the conditions of Net Worth and Net Profit as laid therein.

## **20. Particulars of Employees**

The Company does not have any employee whose particulars are required to be given in terms of the provisions of Section 197(12) of the Companies Act, 2013 read along with Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Your directors stated that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 related to the Company.

## **21. Conservation of energy, technology absorption and foreign exchange earnings and outgo**

The particulars relating to conservation of energy and technology absorption stipulated in the Companies (Accounts) Rules, is attached as **Annexure 1**. There are no foreign exchange earnings or outgo during the year under review.

## **22. Directors' Responsibility Statement**

To the best of their knowledge and 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, if any;
- b) they had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a

## **Aadi Industries Limited**

- 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) they 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) they had prepared the annual accounts on a going concern basis; and
  - e) they had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively.
  - f) they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **23. Corporate Governance**

The Company does not fall under purview of Regulations of Corporate Governance.

Pursuant to the SEBI (Listing Obligation and Disclosures Requirements) Regulations, 2015, the provisions of reporting of Corporate Governance as specified in Regulation 27 (2) is not applicable to the Company, as it does not meet the threshold of paid up capital of Rs. 10 crores and net worth of Rs. 25 crores as on March, 2022.

Accordingly, the Company is fully compliant with the applicable provision and the Company is committed to ensure compliance with all modification within prescribed norms under Companies Act, 2013. Company is committed to maintain the highest standards of corporate practices as set out by SEBI as good Corporate Governance, which forms part of the Directors Report.

### **24. Reporting of Fraud by Auditors**

During the year under review, the Statutory Auditors, Cost Auditors and Secretarial Auditors have not reported any instances of frauds committed in the Company by its officers or employees, to the Audit Committee under Section 143(12) of the Companies Act, 2013, details of which needs to be mentioned in the Report.

### **25. Secretarial Standards of ICSI**

Secretarial Standards issued by the Institute of Company Secretaries of India with respect to board and general meetings are complied by the Company.

### **26. General Shareholder Information**

#### **a) 28<sup>th</sup> Annual General Meeting**

<b>Date</b>	<b>Time</b>	<b>Venue</b>
<b>June 30, 2022</b>	11:00 A.M	AGM will be held at 421, 4th Floor, Kailash Plaza Building, Vallabh Baug Lane, Ghatkopar (East) Mumbai- 400075.

#### **b) Financial Calendar for the year 2021-2022**

**Aadi Industries Limited**

<b>Financial year</b>	April 1, 2021 to March 31, 2022
<b>Book Closure Dates</b>	June 24, 2022 to June 30, 2022 (both days inclusive)

**c) Listing of Equity Shares on Stock Exchange and Stock Codes**

Listing on Stock Exchange:  
BSE Limited ("BSE")  
Phiroze Jeejeebhoy Towers  
Dalal Street, Mumbai 400 023  
**SCRIP CODE: 530027**

**d) Location and time, where Annual General Meeting (AGM) for the last 3 years were held is given below:**

<b>Financial Year</b>	<b>AGM</b>	<b>Date</b>	<b>Time</b>	<b>Location</b>
2020-21	27 <sup>th</sup>	Wednesday, December 29, 2021	11:00 a.m.	Via electronic mode [video conference or other audiovisual means("OAVM")]  Deemed Location: 421, 4 <sup>th</sup> Floor, Kailash Plaza Building, Vallabh Baug Lane, Ghatkopar (East) Mumbai- 400075
2019-20	26 <sup>th</sup>	Wednesday, December 30, 2020	2.00 p.m.	Via electronic mode [video conference or other audiovisual means("OAVM")]  Deemed Location: 421, 4 <sup>th</sup> Floor, Kailash Plaza Building, Vallabh Baug Lane, Ghatkopar (East) Mumbai- 400075
2018-19	25 <sup>th</sup>	Friday, 27 September, 2019	11.00 a.m.	421, 4 <sup>th</sup> Floor, Kailash Plaza Building, Vallabh Baug Lane, Ghatkopar (East) Mumbai- 400075

All the resolutions set out in the respective notice were passed by the requisite majority of the shareholders.

Extra ordinary general meeting held in 2021-22: Nil

Special Resolutions passed in Annual General Meeting held during the FY 2020-21:

## Aadi Industries Limited

1. To increase borrowing powers of the board and authorization limit to secure the borrowings under Section 180(1)(c) and 180(1)(a) of the Companies, Act, 2013.
2. To make investments, give loans, guarantees and security in excess of limits specified u/s 186 of Companies Act, 2013.
3. Re-appointment of Mr. Rushabh Shah (DIN:01944390) as Managing Director.

### e) Stock Market Date and their Performance v/s S&P BSE Sensex

The high/low of the market price of the shares of the Company and the performance there of with the BSE Sensex was not available till September 15, 2021 as the listing of the Company was suspended due to penal reasons:

The high/low of the market price of the shares of the Company is as follows:

Month	BSE (Rs.)	
	High	Low
September-2021	2.45	1.28
October-2021	6.64	2.69
November-2021	16.64	6.97
December-2021	15.97	10.54
January-2022	13.72	8.69
February-2022	9.65	6.74
March-2022	8	6.45

### f) Registrar and Share Transfer Agent (RTA)

The Registrar and Share Transfer Agent (RTA) of the Company is Link Intime India Private Limited. The registered office address and contact details of RTA are as follows:

#### **Link Intime (India) Pvt. Ltd.**

C-101, 247 Park L.B.S Marg,  
Vikhroli West,  
Mumbai - 400083  
Tel: 2851 5606/ 5644/ 6338.  
Fax: 2851 2885  
website: [www.linkintime.co.in](http://www.linkintime.co.in)

### g) Share transfer system:

The Board has the authority for approving transfer, transmission of the Company's securities. The Company ensures that the half yearly Compliance Certificate pursuant to regulations 40(9) and 40 (10) of the SEBI Listing Regulations are filed with the Stock Exchanges.

As per SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018, requests for effecting transfer of securities (except in case of transmission or transposition of securities) cannot be processed from April 1,

## Aadi Industries Limited

2019 unless the securities are held in the dematerialized form with the depositories. Therefore, Members holding shares in physical form are requested to take necessary action to dematerialize the holdings.

### h) Distribution of shareholding:

#### Nominal Value of Shares: Rs. 10

Category (Shares)	Shareholders		Shares	
	Number	%	Number	%
1-500	2880	71.3755	420560	4.2056
501 TO 1000	447	11.0781	374380	3.7438
1001 TO 2000	253	6.2701	392732	3.9273
2001 TO 3000	93	2.3048	239478	2.3948
3001 TO 4000	56	1.3879	204804	2.0480
4001 TO 5000	74	1.834	351967	3.5197
5001 TO 10000	107	2.6518	817048	8.1075
10001 TO *****	125	3.0979	7199031	71.9903
Total	4035	100.00	10000000	100.00

### i) Dematerialization of Shares:

The Company's shares are required to be compulsorily traded on Stock Exchanges in dematerialized form. The number of shares as on 31<sup>st</sup> March, 2022 held in dematerialized and physical form are as under:

Particulars	No. of Shares	%
NSDL	29,24,065	29.24
CDSL	62,78,869	62.79
Physical	7,97,066	7.97
<b>Total</b>	<b>1,00,00,000</b>	<b>100</b>

### j) Compliance with mandatory and non-mandatory requirements of the Listing Regulations:

The Company has complied with all mandatory requirements of Listing Regulations and has not adopted any non-mandatory requirements which are not applicable to the Company.

### k) Shareholding of Directors and Key Managerial Personnel:

For Mr. Rushabh Shah

SN	Shareholding of each Directors and each Key	Shareholding at the beginning of the year	Cumulative Shareholding during the Year
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**Aadi Industries Limited**

	<b>Managerial Personnel</b>	<b>No. of shares</b>	<b>% of total shares of the company</b>	<b>No. of Shares</b>	<b>% of total shares of the company</b>
	At the beginning of the year	24,86,429	24.86	24,86,429	24.86
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	No change			
	At the end of the year	24,86,429	24.86	24,86,429	24.86

**I) INDEBTEDNESS**

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

	<b>Secured Loans excluding deposits</b>	<b>Unsecured Loans</b>	<b>Deposits</b>	<b>Total Indebtedness</b>
Indebtedness at the beginning of the financial year	35,00,000	6,18,39,793	Nil	6,53,39,793
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	35,00,000	6,18,39,793	Nil	6,53,39,793
Change in indebtedness during the financial year	-	36,86,495	Nil	36,86,495
• Addition				
• Reduction				
Net Change	-	36,86,495	Nil	36,86,495

**Aadi Industries Limited**

Indebtedness at the end of the financial year				
i) Principal Amount	35,00,000	6,55,26,288	Nil	6,90,26,288
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	<b>35,00,000</b>	<b>6,55,26,288</b>	<b>Nil</b>	<b>6,90,26,288</b>

**m) DETAILS OF REMUNERATION TO ALL THE DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

Name of the Directors	Salary, Allowance, perquisites and other benefits	Performance-linked Income/Bonus/ Commission Paid/Payable	Stock Option	Pension	Sitting Fees Paid
<b>Executive Directors</b>					
Mr. Rushabh Shah	-	-	-	-	-
<b>Non-Executive Directors</b>					
Ms. Gayathri Muttur Nagaraj	-	-	-	-	Rs.10,000 per month
Ms. Trusha Shah	-	-	-	-	Rs.20,000 per quarter

**REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / MANAGER/WTD**

Sl. No.	Particulars of Remuneration	Remuneration in (Rs.)		
		Company Secretary	CFO	Total
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961  (b) Value of perquisites u/s 17(2) Income-tax Act, 1961  (c) Profits in lieu of salary under section	20,000 p.m	-	20,000 p.m

