

Hyderabad, 03<sup>rd</sup> September, 2022.

To
The General Manager - Operations,
BSE Limited,
Phiroze Jeejeebhoy Towers,
25th Floor, Dalal Street,
Mumbai – 400 001.

Dear Sir/Ma'am,

Sub: Submission of 28th Annual Report of Ajel Limited for the financial year 2021-22, along with the notice of Annual General Meeting.

Ref: Regulation 34 (1) of the Securities Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulation, 2015.

In Compliance with Regulation 34 of the SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2015, we submit herewith 28th Annual Report of the company for the Financial Year 2021-22 along with Notice of the 28th Annual General Meeting scheduled on Monday, 26<sup>th</sup> day of September, 2022 at 02.00 P.M through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM").

Kindly take the above information on records.

We shall be glad to furnish any further information/clarification in this regard.

Yours faithfully,

Thanking You,

FOR AJEL LIMITED

SHRUTHI RATHI

Company Secretary & Compliance Officer

M.No. 67780

Encl: As above



CIN: L67120MH1994PLC076637

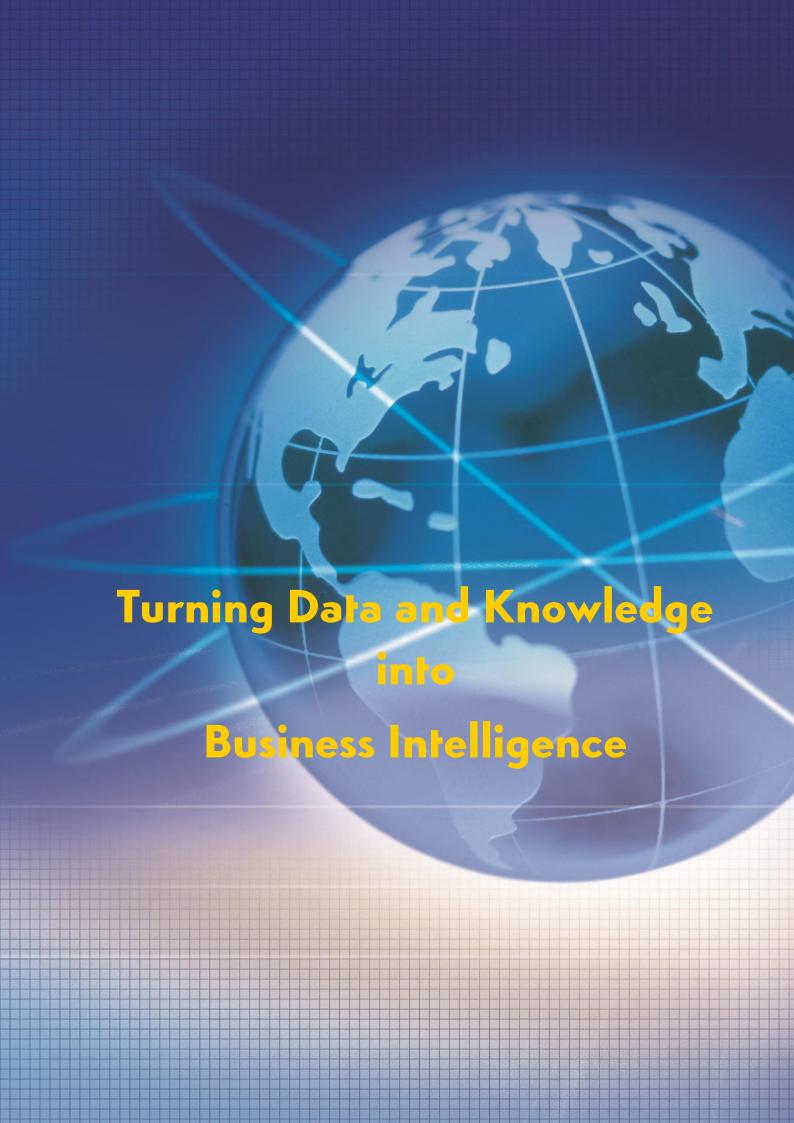


# Delivering World-Class IT Solutions

28<sup>th</sup>
ANNUAL REPORT

2021-22

ajel.in





# TWENTY EIGHTH ANNUAL REPORT 2021-22

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#### **CORPORATE INFORMATION**

#### **BOARD OF DIRECTORS**

1. Mr. Srinivasa Reddy Arikatla Chairman & Managing Director

Ms. Harshana Antharaji
 Mr. Narendra Parupalli
 Mr. Sumanth John Wesley Kumaraswamy
 Mr. Sirangivi
 Whole time Director Independent Director Independent Director Independent Director

6. Mr. Ashrith Reddy Gireddy Additional Director with effect from 05.05.2022.

#### **KEY MANAGERIAL PERSONNEL**

1. Mr. Srinivasa Reddy Arikatla Chairman & Managing Director

2. Ms. Harshana Antharaji Whole time Director

3. Mr. Balaram Reddy Chintakuntla CFO

4. Ms. Shruthi Rathi Company Secretary & Compliance Officer

#### **COMMITTEES OF THE BOARD**

#### **Audit Committee**

S.No	Name	Category of Director	Designation
1.	Mr. Narendra Parupalli	Independent Director	Chairperson
2.	Mr. Sumanth John Wesley Kumaraswamy	Independent Director	Member
3.	Ms. Sirangivi	Independent Director	Member

#### Nomination & Remuneration Committee cum Compensation Committee

S.No	Name	Category of Director	Designation
1.	Mr. Sumanth John Wesley Kumaraswamy	Independent Director	Chairperson
2.	Mr. Narendra Parupalli	Independent Director	Member
3.	Mr. Sirangivi	Independent Director	Member

#### Stakeholders Relationship Committee

S.No	Name	Category of Director	Designation
1.	Mr. Sumanth John Wesley Kumaraswamy	Independent Director	Chairperson
2.	Mr. Narendra Parupalli	Independent Director	Member
3.	Mr. Srinivasa Reddy Arikatla	Managing Director	Member

# CORPORATE IDENTITY NUMBER L67120MH1994PLC076637

# REGISTERED OFFICE 106, 2nd Floor, Link Plaza Commercial Complex, New Link Rd, Oshiwara, Jogeshwari (W), Mumbai-400102, Maharashtra Email id: Info@ajel.com Website: www.ajel.in Phone: +91 22 2639 3197 CORPORATE OFFICE 703, Manjeera Majestic Corporate, JNTU-Hitech City Road, Kukatpally, Hyderabad 500085, Telangana. Tel: +91 73299 52535

#### **Branch Offices:**

HYDERABAD, INDIA	U.S.A
703, Manjeera Majestic Corporate,	300 Carnegie Center Drive, Suite# 150
JNTU-Hitech City Road,	Princeton, NJ 08540. USA.
Kukatpally, Hyderabad 500085, Telangana.	Phone: +1 (732) 399-9666
Tel: +91 73299 52535	Fax: +1 (877) 832-AJEL(2535)

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#### STATUTORY AUDITORS

Ramesh Athasniya & Co., Chartered Accountants 5-9-1121, F - 45 & 46, Agarwal Chambers, King Kothi, Hyderabad - 500 001, Telangana.

#### **INTERNAL AUDITORS**

Ms. Padmini Reddy Chartered Accountant

#### **SECRETARIAL AUDITORS**

N.V.S.S. Suryanarayana, Practicing Company Secretary

#### SHARE TRANSFER AGENTS & DEMAT REGISTRARS

Adroit Corporate Services Pvt Ltd 17-20, Jafferbhoy Ind. Estate, 1st Floor, Makwana Road, Marol Naka, Andheri (E), Mumbai 400059, India Tel: +91 (0) 22 42270400 www.adroitcorporate.com

#### **WEBSITE**

www.ajel.in

#### IMPORTANT COMMUNICATION TO MEMBERS

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies and has issued circulars stating that service of the notice/documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holding with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register the same with the following addresses.

#### **CORPORATE OFFICE:**

703, Manjeera Majestic Corporate, JNTU-Hitech City Road, Kukatpally, Hyderabad 500085, Telangana Email id: Info@ajel.com

Website: www.ajel.in Phone: +91 73299 52535

#### SHARE TRANSFER AGENTS & DEMAT REGISTRARS

M/s Adroit Corporate Services (RTA), 17-20, Jafferbhoy Ind. Estate, 1st Floor, Makwana Road, Marol Naka, Andheri (E), Mumbai 400059, India

Tel: +91 (0) 22 42270400 Fax: +91 (0)22 28503748 www.adroitcorporate.com

SEBI has made it mandatory for every participant in the Securities/Capital Market to furnish the details of Income Tax Permanent Account Number (PAN). Accordingly, all the shareholders holding shares in physical form are requested to submit their details of PAN along with photocopy of both sides of PAN card, duly attested to the Demat Registrar and Share Transfer Agent of the Company, M/s Adroit Corporate Services (RTA) as above.

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#### NOTICE OF 28th ANNUAL GENERAL MEETING

Notice is hereby given that the 28<sup>th</sup> Annual General Meeting of the members of **Ajel Limited** will be held on Monday, **the 26th Day of September, 2022 at 02:00 PM** through video conferencing (VC) / other audio-visual means (OAVM) to transact to transact the following business:

#### **ORDINARY BUSINESS:**

- 1. To receive, consider and adopt
  - The Standalone and Consolidated Audited Financial Statements of the Company for the financial year ended March 31, 2022, the Report of the Board of Directors and the Report of the Auditors thereon.

#### **SPECIAL BUSINESS:**

1. REGULARIZATION OF MR. ASHRITH REDDY GIREDDY (DIN: 09568296) AS EXECUTIVE DIRECTOR OF THE COMPANY

"RESOLVED THAT pursuant to applicable provisions of the Companies Act, 2013 and Rules framed there under and Regulation 19 (4) read with Part D of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 including any enactment, re-enactment or modifications thereof, Mr. Ashrith Reddy Gireddy (DIN: 09568296), who was appointed as the Additional Director of the company with effect from 05.05.2022 by the Board of Director pursuant to Section 161 of the Act and as recommended by the Nomination and Remuneration Committee and who shall office upto the date of the ensuing Annual General Meeting of the company, be and is hereby appointed as the Executive Director of the Company, whose period of office will be liable to the determination by retirement of Directors by rotation.

**RESOLVED FURTHER THAT** any Director of the Company and/or any authorized representative of the Company be and is hereby severally authorized to do all such acts, things and deeds as may be deemed necessary for giving effect to the above stated resolution."

By Order of the Board For Ajel Limited

Sd/-

Srinivasa Reddy Arikatla Managing Director DIN: 01673552

Place: Hyderabad Date: 11.08.2022

#### Notes:

Pursuant to the General Circular nos. 2/2022 dated May 05, 2022 and 19/2021 dated January 13, 2022 and other circulars issued by the Ministry of Corporate Affairs (MCA) from time to time and Circular no. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 issued by the SEBI (hereinafter collectively referred to as "the Circulars"), companies are allowed to hold AGM through VC, without the physical presence of members at a common venue. Hence, in compliance with the Circulars, the AGM of the Company is being held through Video Conferencing ("VC") /Other Audio-Visual Means ("OAVM").



- 2. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
- 3. The Members can join the AGM in the VC/OAVM mode shall be open 15 minutes before the time schedule i.e., 01:45 P.M on 26th September, 2022 by clicking on the link at https://www.evotingindia.com/under members login, where EVSN of the Company will be displayed by using the Remote E-voting Credentials and by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairperson of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc., who are allowed to attend the AGM without restriction of first come first served basis.
- 4. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
- 5. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
- 6. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020, January 13, 2021 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the AGM will be provided by CDSL.
- 7. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at https://www.ajel.in. The Notice can also be accessed from the websites of the Stock Exchange i.e. BSE Limited at www.bseindia.com. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e.www.evotingindia.com.
- 8. Shareholders who have queries may send their questions in advance mentioning their name, demat account number/folio number, email id, mobile number at cs@ajel.com latest by 5.00 PM on Monday, 19th September 2022.
- 9. Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting.



- 10. Members intending to seek clarification at the Annual General Meeting concerning the accounts and any aspect of operations of the company are requested to send their questions in writing to the Company so as to reach the company at least 10 (Ten) days in advance before the date of the Annual General Meeting, specifying the points.
- 11. Members holding shares in dematerialized form (electronic form) are requested to intimate any changes in their respective addresses, bank mandates etc., directly to their respective Depository Participants.
- 12. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to the Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/ Registrar and Share Transfer Agent, Venture Capital & Corporate Investments Pvt. Ltd
- 13. In terms of Section 72 of the Companies Act, 2013, a member of the company may nominate a person on whom the shares held by him/her shall vest in the event of his/her death. Members desirous of availing this facility may submit nomination in prescribed Form-SH-13 to the company/RTA in case shares are held in physical form, and to their respective depository participant, if held in electronic form.
- 14. Details under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting form an integral part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.
- 15. Any director himself or any member intending to propose any person as a director other than a retiring director, has to give a notice as to his intention to propose him/her as a candidate for that office not less 14 (fourteen) days before the meeting along with deposit of such amount as mentioned in the Companies Act, 2013.
- 16. The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members are requested to register their e-mail addresses in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to send their e-mail address to the RTA by an email to adroitcorporate.com.
- 17. The Annual Report for the year ended 31st March, 2022 and Notice of the AGM inter alia indicating the manner and process of remote e-voting are being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories. Members (Physical / Demat) who have not registered their email addresses with the company can get the same registered with the company by requesting in member updation form by sending an email to cs@ajel.com and rtaclientservice@adroitcorporate.com. Please submit duly filled and signed member updation form to the above-mentioned email. Upon verification of the Form the email will be registered with the Company till the date of AGM
- 18. Members may also note that the Notice of the 28<sup>th</sup> AGM and the Annual Report for the financial year ending on 31st March 2022 will also be available on the Company's website https://www.ajel.in./for download.
- 19. Considering the social distancing norm to be followed due to wide spreading COVID-19 Pandemic. All Documents referred to in the accompanying notice will be sent to the respective shareholder upon receiving a request at the e-mail id cs@ajel.com of the Company for inspection of the members of the Company.



- 20. SEBI has made it mandatory for every participant in the Securities/Capital Market to furnish the details of Income Tax Permanent Account Number (PAN). Accordingly, all the shareholders holding shares in physical form are requested to submit their details of PAN and Bank Account along with a copy of the PAN card and original cancelled cheque leaf /attested bank passbook showing name of account holder to RTA.
- 21. SEBI made it mandatory for all the shareholders to hold the shares in Dematerialization form. Hence, all the shareholders holding shares in physical form are requested to convert their Physical shares in Demat form, so the liquidity of shares is not affected.

#### 22. THE INTRUCTIONS FOR SHAREHOLDRES FOR REMOTE E-VOTING ARE AS UNDER:

In accordance with the provision of section 108 of the Companies Act, 2013 read with Companies (Management & Administration) Rules, 2014, the shareholders may exercise their option to participate through electronic voting system and the company is providing the facility for voting by electronic means (remote e-voting) to all its members. The company has engaged the services of Central Depository Services Limited (CDSL) to provide remote e-voting facilities and enabling the members to cast their vote in a secured manner. This facility will be available at the link http://www.evotingindia.com during the following voting period:

Commencement of remote e-voting : From 09.00 A.M on 23<sup>rd</sup> September 2022 End of remote e-voting : Up to 05.00 P.M on 25<sup>th</sup> September 2022

Remote e-voting shall not be allowed beyond 05.00 P.M on 25th September 2022. During the Remote e-voting period, the shareholders of the company, holding shares either in physical form or dematerialized form, as on the closing of business hours of the cut-off date, may cast their vote electronically. The cut-off date for eligibility for remote e-voting is Monday, 19th Day of September, 2022.

- **a)** The company has engaged the services of CDSL as the Authorized Agency to provide remote evoting facilities.
- b) The company has appointed Mr. N.V.S.S. Suryanarayana, Practicing Company Secretary (M. No: 5868), as 'scrutinizer' for conducting and scrutinizing the remote e-voting process in a fair and transparent manner.
- c) "Voting by electronic means" or "electronic voting system" means a 'secured system' based process of display of electronic ballots, recording of votes of the members and the number of votes polled in favour or against, such that the entire voting exercise by way of electronic means gets registered and counted in an electronic registry in the centralized server with adequate 'cyber security'.

It also helps the shareholders to cast their vote from anywhere and at any time during Remote e-voting period.

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

# THE INTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:

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



- (i) The voting period begins on Friday, 23<sup>rd</sup> September, 2022 at 09.00 A.M. and ends on Sunday, 25<sup>th</sup> September, 2022. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date Tuesday, 19<sup>th</sup> day of September, 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) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

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

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

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

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

Type of	Login Method
shareholders	
Individual	1) Users who have opted for CDSL Easi / Easiest facility, can login through their
Shareholders	existing user id and password. Option will be made available to reach e-
holding	Voting page without any further authentication. The URL for users to login to
securities in	Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit
Demat mode	www.cdslindia.com and click on Login icon and select New System Myeasi.
with CDSL	
Depository	2) After successful login the Easi / Easiest user will be able to see the e-Voting
	option for eligible companies where the evoting is in progress as per the
	information provided by company. On clicking the evoting option, the user
	will be able to see e-Voting page of the e-Voting service provider for casting
	your vote during the remote e-Voting period or joining virtual meeting &
	voting during the meeting. Additionally, there is also links provided to access



- the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.
- 3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a>
- 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home or click on page https://evoting.cdslindia.com/Evoting/EvotingLogin The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.

Individual
Shareholders
holding
securities in
demat mode
with NSDL
Depository

- 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
- 2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for IDeAS "Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a>
- 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Individual
Shareholders
(holding
securities in
demat mode)
login through
their
Depository
Participants

You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.



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

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

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022-23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

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

- (v) Login method for e-Voting and joining virtual meetings for Physical shareholders and shareholders other than individual holding in Demat form.
  - 1) The shareholders should log on to the e-voting website www.evotingindia.com.
  - 2) Click on "Shareholders" module.
  - 3) Now enter your User ID
    - a. For CDSL: 16 digits beneficiary ID,
    - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
  - 4) Next enter the Image Verification as displayed and Click on Login.
  - 5) If you are holding shares in demat form and had logged on to <a href="www.evotingindia.com">www.evotingindia.com</a> and voted on an earlier e-voting of any company, then your existing password is to be used.
  - 6) If you are a first-time user follow the steps given below:

	For Physical shareholders and other than individual shareholders holding			
	shares in Demat.			
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department			
	(Applicable for both demat shareholders as well as physical shareholders)			
	<ul> <li>Shareholders who have not updated their PAN with the</li> </ul>			
	Company/Depository Participant are requested to use the			
	sequence number sent by Company/RTA or contact			
Company/RTA.				
Dividend	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as			
Bank Details	recorded in your demat account or in the company records in order to			
OR Date of	login.			
Birth (DOB)	<ul> <li>If both the details are not recorded with the depository or company,</li> </ul>			
	please enter the member id / folio number in the Dividend Bank			
	details field.			

(vi) After entering these details appropriately, click on "SUBMIT" tab.



- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant < Company Name > on which you choose to vote.
- (x) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xii) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) Additional Facility for Non Individual Shareholders and Custodians –For Remote Voting only.
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to <u>www.evotingindia.com</u> and register themselves in the "Corporates" module.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on
  - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
  - It is mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
  - Alternatively, Non-Individual shareholders are required to send the relevant Board Resolution/
    Authority letter etc. together with attested specimen signature of the duly authorized signatory
    who are authorized to vote, to the Scrutinizer and to the Company at the email address viz;
     <u>cs@ajel.com</u>, if they have voted from individual tab & not uploaded same in the CDSL e-voting
    system for the scrutinizer to verify the same.



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

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

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

- 1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to Company/RTA email id.
- 2. For Demat shareholders -, Please update your email id & mobile no. with your respective **Depository** Participant (DP)

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3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to <a href="helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or call on 022-23058542/43.

- 23. The Scrutinizer shall immediately after the conclusion of voting at the General Meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting and the e0-voting at the time of AGM within a period not exceeding two (2) working days from the conclusion of the meeting make a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or person authorized by the Chairman for counter signature.
- 24. The Results shall be declared either by the Chairman or by an authorized person of the Chairman and the resolution will be deemed to have been passed on the AGM date subject to receipt of the requisite number of votes in favour of the Resolution(s).

Immediately after declaration of results, the same shall be placed along with the Scrutinizer's Report on the Company's website and communicated to BSE Limited where the shares of the Company are listed for placing the same on their website

By Order of the Board For Ajel Limited

Sd/-Srinivasa Reddy Arikatla Managing Director DIN: 01673552

Place: Hyderabad Date: 11.08.2022



#### Explanatory Statement under Section 102 of the Companies Act, 2013.

The following Explanatory Statements, as required under Section 102 of the Companies Act, 2013, set out all material facts relating to the business under Item Nos. 3 to 6 of the accompanying Notice dated 11.08.2022.

#### ITEM NO.3

Mr. Ashrith Reddy Gireddy (DIN – 09568296), on the recommendation of Nomination and Remuneration Committee was appointed as Additional Director with effect from 05.05.2022 by the board in accordance with the Articles of Association and Section 161 of the Companies Act, 2013 ("The Act"). And as per the act, Mr. Ashrith Reddy Gireddy holds office upto the ensuing Annual General Meeting on September 30,2022.

Mr. Ashrith Reddy Gireddy holds the requisite Knowledge, expertise, experience and Skill for the position of Director. The Board on the recommendation of Nomination and Remuneration Committee and subject to the approval of members in the AGM, has accorded its consent, to appoint Mr. Ashrith Reddy Gireddy as the Executive Director of the company.

None of the Directors, KMP's of the company and their relatives thereof are interested in the proposed resolution. The Board of Directors recommend passing of the resolution set out in the Item No. 3 of this notice.

By Order of the Board For Ajel Limited

Sd/-Srinivasa Reddy Arikatla Managing Director DIN: 01673552

Place: Hyderabad Date: 11.08.2022



#### FORM FOR REGISTRATION OF EMAIL ADDRESS FOR RECEIVING DOCUMENTS /

#### NOTICES BY ELECTRONIC MODE

То

M/s Adroit Corporate Services (RTA), 17-20, Jafferbhoy Ind. Estate, 1st Floor, Makwana Road, Marol Naka, Andheri (E), Mumbai 400059, India

Tel: +91 (0) 22 42270400 Fax: +91 (0)22 28503748 www.adroitcorporate.com

Company: Ajel Limited

I agree to receive all documents / notices including the Annual Report from the Company in electronic mode. Please register my email address given below in your records for sending communication through email.

Name of Sole / First Holder:	
DP ID / Client ID / Regd. Folio No.:	
PAN No.:	
E-Mail Address:	
Date:	
Place:	

(Signature of the member)

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#### **BOARD'S REPORT**

To The Members **AJEL LIMITED** 

Your Directors hereby present their 28<sup>th</sup> Annual Report on the business and operations of your company for the financial year ended March 31<sup>st</sup>, 2022.

#### **Financial Results**

The standalone and consolidated financial performance of the Company for the financial year ended March 31<sup>st</sup>, 2022 is summarized below:

(Amount in Rupees)

	Standalone		Consolidated	
Particulars	Current Year 31-03-2022	Previous Year 31-03-2021	Current Year 31-03-2022	Previous Year 31-03-2021
Gross Revenue from Operations	2,19,11,070	1,94,42,817	4,14,64,628	3,47,32,189
Other Income	-Nil-	-Nil-	-Nil-	-Nil-
Total Revenue	2,19,11,070	1,94,42,817	4,14,64,628	3,47,32,189
Total Expenditure	2,38,83,314	2,21,41,771	4,22,37,333	3,78,30,849
Profit / (loss) Finance Costs, Exceptional items and Tax	(19,72,244)	(26,98,953)	(5,36,901)	(30,98,660)
Finance Costs	-Nil-	-Nil-	2,35,804	1,14,887
Profit / (loss) Before Exceptional items and Tax	(19,72,244)	(26,98,953)	(7,72,705)	-32,13,547
Less: Exceptional items	(11,10,829)	5,00,024	(15,52,222)	12,38,303
Profit/ (loss) Before Tax	(8,61,415)	(31,98,977)	7,79,517	-44,51,850
Less: - Deferred Tax	(1,68,288)	(1,60,815)	(1,68,288)	-1,60,815
Profit / (loss) After Tax	(6,93,127)	(30,38,162)	9,47,805	-42,91,035
Other Comprehensive Income (OCI)	43,73,491	34,13,166	43,73,491	34,13,166
Total Comprehensive Income	36,80,364	3,75,004	53,21,296	-8,77,869

#### Review of Performance and state of the company's affairs

During the year under review, the overall performance of the Company was reasonable, the management is determined to achieve the targeted avenues, to take the company on the new heights.

Members will notice that the revenue on standalone basis increased to Rs. 2,19,11,070/- as against Rs. 1,94,42,817/- for the previous year. Members will further notice that the revenue from operations on consolidated basis increased to Rs. 4,14,64,628/- as against Rs. 3,47,32,189/- of the previous year.

The Company incurred Net Profit of Rs. 36,80,364 /- in the Current Year, as compared to the Net Profit of Rs. 3,75,004/- in the Previous year.

The Company is continuously striving to improve efficiency and deliver excellence in its professional services and project execution. The Company has identified new avenues for growth and is focusing its energies to develop business. The Company continues to focus on delivering services to its identified market segments in its core technology areas. It continues to align its sales and delivery organizations to an offshore centric model as well as big foray into Domestic market.



#### Dividend

Board of Directors have not recommended any dividend for the Financial Year 2021-22.

#### **Transfer to Reserves**

There were no transfers to Reserves during the Financial Year 2021-22.

#### **Share Capital**

The Authorized Share Capital of the Company stands at Rs. 12,00,00,000/- (Rupees Twelve Crores only) divided into 1,20,00,000 (One Crore Twenty Lakhs) Equity Shares of Rs. 10/- (Rupees Ten) each.

As on date Paid up Share Capital stands at Rs. 11,65,00,000/- (Rupees Eleven Crores Sixty-Five Lacs) divided into 1,16,50,000 (One Crore Sixteen Lakhs and Fifty Thousand) equity shares of Rs. 10/- each.

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.

#### **Consolidated Financial Results:**

Pursuant to Regulation 33 of SEBI (Listing Obligations & Disclosures Requirements) Regulations 2015, and the Companies Act, 2013, the Consolidated Financial Statements prepared as per Companies Act, 2013 and Accounting Standards, duly audited forms part of the Annual Report.

#### Listing

The Company entered into Listing agreement with the BSE Limited.

The Company confirms that it has paid the Annual Listing Fees for the year 2021-2022 to BSE where the Company's Shares are listed.

#### Board of Directors and Key Managerial Personnel:

The Board of directors of your company is duly constituted.

#### **Proposed Reappointment:**

The directors on the Board of Directors of the company are appointed for specific terms. And also, these directors who are appointed on Board as on date are not eligible to retire by rotation as per their terms of appointment, hence, the resolution for the same is not proposed in the Notice of 28th Annual General meeting.

The Board of directors of your company is duly constituted with a Managing Director, a Whole Time Director, a Chief Financial Officer, one executive directors and three non-executive independent directors.

#### During the period under review the following changes took place in the Board:

- 1. Members of the Company at their 27<sup>th</sup> Annual General meeting held on 28.09.2021 has reappointed Mr. Sridhar Reddy Gireddy, who retires by Rotation.
- 2. Mr. Ashrith Reddy Gireddy, was appointed as an Additional Director of the Company by the Board of the Company w.e.f. 05.05.2022.
- 3. Ms. Shruthi Rathi, was appointed as the Company Secretary of the Company by the Board of the Company w.e.f. 30.12.2021.
- 4. Mr. Sridhar Reddy Gireddy, has reigned from the Company as Independent Director w.e.f. 05.05.2022.

#### Number of meetings of the Board:



During the period under review 5 (Five) Board meetings were held on 09.07.2021, 31.08.2021, 13.11.2021, 30.12.2021, 14.02.2022 and the gap between any two Board Meetings is within the period prescribed by the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

#### <u>Declarations by Independent Directors:</u>

The Company has received declarations form the Independent Director under Section 149(6) of the Companies Act, 2013 confirming their independence vis-à-vis the Company.

#### Board evaluation and assessment;

The company believes formal evaluation of the board and of the individual directors, on an annual basis, is a potentially effective way to respond to the demand for greater board accountability and effectiveness. For the company, evaluation provides an ongoing means for directors to assess their individual and collective performance and effectiveness. In addition to greater board accountability, evaluation of board members helps in;

- a. More effective board process
- b. Better collaboration and communication
- c. Greater clarity with regard to members roles and responsibilities
- d. Improved chairman managing directors and board relations

The evaluation process covers the following aspects

- Self-evaluation of directors
- Evaluation of the performance and effectiveness of the board
- Evaluation of the performance and effectiveness of the committees
- Feedback from the nonexecutive directors to the chairman
- Feedback on management support to the board.

#### Familiarization Programme for Independent Directors

The Company shall through its Senior Managerial personnel familiarize the Independent Directors with the strategy, operations and functions of the Company. The Independent Directors will also be familiarized with their roles, rights and responsibilities and orientation on Statutory Compliances as a Board Member.

On appointment of the Independent Directors, they will be asked to get familiarized about the Company's operations and businesses. An Interaction with the key executives of the Company is also facilitated to make them more familiar with the operations carried by the company. Detailed presentations on the business of the company are also made to the Directors. Direct meetings with the Chairman and the Managing Director are further facilitated for the new appointee to familiarize him/her about the Company/its businesses and the group practices as the case may be and link is available at the website www.ajel.in

#### **Directors' Responsibility Statement**

Pursuant to the requirement under section 134 (3) and (5) of the Companies Act 2013, with respect to Directors' Responsibility Statement, your board of directors to the best of their knowledge and ability confirm that:

- a. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b. such accounting policies have been selected and applied consistently and the Directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2021 and of the profit/loss of the Company for that year;
- c. proper and sufficient care was taken for the maintenance of adequate accounting records in



accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

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

#### **AUDIT COMMITTEE**

The Audit Committee of the Company is duly constituted as per section 177 of the companies act, 2013 and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Composition and Scope of Audit Committee is as follows

As one of the members of the committee, Mr. Sridhar Reddy Gireddy, Independent Director, has resigned from the board on May 5<sup>th</sup> 2022, the Audit Committee was again reconstituted w.e.f 05.05.2022 by appointing Mr. Sirangivi as a member of the committee, who satisfies the criteria of having at least 2/3<sup>rd</sup> of the members of the committee as Independent Directors on board as per Section 177 of the companies act, 2013 and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The following are the members of the Audit Committee:

S.No	Name	Category of Director	Designation
1.	Mr. Narendra Parupalli	Independent Director	Chairperson
2.	Mr. Sirangivi	Independent Director	Member
3.	Ms. Harshana Anthraji	Whole time Director	Member

During the Period under review Audit committee has met 4 (Four) times in a year.

#### Scope of Committee:

The terms of reference of the Audit Committee include the following:

- a. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- b. Recommending the appointment, removal of external auditors, fixation of audit fee, terms of appointment and also approval for payment for any other services.
- c. Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, focusing primarily on:
  - Matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
  - Any changes in accounting policies and practices and reasons for the same;
  - Major accounting entries involving estimates based on the exercise of judgment by management;
  - Qualifications in the draft audit report;
  - Significant adjustments made in the financial statements arising out of audit;
  - The going concern assumption;
  - Compliance with accounting standards;
  - Compliance with listing and legal requirements concerning financial statements;
- d. Reviewing, with the management and auditors, and the adequacy of internal control systems;
- e. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- f. Reviewing, with the management, the quarterly financial statements and auditor's report before



submission to the Board for approval;

- g. Reviewing, with the management, the statement of uses/application of funds raised through an issue, 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 the board to take up steps in this matter;
- h. Approval or any subsequent modification of transactions of the listed entity with related parties;
- i. Scrutiny of inter-corporate loans and investments;
- j. Valuation of undertakings or assets of the listed entity, wherever it is necessary;
- k. Evaluation of internal financial controls and risk management systems;
- I. 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;
- m. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- n. To review the functioning of the whistle blower mechanism;
- o. Approval of the appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate.
- p. Composition, name of members and Chairperson

#### **Remuneration Policy**

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration.

#### NOMINATION AND REMUNERATION COMMITTEE:

The Company had constituted the Nomination and Remuneration Committee under section 178 of the Companies Act, 2013.

During the Year under review the Committee was reconstituted.

#### (a) Composition, Meetings and Attendance during the year

The Nomination and Remuneration Committee comprises of the following members

S. N	<b>10</b>	Name	Category of Director	Designation
1.	1. Mr. Sumanth John Wesley Kumaraswamy		Independent Director	Chairperson
2.	2. Mr. Sirangivi		Independent Director	Member
3. Mr. Srinivasa Reddy Arikatla		Mr. Srinivasa Reddy Arikatla	Managing Director	Member

During the Period under review Nomination & Remuneration committee has met 2 (two) times in a year.

#### (b) Selection and Evaluation of Directors

The Board has based on recommendations of the nomination and remuneration Committee, laid down following policies:

- 1. Policy for Determining qualifications, Positive Attributes and Independence of a Director
- 2. Policy for Board & Independent Directors Evaluation

#### (c) Performance Evaluation of Board, Committees and Directors

The company believes formal evaluation of the board and of the individual directors, on an annual basis, is a potentially effective way to respond to the demand for greater board accountability and effectiveness. For the company, evaluation provides an ongoing means for directors to assess their individual and collective performance and effectiveness. In addition to greater board accountability, evaluation of board members helps in;

More effective board process



- Better collaboration and communication
- Greater clarity with regard to members roles and responsibilities
- Improved chairman managing directors and board relations

#### The evaluation process covers the following aspects

- Self-evaluation of directors
- Evaluation of the performance and effectiveness of the board
- Evaluation of the performance and effectiveness of the committees
- Feedback from the non-executive directors to the chairman
- Feedback on management support to the board.

#### (d) Remuneration Policy for Directors

- Ensuring that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the company successfully;
- Ensuring that relationship of remuneration to performance is clear and meets the performance benchmarks; and
- Ensuring that remuneration involves a balance between fixed and incentive pay reflecting short- and long-term performance objectives appropriate to the working of the company and its goals.