**Aadi Industries Limited**

	17(3) Income-tax Act, 1961			
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit - others, specify...	-	-	-
5	Others, please specify	-	-	-
	<b>Total</b>	<b>20,000 p.m</b>	<b>-</b>	<b>20,000 p.m</b>

**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					
Compounding					
B. DIRECTORS					
Penalty	NONE				
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	NONE				
Punishment					
Compounding					

**Disclosure of Managerial Remuneration**

- A. Ratio of remuneration of each Director to the median remuneration of the employees of the Company for FY 2020-21 as well as the percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary is as under:

Name of Director/ Key Managerial Personnel	Ratio to median remuneration	% increase in remuneration over previous year
Non-Executive Directors		
Ms. Gayathri Muttur Nagaraj	This is not applicable as the Company did not pay any remuneration to its directors.	
Ms. Trusha Shah		
Executive Directors		
Mr. Rushabh Shah	100:1	NA
Key Managerial Personnel		



**Aadi Industries Limited**

Ms. Rugveda Wagh.	100:1	NA
Mr. Sushil Surve	-	

B. Percentage decrease in the median remuneration of employees in FY 2021-22: Not Applicable

C. Number of permanent employees on the rolls of the Company as on March 31, 2022: 3

D. Comparison of average percentile increase in salary of employees other than the managerial personnel and the percentile increase in the managerial remuneration:

Particulars	% change in remuneration
Average increases in salary of employees (other than managerial personnel)	As the Company is in losses, there is no increase in salary of employees.
Average increase in remuneration of managerial personnel	As the Company is in losses, there is no increase in remuneration of employees.

Affirmation: It is affirmed that the remuneration paid to the Directors, Key Managerial Personnel and other employees is as per the Remuneration Policy of the Company.

**24. Appreciation**

Your Directors would like to express their appreciation for co-operation and assistance received from Government authorities, financial institutions, banks, vendors, customers, shareholders and other business associates during the year under review. The Directors also wish to place on record their deep sense of appreciation for the committed services by all the employees of the Company

**For and on behalf of the Board of Directors of**

**Aadi Industries Limited**

**Mr. Rushabh Shah**  
**Managing Director**  
**(DIN: 01944390)**

**Place: Mumbai**  
**Date: May 30, 2022**

**Annexure 1**

**Particulars regarding conservation of energy, technology absorption, foreign exchange earnings and outgo**

<b>A. Conservation of Energy:-</b>	
(i) the steps taken or impact on conservation of energy	Saving electricity consumption wherever possible
(ii) the steps taken by the company for utilising alternate sources of energy	Nil
(iii) the capital investment on energy conservation equipment	Nil
<b>B. Technology absorption:-</b>	
(i) the efforts made towards technology absorption;	Strive to implement new technologies in the operations of business
(ii) the benefits derived like product improvement, cost reduction, product development or import substitution;	Nil
(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-	Nil
(a) the details of technology imported;	
(b) the year of import;	
(c) whether the technology been fully absorbed;	
(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and	
(iv) the expenditure incurred on Research and Development.	Nil
<b>C. Foreign exchange earnings and Outgo-</b>	
The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows.	Nil

**For and on behalf of the Board of Directors of**

**Aadi Industries Limited**

**Mr. Rushabh Shah**  
**Chairman**  
**(DIN: 01944390)**

**Place: Mumbai**  
**Date: May 30, 2022**

## Annexure 2

### 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), 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 arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis:-  
Nil
2. Details of material contracts or arrangement or transactions at arm's length basis:-

No.	Name(s) of the related party and nature of relationship	Nature of contracts / arrangements / transactions	Duration of the contracts / arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board	Amount paid as advances, if any
	(a)	(b)	(c)	(d)	(e)	(f)
1.	Mr. Rushabh Shah (Promoter and Director)	Loan Taken	Till the consent of both the parties	Rs. 6,55,26,288	10-05-2021	Nil

**For and on behalf of the Board of Directors of**

**Aadi Industries Limited**

**Rushabh Shah**  
**Managing Director**  
**(DIN: 01944390)**

**Place: Mumbai**  
**Date: May 30, 2022**



**Ranjeetkumar Sharma & Associates**

**Company Secretaries**

B-26, Venus CHS Ltd., Maitry Park, 100 Ft Road, Vasai West, Dist. Thane-401 202

Mobile : +91 97643 22951, Email : ranjeetsharma1985@gmail.com

UCN – S2016MH359900

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**Form No. MR-3**

**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022

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

To,  
The Members,  
Aadi Industries Limited

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

Based on our verification of the books, papers, minute books, forms and returns filed and other records available and as provided by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2022 complied with the statutory provisions listed hereunder and also that the Company is in process of developing a proper Board-processes and compliance-mechanism, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, forms and returns filed and other records maintained by Aadi Industries Limited ("the Company") for the financial year ended on March 31, 2022 according to the provisions of following Acts as may be applicable:

- (i) The Companies Act, 2013(the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed hereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder 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'):



# Ranjeetkumar Sharma & Associates

Company Secretaries

B-26, Venus CHS Ltd., Maitry Park, 100 Ft Road, Vasai West, Dist. Thane-401 202

Mobile : +91 97643 22951, Email : ranjeetsharma1985@gmail.com

UCN – S2016MH359900

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- (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 (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (Not applicable to the Company during the Audit period)
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the Audit period)
- (f) 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 -
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the Audit period)
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during the Audit period)
- (i) The Company has informed that there are no laws which are specifically applicable to the Company.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.-  
*Company has not complied with any secretarial standard*
- (ii) The Listing Agreements entered into by the Company with BSE Limited and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;

During the period under review the Company has complied with all the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.



# Ranjeetkumar Sharma & Associates

Company Secretaries

B-26, Venus CHS Ltd., Maitry Park, 100 Ft Road, Vasai West, Dist. Thane-401 202  
Mobile : +91 97643 22951, Email : ranjeetsharma1985@gmail.com  
UCN – S2016MH359900

## We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The Following changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.

Sr. No	Name of Director/ KMP	Date of Appointment/ Resignation
1.	Ms. Trusha Shah, Independent Director	Resigned on 05/01/2022
2	Ms. Kavita Suresh Jamsutkar, Independent Director	Resigned on 29/06/2021
3	Mr. Sadanand Kotnis Purushottam, Independent Director	Cessation due to demise wef 3 <sup>rd</sup> September, 2020. <i>E-form DIR 12 is not filed with MCA portal due to DIN KYC pendency and other technical issues</i>
4	Mr. Sharanabasaweshwar Hiremath, Independent Director	Appointed on 31/03/2022
5.	Ms. Rugveda Wagh, Company Secretary	Appointed on 26/03/2021

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.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

**I further report that** during the audit period no events/ actions have taken place which have a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.



*Ranjeetkumar Sharma & Associates*

Company Secretaries

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B-26, Venus CHS Ltd., Maitry Park, 100 Ft Road, Vasai West, Dist. Thane-401 202

Mobile : +91 97643 22951, Email : ranjeetsharma1985@gmail.com

UCN – S2016MH359900

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**For Ranjeet Kumar Sharma & Associates  
Company Secretary**

Sd/-

**Ranjeet Kumar Sharma**

**CP No. 13241**

**UDIN: A027079D000437940**

**Date: May 30, 2022**

**Place: Mumbai**

This report is to be read with our letter of even date which is annexed as Annexure and forms an integral part of this report.



**Ranjeetkumar Sharma & Associates**

**Company Secretaries**

B-26, Venus CHS Ltd., Maitry Park, 100 Ft Road, Vasai West, Dist. Thane-401 202

Mobile : +91 97643 22951, Email : ranjeetsharma1985@gmail.com

UCN – S2016MH359900

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### **Annexure A**

To,  
The Members,  
Aadi Industries Limited

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) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of 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 provided a reasonable basis for our opinion.
- 3) We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- 4) Wherever required, we have obtained the Management representation about the compliance of the laws, rules and regulations and happening of events, etc.
- 5) The compliance of provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the 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.

**For Ranjeet Kumar Sharma & Associates**  
**Company Secretary**

**Sd/-**  
**Ranjeet Kumar Sharma**  
**CP No. 13241**  
**UDIN: A027079D000437940**  
**Date: May 30, 2022**  
**Place: Mumbai**



## **Annexure B**

### **CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

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

To,  
The Members of  
Aadi Industries Limited

In pursuance of Regulation 34(3) and sub clause (i) of clause 10 of para C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of Aadi Industries Limited (L25203MH1994PLC206053), I hereby certify that:

On the basis of written representation/ declaration received from the directors and taken on record by the Board of Directors, as on March 31, 2021, none of the directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as director of the companies by the SEBI/ Ministry of Corporate Affairs or any such other authority.

For Ranjeet Kumar Sharma & Associates  
Company Secretaries  
Ranjeet Kumar Sharma  
CP No. 13241  
UDIN: A027079D000481302  
Date: June 10, 2022  
Place: Mumbai

**Certification by Managing Director and Chief Financial Officer of the Company  
(Pursuant to Regulations 17(8) of SEBI (LODR) Regulations, 2015)**

We, Rushabh Shah, Managing Director and Sushil Surve, Chief Financial Officer, of Aadi Industries Limited (the Company), hereby certify to the Board that:

(a) We have reviewed the financial statements and the Cash Flow Statement for the year and that to the best of our knowledge and belief:

(i) These statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading;

(ii) These statements together present a true and fair view of the Company affairs and are in compliance with existing accounting standards, applicable laws and Regulations.

(b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.

(c) We are responsible for establishing and maintaining internal controls for financial reporting in the Company and we have evaluated the effectiveness of the internal control system of the Company pertaining to financial reporting. We have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and steps we have taken or propose to take to rectify these deficiencies.

(d) We have indicated to the auditors and the audit Committee:

(i) Significant changes in internal controls over financial reporting during the year.