#### Management Discussion & Analysis

The Management Discussion and Analysis Report highlighting the industry structure and developments, opportunities and threats, future outlook, risks and concerns etc. is furnished separately and forms part of this report.

#### **Subsidiary Companies**

The Company has one Subsidiary Company, the details of which is appended as 'Annexure I' to this Report.

#### Particulars of Contracts or arrangements with related parties

All the related party transactions that were entered during the financial years were in the ordinary course of business of the company and were on arm length basis. There were no materially significant related party transactions entered by the company during the year with the promoters, directors, key managerial personnel or other persons which may have a potential conflict with the interest of the company.

The policy on related party transactions as approved by the board of directors is hosted on the website of the company viz. www.ajel.in.

Particulars of every contract or 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 shall be disclosed in **Form No. AOC-2** as 'Annexure II' to this report.

#### Particulars of Employees

A table containing the particulars in accordance with the provisions of Section 197(12) of the Act, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is appended as 'Annexure III' to this Report.

In terms of Section 136 of the Companies Act, 2013 the same is open for inspection at the Registered Office of the Company.

Copies of this statement may be obtained by the members by writing to the Company Secretary at the Registered Office of the Company.



The ratio of the remuneration of each Director to the median employee's remuneration and other details in terms of Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are enclosed in **Annexure – III** and forms part of this Report.

#### **Statutory Auditors**

M/s. Ramesh Athasniya & Co., Chartered Accountants (Firm Registration no. 007480S), was appointed as statutory auditors of the company in the 25<sup>th</sup> Annual General Meeting for a period of four years from the conclusion of 25<sup>th</sup> AGM till the conclusion of 29<sup>th</sup> AGM, subject to ratification by the members at every year, as may be applicable.

However, Pursuant to notification issued by the Ministry of Corporate Affairs on 7th May, 2018 amending section 139 of the Companies Act, 2013 and the rules framed there under, the mandatory requirement for ratification of appointment of auditors by the members at every Annual General Meeting ("AGM") has been omitted, and hence the company is not proposing an item on ratification of appointment of Auditors at this AGM.

#### Management responses to observations in Auditor's Report

The Auditors report and noted to accounts is self-explanatory do not call for any further comments. The Auditor's report is enclosed with the financial statement in this Annual report.

With reference to observations made in the CARO report, the following are the responses of the Management against the observation of auditor.

S. No	Audit Observation	Management Comments		
1.	Statutory dues which are due payable for more than six	The company will ensure to		
	months from the date on which they become payable.	pay the statutory dues upon		
		arrangement of funds.		

#### Cost Audit Report

The provisions of Section 148 of the Companies Act, 2013 does not apply to the Company and hence, no cost auditors are appointed.

#### Secretarial Audit Report

Pursuant to the provisions of Section 204 read with Section 134(3) of the Companies Act, 2013, the company is required to obtain Secretarial Audit Report from Practicing Company Secretary. Mr. NVSS Suryanarayana Rao, practicing company secretary was appointed to issue Secretarial Audit Report for the Financial Year 2021-22.

Secretarial Audit Report issued by Mr. NVSS Suryanarayana Rao, practicing company secretary in Form MR-3 for the Financial Year 2021-22 is enclosed as **Annexure-IV** to this Report.

The following are the management's reply to the Secretarial auditor's observations:

S. No.	Observations of Secretarial Auditor	Management's Reply
1.		The application for Listing of 9,00,000 Equity
	listing of 9,00,000 Equity Shares allotted	Shares and the same was rejected due to short
	on 14.11.2012 on Preferential Basis.	fall in information. The company will ensure to
		comply with short fall in the application which
		was rejected.

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As required under the provisions of SEBI LODR Regulations, a certificate confirming that none of the Directors on the Board have been debarred or disqualified by the Board/Ministry of Corporate Affairs or any such statutory authority obtained from Mr. NVSS Suryanarayana Rao, Practicing Company Secretaries is a part of these report.

#### **Business Responsibility Report (BRR)**

Securities Exchange Board of India (SEBI) by notification No. SEBI/LAD-NRO/GN/2019/45 dated 26.12.2019 (Securities and Exchange Board of India – Listing Obligations and Disclosure Requirements) (Fifth Amendment) Regulations, 2019 has mandated the inclusion of BRR as part of the Annual Report for the top 1000 listed entities based on their market capitalization on Bombay Stock Exchange Ltd and National Stock Exchange of India Ltd as at 31st March of every year. In view of the requirements specified, the company is not mandated for the providing the BRR and hence do not form part of this Report.

#### **Annual Return**

In accordance with Section 134(3) (a) of the Act, an Annual Return in the prescribed form MGT-7 is placed on the website of the Company at www.ajel.in

#### **Corporate Social Responsibility**

The provisions w.r.t. CSR is not applicable to the Company. Therefore, the Company had not constituted CSR committee during the Financial Year 2021-22.

#### Particulars of Loans, Guarantees and Investments

Details of loans and guarantees given and investments made under Section 186 of the Act are provided in the Notes to the Financial Statements.

#### Whistle Blower Policy/Vigil Mechanism

Pursuant to the provisions of section 177 of the companies act, 2013 and the rules framed there under and pursuant to the applicable provision of SEBI (Listing Obligations and Disclosure Regulations), 2015 of the listing agreement entered with stock exchanges, the company has established a mechanism through which all stake holders can report the suspected frauds and genuine grievances to the appropriate authority. The Whistle blower policy which has been approved by the board of directors of the company has been hosted on the website of the company viz. <a href="https://www.ajel.in">www.ajel.in</a>.

#### Remuneration Policy:

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration.

#### Risk Management Policy

The board of directors has formed a risk management committee to identify, evaluate, mitigate and monitor the risks associated with the business carried by the company. The committee reviews the risk management plan and ensures its effectiveness. A mechanism has been put in place which will be reviewed on regular intervals.

#### Policy on Sexual Harassment

The Company has adopted policy on Prevention of Sexual Harassment of Women at Workplace in accordance with The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the financial year ended 31<sup>st</sup> March, 2022, the Company has not received any complaints pertaining to Sexual Harassment.



#### Material changes and commitments, if any, affecting the financial position of the company

Except the effect of Covid Pandemic and consequent lockdown resulting in a severe slowdown of economy, there are no material changes and commitments after the closure of the financial year, which will affect the financial position of the Company.

There are no other Material Changes and Commitments affecting the financial position of the Company which occurred between the end of the financial year to which the financial statements relate and the date of this Report.

# <u>Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future</u>

No significant and material order has been passed by the regulators, courts, tribunals impacting the going concern status and Company's operations in future.

#### **Public Deposits**

Your Company has not accepted any deposits from the public. As such, there was no principal or interest outstanding on the date of the Balance Sheet.

<u>Particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo</u> Conservation of Energy which is not furnished as the relative rule is not applicable to your company.

There is no information to be furnished regarding Technology Absorption as your company has not undertaken any research and development activity in any manufacturing activity nor any specific technology is obtained from any external sources which needs to be absorbed or adapted.

#### Foreign Exchange Earnings and Outgo

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 is as follows:

Foreign Exchange Inflows: Rs.0.00 Foreign Exchange Outflows: Rs.0.00

#### **Internal Audit & Controls**

The Company has adequate Internal Financial Controls consistent with the nature of business and size of the operations, to effectively provide for safety of its assets, reliability of financial transactions with adequate checks and balances, adherence to applicable statues, accounting policies, approval procedures and to ensure optimum use of available resources. These systems are reviewed and improved on a regular basis. It has a comprehensive budgetary control system to monitor revenue and expenditure against approved budget on an ongoing basis.

#### **Internal Financial Control Systems**

The Company has adequate Internal Financial Controls consistent with the nature of business and size of the operations, to effectively provide for safety of its assets, reliability of financial transactions with adequate checks and balances, adherence to applicable statues, accounting policies, approval procedures and to ensure optimum use of available resources. These systems are reviewed and improved on a regular basis. It has a comprehensive budgetary control system to monitor revenue and expenditure against approved budget on an ongoing basis.

#### **Industrial Relations**

The company enjoyed cordial relations with its employees during the year under review and the Board appreciates the employees across the cadres for their dedicated service to the Company, and looks forward to their continued support and higher level of productivity for achieving the targets set for the future.



#### Risk Management Framework

Pursuant to SEBI (LODR) Regulations, 2015, the Board of Directors of the top 100 Listed entities are mandated to constitute a Risk Management Committee. Since the Company is not falling under the above criteria, there is no requirement to constitute such a committee.

However, 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 taken into ac- count while preparing the annual business plan for the year.

#### **Human Resources**

Your Company treats its "human resources" as one of its most important assets.

Your Company continuously invests in attraction, retention and development of talent on an ongoing basis. A number of programs that provide focused people attention are currently underway. Your Company thrust is on the promotion of talent internally through job rotation and job enlargement

#### **Acknowledgements**

Your directors wish to express their appreciation of the support and co-operation of the Central and the State Government, bankers, financial institutions, business associates, employees, shareholders, customers, suppliers and alliance partners and seeks their continued patronage in future as well.

for and on behalf of the Board of Ajel Limited

Place: Hyderabad Date: 11.08.2022 Sd/-Srinivasa Reddy Arikatla Managing Director DIN: 01673552 Sd/-Harshana Anthraji Whole time Director DIN: 07466984



#### ANNEXURE -I Form AOC-1

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

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

#### Part "A": Subsidiaries

S. No.	Particulars	Details					
1.	Name of the subsidiary	Ajel Technologies India Private Limited					
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same as Holding Company					
3.	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	NA					
4.	Share capital	75,00,000					
5.	Reserves & surplus	(60,34,515)					
6.	Total assets	60,33,045					
7.	Total Liabilities	60,33,045					
8.	Investments	44,22,360					
9.	Turnover	0					
10.	Profit before taxation	0					
11.	Provision for taxation	0					
12.	Profit after taxation	0					
13.	Proposed Dividend	0					
14.	% of shareholding	100%					

for and on behalf of the Board of Ajel Limited

Place: Hyderabad
Date: 11.08.2022 Srinivase

Sd/-Srinivasa Reddy Arikatla Managing Director DIN: 01673552 Sd/-Harshana Anthraji Whole time Director DIN: 07466984



#### ANNEXURE -II FORM NO. AOC.2

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

- 1. Details of contracts or arrangements or transactions not at arm's length basis: Nil
- a. Name(s) of the related party and nature of relationship
- b. Nature of contracts/arrangements/transactions
- c. Duration of the contracts/arrangements/transactions
- d. Salient terms of the contracts or arrangements or transactions including the value, if any
- e. Justification for entering into such contracts or arrangements or transactions
- f. date(s) of approval by the Board
- g. Amount paid as advances, if any:
- h. Date on which the special resolution was passed in general meeting as required under first proviso to section 188
- 2. Details of material contracts or arrangement or transactions at arm's length basis: NIL
- a. Name(s) of the related party and nature of relationship:
- b. Nature of contracts/arrangements/transactions:
- c. Duration of the contracts/arrangements/transactions: NA
- d. Salient terms of the contracts or arrangements or transactions including the value, if any: NA
- e. Date(s) of approval by the Board, if any: NA
- f. Amount paid as advances, if any: NIL

for and on behalf of the Board of Ajel Limited

Place: Hyderabad Date: 11.08.2022 Sd/-Srinivasa Reddy Arikatla Managing Director DIN: 01673552 Sd/-Harshana Antharaji Whole time Director DIN: 07466984



#### **ANNEXURE III**

Statement of particulars as per Rule 5 of Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014

#### PART- A

1. The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year

S. No.	Name of the Director	Ratio of the remuneration to the median remuneration of the employees			
1	Mr. Srinivasa Reddy Arikatla	NA			
2	Mr. Narendra Parupalli	NA			
3	Ms. Harshana Antharaji	NA			
4	Mr. Sirangivi	NA			
5	Mr. Sumanth John Wesley Kumara swamy	NA			
6	Mr. Ashrith Reddy Gireddy	NA			

2. The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager in the financial year

S. No.	Name of the KMP	Percentage increase in remuneration
1	Mr. Srinivasa Reddy Arikatla	NA
2	Mr. Balaram Reddy Chintakuntla	NA
3	Ms. Shruthi Rathi (Appointed w.e.f. 30.12.2021)	NA

- 3. The number of employees on the rolls of Company; 18 employees
- 4. In the Financial Year 2021-22, there was no increase in the median Remuneration of employees
- 5. The key parameters for the variable component of remuneration availed by the directors the Remuneration paid to Key Managerial Personnel are as per the Remuneration Policy of the Company.

#### PART- B

Information under Section 197 (12) of the Companies Act, 2013 read with the rule 5(2) of the Companies (Appointment and remuneration of managerial personnel) Rules, 2014 and forming part of Directors Report for the year ended March 31, 2021

Names of top 10 Employees Employed throughout the Financial Year and in receipt of remuneration aggregating Rs 1,00,00,000 (1 Crore) or more								
	ignat on	Remuner ation (in Rs.)	Qualifica tion	Experien ce (years)	Date of Comme ncement of Employm ent	Age	Last employm ent held before joining the company	% of equity shares held in the Compan
NIL								

Annual Report 2021-22



Names of top 10 Employees Employed throughout the Financial Year and in receipt of remuneration for a part of that year, at a rate which, in the aggregate, was not less than 8,50,000 lakh rupees Per Month

Name of the Employe e	Designat ion	Remuner ation (in Rs.)	Qualifica tion	Experien ce (years)	Date of end of Employm ent	Age	Last employm ent held before joining the company	% of equity shares held in the Compan
				NII			company	У

(iii) Employee employed throughout the financial year or the part thereof, was in receipt of remuneration in that year which, in the aggregate, or the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than 2 % of the equity shares of the company: Nil

for and on behalf of the Board of Ajel Limited

Place: Hyderabad Date: 11.08.2022 Sd/-Srinivasa Reddy Arikatla Managing Director DIN: 01673552 Sd/-Harshana Antharaji Whole time Director DIN: 07466984



#### **ANNEXURE -IV**

# 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 the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
Ajel Limited,
106, 2<sup>nd</sup> Floor, Link Plaza Commercial Complex,
New Link Rd, Oshiwara, Jogeshwari (W),
Mumbai-400102, Maharashtra.

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

Based on my verification of the Ajel Limited books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit (and due to country wide lockdown on account of novel covid-19 pandemic and restriction imposed by the Central and State Governments such verification is carried out through the electronic means only), I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31.03.2022, ("Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board- processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2022 according to the provisions of:

- (1) The Companies Act, 2013 (the "Act") and the rules made there under and other applicable provisions of the Companies Act, 1956 which are still in force;
- (2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (3) The Depositories Act, 1996 and the Regulations and Bye-laws framed under that Act.
- (4) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investments, Overseas Direct Investment and External Commercial Borrowings;
- (5) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
  - (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; Not Applicable to the Company during the audit period
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits Regulations), 2014; 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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (6) Other laws applicable to the Company as per the representations made by the Management.

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

(i) Secretarial Standards issued by the Institute of Company Secretaries of India

During the year under review, the Company was in Compliance with provisions under Secretarial Standard-1 and Secretarial Standard-2.

I report that, during the year under review, the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines and Standards mentioned above subject to the following observations:

(i) There is a pending Listing approval for listing of 9,00,000 Equity Shares allotted on 14.11.2012 on Preferential Basis.

#### I further report that:

The compliance by the Company of applicable financial laws such as direct and indirect tax laws and maintenance of financial records and books of accounts have not been reviewed in this audit since the same have been subject to review by the statutory financial auditors, tax auditors, and other designated professionals.

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All the decisions are carried out unanimously and 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.

Sd/-

N.V.S.S. Suryanarayana Rao Practicing Company Secretary Membership Number: 5868

Certificate of Practice Number: 2886

UDIN: A005868D000847434

Hyderabad, August 11,2022.

**Note:** This report is to be read with our letter of even date which is annexed as 'Annexure A' and forms an integral part of this report;

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#### **ANNEXURE 'A'**

To,
The Members,
Ajel Limited,
106, 2<sup>nd</sup> Floor, Link Plaza Commercial Complex,
New Link Rd, Oshiwara, Jogeshwari (W),
Mumbai-400102, Maharashtra

I 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. My responsibility is to express an opinion on these secretarial records based on our audit.
- 2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for our opinion.
- 3. I have not verified the correctness and appropriateness of Financial Records and Books of Accounts of the Company.
- 4. Wherever required, I have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
- 5. The compliance of the provisions of Corporate and other applicable Laws, Rules, Regulations, Standards is the responsibility of the Management. My 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.

Sd/-

N.V.S.S. Suryanarayana Rao Practicing Company Secretary Membership Number: 5868

Certificate of Practice Number: 2886

UDIN: A005868D000847434

Hyderabad, August 11, 2022.



#### CERTIFICATE BY A COMPANY SECRETARY IN PRACTICE

[Pursuant to clause (i) of Point (10) of Para C of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

We have examined the following documents:

- Declaration of non-disqualification as required under Section 164 of Companies Act, 2013 ('the Act');
- ii. Disclosure of concern or interests as required under Section 184 of the Act; (hereinafter referred to as 'relevant documents'),

As submitted by the Directors of Ajel Limited ('the Company') bearing CIN: L67120MH1994PLC076637 and having its registered office at 106, 2<sup>nd</sup> Floor, Mahada Shopping Complex, New Link Rd, Jogeshwari, Mumbai 400102, Maharashtra to the Board of Directors of the Company ('the Board') for the Financial Year 2021-22. We have considered non-disqualification to include non-debarment by Regulatory / Statutory Authorities.