(ii) Significant changes in accounting policies during the year and the same have been disclosed in the notes to the financial statements; and

(iii) Instance of Significant fraud of which we have become aware and the involvement therein, if any, of the Management or an employee having a significant role in the Company's internal control system over financial reporting.

Sd/-

**Rushabh Shah**

**Managing Director**

**(DIN: 01944390)**

**Date: May 30, 2022**

**Place: Mumbai**

Sd/-

**Sushil Surve**

**Chief Financial officer**

**(PAN: BAFPS2478N)**

**Date: May 30, 2022**

**Place: Mumbai**

**Declaration regarding Compliance by Board Members and Senior Management Personnel with the Company's Code of Conduct**

I, Rushabh Shah, Managing Director of Aadi Industries Limited hereby declare that all the members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct, as applicable to them, for the year ended 31st March, 2022.

Sd/-

Rushabh Shah

**Managing Director**

**(DIN: 01944390)**

**Date: May 30, 2022**

**Place: Mumbai**

## **Independent Auditor's Report**

**To**  
**The Members of Aadi Industries Ltd**

### **Report on the Audit of Financial Statements**

#### **Disclaimer of Opinion**

We have audited the accompanying financial statements of **Aadi Industries Limited** ('the Company'), which comprise the Balance Sheet as at 31<sup>st</sup> March 2022, the statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and statement of cash flows for the year then ended, and notes to financial statements, including a summary of the significant accounting policies and other explanatory information.

Because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the financial statements.

#### **Basis for Disclaimer of Opinion**

Management has not been able to provide any cash credit loan statement or loan confirmation for Rs 35,00,000/- as on 31<sup>st</sup> March, 2022 reflected as borrowings under current financial liabilities. Similarly, management has not been able to provide bank statement or balance confirmation of Rs 1,994/- for the bank balance reflected as cash & cash equivalent. Accordingly, in the absence of sufficient and appropriate evidence to our satisfaction, we are unable to satisfy ourselves on the cash credit limit and bank balance.

As a result of these matters, we were unable to determine whether any adjustments might have been found necessary in respect of recorded or unrecorded transactions in the Balance Sheet, and the corresponding elements making up the Statement of Profit and Loss and Cash Flow Statement.

#### **Material uncertainty related to Going Concern**

We draw attention to note 26 of the financial statements, which indicates that the Company has incurred a loss after tax of Rs 35,39,282 for the year ended 31<sup>st</sup> March 2022. There has been significant decline in the key financial ratios on account of the persistent loss in preceding previous years.

In the opinion of the Company, based on the reasons mention in note no 26 company expects to realise its assets and discharge its liabilities in the normal course of business and hence the financial statements have been prepared on a going concern basis.

The said assumption of going concern is inter-alia dependent on the Company's ability to achieve improvements in liquidity and turnaround in its business operations. Though a material uncertainty exists on the Company's going concern assumption, Company's management is of the view that there are mitigating factors to such uncertainties including discussions with infusion of funds by promoters, orders on hand etc.

Our conclusion on the financial statement is not modified in respect of this matter.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For the year under consideration there has been no Key Audit Matter identified given the fact of no or minimum business operations of the Company.

### **Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Management's Responsibility for the Ind AS Financial Statements**

The Company's management and Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India. 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.

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

Board of Directors is also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibility for the Ind AS Financial Statements**

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 197(16) of the Act, we report that the Company has paid remuneration if any to its directors during the year in accordance with the provisions of and limits laid down under Section 197 read with Schedule V to the Act.
2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in the paragraph 3 and 4 of the order.
3. 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) Except for the matters described in the basis of disclaimer of opinion paragraph, 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 (including other comprehensive income), statement of changes in equity and statement of cash flow dealt with by this Report are in agreement with the books of account;
  - (d) Except for the effects of the matter described in the basis of disclaimer of opinion paragraph, in our opinion, the aforesaid financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act
  - (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2022 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) The disclaimer of opinion relating to the maintenance of accounts and other matters connected therewith are as stated in the basis of disclaimer of opinion paragraph.
  - (g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
  - (h) 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 as on 31<sup>st</sup> March, 2022 which would impact its financial position;

- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
- iii. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund.
- iv. The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
  - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Company or
  - Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- v. The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall:
  - directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Funding Party or
  - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries; and
- (vi) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under subclause (h) (iv) and (h) (v) contain any material mis-statement.

**For RAK CHAMPS & CO LLP.**  
**CHARTERED ACCOUNTANT**  
**Firm Registration No. 131094W**

**RAMANATHA SHETTY**  
**M. No. 218600**

**UDIN: 22218600AJXFTS3034**

**Place: Mumbai**  
**Date: 30/05/2022**



## **Annexure - A to the Independent Auditors' Report**

The Annexure referred to in Independent Auditors' Report to the members of the Company on the Ind AS financial statements for the year ended 31<sup>st</sup> March 2022, we report that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company does not have any intangible asset. Accordingly, clause 3(i)(a)(B) of the order is not applicable.
- (b) The Company has a regular programme of physical verification of its Property, Plant and Equipment by which Property, Plant and Equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain Property, Plant and Equipment were verified during the year and no material discrepancies were noticed on such physical verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) Based on the information and explanations given to us and on the basis of our examination of the records of the Company, the company does not have any immovable property. Accordingly, clause 3(i)(c) of the order is not applicable.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued any of its property, plant and equipment (including Right-of-use assets) or Intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) As informed to us, the inventory, has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No material discrepancies were noticed on such physical verification as compared to the books records that were 10% or more in the aggregate for each class of inventory.
- (b) We are unable to provide an opinion on clause 3(ii)(b) of the Order for the reasons stated in the basis for disclaimer of opinion paragraph. However during the year under consideration there has been no utilization of working capital borrowed funds and no quarterly statements has been filed with the banks.
- (iii)(a) According to information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investment, provided guarantee or security or granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, paragraph 3(iii)(a) of the Order is not applicable to the Company.

- (b) According to information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investment, provided guarantee or security or granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, paragraph 3(iii)(b) of the Order is not applicable to the Company.
- (c) According to information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investment, provided guarantee or security or granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, paragraph 3(iii)(c) of the Order is not applicable to the Company.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company is not having any loans and advances. Paragraph 3(iii)(d) of the order is not applicable.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan given therefore, clause 3(iii)(e) of the order is not applicable.
- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans either repayable on demand or without specifying any terms or period of repayment.
- (iv) In our opinion and according to the information and explanations given to us, compliances with the provisions of Section 185 and 186 of Companies Act 2013 is not applicable to the company since it has not given any loans, made any investment and given any guarantees and securities. Further, the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in relation to loans given and investments made.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of the directives issued by the Reserve Bank of India, provisions of section 73 to 76 of the Act, any other relevant provisions of the Act and the relevant rules framed thereunder.
- (vi) We have broadly reviewed the records maintained by the company pursuant to the rules prescribed by Central Government for maintenance of cost records under section 148(1) of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.
- (vii)(a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-tax, Duty of Customs, Cess and other material statutory dues have generally been regularly deposited with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of GST, Provident fund, Employees' State Insurance, Income-tax, Duty of Customs, Cess and other material statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable.

However, company has defaulted in deducting with TDS as required by the provisions of Income Tax Act, 1961.

- (b) According to the information and explanations given to us, there are no dues of GST, Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Value added tax, Cess or other statutory dues which have not been deposited by the Company on account of disputes, except for the following:

<b>Nature of Dues</b>	<b>Amount</b>	<b>Period to which amount relates</b>	<b>Forum where dispute is pending</b>
Income Tax	2,37,08,910/-	A.Y. 2010-2011	CIT(A) – 22
Income Tax	6,21,76,060/-	A.Y. 2011-2012	CIT(A) – 22
Income Tax	2,25,39,470/-	A.Y. 2012-2013	CIT(A) – 22
Income Tax	3,57,31,690/-	A.Y. 2014-2015	CIT(A) – 22

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income-tax Act, 1961 as income during the year.
- (ix)(a) According to the information and explanations given to us and on the basis of our discussion with the management it is concluded that Company has been declared as NPA by the Banks on account of default in repayment of loan. The said default continues as on date. However, we are unable to provide the details of the default for the reasons stated in the basis for disclaimer of opinion paragraph.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter but declared as NPA by any bank or financial institution or government or government authority.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not taken any term loan therefore, Clause 3(ix)(c) of the order is not applicable.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds have been raised on short-term basis by the Company during the year. Accordingly, clause 3(ix)(d) of the Order is not applicable
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(e) of the Order is not applicable.

- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(f) of the Order is not applicable.
- (x)(a) The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) or term loans during the year. Accordingly, paragraph 3(x)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi)(a) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of our audit procedures.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable Indian Accounting Standards.
- (xiv)(a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (xiv)(b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi)(a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

- (b) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulation made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) According to the information and explanations provided to us during the course of audit, the Group does not have any CIC. Accordingly, the requirements of clause 3(xvi)(d) are not applicable.
- (xvii) The Company has incurred cash losses of Rs 34,07,334 and Rs 9,99,833 for the year ended 31<sup>st</sup> March, 2022 and 31<sup>st</sup> March, 2021 respectively.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions and for the reasons stated in note no 26 of the financial statements, we believe that that material uncertainty exists as on the date of the audit report that the Company may not be capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
- (xx) In our opinion and according to the information and explanations given to us, the company is not liable for spending amount under CSR under sub-section (5) of Section 135 of the Companies Act, 2013 pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.
- (xxi) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the company has no subsidiary companies. Accordingly, clause 3(xxi) of the Order is not applicable.