It is the responsibility of Directors to submit relevant documents with complete and accurate information in accordance with the provisions of the Act.

Based on our examination of relevant documents made available to us by the Company and such other verifications carried out by us as deemed necessary and to the extent possible, in our opinion and to the best of our information and knowledge and according to the explanations provided by the Company, its officers and authorized representatives, we certify that as on date of this Certificate, none of the Directors on the Board of the Company, as listed hereunder, have been debarred or disqualified from being appointed or continuing as Directors of the Company by Securities and Exchange Board of India/ Ministry of Corporate Affairs or any such statutory authority.

Sr. No	Name of Director	Director Identification Number (DIN)
1.	Mr. Srinivasa Reddy Arikatla	01673552
2.	Ms. Harshana Antharaji	07466984
3.	Mr. Narendra Parupalli	08369204
4.	Mr. Sumanth John Wesley Kumara swamy	08369205
5.	Mr. Sirangivi	08578821
6.	Mr. Ashrith Reddy Gireddy	09568296

This Certificate has been issued at the request of the Company to make disclosure in its Corporate Governance Report of the Financial Year ended 31st March, 2022.

Sd/-

N.V.S.S. SURYANARAYANA RAO Practicing Company Secretary Membership Number: 5868

Certificate of Practice Number: 2886

UDIN: A005868D000847434 Hyderabad, August 11<sup>th</sup>, 2022.



#### **CERTIFICATE BY MANAGING DIRECTOR & CFO**

<u>To</u>
<u>The Board of Directors</u>
<u>of Ajel Limited</u>

Dear members of the Board,

We, Srinivas Arikatla, Managing Director and Mr. Balaram Reddy Chintakuntla, Chief Financial Officer of Ajel Limited certify that:

- 1. We have reviewed the Balance Sheet as at March 31<sup>st</sup>, 2022, Statement of Profit and Loss, the Statement of changes in equity and Statement of Cash flows for the year ended and a summary of the significant accounting policies and other explanatory information of the company and the Board's report for the year ended March 31<sup>st</sup>, 2022.
- 2. These statements do not contain any material untrue statement or omit any material fact nor do they contain statements that might be misleading.
- 3. The financial statement, and other financial information included in this report, present in all material respects a true and fair view of the company's affairs, the financial condition, results of operations and cash flows of the Company as at and for the periods presented in this report, and are in compliance with the existing accounting standards, applicable laws and regulations.
- 4. There are no transactions entered into by the company during the year that are fraudulent, illegal or violative of the company's code of conduct and Ethics.
- 5. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of company's internal control systems pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.
- 6. We have indicated to the Auditors and the Audit Committee that:
  - a. there are no significant changes in internal control over financial reporting during the year;
  - b. there are no significant changes in accounting policies during the year; and
  - c. there are no instances of significant fraud of which we have become aware.

for and on behalf of the Board of Ajel Limited

Place: Hyderabad Date: 11.08.2022 Sd/-Srinivasa Reddy Arikatla Managing Director DIN: 01673552

Sd/-Balaram Reddy Chintakuntla Chief Financial Officer



#### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

#### Introduction

India ranks third among the most attractive investment destinations for technology transactions in the world. Technology is a strong priority area for the Government, and it aims to make people science centric. Modern India has had a strong focus on science and technology, realizing that it is a key element for economic growth. India is among the topmost countries in the world in the field of scientific research, positioned as one of the top five nations in the field for space exploration. The country has regularly undertaken space missions, including missions to the moon and the famed Polar Satellite Launch Vehicle (PSLV).

India is likely to take a leading role in launching satellites for the SAARC nations, generating revenue by offering its space facilities for use to other countries.

#### Developments/Investments:

With support from the Government, considerable investment and development has incurred in different sectors such as agriculture, healthcare, space research, and nuclear power through scientific research. For instance, India is gradually becoming self-reliant in nuclear technology.

#### The Road Ahead

India is aggressively working towards establishing itself as a leader in industrialization and technological development. Significant developments in the nuclear energy sector are likely as India looks to expand its nuclear capacity. Moreover, nanotechnology is expected to transform India's pharmaceutical industry. The agriculture sector is also likely to undergo a major revamp with the government investing heavily for a technology-driven Green Revolution. Government of India, through the Science, Technology and Innovation (STI) Policy-2013, among other things, aspires to position India among the world's top five scientific powers. Indian Space Research Organization (ISRO) will launch its first Indian human mission by 2022.

India initiated a landmark policy called Science, Technology and Innovation Policy 2020 with core vision of being decentralized, evidence informed, bottom-up, experts-driven, and inclusive. The policy aims to be bring-in the concept of 'dynamic policy' with a robust policy governance mechanism incorporating features such as periodic review, policy evaluation, feedback, and adaptation, and a timely exit strategy for various policy instruments.

#### AJEL BUSINESS OVERVIEW

Ajel is a leading provider of next-generation Cloud Computing, Infrastructure management, networking, enterprise IT solutions, Application Development & management and Professional Consulting Services. The Company delivers its services primarily to customers in the USA and India, it continues to focus on delivering its development and support projects on an offshore basis. As the bulk of its services are currently delivered in other countries, the Company remains subject to the effect of changes in the relative values of the respective country currencies.

Our vision is to build a globally respected organization delivering the best-of-breed business solutions, leveraging technology, delivered by the best-in-class people. We are guided by our value system which motivates our attitudes and actions. Our core values are Client Value, Leadership by Example, Integrity and Transparency, Fairness, and Excellence

Our strategic objective is to build a sustainable organization that remains relevant to the agenda of our clients, while creating growth opportunities for our employees, generating profitable growth for our investors and contributing to the communities that we operate in. There are numerous risks and challenges affecting our business.



Company's success stems from its strong technology and business partnerships with industry leaders like CISCO, Citrix, CA, Informatica, Kalido, IBM, Oracle and MICROSOFT. Company works strategically with its partners to deliver mission critical solutions for leading businesses and government establishments across the globe.

The Company has also invested its capital in Datacenter in Edison, NJ USA. The Company realizes income from infrastructure management services.

Operations of the Company are completely integrated with its subsidiaries. The Company performs delivery management including offshore development and support, finance and administrative functions for the consolidated group. Ajel Technologies, Inc. (USA) is the wholly owned US subsidiary of the Company and Ajel Limited US branch office formed in July 2011. This Subsidiary and Branch office focuses on customer facing and business development activities including pre-sales, marketing, sales and onsite project/program management activities and also focus is to sell both on-site and offshore Information Technology services in the practice areas mentioned above.

The Company's consolidated customer base can be classified into two groups:

#### a. Commercial Sector

This group includes all commercial organizations in the US and elsewhere. The Company targets the SME (small and medium sized businesses up to \$1B) market sector as well as Enterprise (Global) corporations. We believe this market holds significant potential for Company growth, largely driving offshore business for the company. This marketplace represents approximately 60% of the company's business.

## b. Public Sector and Utility Companies

This includes national, state and local governments, non-profit entities and utility companies, primarily in the US. The Company has several large public sector and utility customers that comprise approximately 40% of the Company's business. Although these services typically are not delivered in an offshore format, there is a significant market due to our experience and depth of expertise in areas useful to public sector and utility clients. Current market focus is to additionally deliver services in this segment in the domestic market as well as the Middle East.

#### **BRAND BUILDING**

The Company undertook marketing initiatives to promote the Ajel brand, and the brand promise of 'The Difference is Depth' to its clients. The Company participated in leading industry and business events around the world, reaffirming its commitment to delivering a complete brand and organizational experience. Apart from regular channels, Ajel continues to invest in building the brand in the digital space using premium business and technology solutions.

Ajel continued to articulate the brand promise internally, using various channels and internal marketing assets and leveraged them to activate the brand amongst employees as well as other important stake holders.

The company has been exploring new areas which have the potential growth to Company's business and recently has come up with an application catering to various Local Governments.

#### **Technology and Innovation**

Ajel continues to invest in futuristic areas related to Cloud Computing, Networking, and Enterprise IT Solutions to make a difference to its customers and society. The Company continuously strives to improve quality and efficiency of current offerings to customers and enable them prepare for future challenges.

Intellectual Property (IP)



Company continues to build an effective portfolio of Intellectual Property for future monetization, collaboration and risk mitigation. In fiscal 2019-20 company continued to focus on building and managing of IPs. Company emphasizes to its employees for collaborative mining of Intellectual Property. IPs gives multiple advantages like cost and time saving, technical edge, risk mitigation etc.

The Company continuously engages in customer focused innovation and launches new offerings that use technology to address its clients' business problems.

## Products of the Company

DEM: Dynamic Enterprise Management (DEM) is a Professional Services business management solution that provides growing and midsize organizations with complete and scalable financial and operational functionality, such as advanced Consultant Resource Management, robust business intelligence, rich reporting, Payroll, Human Resource Management System, Financials and Sales Force Automation. DEM is accessed irrespective of any geographical or language limitations. DEM gives total control of consulting process from sourcing of the consultant to payroll generation to HRMS.

DEM is a bespoke ERP designed as a complete end to end recruitment system. DEM offers the stability you require, so you know your solution will support your business-critical needs, today and in the future. This rationalized, comprehensive solution automates key processes and connects Information across your business, empowering you and your employees to focus on core business initiatives, respond swiftly and make better strategic decisions.

#### INDUSTRY STRUCTURE AND DEVELOPMENTS:

Software and computing technology is transforming businesses in every industry around the world in a profound and fundamental way. The continued reduction in the unit cost of hardware, the explosion of network bandwidth, advanced software technologies and technology-enabled services are fueling the rapid digitization of business processes and information. The digital revolution is cascading across industries, redefining customer expectations, automating core processes and enabling software-based disruptive market offerings and business models. This disruption is characterized by personalized user experiences, innovative products and services, increased business agility, extreme cost performance and a disintermediation of the supply chain.

Leveraging technologies and models of the digital era to both extend the value of existing investments and, in parallel, transform and future-proof businesses, is increasingly becoming a top strategic imperative for business leaders. From an IT perspective, the renewal translates to re-imagining human-machine interfaces, extracting value out of digitized data, building next-generation software applications and platforms, harnessing the efficiency of distributed cloud computing, modernizing legacy technology landscapes and strengthening information security and data privacy controls.

The fast pace of technology change and the need for technology professionals who are highly skilled in both traditional and digital technology areas are driving businesses to rely on third parties to realize their business transformation. Several new technology solution and service providers have emerged over the years, offering different models for clients to consume their solution and service offerings such as data analytics companies, software-as-a-service businesses, digital design boutiques, and specialty business process management firms.

While these developments present strong market opportunities for the IT industry, there is also an imperative need for IT services and solutions companies to transition from fast-commoditizing traditional service offerings, to attract and retain quality talent globally, to reimagine cost structures and leverage automation for increased productivity.

The COVID-19 pandemic has disrupted demand and supply chains across industries, negatively impacting the business of companies and driving the global economy towards a recession. Governments



in several countries have imposed stringent lockdown in a bid to contain the spread of the disease. This in turn has forced companies to reconfigure how their employees work and how their core business processes are supported and delivered. These events could cause companies to pause and reprioritize their spending on technology and business process outsourcing. However, it is becoming evident that companies that have previously digitized their operations have been more resilient. Consequently, in the medium to long term, it is very likely that businesses will continue to spend on technology related initiatives with a greater focus on automation, remote working, cloud-based applications, optimization of legacy technology costs, etc. Several sectors are also seeking technology-based solutions immediately to tackle the health and economic crises – notably in healthcare, life sciences, banking, telecommunications and essential retail.

The World Health Organization declared a global pandemic of the Novel Coronavirus disease (COVID-19) on February 11, 2020. To prevent the rapid rise of infections, governments of almost all countries severely restricted travel, mandated extreme 'social distancing' measures and reduced demand supply chains to only those that are 'essential'. Office complexes, such as our campuses, our client offices and supplier offices, have been asked to operate with minimal or no staff for extended periods of time. This in turn has caused uncertainty in near-term demand for our services from clients and disruptions in our ability to service some of our client engagements.

The crisis has affected, and continues to impact, our key stakeholders – employees, clients, vendor partners and the communities that we operate in. In responding to this crisis, our primary objective is to ensure the safety of our employees world-wide, to deliver our client commitments, and put in place mechanisms to protect the financial well-being of the Company, and protect its long-term prospects.

To effectively respond to and manage this crisis, we triggered our business continuity management program and set up a cross-functional core governance team, chaired by our Chief Operating Officer, with representation from each of our global regions and from relevant functions within the organization.

# **OPPORTUNITIES AND THREATS**

#### Opportunities:

Information Technology support services remains an increasingly competitive business environment. With the change in emerging technology areas, companies have become dependent on technology not only for day-to-day operations, but also for the use of technology as a strategic tool to enable them to reengineer business processes, restructure operations, ensure regulatory compliances, etc. As systems continually become more complex, companies increasingly turn to external IT services provider to develop & implement new technologies & integrate them with existing applications in which companies have made considerable prior investments. Additionally, many companies continue to explore methods to reduce their cost of IT operations. This provides an opportunity for providers to support and integrate company IT systems on an ongoing basis. The Indian IT Industry becomes a powerful tool used by companies to reduce their costs.

Ajel has Alliance partnerships with several leading technology companies in its practice areas including CISCO, Citrix, CA, Informatica, Kalido, IBM, Oracle and MICROSOFT. The company is well poised to take advantage of the new advanced technologies provided by these alliance partners. These technology alliance partners expect to see major technology opportunities for their customers in the United States.

Ajel continues to focus as a priority on obtaining and providing offshore sourced services for its customers. Any increase in offshore related services should have the effect of increased company margins and profitability and increased longevity of business contracts. The company intends to continue to grow its share in existing clients. This has the supplemental effect of reducing the cost of overhead and delivery cost.



#### Threats:

The economic uncertainty of the current worldwide markets makes the future less predictable than in the past due to the current on-going environment. Worldwide IT spending growth has significantly reduced with budget cutbacks on IT spending by customers, buyers in "wait and watch" mode, government units significantly cutting budgets to match expected revenue shortfalls and delayed decision making. Reduction in new client additions, absence of large deals, vendor consolidation, downsizing for greater efficiencies and cost savings as well as pricing pressures — in both onsite and offshore realization put greater pressures on revenues and margins in the last fiscal year and are expected to track lower for some time.

The US market is under increasing pressure from general economic conditions as growth diminishes. US spending on offshoring services have slowed in the face of these market conditions as well as the adoption of protectionist measures by policy makers. Ajel is also subject to the threats of competing against much larger International IT service providers, the large global Indian IT service providers and more entrenched US and Global System integrators, many of which also provide services to established markets on an offshore basis. The good news is that, global sourcing is expected to increase as focus on cost and `value' increases with buyers "stretching the dollar" to include greater value delivery.

As with other Indian IT Services companies, other general threats to the business continue to include competition among Information and Technology units in India for talented people, which has resulted in rising employee compensation packages and shrinking margins available to IT Companies. We are also seeing a potential backlash in the US from the increasing loss of employment due to outsourced services overseas, resulting in an impact on the country's immigration enforcement procedures.

#### **OUTLOOK AND RISKS**

The Company is expected that its strengthened relationships and alliances with partners such as CISCO, Citrix, CA, Informatica, Kalido, IBM, Oracle and MICROSOFT will continue to lead to business and revenue growth and increasing profitability with a continued focus on offshore revenue as and when the global market improves. The Company continues its focus aligning its sales and delivery structure to an Indian Model.

The Company has not kept up with industry growth trends, primarily due to decreased spending in the US public sector and a corresponding decrease in activity at several of our large clients. Additionally, the absorption of new customers in the targeted small/medium client base has not grown as expected. US market conditions continue to soften making it harder to locate new development opportunities. The Company intends to continue to grow its offshore business while exploring new opportunities domestically and in adjacent markets, including new ventures in the Middle East and India domestically. New opportunities will focus on leveraging our US public sector expertise and delivering our market solutions and products to these markets. Companies continue to look for specialized expertise and cost saving methods, both of which are provided by the Company.

The Company's US subsidiary generated a loss after tax for the period. The Company has been impacted by the worldwide slowdown in discretionary IT spending which has impacted several of our targeted sectors. Due to this slowdown, our clients and many other companies are deferring the implementations of new systems and other discretionary spending. The new paradigm has become one of "reducing the total cost of ownership including the ongoing maintenance and support of IT systems". The Company has focused its efforts on driving cost effective support offerings resulting in improved offshore revenue while realizing a detriment to onsite business. This coupled with reduced spending in the public sector and increased pressure by the government to reduce the number of foreign IT workers has negatively impacted growth in the United States. These actions do not forecast a quick turnaround in the US market. The company continues to take all reasonable steps to reduce and optimize costs to improve profitability.



Focus remains on expanding the benefits from our alliance partners and creating offshore opportunities where relationships are of a long-term nature and recurring services can be provided at a lower cost.