**For RAK CHAMPS & CO LLP.**

**CHARTERED ACCOUNTANT**

**Firm Registration No. 131094W**

**RAMANATHA SHETTY**

**M. No. 218600**

**UDIN: 22218600AJXFTS3034**

**Place: Mumbai**

**Date: 30/05/2022**

## **Annexure- B to the Auditors' Report**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

#### **Opinion**

We have audited the internal financial controls over financial reporting of AADI Industries Limited ("the Company") as of 31<sup>st</sup> March 2022 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

#### **Management's Responsibility for Internal Financial Controls**

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

#### **Auditors' Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

### **Meaning of Internal Financial Controls with reference to Financial Statements**

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

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

**For RAK CHAMPS & CO LLP.**

**CHARTERED ACCOUNTANT**

**Firm Registration No. 131094W**

**RAMANATHA SHETTY**

**M. No. 218600**

**UDIN: 22218600AJXFTS3034**

**Place: Mumbai**

**Date: 30/05/2022**

AADI INDUSTRIES LTD.  
BALANCE SHEET AS AT MARCH 31, 2022

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
<b>ASSETS</b>			
<b>Non - Current Assets</b>			
Property, Plant & Equipment	3	2,13,534	2,53,491
Deferred Tax Assets (Net)	4	-	16,545
<b>Total Non - Current Assets</b>		<b>2,13,534</b>	<b>2,70,036</b>
<b>Current Assets</b>			
Inventories	5	-	2,49,775
Financial Assets			
Trade Receivables	6	26,26,525	23,81,347
Cash & Cash Equivalents	7	14,60,771	16,12,461
Other Current Assets	8	12,66,280	9,46,748
<b>Total Current Assets</b>		<b>53,53,576</b>	<b>51,90,331</b>
<b>TOTAL ASSETS</b>		<b>55,67,110</b>	<b>54,60,367</b>
Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity Share Capital	9	10,00,00,000	10,00,00,000
Other Equity	10	(16,42,30,913)	(16,06,91,634)
<b>Total Equity</b>		<b>(6,42,30,913)</b>	<b>(6,06,91,634)</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Financial Liabilities			
Borrowings	11	6,90,26,288	6,53,39,793
Trade Payables	12		
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises		7,41,734	7,97,207
Provision	13	30,000	15,000
<b>Total Current Liabilities</b>		<b>6,97,98,022</b>	<b>6,61,52,000</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>55,67,110</b>	<b>54,60,365</b>
<b>CORPORATE INFORMATION</b>	1		
<b>SIGNIFICANT ACCOUNTING POLICIES</b>	2		
<b>NOTES ON ACCOUNTS</b>	3-28		
This is the balance sheet referred to in our report of even date.			
For RAK CHAMPS & CO LLP		For and on behalf of the Board of Directors of	
CHARTERED ACCOUNTANTS		Aadi Industries Ltd	
Firm Registration No. 131094W			
		Rushabh Shah	Gayathri Muttur Nagaraj
		Managing Director	Director
		DIN : 01944390	DIN : 06742638
Ramanatha Shetty		Rugveda Wagh	Sushil Surve
M. NO: 218600		Company Secretary	CFO
Partner		ACS-A50612	
UDIN : 22218600AJXFTS3034			
Mumbai, 30th May 2022		Mumbai, 30th May 2022	



**AADI INDUSTRIES LTD.**  
**CASH FLOW STATEMENT FOR THE PERIOD ENDED MARCH 31, 2022**

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit / (Loss) Before Tax	(35,22,737)	(10,68,597)
Adjustments for :		
Depreciation & Amortization	1,31,949	68,764
Operating loss before working capital changes	(33,90,789)	(9,99,833)
Adjustment for Changes in Working Capital		
(Increase) / Decrease in Trade Receivables	(2,45,178)	-
(Increase) / Decrease in Inventories	2,49,775	-
(Increase) / Decrease in Other Current Assets	(3,19,532)	(1,07,013)
Increase / (Decrease) in Trade Payables	(55,473)	59,887
Increase / (Decrease) in Other Current Liabilities	15,000	(10,493)
Cash Generated from Operations	(37,46,197)	(10,57,451)
Less: Taxes Paid (Net of refund received)	-	-
<b>NET CASH FLOW FROM OPERATING ACTIVITY (A)</b>	<b>(37,46,197)</b>	<b>(10,57,451)</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed assets	(91,989)	(1,70,270)
<b>NET CASH FLOW FROM INVESTING ACTIVITY (B)</b>	<b>(91,989)</b>	<b>(1,70,270)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITY</b>		
Proceeds of Borrowings	36,86,496	11,40,002
<b>NET CASH FLOW FROM FINANCING ACTIVITY (C)</b>	<b>36,86,496</b>	<b>11,40,002</b>
<b>D NET CASH FLOW FOR THE YEAR (A + B + C)</b>	<b>(1,51,690)</b>	<b>(87,720)</b>
Add: Opening Balance of Cash & Cash Equivalents	16,12,461	17,00,180
<b>CLOSING BALANCE OF CASH &amp; CASH EQUIVALENTS</b>	<b>14,60,771</b>	<b>16,12,460</b>
<b>CASH AND CASH EQUIVALENT COMPRISES AS UNDER:</b>		
Balance with banks in current accounts	5,224	1,994
Cash on Hand	14,55,547	16,10,466
<b>CASH AND CASH EQUIVALENT</b>	<b>14,60,771</b>	<b>16,12,460</b>
<b>Note:</b>		
i. Figures in brackets represent outflow of cash & cash equivalent.		
ii. The above Statement of Cash Flows has been prepared under indirect method as set out in Ind AS 7, Statement of Cash Flows.		

This is the Statement of Cash Flows referred to in our report of even date.

**For RAK CHAMPS & CO LLP**  
**CHARTERED ACCOUNTANTS**  
**Firm Registration No. 131094W**

**For and on behalf of the Board of Directors of**  
**Aadi Industries Ltd**

**Ramanatha Shetty**  
**M. NO: 218600**  
**Partner**  
**UDIN : 22218600AJXFTS3034**

**Rushabh Shah**  
**Managing Director**  
**DIN : 01944390**

**Gayathri Muttur Nagaraj**  
**Director**  
**DIN : 06742638**

**Rugveda Wagh**  
**Company Secretary**  
**ACS-A50612**

**Sushil Surve**  
**CFO**

**Mumbai, 30th May 2022**

**Mumbai, 30th May 2022**

Particulars	Note. No.	Year Ended March 31, 2022	Year Ended March 31, 2021
<b>Income</b>			
Revenue from Operations	14	2,66,750	-
<b>Total Income</b>		<b>2,66,750</b>	<b>-</b>
<b>Expenses</b>			
Changes in inventories of stock in trade	15	2,49,775	-
Employee benefits expenses	16	8,28,000	2,94,000
Depreciation and amortization expenses	3	1,31,949	68,764
Other Expenses	17	25,79,764	7,05,833
<b>Total Expenses</b>		<b>37,89,487</b>	<b>10,68,597</b>
<b>Profit / (loss) before tax</b>		<b>(35,22,737)</b>	<b>(10,68,597)</b>
<b>Tax Expenses</b>			
Current Year		-	-
Deferred Tax		16,545	-
<b>Profit / (loss) after tax</b>		<b>(35,39,282)</b>	<b>(10,68,597)</b>
<b>Other Comprehensive Income</b>		<b>-</b>	<b>-</b>
<b>Total Other Comprehensive Income / (loss) for the year</b>		<b>(35,39,282)</b>	<b>(10,68,597)</b>
<b>Earnings Per Equity Share - Basic &amp; Diluted (₹)</b>		<b>(0.35)</b>	<b>(0.11)</b>

**CORPORATE INFORMATION**

1

**SIGNIFICANT ACCOUNTING POLICIES**

2

**NOTES ON ACCOUNTS**

3-28

This is the Statement of Profit and Loss referred to in our audit report of even date.

For RAK CHAMPS &amp; CO LLP

For and on behalf of the Board of Directors of  
Aadi Industries Ltd

CHARTERED ACCOUNTANTS

Firm Registration No. 131094W

Ramanatha Shetty

M. NO: 218600

Partner

UDIN : 22218600AJXFTS3034

Mumbai, 30th May 2022

Rushabh Shah  
Managing Director  
DIN : 01944390Gayathri Muttur Nagaraj  
Director  
DIN : 06742638Rugveda Wagh  
Company Secretary  
ACS-A50612Sushil Surve  
CFO

Mumbai, 30th May 2022

NOTE 3:PROPERTY, PLANT & EQUIPMENT

DESCRIPTION	GROSS BLOCK (AT COST)				DEPRECIATION / AMORTIZATION				NET BLOCK	
	As At April 01, 2021	Additions / Transfers	Deductions	As At March 31, 2022	As At April 01, 2021	For The Year	On Deductions	As At March 31, 2022	As At March 31, 2022	As At March 31, 2021
Furniture & Fixture	75,799	-		75,799	27,488	12,508		39,996	35,803	48,311
Office Equipments	3,11,263	91,989		4,03,252	1,06,083	1,19,441		2,25,524	1,77,728	2,05,180
<b>Total</b>	<b>3,87,062</b>	<b>91,989</b>	<b>-</b>	<b>4,79,051</b>	<b>1,33,571</b>	<b>1,31,949</b>	<b>-</b>	<b>2,65,520</b>	<b>2,13,531</b>	<b>2,53,491</b>

DESCRIPTION	GROSS BLOCK (AT COST)				DEPRECIATION / AMORTIZATION				NET BLOCK	
	As At April 01, 2020	Additions / Transfers	Deductions	As At March 31, 2021	As At April 01, 2020	For The Year	On Deductions	As At March 31, 2021	As At March 31, 2021	As At March 31, 2020
Furniture & Fixture	75,799	-		75,799	10,611	16,877		27,488	48,311	65,188
Office Equipments	1,40,992	1,70,271		3,11,263	54,196	51,887		1,06,083	2,05,180	86,796
<b>Total</b>	<b>2,16,791</b>	<b>1,70,271</b>	<b>-</b>	<b>3,87,062</b>	<b>64,807</b>	<b>68,764</b>	<b>-</b>	<b>1,33,571</b>	<b>2,53,491</b>	<b>1,51,984</b>

**AADI INDUSTRIES LTD.**  
**SIGNIFICANT ACCOUNTING POLICIES**

**1 CORPORATE INFORMATION**

Aadi Industries Limited (The Company) Is A Publicly Limited By Shares Domiciled In India, Incorporated Under The Provisions Of Companies Act, 1956. Its Shares Are Listed On National Stock Exchange Of India Limited And Bse Limited. Its Registered Office Is Situated At 320,Siddhivinayak Society,Hingwala Lane, Ghatkopar East,Mumbai - 400075,India. The Company Is In The Business Of Trading And Manufacturing Of Plastic And Plastic Products.

**2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

This note provides a list of the Significant Accounting Policies adopted in the preparation of these Financial Statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

**2.1 BASIS FOR PREPARATION OF ACCOUNTS**

**a) Statement of Compliance with Ind AS**

These financial statements are the separate financial statements of the Company (also called standalone financial statements) prepared in accordance with Indian Accounting Standards ('Ind AS') notified under section 133 of the Companies Act 2013, read together with the Companies (Indian Accounting Standards) Rules, 2015 (as amended).

**b) Current versus Non-Current classification**

All assets and liabilities have been classified as Current or Non Current as per the Company's normal operation cycle i.e. twelve months and other criteria set out in the Schedule III of the Act.

**c) Historical Cost Convention**

The financial statements are prepared on accrual basis of accounting under historical cost convention in accordance with Generally Accepted Accounting Principles in India and the relevant provisions of the Companies Act, 2013 including Indian Accounting Standards notified there under, except for the following:

- Certain financial assets and liabilities that are measured at fair value

**2.2 USE OF ESTIMATES**

In preparation of the financial statements, the Company makes judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and the associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to the accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Significant judgements and estimates relating to the carrying values of assets and liabilities include useful lives of property, plant and equipment and intangible assets, impairment of property, plant and equipment, intangible assets and investments, impairment of trade receivables, provision for employee benefits and other provisions, recoverability of deferred tax assets, commitments and contingencies.

**2.3 REVENUE RECOGNITION**

**a) Sale of Goods**

Revenue from the sale of goods is recognised when property in the goods, or all significant risks and rewards of ownership of the goods have been transferred to the buyer and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods as well as its collection. Revenue from the sale of goods is measured at the fair value of the consideration received

**b) Rendering of services**

Revenue of services are recognized when the services are rendered.

**c) Dividend**

Dividend income from investments is recognised when the shareholder's rights to receive payment have been established.

**d) Interest Income**

Interest income is accrued on a time proportion basis, by reference to the principal outstanding and the effective interest rate applicable.

**AADI INDUSTRIES LTD.**  
**SIGNIFICANT ACCOUNTING POLICIES**

**2.4 FOREIGN CURRENCY TRANSACTIONS**

**a) Functional and Presentation Currency**

The financial statements are presented in Indian Rupee (INR), which is company's functional and presentation currency.

**b) Initial Recognition**

Transactions in foreign currencies are recorded at the exchange rate prevailing on the dates of the transactions. Exchange difference arising on foreign exchange transaction settled during the year are recognized in the Statement of profit and loss of the year.

**c) Measurement of foreign currency items at the Balance sheet date**

Monetary assets and liabilities denominated in foreign currencies are re-translated into functional currency at the exchange rate prevailing at the end of the reporting period. Non monetary assets and liabilities that are measured based on a historical cost in a foreign currency are not re-translated. Exchange differences arising out of these transaction are charged to the profit and loss.

**2.5 PROPERTY, PLANT AND EQUIPMENTS AND INTANGIBLE ASSETS**

**a) Property, plant and equipment (PPE)**

**i) Recognition and measurement**

Freehold land is carried at cost. All other items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenses directly attributable to the acquisition of the assets. The cost of an item of a PPE comprises its purchase price including import duty, and other non-refundable taxes or levies and any directly attributable cost of bringing the assets to its working condition of its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

**ii) Subsequent expenditure**

Expenditure incurred on substantial expansion upto the date of commencement of commercial production are capitalised. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

**b) Capital Work-In-Progress And Pre-Operative Expenses During Construction Period**

Capital work-in progress includes expenditure directly related to construction and incidental thereto. The same is transferred or allocated to respective Property, Plant and Equipment on their completion / commencement of commercial production.

**c) Intangible assets**

Intangible assets are held on the balance sheet at cost less accumulated amortisation and impairment loss if any.

**2.6 IMPAIRMENT OF NON- FINANCIAL ASSETS**

The Company's non-financial assets other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is an indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a discount rate that reflects current market assessments of time value of money and the risks specific to the CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment losses recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amount of the other assets of the CGU on a pro rata basis.

**AADI INDUSTRIES LTD.**  
**SIGNIFICANT ACCOUNTING POLICIES**

An impairment loss in respect of assets for which impairment loss has been recognized in prior periods, the Company reviews at reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

## 2.7 DEPRECIATION AND AMORTISATION

Depreciation is computed using Straight Line Method (SLM) over the useful lives of the assets as specified in Schedule II to the Companies Act, 2013. Lease hold land is amortised over the period of lease.

Useful lives of the items of Property, Plant and Equipment are as follows:

Asset	Estimated Useful Life
Building	30 Years
Plant & Machinery	8 Years
Furniture and Fixtures	10 Years
Vehicles	8 Years
Computers	3 Years
Other equipment	5 Years

Intangible Assets are amortized over their individual estimated useful lives on a Straight Line basis, commencing from the year in which the same are available to the Company for its intended use. The useful life so determined is as follows:

Assets	Amortisation period
Software Licenses	5 years

The assets; residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. Depreciation and amortization on property, plant and equipment added/dropped off during the year has been provided on pro-rata basis with reference to the date of addition/disposal.

Depreciation and amortization methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate

## 2.8 FINANCIAL INSTRUMENTS

### 1. Financial Assets

#### a) Classification of financial assets

The Company classifies financial assets as subsequently measures at amortised cost, fair value through other comprehensive income or fair value through profit & loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

##### *1) Debt instrument at amortised cost:*

A 'debt Instrument' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objectives is to hold assets for collecting contractual cash flow and
- Contractual terms of the asset give rise on specified dates to cash flow that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium and fees or cost that are an integral part of the EIR. The EIR. Amortisation is included in finance income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. The category generally applies to trade and other receivable.

##### *ii) Debt instrument at fair value through other comprehensive income (FVOCI):*

Assets that are held for collection of contractual cash flow and selling the financial assets, where the assets' cash flow represents solely payments of principal and interest are measuring at FVOCI, movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue or foreign exchange gains and losses which are recognised in profit and loss. When the financial assets is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the EIR method. The company does not have any instruments classified as fair value through other comprehensive income (FVOCI).

##### *iii) Debt instrument measured at fair through profit and loss (FVTPL):*

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt instrument that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/ (losses) in the period in which it arises. Interest income from these financial assets is included in other income.

##### *iv) Equity investments:*

Investment in associates are accounted using equity method.

**AADI INDUSTRIES LTD.**

**SIGNIFICANT ACCOUNTING POLICIES**

All other equity investments which are in scope of Ind-AS 109 are measured at fair value. Equity instrument which are held for trading are classified as at FVTPL. For all other equity investments, the Company decide to classify the same either as at fair value through other comprehensive income (FVOCI) or FVTPL. The company makes such election on an instrument-by- instrument basis. The classification is made on initial recognition and is irrevocable.

For equity investments classified as FVOCI, all fair value changes on the instruments, excluding dividend, are recognized in other comprehensive income (OCI). There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of such investment

Equity investments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of profit and loss.

Costs of certain unquoted equity instruments has been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range.

**AADI INDUSTRIES LTD.**  
**SIGNIFICANT ACCOUNTING POLICIES**

**b) Initial recognition and measurement**

All financial assets are recognised initially at fair value and for those instruments that are not subsequently measured at FVTPL, plus/minus transaction cost that are attributable to the acquisition of the financial assets.

Trade receivable are carried at original invoice price as the sales arrangements do not contain any significant financial component. Purchase or sales of financial assets that required delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the company commits to purchase or sell the assets.

**c) Derecognition of financial assets**

A financial asset (or, where applicable, a part of a financial asset or part of a company of similar financial assets) primarily derecognised (i.e. removed from the company's balance sheet) when :

- The rights to receive cash flows from the asset have expired, or
- The Company has neither transferred nor retained substantially all the risks and rewards all the assets, but has transferred control of the assets.

When the company has transferred its rights to receive cash flow from an asset or has entered into a pass-through arrangement, it evaluates whether it has transferred substantially all the risks and rewards of ownership. In such cases, the financial asset is derecognised. When it has neither transferred nor retained substantially all of the risks and rewards of the assets, nor transferred control of the assets, the Company continues to recognise the transferred asset to the extent of the company's continuing involvement. In the case, the company recognises and associated liability. The transferred asset and the associated liability are measured on a basis that reflect the rights and obligations that the company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and maximum amount of consideration that the company could be required to repay.

**d) Impairment of financial assets**

In accordance with Ind-AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on following financial assets and credit risk exposure:

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loan, debt security, deposits, and bank balance.
- Trade Receivables

The company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component.

The application simplified approach does not require the company to track change in risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivable. The provision matrix based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, historically observed default rate updated and change in the forward looking estimates are analysed.

**II. Financial Liabilities and equity instruments**

Debt and equity instruments issued by an entity are classified as either financial liability or as equity in accordance with substance of the contractual arrangements and the definition of a financial liability and an equity instrument.