Some of the key strategic risks the company faces, their impact and corresponding risk mitigation actions undertaken by the company are discussed in the table:

Key Risks	Impact on Ajel	Mitigation
Lack of diversification	The Company's potential for growth is driven by one market segment, namely IT services, with a focus on several technology areas.	Company management has purposely remained focused in the near term as opposed to spreading its manpower too thin to achieve its goals. The company is also taking measures to change the perspective from the pure services providers company to market "Product" and "IP"
Excessive dependence on one geographic segment	A large percentage of company's revenue comes from USA heavy dependence on this one geographic segment could lead to volatility because of the economic and political situation there.	The Company has successfully penetrated into the local Indian market apart from the setting operations in Middle East.
Legal and Statutory Risks	The company's international operations are subject to local legal and statutory risks including compliance with local laws and regulations, one of which is compliance with immigration laws and regulations, which may change from time-to-time. Other risks include contractual risks when delivering complex technology solutions.	As of the date of this report, the company is not aware of any noncompliance with local laws or regulations that would have a material impact on the financial statements.
Risk of attracting and retaining of IT Professionals in a highly competitive environment	In the IT services industry, people are the most valuable assets. Attrition of the key technical talent is one of the major risks.	The company reviews its compensation policies regularly to determine that compensation is competitive with the market conditions. The company also determines that there is a defined career path for all employees and the work environment provided to all employees is of very high standard.
Currency Risk	The changes in currency rate between Indian Rupees and US dollars have been a major cause of concern. The fluctuation of rates coupled with the shocks emerging from various parts of the world relating to the economic meltdown has increased the currency risk.	The company has tried to protect itself through various measures using available financial instruments from time to time.

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#### 1. ENERGIZING THE CORE

Every enterprise that is in transformation, including ours, needs to address the challenge of extracting higher return on existing assets while investing into newer business transformation initiatives. We are leveraging and automation techniques to energize our client's and our own core technology and process landscapes.

#### 2. INTERNAL CONTROL SYSTEM & THEIR ADEQUACY

The company strictly adheres to the internal control systems proven to be effective over the years. The internal audit team carries out extensive audit on all operations at regular intervals. The company implements the policies and procedures so as to safeguard the assets and interests of the company.

The internal control systems are implemented with a view to achieve good ethical culture within the organization. The internal control systems would ensure that any vulnerability in the achievement of company's objectives caused by risk factors whether internal or external, existing or emerging, is detected and reported in a timely manner and is meted out with appropriate corrective action. Strong internal controls minimize the risk of frauds by introducing effective checks and balances into the financial system.

#### 3. FINANCIAL CONDITION

Your company had consolidated revenues of Rs.4.25 crores and Rs.0.46 crores net loss in the current year. We expect to achieve significant growth in revenue and net income in the coming year.

The financial health of your company indicates adequate and sustainable financial resources to meet with the needs of its business. The Company and/or its wholly owned subsidiary have:

- Generated cash from its business
- Gained more productivity from its assets and properties
- Maintained its current dividend level

The Company believes it has adequate and dependable resources to meet its liquidity needs, including the ability to raise short term debt, and manage the ongoing mismatched cash flows inherent in a consulting business.

### **HUMAN RESOURCES**

We focus on the workplace of tomorrow that promotes a collaborative, transparent and participative organization culture, innovation, and rewards individual contribution. The focus of human resources management is to ensure that we enable each and every employee to navigate the next, not just for clients, but also for themselves. The three key strategic pillars of our Employee Value Proposition are:

- Inspiring them to build what's next
- Making sure their career never stands still
- Navigating further, together

# Ajel Management and Leadership Program

The Company holds regular programs to develop team spirit and to motivate its employees to perform better. The company has launched a Ajel Management Leadership (AML) Program. The objective of the AML program is to select, recruit and groom young leaders and next generation managers of Ajel. The program will:

- Provide AML managers opportunities for professional growth within Ajel.
- Groom, develop and build AML alumni as key managers and leaders of the Company.
- Tap their energy and vast potential to support growth of Ajel as an organization.
- Take Leadership roles in Ajel's core IT business units, Financial, Real Estate and human Capital management



## Need for Multidisciplinary Education and Experience

Ajel believes in a multi-disciplinary education as a robust base for general management and leadership. All real-life problems and opportunities require multi-disciplinary education and management skills. Our management experience over the years has proved that leaders need to be experienced in at least two or three distinct disciplines (examples such as Management and Accounting; Law and Finance; Engineering and Management; Finance and HR).

## **CAUTIONARY STATEMENT**

Statements in this Management Discussion & Analysis Report describing the Company's objectives, projections, estimates, expectations or projections may be 'forward looking statements. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic developments, particularly in the USA, & improvements in the state of Information Technology Services markets, changes in the Government regulations in India & USA, tax laws & other incidental factors.

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## CERTIFICATE OF THE CEO/CFO TO THE BOARD OF DIRECTORS OF AJEL LIMITED

We hereby certify that:

- A. We have reviewed financial statements and the cash flow statement for the year ended March 31, 2022 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 statements that might be misleading;
  - ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
  - B. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
  - C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and 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 the 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 control over financial reporting during the year;
    - ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
    - iii) Instances 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.

for and on behalf of the Board of Ajel Limited

Place: Hyderabad Date: 11.08.2022 Sd/-Srinivasa Reddy Arikatla Managing Director DIN: 01673552 Sd/-Harshana Antharaji Whole time Director DIN: 07466984



## **INDEPENDENT AUDITOR'S REPORT**

To The Members of M/s AJEL LIMITED, Mumbai.

#### Report on the Audit of the Standalone Financial Statements:

## Opinion:

- A. We have audited the accompanying Standalone Financial Statements of M/s AJEL LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone Financial Statements").
- B. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date

## **Basis of Opinion:**

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

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that no matters that need separate attention.

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

A. The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report,



Corporate Governance and Shareholder's Information, but does not include the Standalone Financial Statements and our auditor's report thereon.

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

B. 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 standalone 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 Financial Statements:

The Company's Management is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS Standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015. This responsibility also includes maintenance of adequate accounting records in accordance with the provision 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 internal financial control, that were operating effectively for ensuring the accuracy and completeness of accounting records, relevant to the preparation and presentation of the Ind AS 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 is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

## Auditor's Responsibilities for the Audit of the Standalone Financial Statements:

- A. Our objective is to obtain reasonable assurance about whether the Ind AS 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 Ind AS financial statements.
- B. 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 financial controls relevant to the audit in order to design
  audit Procedures that is 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 system 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 audit 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 audit 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.
- C. Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in
  - (i) planning the scope of our audit work and in evaluating the results of our work; and
  - (ii) to evaluate the effect of any identified misstatements in the financial statements.
- D. 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.
- E. 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.
- F. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone 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 143(3) of the Act, based on our audit we report that:



- A. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit
- B. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- C. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account
- D. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014
- E. On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
- F. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.
- G. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

  In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- 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, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - a. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements
  - b. 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
  - c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- 2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.



# For RAMESH ATHASNIYA & CO.,

Chartered Accountants,

Sd/-

CA. RAMESH ATHASNIYA,

Partner.

M.No. 204976

Firm Registration No. 007480\$

UDIN: 22204976AJWCKA6294

Date: 30<sup>th</sup> May 2022 Place: Hyderabad.

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#### ANNEXURE A TO THE AUDITORS' REPORT

The Annexure A referred to in our report to the members of AJEL LIMITED for the year ended 31st March 2022.

# On the basis of the information and explanation given to us during the course of our audit, we report that:

- 1. (a) A. The company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment;
  - B. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b. The Property, Plant and Equipment have been physically verified by the management at reasonable intervals having regard to size of the company and nature of Assets. According to explanations given to us, No Material discrepancies were noticed on such verification.
  - c. The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favor of the lessee) disclosed in the financial statements are held in the name of the company.
  - d. The Company has not revalued its Property, Plant and Equipment or intangible assets or both during the year.
  - e. The Company does not have any proceedings being initiated or pending against the company for holding any benami property under the Benami Transactions(Prohibition) Act, 1988 (45 of 1988) and rules made thereunder, hence reporting under this clause is not applicable.
- 2. (a) The Company does not have any inventory as it is a Service Company and hence reporting under clause 3(ii)(a) of the Order is not applicable.
  - (b) The Company has not been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.
- 3. The Company has made investments in, companies, firms, Limited Liability Partnerships, and granted unsecured loans to other parties, during the year, in respect of which:
  - (a) The Company has not provided any loans or advances in the nature of loans or stood guarantee, or provided security to any other entity during the year, and hence reporting under clause 3(iii)(a) of the Order is not applicable.
  - (b) In our opinion, the investments made and the terms and conditions of the grant of loans, during the year are, prima facie, not prejudicial to the Company's interest.
  - (c) In respect of loans granted by the Company, no schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are generally not on regular basis.
  - (d) In respect of loans granted by the Company, there is overdue amount of Rs. 49 Lakhs for more than 90 days remaining outstanding as at the balance sheet date. The Company has taken necessary steps to see that the loans are secured and are not doubtful.
  - (e) No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.
  - (f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable.



The Company has not provided any guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties.

- 4. The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.
- 5. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.
- 6. The maintenance of cost records has not been specified by the Central Government under subsection (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of the Order is not applicable to the Company.
- 7 (a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.

(b) There are no statutory dues referred to in sub-clause (a) have not been deposited on account of any dispute, then the amounts involved and the forum where dispute is pending except for the below:

SI. No.	Name of The Statute	Nature of Dues	Amount Rs.	Period for which the amount relates
1	TDS	Statutory	6,68,819	2013-14
2	TDS	Statutory	6,90,819	2015-16
3	TDS	Statutory	1,32,236	2018-19
4	TDS	Statutory	10,702	2019-20
5	Provident Fund	Statutory	3,96,680	2013-14
6	Provident Fund	Statutory	12,047	2014-15
7	ESI	Statutory	4,14,867	2013-14
8	Service Tax	Statutory	59,65,837	2013-14
9	Income Tax	Statutory	41,98,992	2018-19
10	*Provision for Tax	Statutory	22,67,626	-
11	**Other Statutory Dues	Statutory	3,11,181	-
12	Provident Fund Payable	Statutory	29,024	-
13	Profession Tax Payable	Statutory	2,900	
	Total:-		1,51,01,730	

<sup>\*\*</sup> The breakup of Other Statutory Dues is not available in the books to report in detail.



According to the information and explanations given to us, there are no dues of Provident Fund, Employees State Insurance, Central Excise, Sales Tax, Income Tax or any other Statutory Dues not been deposited on account of any dispute except the following:

Sl. No.	Assessment Year	Amount (Rs)
1	2012-13	Rs.1,00,97,200/-

8. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

9.

- a) The company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- c) The term loans were applied for the purpose for which the loans were obtained.
- d) The funds raised on short term basis have not been utilised for long term purposes, if yes, the nature and amount to be indicated;.
- e) The company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures, if so, details thereof with nature of such transactions and the amount in each case;
- f) The company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies, if so, give details thereof and also report if the company has defaulted in repayment of such loans raised;

10.

- a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.

11.

- a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- c) There were no whistle-blower complaints received during the year by the company;
- 12. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- 13. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.



14.

- a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- b) Reports of the Internal Auditors are not applicable to the company.
- 15. In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors, and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

16.

- (a) In our opinion and according to the information and explanations given to us, the company has granted loans to One body corporate covered in the register maintained under section 189 of the Act.
- (b) There are no overdue amounts in respect of the loan granted to a body corporate listed in the register maintained under Section 189 of the Act.
- 17. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- 18. There has been no resignation of the statutory auditors of the Company during the year.
- 19. 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 and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not 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. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- 20. The Provisions of Sec 135 of the Companies Act is not applicable to the company. Hence reporting under Clause 20(a) and 20(b) is not applicable.

For RAMESH ATHASNIYA & CO., Chartered Accountants,

Sd/-

CA. RAMESH ATHASNIYA, Partner M.No. 204976

Firm Regn No.: 007480S

UDIN: 22204976AJWCKA6294

Date: 30<sup>th</sup> May 2022.

Place: Hyderabad.



#### "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")

We have audited the internal financial controls over financial reporting of M/s AJEL LIMITED ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting 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 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 over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial



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

#### Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

## **Opinion**

In our opinion, 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.

For RAMESH ATHASNIYA & COMPANY, Chartered Accountants,

Sd/-CA. RAMESH ATHASNIYA, Partner. M.No. 204976

Firm Reg No.007480S UDIN: 22204976AJWCKA6294

Place: Hyderabad, Date: 30<sup>th</sup> May 2022.

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# AJEL LIMITED

# (CIN: L67120MH1994PLC076637)

106, 2nd Floor, Mahada Shopping Complex, New Link Road, Jogeshwari, Mumbai - 400102.

BALANCE SHEET AS AT 31-03-2022

	PART	TICULARS	Note Number	current repo	at the end of orting period -2022	previous rep	res as at the end of ous reporting period 31-03-2021	
ASS	SETS:							
A.		Current Assets						
	(a)	Property, Plant and Equipment	2.01	7622573		8599661		
	(b)	Capital Work In Progress		-Nil-		-Nil-		
	(c)	Investment Property		-Nil-		-Nil-		
	(d)	Goodwill		-Nil-		-Nil-		
	(e)	Other Intangible Assets	2.01	-Nil-		-Nil-		
		Intangible Assets under						
	(f)	Development		-Nil-		-Nil-		
	(g)	Financial Assets		-Nil-		-Nil-		
	(0)	(i) Investments	2.02	83945876		79572385		
		(ii) Trade Receivables	2.03	28281519		28281519		
		(iii) Loans	2.04	18690730		18690730		
	(h)	Deferred Tax Assets (Net)		-Nil-		-Nil-		
	(i)	Other Non Current Assets	2.05	8033270		8033270		
					146573968		143177565	
B.	Curr	ent Assets						
	(a)	Inventories		-Nil-		-Nil-		
	(b)	Financial Assets						
		(i) Investments		-Nil-		-Nil-		
		(ii) Trade Receivables	2.06	48607185		46895668		
		(iii) Cash & Cash Equivalents	2.07	1299051		1171998		
		(iv) Bank Balances other than (iii)						
		above		-Nil-		-Nil-		
		(v) Loans	2.08	4900000		4900000		
		(vi) Others (to be specified)				-Nil-		
	(c)	Other Current Assets	2.09	2749194		2658940		
	. /				57555430		55626606	
		TOTAL ASSETS			204129399		198804171	
FΩ	I IITY A	L AND LIABILITIES:						
A.	Equil							
7 10	(a)	Equity Share Capital	2.10	116500000		116500000		
	(b)	Other Equity	2.10	27793341		24112977		
	(6)	Office Equity	2.10	27770011	144293341	21112///	140612977	
B.	Non	Current Liabilities			144270041		140012777	
<u> </u>	(a)	Financial Liabilities						
	\-/	(i) Borrowings	2.11	23953671		21797653		
		(ii) Trade Payables	2.12	4134549		4134549		
	<u> </u>	(iii) Other Financial Liabilities		-Nil-		-Nil-		
	(b)	Provisions	2.13	2267626		2267626		
	(c)	Deferred Tax Liabilities (Net)	2.14	5679805		5820188		
	(d)	Other Non Current Liabilities	2.15	16266254		16244254		
	(5.)	co	20	11203201	52301905	11211201	50264269	
B.	Curr	ent Liabilities						

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	(a)	Financial Liabilities					
		(i) Borrowings		-Nil-		-Nil-	
		(ii) Trade Payables	2.16	1415819		2216589	
		(iii) Other Financial Liabilities		-Nil-		-Nil-	
	(b)	Other Current Liabilities	2.17	1919343		1511343	
	(c)	Provisions		-Nil-		-Nil-	
	(d)	Current Tax Liabilities (Net)	2.18	4198992		4198992	
					7534154		7463133
		TOTAL EQUITY AND LIABILITIES			204129401		198804171
Sign	nificant A	accounting Policies and Notes to Accounts	1 & 2				

(Amount in Rupees)

As per our Report of even date, for RAMESH ATHASNIYA & COMPANY, Chartered Accountants,

Sd/-CA. RAMESH ATHASNIYA, Partner. M.No. 204976 Firm Regn No.007480S

Place: Hyderabad, Date: 30<sup>th</sup> May 2022. For Ajel Limited

Sd/-Srinivasa Reddy Arikatla Managing Director DIN: 01673552

Sd/-Balarami Reddy Chintakuntla Chief Financial Officer Sd/-Harshana Antharaji Wholetime Director DIN: 07466984

Sd/-Shruthi Rathi Company Secretary M.No.: 67780

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# **AJEL LIMITED** (CIN: L67120MH1994PLC076637)

106, 2nd Floor, Mahada Shopping Complex, New Link Road, Jogeshwari, Mumbai - 400102. STATEMENT OF PROFIT & LOSS FOR THE PERIOD ENDED ON 31-03-2022