**a) Equity instruments:**

An equity instruments is any contract the evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by an entity are recognised at the proceeds received, net of direct issue costs.

An equity instruments is any contract the evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by an entity are recognised at the proceeds received, net of direct issue costs.

**b) Financial liabilities :- Classification**

Financial liabilities are classified as either's at FVTPL' or' other financial liabilities consists of derivative financial instruments, wherein the gain/losses arising from remeasurement of these Instruments of recognized in the statements of profit and loss. Other financial liability (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

**c) Initial recognition and measurement:**

All financial liability are recognised initially at fair value and for those instruments that are not Subsequently measured at FVTPL, plus/minus transaction cost that are attributable to issue of these instruments.



**AADI INDUSTRIES LTD.**  
**SIGNIFICANT ACCOUNTING POLICIES**

**d) Derecognition**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of the new liability. The difference in the respective carrying amounts is recognised in the statement of Profit and Loss.

**III. Fair Value**

The Company determines the fair value of its financial instruments on the basis of the following hierarchy

- a) Level 1 : The fair value of financial instruments quoted in active markets is based on their quoted closing price at the balance sheet date. Examples include exchange traded commodity derivatives and other financial instruments in equity and debt securities which are listed in a recognised stock exchange
- b) Level 2 : The fair value of financial instruments that are not traded in active markets is determined by using valuation techniques using observable market data. Such valuations techniques include discounted cash flows, standard valuation models based on market parameters for interest rates, yield curves or foreign exchange rates, dealer quotes for similar instruments and use of comparable arm's length transactions. For example, the fair value of forward exchange contracts, currency swaps and interest rate swaps is determined by discounting estimated future cash flows using a risk-free interest rate
- b) Level 3 : The fair value of financial instruments that are measured on the basis of entity specific valuations using inputs that are not based on observable market data (unobservable inputs)

**IV. Accounting for day 1 differences**

If the fair value of the financial asset or financial liability at initial recognition differs from the transaction price, this if it is not consideration for goods or services or a deemed capital contribution or deemed distribution, is accounted as follows :

- i) If the fair value is evidence by a quoted price in an active market for an identical asset or liability (ie Level 1 input) or based on a valuation technique that uses data from observable market, the entire day 1 gain/loss is recorded immediately in the statement of profit and loss; or
- ii) in all other cases, the difference between the fair value at initial recognition and transaction price is deferred. After initial recognition, the deferred difference is recorded as gain or loss in the statement profit and loss only to the extent that is arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability.

In case difference represents :

- i) deemed capital contribution - it is recorded as investment in subsidiary
- ii) deemed distribution - It is recorded in equity
- iii) deemed consideration for goods and services - it is recorded as an asset or liability. This amount is amortised / accredited to the statement of profit and loss as per the substance of the arrangement (generally straight line basis over the duration of the arrangement)

**2.9 INVENTORIES**

Inventories are stated at the lower of cost and net realizable value.

Cost of Raw Material is determined on a First In First Out (FIFO) basis.

Packing materials are valued at cost.

Finished goods are valued at cost or net realizable value whichever is lower. Cost comprises direct materials and where applicable, direct labour costs, those overheads but excluding borrowing cost that have been incurred in bringing the inventories to their present location and condition. Cost is arrived on weighted average cost basis.

Work in Progress is valued at cost or net realizable value whichever is less. Cost comprises direct materials and appropriate portion of direct labour costs, manufacturing overheads but excluding borrowing cost that have been incurred in bringing the inventories to their present location and condition.

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**2.10 BORROWING COSTS**

Borrowing Costs that are interest and other costs that the company incurs in connection with the borrowings of funds and is measured with reference to the effective interest rate applicable to the respective borrowing. Borrowing costs include interest cost measured at EIR and exchange difference arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing Costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets, wherever applicable, till the assets are ready for their intended use. Such capitalisation is done only when it is probable that the asset will result in future economic benefits and the costs can be measured reliably. Capitalisation of borrowing cost is suspended and charged to

Capitalisation of borrowing costs commences when all the following conditions are satisfied:

- i. Expenditure for the acquisition, construction or production of a qualifying asset is being incurred;
- ii. Borrowing costs are being incurred; and
- iii. Activities that are necessary to prepare the asset for its intended use are in progress.

A qualifying asset is one which necessarily takes substantial period to get ready for intended use. All other borrowing costs are charged to revenue account.

**2.11 ACCOUNTING FOR TAXES ON INCOME**

**a) Income Taxes**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in Deferred Tax Assets and Liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period i.e. as per the provisions of the Income Tax Act, 1961, as amended from time to time. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on the rates and tax laws enacted or substantively enacted, at the reporting date in the country where the Company operates and generates taxable income. Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Current tax assets and liabilities are offset only if, the Company :

- i) has legally enforceable right to set off the recognised amounts; and
- ii) Intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

**b) Deferred Taxes**

Deferred tax is recognised in respect of temporary differences between the carrying amounts of the assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purpose

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences only if it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realised; such reductions are reversed when the probability of future taxable profits improves

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantially enacted at the reporting date.

Deferred Tax Assets and Liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and Deferred Tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

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Any tax credit including MAT credit available is recognised as Deferred Tax to the extent that it is probable that future taxable profit will be available against which the unused tax credits can be utilised. The said asset is created by way of credit to the Statement of Profit and Loss and shown under the head deferred tax asset

The carrying amount of Deferred Tax Assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the Deferred Tax Asset to be utilised. Unrecognised Deferred Tax Assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are offset only if, the Company :

- i) has legally enforceable right to set off the recognised amounts; and
- ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

**2.12 PROVISIONS AND CONTINGENT LIABILITIES**

**a) Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

**b) Contingent Liability**

Contingent liabilities are not provided for and if material, are disclosed by way of notes to accounts. Contingent Liability is disclosed in the case of:

- i. A present obligation arising from the past events, when it is not probable that an outflow of resources will be required to settle the obligation;
- ii. A present obligation arising from the past events, when no reliable estimate is possible;
- iii. A possible obligation arising from the past events, unless the probability of outflow of resources is remote.

**2.13 EARNING PER SHARE**

**a) Basic Earnings Per Share**

Basic Earnings Per Share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the company's earnings per share is the net profit for the period after deducting preference dividends, if any, and any attributable distribution tax thereto for the period.

**b) Diluted Earnings Per Share**

Diluted Earnings Per Share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential equity shares and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares

**2.14 CASH AND CASH EQUIVALENTS**

Cash and Cash Equivalents comprise cash and deposits with banks. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known of cash to be cash equivalents.

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions and other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

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**2.15 STATEMENT OF CASH FLOWS**

Cash Flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing Cash Flows. The cash flows from operating, investing and financing activities of the Company are segregated.

**2.16 DIVIDEND**

The Company recognises a liability for dividends to equity holders of the Company when the dividend is authorised and the dividend is no longer at the discretion of the Company. As per the corporate laws in India, a dividend is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

**2.17 ROUNDING OFF**

All amounts disclosed in the financial statements and notes have been rounded off to the nearest rupees, unless otherwise stated.

**2.18 EVENTS OCCURRING AFTER THE REPORTING DATE**

Adjusting events (that provides evidence of condition that existed at the balance sheet date) occurring after the balance sheet date are recognized in the financial statements. Material non adjusting events (that are inductive of conditions that arose subsequent to the balance sheet date) occurring after the balance sheet date that represents material change and commitment affecting the financial position are disclosed in the Directors' Report.

**2.19 EXCEPTIONAL ITEMS**

Certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Company is such that its disclosure improves the understanding of the performance of the Company, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements.

**2.20 OPERATING CYCLE**

All assets and liabilities have been classified as current or non-current as per each Company's normal operating cycle and other criteria set out in the Schedule III to the Act

**2.21 SEGMENT REPORTING**

Operating segments are those components of the business whose operating results are regularly reviewed by the chief operating decision making body in the Company to make decisions for performance assessment and resource allocation.

The reporting of segment information is the same as provided to the management for the purpose of the performance assessment and resource allocation to the segments.

**2.22 LEASES**

The company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the company assesses whether: (i) the contract involves the use of an identified asset (ii) the company has substantially all of the economic benefits from use of the asset through the period of

**a) Company as a Lessee**

At lease commencement date, the company recognises a right-of-use assets and a lease liabilities on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liabilities, any initial direct costs incurred by the company and any lease payments made in advance of the lease commencement date.

The company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use assets or the end of the lease term. The company also assesses the right-of-use assets for impairment when such indicators exist.

At the commencement date of lease, the company measures the lease liabilities at the present value of the lease payments to be made over the lease term, discounted using the interest rate implicit in the lease if that rate is readily available or the company's incremental borrowing rate. The company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance, fixed), and payments arising from options reasonably certain to be exercised. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest expenses. It is remeasured to reflect any reassessment or modification.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset or Statement of profit and loss, as the case may be.

The company has elected to account for short-term leases and leases of low-value assets using the exemption given under Ind AS 116, Leases. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straightline basis over the lease term or on another systematic basis if that basis is more representative of the pattern of the company's benefit.

**b) Company as a Lessor**

Leases for which the company is a lessor classified as finance or operating lease

Lease income from operating leases where the company is a lessor is recognised in income on a straightline basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the Balance Sheet based on their nature."

## NOTE 3:PROPERTY, PLANT &amp; EQUIPMENT

DESCRIPTION	GROSS BLOCK (AT COST)				DEPRECIATION / AMORTIZATION				NET BLOCK	
	As At April 01, 2021	Additions / Transfers	Deductions	As At March 31, 2022	As At April 01, 2021	For The Year	On Deductions	As At March 31, 2022	As At March 31, 2022	As At March 31, 2021
Furniture & Fixture	75,799	-		75,799	27,488	12,508		39,996	35,803	48,311
Office Equipments	3,11,263	91,989		4,03,252	1,06,083	1,19,441		2,25,524	1,77,728	2,05,180
<b>Total</b>	<b>3,87,062</b>	<b>91,989</b>	<b>-</b>	<b>4,79,051</b>	<b>1,33,571</b>	<b>1,31,949</b>	<b>-</b>	<b>2,65,520</b>	<b>2,13,531</b>	<b>2,53,491</b>

DESCRIPTION	GROSS BLOCK (AT COST)				DEPRECIATION / AMORTIZATION				NET BLOCK	
	As At April 01, 2020	Additions / Transfers	Deductions	As At March 31, 2021	As At April 01, 2020	For The Year	On Deductions	As At March 31, 2021	As At March 31, 2021	As At March 31, 2020
Furniture & Fixture	75,799	-		75,799	10,611	16,877		27,488	48,311	65,188
Office Equipments	1,40,992	1,70,271		3,11,263	54,196	51,887		1,06,083	2,05,180	86,796
<b>Total</b>	<b>2,16,791</b>	<b>1,70,271</b>	<b>-</b>	<b>3,87,062</b>	<b>64,807</b>	<b>68,764</b>	<b>-</b>	<b>1,33,571</b>	<b>2,53,491</b>	<b>1,51,984</b>

## NOTE 5: Inventory

Particulars	As at March 31, 2022	As at March 31, 2021
Stock in Trade	-	2,49,775
<b>TOTAL</b>	<b>-</b>	<b>2,49,775</b>

## NOTE 6: FINANCIAL ASSETS - TRADE RECEIVABLES

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Trade Receivables</b>		
Considered good - related parties	-	-
Unsecured - Considered Good	26,26,525	23,81,347
Considered doubtful	-	-
Less : Allowance for unsecured doubtful debts	-	-
<b>TOTAL</b>	<b>26,26,525</b>	<b>23,81,347</b>
Trade receivables considered good - Secured	-	-
Trade receivables considered good - Unsecured	26,26,525	23,81,347
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - Credit impaired	-	-
Less : Impairment allowance	-	-
<b>TOTAL</b>	<b>26,26,525</b>	<b>23,81,347</b>

## Notes -

- i. The Company has called for balance confirmation of Trade Receivables on random basis. Out of which the Company has received response from some of the parties, which are subject to reconciliation with Company's account. The other balances of Trade Receivables are subject to confirmation.
- ii. Refer Note 22 for information about Credit Risk and Market Risk of Trade Receivables.
- iii. There are no outstanding dues from directors or other officers of the company

## (1) Ageing for trade receivables outstanding as at March 31, 2022 is as follows:

Particulars	Outstanding for following periods from due date of payment					TOTAL
	< 6M	6M - 1 Y	1 Y- 2 Y	2 Y- 3 Y	> 3Y	
(i) Undisputed Trade receivables – considered good	-	3,14,765	-	-	23,11,760	26,26,525
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
<b>TOTAL</b>	-	-	-	-	-	<b>26,26,525</b>

## (2) Ageing for trade receivables outstanding as at March 31, 2021 is as follows:

Particulars	Outstanding for following periods from due date of payment					TOTAL
	< 6M	6M - 1 Y	1 Y- 2 Y	2 Y- 3 Y	> 3Y	
(i) Undisputed Trade receivables – considered good	63,687	5,900	-	-	23,11,760	23,81,347
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
<b>TOTAL</b>	-	-	-	-	-	<b>23,81,347</b>

## NOTE 7: FINANCIAL ASSETS - CASH &amp; CASH EQUIVALENTS

Particulars	As at March 31, 2022	As at March 31, 2021
Balances with Banks in Current Accounts	5,224	1,994
Cash on Hand	14,55,547	16,10,467
<b>TOTAL</b>	<b>14,60,771</b>	<b>16,12,461</b>

## NOTE 8: OTHER CURRENT ASSETS

Particulars	As at March 31, 2022	As at March 31, 2021
Advance to suppliers	6,85,000	6,85,000
Balances with Government Authorities	5,81,280	2,61,748
<b>TOTAL</b>	<b>12,66,280</b>	<b>9,46,748</b>

**NOTE 11: FINANCIAL LIABILITIES (SHORT TERM BORROWINGS)**

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Loans repayable on demand</b>		
<b>Secured :</b>		
From Banks	35,00,000	35,00,000
<b>Unsecured :</b>		
From directors (refer note below)	6,55,26,288	6,18,39,793
<b>TOTAL</b>	<b>6,90,26,288</b>	<b>6,53,39,793</b>

**Note:**

Loan from related parties pertains to loans taken from directors and same is interest free in nature and repayable on demand.

**NOTE 12: FINANCIAL LIABILITIES - TRADE PAYABLES**

Particulars	As at March 31, 2022	As at March 31, 2021
Due to Micro, Small and Medium Enterprises (Refer Note Below)	-	-
Due to Others	7,41,734	7,97,207
<b>TOTAL</b>	<b>7,41,734</b>	<b>7,97,207</b>

**Note**

Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 are provided as under for the year 2021-22 to the extent the Company has received intimation from the "Suppliers" regarding their status under the Act.

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Principal and interest amount remaining unpaid	-	-
(ii) Interest due thereon remaining unpaid	-	-
(iii) Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day	-	-
(iv) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006	-	-
(v) Interest accrued and remaining unpaid	-	-
(vi) Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**Ageing for trade payables outstanding as at March 31, 2022 is as follows:**

Particulars	Outstanding for following periods from due date of payment				Total
	< 1 Year	1-2 year	2-3 year	> 3 year	
(i) MSME	-	-	-	-	-
(ii) Others	83,520.00	-	2,83,583.00	3,74,631.00	7,41,734.00
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
<b>TOTAL</b>	<b>83,520.00</b>	<b>-</b>	<b>2,83,583</b>	<b>3,74,631</b>	<b>7,41,734.00</b>

**Ageing for trade payables outstanding as at March 31, 2021 is as follows:**

Particulars	Outstanding for following periods from due date of payment				Total
	< 1 Year	1-2 year	2-3 year	> 3 year	
(i) MSME	-	-	-	-	-
(ii) Others	1,30,733.00	2,91,843.00	3,74,631.00	-	7,97,207.00
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
<b>TOTAL</b>	<b>1,30,733.00</b>	<b>2,91,843.00</b>	<b>3,74,631</b>	<b>-</b>	<b>7,97,207.00</b>

**NOTE 13: Provision**

Particulars	As at March 31, 2022	As at March 31, 2021
Other Provisions	30,000	15,000
<b>TOTAL</b>	<b>30,000</b>	<b>15,000</b>

**NOTE 9: EQUITY SHARE CAPITAL**

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Authorised Share Capital</b>		
2,50,00,000 ( 2,50,00,000/- ) Equity Shares of Rs. 10/- each	25,00,00,000	25,00,00,000
<b>TOTAL AUTHORIZED SHARE CAPITAL</b>	<b>25,00,00,000</b>	<b>25,00,00,000</b>
<b>Issued, Subscribed &amp; Fully Paid Up</b>		
1,00,00,000 (1,00,00,000 ) Equity Shares of Rs. 10/- each full paid up	10,00,00,000	10,00,00,000
<b>TOTAL ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL</b>	<b>10,00,00,000</b>	<b>10,00,00,000</b>

**a) Reconciliation of the number of shares outstanding :**

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	Amount	No. of Shares	Amount
Shares at the beginning	1,00,00,000	10,00,00,000	1,00,00,000	10,00,00,000
<b>Shares at the end</b>	<b>1,00,00,000</b>	<b>10,00,00,000</b>	<b>1,00,00,000</b>	<b>10,00,00,000</b>

**b) Rights, Preferences and restrictions attached to shares**

The company has one class of equity shares having a face value Rs. 10/- per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders will be entitled to receive any of the remaining asset of the company in proportion to the number of equity shares held by the shareholders, after distribution of all the preferential amounts. However no such preferential amount exist currently.

**c) Shareholders holding more than 5% shares each :**

Name of the Shareholder	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	%	No. of Shares	%
MR.RUSHABH JITENDRA SHAH	24,86,429	24.86%	24,86,429	24.86%

**d) Shareholding of promoters:**

Disclosure of shareholding of promoters as at March 31, 2022 is as follows:

Shares Held By promoters at the end of Mar 2022		As at March 31, 2022		% change during the year	
Sr No	Promoter Name	No. of Shares	%	No. of Shares	%
1	MR.RUSHABH JITENDRA SHAH	24,86,429	24.86%	-	0.00%

Disclosure of shareholding of promoters as at March 31, 2021 is as follows:

Shares Held By promoters at the end of Mar 2021		As at March 31, 2021		% change during the year	
Sr No	Promoter Name	No. of Shares	%	No. of Shares	%
1	MR.RUSHABH JITENDRA SHAH	24,86,429	24.86%	-	0.00%



**NOTE 14: REVENUE FROM OPERATIONS**

Particulars	Year Ended March 31, 2022	Year ended March 31, 2021
<b>Revenue from contract with customers</b>		
Sale of Products	2,66,750	-
<b>TOTAL</b>	<b>2,66,750</b>	<b>-</b>

i. There are no adjustments to the contracted price with the customers. Accordingly, revenue from contracts with customers as recognised above is the same as contracted price.

ii. The entire revenue is sourced in India and recognised at a point in time.