				(Amo	mount in Rupees)		
PART	RTICULARS		Figures for the current reporting period ended		Figures for the previous reporting period ended		
1		0.10	01011070			10440017	
<u>l.</u>	Revenue from Operations	2.19	21911070			19442817	
II.	Other Income		-Nil-			-Nil-	
III.	Total Revenue (I + II)		21911070			19442817	
IV.	Expenses:						
	Purchases					-Nil-	
	Changes in Inventories of Finished Goods,						
	Work-in-progress & Stock-in-Trade					-Nil-	
	Employee Benefits Expenses	2.20	20082757			17512206	
	Depreciation & Amortization Expense	2.21	996239			1046340	
	Other Expenses	2.22	2804318			3583225	
	Total Expenses		23883314			22141771	
V.	Profit Before Tax & Extraordinary Items (III-IV)		(1972244)			(2698953)	
VI.	Extraordinary And Prior Period Items						
	(i)Prior Period Expenses					-Nil-	
	(ii) Exchange Fluctuation Loss on Consolidation of Branch		(1110829)			500024	
VII.	Profit Before Tax (V-VI)		(861415)			(3198977)	
VIII.	Tax Expense:						
	(1) Current Tax		-Nil-		-Nil-		
	(2) Deferred Tax		(168288)	(168288)	(160815)	(160815)	
IX.	Profit for the Period from Continuing Operations			(693127)		(3038162)	
X.	Other Comprehensive Income (OCI)						
	(1) Items that will not be reclassified to profit or loss					-Nil-	
	(2) Items that will be reclassified to profit or loss						
	- Fair Value Changes on Investments, Net			4373491		3413166	
XI.	Total Comprehensive Income			3680364		375004	
XII.	Earnings Per Share (for Continuing Operations)						
-	Basic			(0.05)		(0.26)	

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	Diluted		(0.05)	(0.26)
XIII.	Number of Shares used for EPS working			
	Basic		11650000	11650000
	Diluted		11650000	11650000
Signi	ficant Accounting Policies and Notes to Accounts	1 & 2		

As per our Report of even date, for RAMESH ATHASNIYA & COMPANY, Chartered Accountants,

Sd/-CA. RAMESH ATHASNIYA, Partner. M.No. 204976 Firm Regn No.007480S

Place: Hyderabad, Date: 30<sup>th</sup> May 2022. For Ajel Limited

Sd/-Srinivasa Reddy Arikatla Managing Director DIN: 01673552

Sd/-Balarami Reddy Chintakuntla Chief Financial Officer Sd/-Harshana Antharaji Wholetime Director DIN: 07466984

Sd/-Shruthi Rathi Company Secretary M.No.: 67780

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# AJEL LIMITED (CIN: L67120MH1994PLC076637)

106, 2nd Floor, Mahada Shopping Complex, New Link Road, Jogeshwari, Mumbai - 400102. STANDALONE CASH FLOW STATEMENT FOR THE PERIOD ENDED 31st March, 2022

(Rupees in Lakhs)

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As at 31.03.2022	As at 31.03.2021
(19.72)	(26.99)
9.96	10.46
-Nil-	-Nil-
-Nil-	-Nil-
(9.76)	(16.53)
(18.02)	(7.43)
-Nil-	-Nil-
4.30	4.88
0.00	0.00
(13.72)	(2.56)
(23.48)	(19.08)
(11.39)	5.20
(12.09)	(24.28)
(0.19)	-Nil-
-Nil-	-Nil-
0.00	(0.00)
-Nil-	-Nil-
-Nil-	-Nil-
-Nil-	-Nil-
(0.19)	(0.00)
-Nil-	-Nil-
-Nil-	-Nil-
21.56	17.15
-Nil-	-Nil-
0	0.00
-Nil-	-Nil-
-Nil-	-Nil-
21.56	17.15
9.28	(7.13)
11.72	18.85
	(19.72)  9.96 -NilNil- (9.76)  (18.02) -Nil- 4.30 0.00 (13.72) (23.48) (11.39) (12.09)  (0.19) -Nil-

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We have verified the above Cash Flow Statement of M/s. AJEL LIMITED, for the year ended on 31st March, 2022, which has been derived from the audited annual accounts after making such adjustments / groupings as were considered appropriate and found the same to be true and correct.

As per our Report of even date, for RAMESH ATHASNIYA & COMPANY, Chartered Accountants,

Sd/CA. RAMESH ATHASNIYA,
Partner.
M.No. 204976
Firm Regn No.007480S

Place: Hyderabad, Date: 30<sup>th</sup> May 2022. For Ajel Limited

Sd/Srinivasa Reddy Arikatla
Managing Director
DIN: 01673552

Sd/Harshana Antharaji
Wholetime Director
DIN: 07466984

Sd/Balarami Reddy Chintakuntla
Chief Financial Officer
Sd/Shruthi Rathi
Company Secretary
M.No.: 67780



# 2.02 INVESTMENTS:

Partic	ulars	As on 31-03-2022	As on 31-03-2021
Invest	ment in Shares:		
Unqu	<u>oted</u> :		
	Investment in 750000 Shares of Ajel Technologies India Pvt Ltd	71500000	71500000
	(Face Value of Rs.10/- each, Unquoted and Valued at Cost)		
Quote			
QUUIN			
(i)	Investment in 600 Shares of Pulsar International Limited	900	900
. /	(Face Value of Rs.10/- each, Quoted at Rs.1.05/-)		
(ii)	Investment in 1,000 Shares of Artefact Projects Limited	59000	34000
	(Face Value of Rs.10/- each, Quoted at Rs.25.50/-)		
(iii)	Investment in 41,300 Shares of Centennial Sutures Limited	2505258	1765575
	(Face Value of Rs.10/- each, Quoted at Rs.49.40/-)		
(iv)	Investment in 2,000 Shares of Choice International Limited	600000	245200
(11)	(Face Value of Rs.10/- each, Quoted at Rs.69.70/-)		
(v)	Investment in 28,800 Shares of Contil India Limited	1319616	348480
	(Face Value of Rs.10/- each, Quoted at Rs.4.90/-)		
(vi)	Investment in 10,600 Shares of Dhampure Speciality Sugars Limited	421244	248040
(**)	(Face Value of Rs.10/- each, Quoted at Rs.15.90/-)		
(vii)	Investment in 400 Shares of Ficom Industries Limited	43060	11460
	(Face Value of Rs.10/- each, Quoted at Rs.13.25/-)		
(viii)	Investment in 50 Shares of Forbes Gokak Limited	20503	86228
(*111)	(Face Value of Rs.72/- each, Quoted at Rs.2197.25/-)	20000	33223
	(Tuce value of Ns.72) edell, Quoted di Ns.2177.25)		
(ix)	Investment in 900 Shares of Golecha Global Finance Limited	5634	5940
	(Face Value of Rs.10/- each, Quoted at Rs.6.86/-)		
(24)	Investment in 1400 Shares of Gratex Industries Limited	14770	15960
(x)	(Face Value of Rs.10/- each, Quoted at Rs.10/-)	14770	13700
	(Tace value of Ns. 10/- each, Quoied at Ns. 10/-)		
(xi)	Investment in 1,300 Shares of NHC Foods Limited	20748	7787
V/	(Face Value of Rs.10/- each, Quoted at Rs.5.20/-)		
,	1000	2000	0000
(xii)	Investment in 100 Shares of Omnitex Industries (India) Limited	3220	2280
	(Face Value of Rs.10/- each, Quoted at Rs.10.60/-)		

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(xiii)	Investment in 2,500 Shares of Ratnamani Metals & Tubes Limited	6396375	4754500
	(Face Value of Rs.10/- each, Quoted at Rs.894.15/-)		
	Investment in 1,800 Shares of Rexnord Electronics & Controls	117018	54000
(xiv)	Limited		
	(Face Value of Rs.10/- each, Quoted at Rs.32.15/-)		
'xv)	Investment in 14,800 Shares of Scan Steels Limited	461316	270100
,	(Face Value of Rs.10/- each, Quoted at Rs.38.15/-)		
		110015	0.4000
(xvi)	Investment in 50 Shares of Stovec Industries Limited	110815	86000
	(Face Value of Rs.67.70/- each, Quoted at Rs.2358.50/-)		
	Investment in 200 Shares of Switching Technologies Gunther	8776	6010
(xvii)	Limited		
	(Face Value of Rs.28.75/- each, Quoted at Rs.52.50/-)		
(xviii)	Investment in 1,100 Shares of Tokyo Finance Limited	10560	10450
/	(Face Value of Rs.10/- each, Quoted at Rs.7.40/-)		
(xix)	Investment in 600 Shares of Tokyo Plast International Limited	54420	42030
XIX)	(Face Value of Rs.10/- each, Quoted at Rs.53.05/-)	34420	42000
	(Tace value of Rs. 10/- each, Quoied at Rs. 33.03/-)		
	Investment in 1,09,000 Shares of Visagar Financial Services	272500	77390
(xx)	Limited		
	(Face Value of Rs.10/- each, Quoted at Rs.0.32/-)		
(xxi)	Investment in 86 Shares of Zenith Birla (India) Limited	144	56
	(Face Value of Rs.10/- each, Quoted at Rs.0.55/-)		
		83945876	76572385

# 2.03 TRADE RECEIVABLES, NON CURRENT:

Par	ticulars	As on 31-03-2022	As on 31-03-2021
1.	Debtors outstanding for a Period more than 365 Days	28281519	28281519
	(Unsecured Considered Good)		
		28281519	28281519

# 2.04 LOANS & ADVANCES, NON CURRENT:

Particulars	As on 31-03-2022	As on 31-03-2021
(i)Loans and Advances to Related Parties	10094587	10094587
(Unsecured, Considered Good)		
(ii)Other Long Term Loans & Advances	8596143	8596143
(Unsecured Considered Good)		
	18690730	18690730

# 2.05 OTHER NON-CURRENT ASSETS:

Particulars	As on 31-03-2022	As on 31-03-2021
Balances with Revenue Authorities		

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	8033270	8033270
(c)Others	28500	28500
(b)Income Tax Paid under Protest	5093613	5093613
(a)TDS Receivable	2911157	2911157

# 2.06 TRADE RECEIVABLES, CURRENT:

Particulars	As on 31-03-2022	As on 31-03-2021
Debtors outstanding for a Period Less than 365 Days	48607185	46895668
(Unsecured Considered Good)		
	48607185	46895668

# 2.07 CASH & CASH EQUIVALENTS:

Particulars	As on 31-03-2022	As on 31-03-2021
(a)Bank Balances with Scheduled Banks in Current Accounts	1292028	1171475
(b)Cash on Hand	7023	523
	1299051	1171998

# 2.08 LOANS & ADVANCES, CURRENT:

Particulars	As on 31-03-2022	As on 31-03-2021
Other Short Term Loans and Advances	4900000	4900000
(Unsecured, Considered Good)		
	4900000	4900000

# 2.09 OTHER CURRENT ASSETS:

Particulars	As on 31-03-2022	As on 31-03-2021
(a) Deposit - Others	141900	141900
(b)Other Assets	1292862	1292862
(c)IGST, CGST & SGST Input Tax Credit	671240	583970
(d)Staff Advances	643192	640208
	2749194	2658940

# 2.11 BORROWINGS, NON-CURRENT:

Particulars	As on 31-03-2022	As on 31-03-2021
Other Long-Term Loans		
(a)From Directors	23953671	21797653
(b)From Holding Company	-Nil-	-Nil-
(c) From Director's Relative	-Nil-	-Nil-
	23953671	21797653

# 2.12 TRADE PAYABLES, NON-CURRENT:

Particulars	As on 31-03-2022	As on 31-03-2021
Trade Payables	4134549	4164549
	4134549	4164549

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# 2.13 PROVISIONS, NON-CURRENT:

Particulars	As on 31-03-2022	As on 31-03-2021
Provision for Tax	2267626	2267626
	2267626	2267626

# 2.14 DEFERRED TAX LIABILITIES (NET):

Particulars	As on 31-03-2022	As on 31-03-2021
Opening Deferred Tax Liability/(Asset)	5820188	6001130
Add/(Less):		
	(168288)	(160815)
	27905	(20127)
Net Deferred Tax Liability	5679805	5820188

# 2.15 OTHER NON-CURRENT LIABILITIES:

Particulars	As on 31-03-2022	As on 31-03-2021
(a)Statutory Dues Payable	8536144	8514144
(b)Other Payables	7730111	7730111
	16266254	16244254

# 2.16 TRADE PAYABLES, CURRENT:

Particulars	As on 31-03-2022	As on 31-03-2021
Trade Payables	1415819	2216588
	1415819	2216588

# 2.17 OTHER CURRENT LIABILITIES:

Particulars	As on 31-03-2022	As on 31-03-2021
Other Short-Term Provisions	1919343	1511343
	1919343	1511343

# 2.18 CURRENT TAX LIABILITIES (NET):

Particulars	As on 31-03-2022	As on 31-03-2021	
Provision for Income Tax	4198992	4198992	
<i>Less:</i> Advance Tax	-Nil-	-Nil-	
<u>Less:</u> TDS Receivable	-Nil-	-Nil-	
	4198992	4198992	

# 2.19 REVENUE FROM OPERATIONS:

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Particulars	As on 31-03-2022	As on 31-03-2021	
Consulting Services Income	21911070	19442817	
	21911070	19442817	

# 2.20 EMPLOYEE BENEFIT EXPENSES:

Particulars		As on 31-03-2022			
(i)	Salaries & Wages	20069485	17503380		
(ii)	Staff Welfare Expenses	13272	8826		
		20082757	17512206		

# 2.22 OTHER EXPENSES:

Particulars	As on 31-03-2022	As on 31-03-2021	
Audit Fees	100000	100000	
Advertisement Expenses	Nil	7229	
Bank Charges	28336	36951	
Conveyance Expenses	Nil	-Nil-	
Consultancy Charges	655786	1361073	
CDSL Fees	212133	82287	
Electricity Charges	10528	6801	
Exchange Fluctuation Loss	-Nil-	-Nil-	
Fuel Expenses	-Nil-	-Nil-	
Listing Fees and Other Expenses	286737	300000	
Insurance Expenses	23169	63264	
Office Maintenance	146809	119106	
Postage & Courier Charges	-Nil-	430	
Printing & Stationery Expenses	1400	-Nil-	
Rent Expenses	1158552	1316022	
Repairs & Maintenance	10500	33749	
ROC Filing Charges	10600	34847	
RTA Fees		-Nil-	
Telephone Charges	17030	7591	
Travelling Expenses	102474	87586	
Other Expenses	40264	26288	
	2804318	3583225	

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# 2.01 & 2.23 STATEMENT OF FIXED ASSETS & DEPRECIATION

SI.	Particulars	GR	OSS BLC	OCK	ACCUMULATED DEPRECIATION			NET BLOCK		
No ·		Balance as at 31-03- 2021	Additi ons/ (Disp osals)	Balance as at 31-03- 2022	Balance as at 31-03- 2021	For the Year	Adj.	Balance as at 31-03- 2022	Balance as at 31-03- 2022	Balance as at 31-03- 2021
(A)	Tangible Assets									
1	Land & Building (Office Premises)	11199328	-Nil-	11199328	2997818	664596	Nil	3662414	7536914	8201510
2	Plant & Machinery	5318514	-Nil-	5318514	5318513	21304	Nil	5318513	0	0
	(Computers, Computer Printers & Accessories)									
3	Vehicles	1923714	-Nil-	1923714	1538470	320610	Nil	1859080	64634	385244
4	Office Equipments	313563	1915 3	332716	305779	35593	Nil	313562	19154	7784
5	Furniture & Fixtures	2486973	-Nil-	2486973	2482127	2975	Nil	2485102	1871	4846
6	Air conditioner	22186	-Nil-	22186	22186	-Nil-	Nil	22186	-Nil-	-Nil-
7	Air Cooler	5098	-Nil-	5098	4822	1262	Nil	5097	0	276
		21269376	1915 3	21288529	12669715	1046340	Nil	13665954	7622573	8599661
(B)	Intangible Assets:		0							
1	Computer Software	7481600	-Nil-	7481600	7481600	-Nil-	Nil	7500000	-Nil-	-Nil-
		7481600	-Nil-	7481600	7481600	-Nil-	Nil	7500000	-Nil-	-Nil-
	TOTAL:	28750976	-Nil-	28770129	20151315	1046340	Nil	21165954	7622573	8599661
Previ	ious Year	28750976	-Nil-	28750976	19104975	19104975	Nil	20151315	8599660	9646000

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# NOTES TO THE IND AS STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

## 1. (A) COMPANY OVERVIEW:

Ajel Limited (referred to as "Ajel" or "the Company" hereinafter) was incorporated under the laws of the Republic of India with its registered office at 106 Link Plaza Commercial Complex, New Link Road, Oshiwara, Jogeshwari (West), Mumbai - 400102 and it is providing IT Consulting and Software Development Services and Financial Services.

#### (B) BASIS OF PREPARATION OF FINANCIAL STATEMENTS:

## 1.1 Basis of Preparation and Compliance with Ind AS:

a. These Standalone financial statements are prepared in accordance with Indian Accounting Standard (Ind AS), under the historical cost convention on accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ("the Act") (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

b. As the year-end figures are taken from the source and rounded to the nearest digits, the figures reported for the previous quarters might not always add up to the year end figures reported in this statement.

#### 1.2 Basis of Measurement:

The Ind AS Financial Statements have been prepared on a going concern basis using historical cost convention and on an accrual method of accounting, except for certain financial assets and liabilities, including derivative financial instruments which have been measured at fair value as described below and defined benefit plans which have been measured at actuarial valuation as required by relevant Ind AS's.

#### Fair value measurement:

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.



Fair value for measurement and/or disclosure purpose in these financial statements is determined on such a basis, except for share based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- **Level 2** Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- **Level 3-** Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

#### 1.3 Functional and Presentation Currency

These Ind AS Financial Statements are prepared in Indian Rupee which is the Company's functional currency.

#### 1.4 Significant Accounting Policies:

The Company has applied following accounting policies to all periods presented in the Ind AS Financial Statement.

## 1.5 Revenue Recognition:

Revenue is primarily derived from Software development, Consulting and allied services. Arrangements for software development and related services are either on fixed-price and fixed-timeframe or on a time and material basis.

Revenue from fixed-price and fixed-time frame contracts, where there is no uncertainty as to measurement or collectability of consideration is recognised based on percentage-completion method. Where there is uncertainty as to measurement or collectability revenue recognition is postponed until such uncertainty is resolved. Revenue from fixed-price maintenance contracts are recognised ratably over the period in which services are rendered.

## 1.6 Property Plant and Equipment

Fixed Assets are stated at cost less depreciation. The company capitalizes all costs incidental to acquisition and installation of Fixed Assets. Depreciation on fixed assets is provided on WDV method at the rates prescribed in Schedule II of the Companies Act, 2013. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

# 1.7 Preliminary Expenses and Pre-Operative Expenses:



Preliminary Expenses and Pre-Operative Expenses are to be amortized over a period of ten years from the date of commencement of commercial activities.

### 1.8 Cash and Cash Equivalents:

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

#### 1.9 Tax on Income:

Current Income tax is determined as the amount of tax payable in respect of taxable income for the period.

Deferred tax is recognized, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are not recognized on unabsorbed depreciation and carry forward of losses unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

## 1.10 Provisions for Liabilities and Charges, Contingent Liabilities and Assets:

The assessments undertaken in recognising provisions and contingencies have been made in accordance with the applicable Ind AS. Provisions represent liabilities to the Company for which the amount or timing is uncertain. Provisions are recognized when the Company has a present obligation (legal or constructive), as a result of past events, and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation. a. Contingent Liabilities are determined on the basis of available information and are disclosed by way of a note to the accounts. Contingent assets are not recognised but disclosed in the financial statements when an inflow of economic benefits is probable.

## 1.11 Foreign Currency Transactions:

For the purpose of Consolidation, Ajel Technologies, Inc was treated as Integral foreign operation in accordance with the Accounting Standard 11 -"Effects of Changes in Foreign Exchange Rates" and transactions in foreign currency for the items of income and expenses are recorded at the Average rate of exchange for the period. All the Assets and Liabilities were recorded at the Closing rate of exchange. Exchange differences arising there from is transferred to Foreign Currency gain or loss and transferred to Profit and Loss Account.

### 1.12 Earnings Per Share:

The Company presents basic and diluted earnings per share ("EPS") data for its equity shares. Basic EPS is calculated by dividing the profit and loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. Diluted EPS is determined by adjusting the profit and loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential equity shares.

#### 1.13 Cash Flow Statement:

Cash flows are reported using indirect method as set out in Ind AS -7 "Statement of Cash Flows", whereby profit I (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.



# **NOTES ON ACCOUNTS:**

# 2.23 Contingent Liabilities are not provided for in Books of Accounts -Nil-.

### 2.24 Disclosure of Remuneration to Auditors:

(Rupees in Lakhs)

Particulars	2021-22	2020-21
Audit Fees	1.00	1.00
Reimbursement of Goods & Service Tax	0.18	0.18
TOTAL	1.18	1.18

# 2.25 Accounting Standard 18 Related Party Disclosure:

As per Accounting Standard -18 issued by the Institute of Chartered Accountants of India, the company's related parties with whom the company has entered into transactions during the year in the ordinary course of business, as certified by the Management are discussed below:

# (I) Names of Related Parties and Nature of Relationship:

SI. No.	Name of the Related Party	Nature of Relationship
1.	Srinivasa Arikatla	Director

# (II) Transactions with Related Parties:

SI. No.	Name of the Person	Amount (Rs. In Lakhs) FY 2021-22	Amount (Rs. In Lakhs) FY 2020-21
1.	Loan Accepted:		
	Srinivasa Arikatla	21.56	17.15

The Management of the Company feels that the above payments under various heads to Directors, their relatives and associated enterprises are reasonable compared to the Market conditions.

# 2.26 Earnings Per Share:

Basic EPS after comprehensive income Rs. (0.06)
Diluted EPS after comprehensive income Rs. (0.06)

#### 2.27 Taxes on Income:

Current Year Income Tax amounting to -Nil- has been recognized as per the Tax rates applicable for the year.

### 2.28 Provisions, Contingent Liabilities and Contingent Assets:

Provisions are recognised for liabilities that can be measured only by using a substantial degree of estimation, if the Company has a present obligation as a result of past event, a probable outflow of resource is expected to settle the obligation and the amount of obligation can be really estimated.



Provisions, Contingent Liabilities and Contingent Assets are reviewed at each Balance sheet Date.

- **2.29** Previous year figures have been regrouped and rearranged wherever foundnecessary, to be in confirmative with current year classification.
- **2.30** In the opinion of the Board of Directors, the current assets, and loans and advances have the value on realization at least equal to the amount at which they are stated at the Balance Sheet and provision for all known and determined liabilities is adequate and not in excess of amount reasonably required.
- **2.31** Balances under Sundry Debtors, Sundry Creditors, other receivables and payables are subject to confirmation to be receivable from the parties.
- **2.32** Paises are rounded off to the nearest rupee.

As per our Report of even date, for RAMESH ATHASNIYA & COMPANY, Chartered Accountants,

Sd/-CA. RAMESH ATHASNIYA, Partner. M.No. 204976 Firm Regn No.007480S

Place: Hyderabad, Date: 30<sup>th</sup> May 2022. For Ajel Limited

Sd/-Srinivasa Reddy Arikatla Managing Director DIN: 01673552

Sd/-Balarami Reddy Chintakuntla Chief Financial Officer Sd/-Harshana Antharaji Wholetime Director DIN: 07466984

Sd/-Shruthi Rathi Company Secretary M.No.: 67780



#### INDEPENDENT AUDITOR'S OPINION

To The Members of **M/s AJEL LIMITED,** Mumbai.

## Report on the Audit of the Consolidated Financial Statements:

#### Opinion:

- A. We have audited the accompanying Consolidated financial statements of AJEL LIMITED (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associates and jointly controlled entities, which comprise the Consolidated Balance Sheet as at March 31, 2022, the Consolidated Statement of Profit and Loss(including Other Comprehensive Income), the Consolidated Statement of Changes in equity and the Consolidated Statement of Cash flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated financial statements").
- B. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

### **Basis of Opinion:**

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

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated financial statements of the current period. These matters were addressed in the context of our audit of the Consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and



Shareholder's Information, but does not include the Consolidated financial statements and our auditor's report thereon. Our opinion on the Consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated 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 Financial Statements:

- A. The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group including its Associates and Jointly controlled entities in accordance with the Ind AS 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 Group 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
- B. In preparing the Consolidated financial statements, management of the Group and of its associates and jointly controlled entities is responsible for assessing the Group and of its associates and jointly controlled entities 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 Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for overseeing the financial reporting process of the Group and of its associates and jointly controlled entities.

# Auditors' Responsibility for the Audit of the Consolidated Financial Statements:

- A. Our objectives are to obtain reasonable assurance about whether the Consolidated 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 Consolidated Financial Statements.
- B. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - i. 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.

- ii. Obtain an understanding of internal financial controls relevant to the audit in order to design audit Procedures that is 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 system in place and the operating effectiveness of such controls.
- iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- iv. 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 audit 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 audit report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- v. 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.
- C. Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.
- D. 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.
- E. 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.
- F. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated 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 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company, so far as it appears from our examination of those books.



- c) The Consolidated Balance Sheet, Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
- d) In our opinion, the aforesaid Consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015 as amended;
- e) On the basis of the written representations received from the directors of the holding company and its subsidiary companies as on 31st March, 2021 taken on record by the Board of Directors of the holding company and of its subsidiaries respectively, none of the directors of the Group Companies incorporated in India is disqualified as on 31st March, 2021 from being appointed as a director in terms of sub-section (2) of section 164 of the Act;
- f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting of the Holding Company and its subsidiary companies, refer to our separate Report in "Annexure A" to this report;
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With reference 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 explanation given to us:
  - (i) The Company does not have any pending litigations which would impact its financial position in its financial statements.
  - (ii) The company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the company.
- 2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For RAMESH ATHASNIYA & CO., Chartered Accountants,

Sd/-

CA. RAMESH ATHASNIYA,

Partner

M.No. 204976

Firm Registration No. 007480S UDIN: 22204976AJWCVM9637

Date: 30<sup>th</sup> May 2022. Place: Hyderabad.



# "Annexure – A" to the Independent Auditors' Report of even date on the Consolidated Financial Statements of M/s AJEL LIMITED

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

In conjunction with our audit of the consolidated financial statements of **M/s AJEL LIMITED** as of and for the year ended March 31, 2022, we have audited the internal financial controls over financial reporting of AJEL LIMITED (hereinafter referred to as "Holding Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

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

The respective Board of Directors of the Holding Company and its subsidiary companies which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding 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. 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 the respective 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 Act.

### Auditors' Responsibility

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

An 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 internal financial controls system over financial reporting.

# Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that



- (1) pertains 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 authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## **Opinion**

In our opinion, the Holding Company and its subsidiary companies 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 March 31, 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.

For RAMESH ATHASNIYA & COMPANY, Chartered Accountants,

Sd/-CA. RAMESH ATHASNIYA, Partner M.No. 204976 Firm Reg No.007480S

UDIN: 22204976AJWCVM9637

Place: Hyderabad, Date: 30<sup>th</sup> May 2022

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# AJEL LIMITED (CIN: L67120MH1994PLC076637)

106, 2nd Floor, Mahada Sopping Complex, New Link Road, Jogeshwari, Mumbai - 400102. CONSOLIDATED BALANCE SHEET AS AT 31-03-2022

(Amount in Rupees)

						Amount in Rupees)		
PARTICULARS		Note Figures as at the end of			Figures as at the end of			
			Number	current reporting period			us reporting period	
			1 (011100)	31-03	3-2022	31-03-2021		
	SETS:							
Α.	Nor	Current Assets						
	(a)	Property, Plant and Equipment	2.01	7837272		8786374		
	(b)	Capital Work In Progress		-Nil-		-Nil-		
	(c)	Investment Property		-Nil-		-Nil-		
	(d)	Goodwill (Refer Note No. 2.36)		20669950		20669950		
	(e)	Other Intangible Assets	2.01	-Nil-		-Nil-		
	(f)	Intangible Assets under Development		208		208		
	(g)	Biological Assets other than bearer plants		-Nil-		-Nil-		
	(h)	Financial Assets		-Nil-		-Nil-		
		(i) Investments	2.02	12445876		8072385		
		(ii) Trade Receivables	2.03	93072426		91428463		
		(iii) Loans	2.04	18690730	1	18690730		
	(i)	Deferred Tax Assets (Net)		-Nil-	1	-Nil-		
	(i)	Other Non Current Assets	2.05	8033270	1	8033270		
	\1/				160749732		155681380	
B.	Cur	rent Assets						
	(a)	Inventories		-Nil-	†	-Nil-		
	(b)	Financial Assets						
	\" <i> </i>	(i) Investments		-Nil-		-Nil-		
	<del>                                     </del>	(ii) Trade Receivables	2.06	48607185	+	46895668		
	<del>                                     </del>	(iii) Cash & Cash Equivalents	2.07	70989	<del> </del>	64489		
	<del>                                     </del>	(iv) Bank Balances other than (iii) above	2.08	2227063	+	1704191		
	<del>                                     </del>	(v) Loans	2.09	4900000		4900000		
		(vi) Others (to be specified)		-Nil-	<del> </del>	-Nil-		
	(c)	Other Current Assets	2.10	15732565		15554521		
	(0)	Office Correcti Assets			71537803		69118869	
	<u> </u>				, 100, 555		071.000.	
		TOTAL ASSETS			232287535		224800249	
EQ	UITY	AND LIABILITIES:						
A.	Equ	ity						
	(a)	Equity Share Capital	2.11	116500000		116500000		
	(b)	Other Equity (Refer Note No.2.36)	2.11	21938668		16617371		
					138438668		13311737	
B.	Nor	Current Liabilities						
	(a)	Financial Liabilities						
		(i) Borrowings	2.12	1924177	1	49243486		
		(ii) Trade Payables	2.13	4134549	1	4134549		
		(iii) Other Financial Liabilities		-Nil-		-Nil-		
	(b)	Provisions	2.14	2267626		2267626		

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	(d)	Other Non Current Liabilities	2.16	16266254		16244254	
					81171119		77717832
C.	Cur	rent Liabilities					
	(a)	Financial Liabilities					
		(i) Borrowings	2.17	1924177		1924177	
		(ii) Trade Payables	2.18	1415819		2216588	
		(iii) Other Financial Liabilities		-Nil-		-Nil-	
	(b)	Other Current Liabilities	2.19	5138760		5625288	
	(c)	Provisions		-Nil-		-Nil-	
	(d)	Current Tax Liabilities (Net)	2.20	4198992		4198992	
					12677748		13965046
		TOTAL EQUITY AND LIABILITIES			232287535		224800249
Sign	l iifican	t Accounting Policies and Notes to Accounts	1 & 2				

As per our Report of even date, for RAMESH ATHASNIYA & COMPANY, Chartered Accountants,

Sd/-CA. RAMESH ATHASNIYA, Partner. M.No. 204976 Firm Regn No.007480S

Place: Hyderabad, Date: 30<sup>th</sup> May 2022. For Ajel Limited

Sd/-Srinivasa Reddy Arikatla Managing Director DIN: 01673552

Sd/-Balarami Reddy Chintakuntla Chief Financial Officer Harshana Antharaji Wholetime Director DIN: 07466984

Sd/-

Sd/-Shruthi Rathi Company Secretary M.No.: 67780

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# AJEL LIMITED (CIN: L67120MH1994PLC076637)

106, 2nd Floor, Mahada Sopping Complex, New Link Road, Jogeshwari, Mumbai - 400102. CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE PERIOD ENDED ON 31-03-2022

PART	TCULARS	Note Num.	reportir en	r the currenting period	previous period	s for the reporting d ended
-	D ( O	0.01	<b>31-03-2022</b> 41464628		31-0	3- <b>2021</b> 34732189
<u>l.                                     </u>	Revenue from Operations	2.21		-Nil-		-Nil-
II.	Other Income	2.22		-1111-		-1111-
III.	Total Revenue (I + II)			41464628		34732189
1111.	Toldi Revenue (i + ii)			41404020		04702107
IV.	Expenses:					
	Purchases			-Nil-		-Nil-
	Changes in Inventories of Finished Goods,			-Nil-		-Nil-
	Work-in-progress & Stock-in-Trade			-Nil-		-Nil-
	Employee Benefits Expenses	2.23		37251891		32363797
	Finance Cost	2.24		235804		114887
	Depreciation & Amortization Expense	2.25		996239		1046340
	Other Expenses	2.26		3753399		4420712
	Total Expenses			42237333		37945736
٧.	Profit Before Tax & Pior Period Items (III-IV)			(772705)		(3213547)
VI.	Prior Period Items					
	Exchange Fluctuation Loss on Consolidation of Branches			(1552222)		1238303
VII.	Profit Before Tax (V-VI)			779517		(4451850)
VIII.	Tax Expense:					
	(1) Current Tax				-Nil-	
	(2) Deferred Tax		(168288)	(168288)	(160815)	(160815)
IX.	Profit for the period from Continuing Operations			947805		(4291035)
X.	Other Comprehensive Income (OCI)					
	(1) Items that will not be reclassified to profit or loss			-Nil-		-Nil-
	(2) Items that will be reclassified to profit or loss					
	- Fair Value Changes on Investments, Net			4373491		3413166
XI.	Total Comprehensive Income			5321296		(877869)
XII.	Earnings Per Share (for Continuing Operations)					
	Basic			0.08		(0.37)
	Diluted		İ	0.08	i	(0.37)

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XIII.	Number of Shares used for EPS working			
	Basic		11650000	11650000
	Diluted		11650000	11650000
Signi	Significant Accounting Policies and Notes to Accounts			

As per our Report of even date, for RAMESH ATHASNIYA & COMPANY, Chartered Accountants,

Sd/-CA. RAMESH ATHASNIYA, Partner. M.No. 204976 Firm Regn No.007480S

Place: Hyderabad, Date: 11<sup>th</sup> August, 2022. For Ajel Limited

Sd/-Srinivasa Reddy Arikatla Managing Director DIN: 01673552

Sd/-Balarami Reddy Chintakuntla Chief Financial Officer Sd/-Harshana Antharaji Wholetime Director DIN: 07466984

Sd/-Shruthi Rathi Company Secretary M.No.: 67780



# AJEL LIMITED (CIN: L67120MH1994PLC076637)

106, 2nd Floor, Mahada Sopping Complex, New Link Road, Jogeshwari, Mumbai - 400102. CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2022

(Amount in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
A. Cash Flow from Operating Activities:	31.03.2022	31.03.2021
Net Profit before Tax and Extraordinary Items	(7.73)	(32.14)
Adjustments for:	(, ,, ,,	(0211.1)
Depreciation	9.96	10.46
Interest & Other Income	0.00	0.00
Assets Written Off	0.00	0.00
Operating profit before Working Capital Changes	2.24	(21.67)
Adjustments for:		(= ::=: /
Trade and Other Receivables	(35.34)	(22.60)
Inventories	0	0.00
Trade Payables and Other Liabilities	(4.65)	2.52
Cash generated from Operations	(39.98)	(20.08)
Cash flow before Extraordinary Items	(37.75)	(41.75)
Adjustment to Statement of Equity	31.32	(24.64)
Extraordinary Items and Tax	(15.52)	12.38
Net Cash used for Operating activities	(21.95)	(54.00)
3. Cash Flow from Investing Activities:		
Purchase of Fixed Assets	(0.47)	(80.0)
Sale of Fixed Assets	-Nil-	-Nil-
Capital Work in progress	-Nil-	-Nil-
Purchase of Investments	0.00	0.00
Sale of Investments	-Nil-	-Nil-
Increase / (Decrease) in Deposits	-Nil-	-Nil-
Interest & Other Income	0.00	0.00
Net Cash flow from Investing activities	(0.47)	(80.0)
C. Cash Flow from Financing Activities:		
Increase in Share Capital	-Nil-	-Nil-
Increase in Share Premium	-Nil-	-Nil-
Increase / Decrease in Long & Short Term Borrowings	35.72	12.76
Increase in Loans & Advances	0.00	0.00
Share Issue and Preliminary Expenses	-Nil-	-Nil-
Dividends Paid	-Nil-	-Nil-
Net Cash flow from Financing activities	35.72	12.76
Net Increase in Cash and Cash Equivalents	13.30	(41.32)
Cash and Cash Equivalents as at (Opening Balance)	17.69	59.01
Cash and Cash Equivalents as at (Closing Balance)	30.99	17.69

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We have verified the above Cash Flow Statement of M/s. AJEL LIMITED, for the year ended on 31st March 2022, which has been derived from the audited annual accounts after making such adjustments / groupings as were considered appropriate and found the same to be true and correct.