**NOTE 15: CHANGE IN INVENTORIES**

Particulars	Year Ended March 31, 2022	Year ended March 31, 2021
<b>Opening Stocks:</b>		
Stock In Trade	2,49,775	2,49,775
<b>Sub - Total (A)</b>	<b>2,49,775</b>	<b>2,49,775</b>
<b>Closing Stocks:</b>		
Stock In Trade	-	2,49,775
<b>Sub - Total (B)</b>	<b>-</b>	<b>2,49,775</b>
<b>Change in Inventories (A-B)</b>	<b>2,49,775</b>	<b>-</b>

**NOTE 16: EMPLOYEE BENEFIT EXPENSES**

Particulars	Year Ended March 31, 2022	Year ended March 31, 2021
Salaries, Wages and Bonus	5,88,000	2,94,000
Directors Remuneration	2,40,000	-
<b>TOTAL</b>	<b>8,28,000</b>	<b>2,94,000</b>

**NOTE 17: OTHER EXPENSES**

Particulars	Year Ended March 31, 2022	Year ended March 31, 2021
Advertisement, Publicity & Sales Promotion	36,096	46,468
Repairs to Plant and Machinery	3,600	12,656
General Office Expenses	1,612	11,906
Printing & Stationery Expenses	5,202	5,574
Internet Charges	5,000	1,800
CDSL and NSDL Charges	65,000	45,000
Independent Directors sitting fees	1,80,000	20,000
Website charges	4,500	5,000
Interest on TDS	-	767
Legal and Professional Fees	3,78,761	2,41,662
BSE Penalty	40,000	-
BSE Re-instatement Fees	12,00,000	-
Revocation Fees	25,000	-
Sundry Expenses	19,993	-
Listing Fees	6,00,000	3,00,000
<b>Payment to Auditors</b>		
Audit Fees	15,000	15,000
<b>TOTAL</b>	<b>25,79,764</b>	<b>7,05,833</b>

**NOTE 21: FINANCIAL INSTRUMENTS - CLASSIFICATION AND FAIR VALUE MEASUREMENT****(a) Financial Assets and Liabilities**

The carrying value of financial instruments by categories as at year end is as follows:

Particulars	Year Ended March 31, 2022	Year ended March 31, 2021
<b>Financial Assets</b>		
<u>Amortised Cost</u>		
Trade Receivables	26,26,525	23,81,347
Cash & Cash Equivalents	14,60,771	16,12,461
<b>Total</b>	<b>40,87,296</b>	<b>39,93,808</b>
<b>Financial Liabilities</b>		
<u>Amortised Cost</u>		
Borrowings	6,90,26,288.49	6,53,39,792.91
Trade Payable	7,41,734.00	7,97,207.00
<b>Total</b>	<b>6,97,68,022.49</b>	<b>6,61,36,999.91</b>

Carrying amounts of Loans, Trade Receivables, Cash and Cash Equivalents, Other Bank Balances, Other Financial Assets, Borrowings, Trade Payables and Other Financial Liabilities as at March 31, 2022 and March 31, 2021 approximate the fair value because of the short term nature.

**NOTE 23: RELATED PARTY**

**I. List of related parties and Relationship**

Key Managerial Personnel :

a) Directors

Mr. Rushabh Shah

Ms. Gayathri Muttur Nagaraj

Mr. Sharanabasaweshwar Hiremath

Ms. Sonam Kinjal Gandhi

b) Chief Financial Officer

Mr. Sushil Surve

c) Company Secretary

Ms. Rugveda Wagh

**II. Transaction and outstanding balances with the related party**

Particulars	Key Management Personnel		Total	Total
	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
Loan received				
Mr. Rushabh Shah	37,50,183	11,40,002	37,50,183	11,40,002
Loan outstanding				
Mr. Rushabh Shah	6,55,26,289	6,18,39,793	6,55,26,289	6,18,39,793

**Note:** Related Parties Relationship is as identified by the company and relied upon by the auditors.

## NOTE 22: FINANCIAL RISK MANAGEMENT AND POLICIES

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the managing board. The details of different types of risk and management policy to address these risks are listed below:

### (a) Market Risk:-

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loans and borrowings. The objective of market risk management is to avoid excessive exposure in our foreign currency revenues and costs.

#### (a)(i) Market Risk - Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. Since all the borrowings are generally for short durations and fixed rate, there is no significant interest rate risks pertaining to these deposits

#### (a)(ii) Market Risk - Price Risk

price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded price.

The Company has no surplus for investment in debt mutual funds, deposits etc. Accordingly, company is not exposed to any price risk

#### (a)(iii) Market Risk - Currency Risk

The fluctuation in foreign currency exchange rates may have a potential impact on the statement of profit and loss and equity, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the Company.

The company does not have any asset or liability in the foreign currency. In view of this it is not susceptible to market currency risk arising from fluctuation in foreign currency exchange rates.

### (b) Credit Risk

Credit Risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

The carrying amount of Financial Assets represents the maximum credit exposure

#### Trade Receivables

The Company has established a credit policy under which each new customer is analysed individually for creditworthiness before the payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, financial statements, industry information, business intelligence and in some cases bank references.

Trade Receivables of the Company are typically unsecured, except to the extent of the security deposits received from the customers or financial guarantees provided by the market organizers in the business. Credit Risk is managed through credit approvals and periodic monitoring of the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company performs ongoing credit evaluations of its customers' financial condition and monitors the creditworthiness of its customers to which it grants credit terms in the normal course of business. The Company has no concentration of Credit Risk as the customer base is geographically distributed in India.

#### Expected credit loss for trade receivable:

The allowance for impairment of Trade receivables is created to the extent and as and when required, based upon the expected collectability of accounts receivables. On account of adoption of Ind AS 109, the Company uses lifetime Expected Credit Loss (ECL) model for assessing the impairment loss. For this purpose, the Company uses a provision matrix to compute the expected credit loss amount for trade receivables. Loss rates are based on actual credit loss experience and past trends. The provision matrix takes into account external and internal credit risk factors and historical experience / current facts available in relation to defaults and delays in collection thereof

#### Other Financial Assets

The company maintains its Cash and Cash equivalents with banks having good reputation, good past track record and high quality credit rating and also reviews their credit-worthiness on an on-going basis.

#### Expected credit loss on financial assets other than trade receivable:

The allowance for impairment of Trade receivables is created to the extent and as and when required, based upon the expected collectability of accounts receivables. On account of adoption of Ind AS 109, the Company uses lifetime Expected Credit Loss (ECL) model for assessing the impairment loss. For this purpose, the Company uses a provision matrix to compute the expected credit loss amount for trade receivables. Loss rates are based on actual credit loss experience and past trends. The provision matrix takes into account external and internal credit risk factors and historical experience / current facts available in relation to defaults and delays in collection thereof. Accordingly based on the provision matrix there is no expected credit loss to the company and accordingly there is no provision for doubtful debts

### (c) Liquidity Risk

Liquidity Risk is the risk that the Company will face in meeting its obligation associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach in managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Any short term surplus cash generated, over and above the amount required for working capital management and other operational requirements is retained as Cash and Cash Equivalents (to the extent required).

#### Exposure to Liquidity Risk

The following table shows the maturity analysis of the Company's Financial Liabilities based on contractually agreed undiscounted cash flows along with its carrying value as at the Balance Sheet Date

Particulars	March 31, 2022		As at March 31, 2021	
	As at Less than 12 months	More than 12 months	Less than 12 months	More than 12 months
Borrowings	6,90,26,288	-	6,53,39,793	-
Trade Payables	7,41,734	-	7,97,207	-
Other Financial Liabilities	30,000	-	15,000	-
<b>Total</b>	<b>6,97,98,022</b>	<b>-</b>	<b>6,61,52,000</b>	<b>-</b>

**NOTE 18: CONTINGENT LIABILITIES AND COMMITMENTS****Disputed liabilities on account of Income Tax as at year end**

<b>Statute</b>	<b>Financial Year to which matter pertains</b>	<b>Forum where matter is pending</b>	<b>Year ended March 31, 2022</b>	<b>Year ended March 31, 2021</b>
<b>Income Tax</b>	<b>FY 2009-10</b>	CIT(A) - 22	2,37,08,910.00	-
<b>Income Tax</b>	<b>FY 2010-11</b>	CIT(A) - 22	6,21,76,060.00	6,21,76,060.00
<b>Income Tax</b>	<b>FY 2011-12</b>	CIT(A) - 22	2,25,39,470.00	2,25,39,470.00
<b>Income Tax</b>	<b>FY 2012-13</b>	CIT(A) - 22	3,51,37,690.00	3,51,37,690.00

**NOTE 19: EARNINGS PER SHARE**

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Loss for the year as per Statement of Profit & Loss	(35,39,282)	(10,68,597)
Weighted Average No. of Equity Shares for of Face Value ₹ 10 each	1,00,00,000	1,00,00,000
<b>Earnings Per Share - Basic &amp; Diluted</b>	<b>(0.35)</b>	<b>(0.11)</b>

**NOTE 20: CAPITAL MANAGEMENT**

The Company's objective for Capital Management is to maximise shareholder value, safeguard business continuity, and support the growth of the Company. Capital includes, Equity Capital, Securities Premium and other reserves and surplus attributable to the equity shareholders of the Company. The Company determines the capital requirement based on annual operating plans and long term and strategic investment and capital expenditure plans. The funding requirements are met through a mix of equity, operating cash flows generated and debt. The operating management, supervised by the Board of Directors of the Company regularly monitors its key gearing ratios and other financials parameters and takes corrective actions wherever necessary. The relevant quantitative information on the aforesaid parameters are disclosed in these financial statements.

The company monitors capital on the basis of the following gearing ratio :

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Total interest bearing financial liabilities	6,90,26,288	-
Less : Cash and Cash Equivalents	14,60,771	16,12,461
<b>Adjusted Net Debt</b>	<b>6,75,65,518</b>	<b>(16,12,461)</b>
Total Equity	(6,42,30,913)	(6,06,91,634)
<b>Adjusted Equity</b>	<b>(6,42,30,913)</b>	<b>(6,06,91,634)</b>
Net Debt to Equity Ratio	<b>-1.05</b>	<b>0.03</b>