As per our Report of even date, for RAMESH ATHASNIYA & COMPANY, Chartered Accountants,

Sd/-CA. RAMESH ATHASNIYA, Partner. M.No. 204976 Firm Regn No.007480S

Place: Hyderabad, Date: 30<sup>th</sup> May 2022. For Ajel Limited

Sd/-Srinivasa Reddy Arikatla Managing Director DIN: 01673552

Sd/-Balarami Reddy Chintakuntla Chief Financial Officer Sd/-Harshana Antharaji Wholetime Director DIN: 07466984

Sd/-Shruthi Rathi Company Secretary M.No.: 67780



# 2. NOTES TO ACCOUNTS:

# 2.02- INVESTMENTS:

Partic	ulars	As on 31-03-2022	As on 31-03- 2021
	nvestment in Shares: Inquoted:		
	ment in 750000 Shares of Ajel Technologies India Pvt Ltd Value of Rs.10/- each, Unquoted and Valued at Cost)	0	0
Quote	ed: (Refer Note No. 2.31)		
(i)	Investment in 600 Shares of Pulsar International Limited (Face Value of Rs.10/- each, Quoted at Rs.1.05/-)	900	900
(ii)	Investment in 1,000 Shares of Artefact Projects Limited (Face Value of Rs.10/- each, Quoted at Rs.25.50/-)	59000	34000
(iii)	Investment in 41,300 Shares of Centennial Sutures Limited (Face Value of Rs.10/- each, Quoted at Rs.49.40/-)	2505258	1765575
(iv)	Investment in 2,000 Shares of Choice International Limited (Face Value of Rs.10/- each, Quoted at Rs.69.70/-)	600000	245200
(v)	Investment in 28,800 Shares of Contil India Limited (Face Value of Rs.10/- each, Quoted at Rs.4.90/-)	1319616	348480
(vi)	Investment in 10,600 Shares of Dhampure Speciality Sugars Limited (Face Value of Rs.10/- each, Quoted at Rs.15.90/-)	421244	248040
(vii)	Investment in 400 Shares of Ficom Industries Limited (Face Value of Rs.10/- each, Quoted at Rs.13.25/-)	43060	11460
(viii)	Investment in 50 Shares of Forbes Gokak Limited (Face Value of Rs.72/- each, Quoted at Rs.2197.25/-)	20503	86228
(ix)	Investment in 900 Shares of Golecha Global Finance Limited (Face Value of Rs.10/- each, Quoted at Rs.6.86/-)	5634	5940
(x)	Investment in 1400 Shares of Gratex Industries Limited (Face Value of Rs.10/- each, Quoted at Rs.10/-)	14770	15960
(xi)	Investment in 1,300 Shares of NHC Foods Limited (Face Value of Rs.10/- each, Quoted at Rs.5.20/-)	20748	7787
(xii)	Investment in 100 Shares of Omnitex Industries (India) Limited (Face Value of Rs.10/- each, Quoted at Rs.10.60/-)	3220	2280

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(xiii)	Investment in 2,500 Shares of Ratnamani Metals & Tubes Limited	6396375	4754500
()	(Face Value of Rs.10/- each, Quoted at Rs.894.15/-)		
(xiv)	Investment in 1,800 Shares of Rexnord Electronics & Controls Ltd	117018	54000
	(Face Value of Rs.10/- each, Quoted at Rs.32.15/-)		
(xv)	Investment in 14,800 Shares of Scan Steels Limited (Face Value of Rs.10/- each, Quoted at Rs.38.15/-)	461316	270100
(xvi)	Investment in 50 Shares of Stovec Industries Limited (Face Value of Rs.67.70/- each, Quoted at Rs.2358.50/-)	110815	86000
(xvii)	Investment in 200 Shares of Switching Technologies Gunther Ltd (Face Value of Rs.28.75/- each, Quoted at Rs.52.50/-)	8776	6010
(xviii)	Investment in 1,100 Shares of Tokyo Finance Limited (Face Value of Rs.10/- each, Quoted at Rs.7.40/-)	10560	10450
(xix)	Investment in 600 Shares of Tokyo Plast International Limited (Face Value of Rs.10/- each, Quoted at Rs.53.05/-)	54420	42030
(xx)	Investment in 1,09,000 Shares of Visagar Financial Services Limited	272500	77390
(704)	(Face Value of Rs.10/- each, Quoted at Rs.0.32/-)		
(xxi)	Investment in 86 Shares of Zenith Birla (India) Limited (Face Value of Rs.10/- each, Quoted at Rs.0.55/-)	144	56
		12445876	8072385

# 2.03 TRADE RECEIVABLES, NON CURRENT:

Particulars	As on 31-03-2022	As on 31-03-2021
Debtors outstanding for a Period more than 365 Days (Unsecured Considered Good)	93072426	91428463
	93072426	91428463

# 2.04 LOAS & ADVANCES, NON-CURRENT:

Particulo	irs	As on 31-03-2022	As on 31-03-2021
(i)	Loans and Advances to Related Parties (Unsecured, Considered Good)	10094587	10094587
(ii)	Other Long Term Loans & Advances (Unsecured Considered Good)	8596143	8596143
		18690730	18690730

### 2.05 OTHER NON-CURRENT ASSETS:

Particulars	As on 31-03-2022	As on 31-03-2021
Balance with Revenue Authorities		

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(a)	TDS Receivable Income Tax Paid under Protest (Refer Note No.2.32)	2911157	2911157
(b)		5093613	5093613
(C)	Others	28500 <b>8033270</b>	28500 <b>8033270</b>

# 2.06 TRADE RECEIVABLES, CURRENT:

Particulars	As on	As on
	31-03-2022	31-03-2021
Debtors outstanding for a Period Less than 365 Days (Unsecured Considered Good)	48607185	46895668
	48607185	46895668

# 2.07 CASH & CASH EQUIVALENTS:

Particulars	As on 31-03-2022	As on 31-03-2021
Cash on Hand	70989	64489
	70989	64489

# 2.08 BANK BALANCES:

Particulars	As on 31-03-2022	As on 31-03-2021
Bank Balances with Scheduled Banks in Current Accounts	2227063	1704191
	2227063	1704191

# 2.09 LOANS & ADVANCES, CURRENT:

Particulars	As on 31-03-2022	As on 31-03-2021
Other Short Term Loans and Advances (Unsecured, Considered Good)	4900000	4900000
	4900000	4900000

# 2.10 OTHER CURRENT ASSETS:

Particula	rs	As on 31-03-2022	As on 31-03-2021
(a)	Deposit - Others	141900	141900
(b)	Other Assets	1292862	1292862
(c)	IGST, CGST & SGST Input Tax Credit	703640	616370
(d)	Staff Advances	13594163	13503389
, ,			
		15732565	15554521

# 2.12 BORROWINGS, NON-CURRENT:

Partic	culars		As on 31-03-2022	As on 31-03-2021
(i) (ii)		Loans r Long-Term Loans	12333492	11955745
	(a) (b)	From Directors From Holding Company	31239414 9242250	28045491 9242250
			52815156	49243486

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# 2.13 TRADE PAYABLES, NON-CURRENT:

Particulars	As on 31-03-2022	As on 31-03-2021
Trade Payables	4134549	4164549
	4134549	4164549

# 2.14 PROVISIONS, NON-CURRENT:

Particulars	As on As on 31-03-2021
Provision for Tax	2267626 2267626
	2267626 2267626

# 2.15 DEFERRED TAX LIABILITIES (NET):

Particulars	As on 31-03-2022	As on 31-03-2021
Opening Deferred Tax Liability/(Asset) <u>Add/(Less)</u> :	5827917	6008859
	(168288) 27905	(160815) (20127)
Net Deferred Tax Liability	5687534	5827917

# 2.16 OTHER NON-CURRENT LIABILITIES:

Particulars	As on 31-03-2022	As on 31-03-2021
(a) Statutory Dues Payable (b) Other Payables	8536144 7730111	8514144 7730111
16244254	16266254	16190361

# 2.17 BORROWINGS, CURRENT:

Particulars	As on 31-03-2022	As on 31-03-2021
Short Term Loans		
(a ) From Directors	1924177	1924177
(b) From Holding Company	-Nil-	-Nil-
(c) From Director's Relative	-Nil-	-Nil-
	1924177	1924177

# 2.18 TRADE PAYABLES, CURRENT:

Particulars	As on	As on	
	31-03-2022	31-03-2021	
Trade Payables	1415819	2216588	
	1415819	2216588	

# 2.19 OTHER CURRENT LIABILITIES:

Particulars	As on	As on
	31-03-2022	31-03-2021

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(i) Other Short-Term Provisions	2985317	2527317
(ii) Other Payables	2153443	3097971
	5138760	5625288

# 2.20 CURRENT TAX LIABILITIES (NET):

Particulars	As on	As on	
	31-03-2022	31-03-2021	
Provision for Income Tax	4198992	4198992	
<i>Less: A</i> dvance Tax	-Nil-	-Nil-	
<u>Less:</u> TDS Receivable	-Nil-	-Nil-	
	4198992	4198992	

# 2.21 REVENUE FROM OPERATIONS:

Particulars	As on 31-03-2022	As on 31-03-2021
(i) Consulting Services Income	41464628	34732189
(ii) Interest on Loans & Advances	-Nil-	-Nil-
	41464628	34732189

# 2.22 OTHER INCOME:

Particulars	As on 31-03-2022	As on 31-03-2021
Interest Income	-Nil-	-Nil-
	-Nil-	-Nil-

# 2.23 EMPLOYEE BENEFIT EXPENSES:

Particulars	As on As on	
	31-03-2022 31-03-2021	31-03-2022
(i) Salaries & Wages	37219191 32333064	37219191
(ii) Staff Welfare Expenses	32700 30733	32700
	37251891 32363797	37251891

# 2.24 FINANCE COST:

Particulars	As on 31-03-2022	As on 31-03-2021
Interest Expenses	235804	114887
	235804	114887

# 2.26 OTHER EXPENSES:

Particulars	As on 31-03-2022	As on 31-03-2021
Audit Fees	150000	150000
Advertisement Expenses	0	7229
Bank Charges	33601	36951
Conveyance Expenses	-Nil-	-Nil-

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Consultancy Charges	935725	1616443
CDSL Fees	212133	82287
Electricity Charges	10528	6801
Exchange Fluctuation Loss	-Nil-	-Nil-
Fuel Expenses	-Nil-	-Nil-
Listing Fees And Other Expenses	286737	300000
Insurance Expenses	23169	88944
Office Maintenance	158830	169351
Postage & Courier Charges	4030	2985
Printing & Stationery Expenses	1400	-Nil-
Rent Expenses	1348772	1386799
Repairs & Maintenance	10500	51173
ROC Filing Charges	10600	34847
RTA Fees	-Nil-	-Nil-
Subscriptions & Renewals	14353	12959
Sundry Balances Written Off	-Nil-	-Nil-
Telephone Charges	276950	204086
Travelling Expenses	235805	204898
Other Expenses	40264	32008
Licenses & Permits	0	32951
	3753399	4366230

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# 2.01 & 2.25 STATEMENT OF FIXED ASSETS & DEPRECIATION

SI.	Particulars		GROSS BLOCK	(	ACCUMULATED DEPRECIATION			NET F	NET BLOCK	
No.		Balance as at 31-03- 2021	Additions/ (Disposals)	Balance as at 31-03- 2022	Balance as at 31-03- 2021	For the Year	Adj.	Balance as at 31-03- 2022	Balance as at 31-03- 2022	Balance as at 31-03- 2021
(A)	Tangible Assets	<del>                                     </del>	<u> </u> '	<del>                                     </del>	<del>                                     </del>	<u> </u> '				
1	Land & Building (Office Premises)	11199328		11199328	2997818	664596	-Nil-	3662414	7536914	8201510
2	Plant & Machinery	5318514		5318514	5318513	0	-Nil-	5318513	1	1
	(Computers, Computer Printers & Accessories)									
3	Vehicles	1923714		1923714	1538470	320610	-Nil-	1859080	64634	385244
4	Office Equipments	313563	19153	332716	305779	7783	-Nil-	313562	19154	7784
5	Furniture & Fixtures	2486973		2486973	2482127	2975	-Nil-	2485102	1871	4846
6	Air conditioner	22186	Γ	22186	22186	-Nil-	-Nil-	22186	0	0
7	Air Cooler	5098		5098	4822	275	-Nil-	5097	1	276
8	Assets - Ajel Technologies India Pvt Ltd	1996205		1996205	1996205		-Nil-	1996205	0	0
9	Assets - Ajel Technologies Inc	15438741	27984	15466725	15252028	-Nil-	-Nil-	15252028	214697	186713
	-	38704322	47137	38751459	29917948	996239	-Nil-	30914187	7837272	8786374
(B)	Intangible Assets:									
1	Computer Software	7481600		7481600	7481600	-Nil-	-Nil-	7481600	0	0
2	Software Products-Ajel Tech Inc.	46198353		46198353	46198353	-Nil-	-Nil-	46198353	0	0
		53679953	0	53679953	53679953	0	0	53679953	0	0
	TOTAL:	92384275	47137	92431412	83597901	996239	-Nil-	84594140	7837272	8786374

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## Notes to the Ind AS Consolidated Financial Statements for the year ended 31st March 2022

#### 1. (A) COMPANY OVERVIEW:

Ajel Limited (referred to as "Ajel" or "the Company" hereinafter) was incorporated under the laws of the Republic of India with its registered office at 106 Link Plaza Commercial Complex, New Link Road, Oshiwara, Jogeshwari (West), Mumbai-400102 and it is providing IT Consulting and Software Development Services and Financial Services.

# 1. (B) BASIS OF PREPARATION OF FINANCIAL STATEMENTS:

## 1.1 Basis of Preparation and Compliance with Ind AS:

- i. Consolidated Financial Statements have been prepared under the historical cost convention, in accordance with the generally accepted accounting principles and provisions of the Companies Act, 2013 as applicable to this Company. These financials have been prepared to comply in all material respects with the accounting standards notified by the Companies (Accounting Standards) Rules, read with Rule 7 to the Companies (Accounts) Rules, 2014 in respect of Section 133 to the Companies Act, 2013.
- ii. Accounting Policies not specifically referred to otherwise are consistent and in consonance with the generally accepted accounting principles followed by the Company.
- iii. All assets and liabilities have been classified as current or noncurrent, wherever applicable, as per the operating cycle of the company as per the guidance as set out in the Schedule III to the Companies Act, 2013.

#### 1.2 Basis of Consolidation:

The Consolidated financial statements include the financial statements of AJEL Limited (the "parent company") and AJEL Technologies India Private Limited (referred as "the Subsidiary Company"), in which the parent company has Hundred Percent of the voting power of an enterprise. The consolidated financial statements have been prepared on the following basis:

The financial statements of the parent company and the Associate have been combined based on Equity Method where by effects are given only to Reserves & surplus and to Non-Current Investment. The amounts shown in respect of reserves comprise the amount of the relevant reserves as per the balance sheet of the parent company and its share in the post-acquisition increase in the relevant reserves of the Associates.

The consolidated financial statements are presented, to the extent possible, in the same format as that adopted by the parent company for its separate financial statements.

The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

## 1.3 Accounting Estimates:

The preparation of the consolidated financial statements, in conformity with generally accepted accounting principles, requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of consolidated financial statements and the results of operation during the reported period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates which are recognized in the period in which they are determined.

### 1.4 Property Plant and Equipment:



## i. Tangible Fixed Assets:

Tangible and intangible assets are stated at cost of acquisition / revalued amount, less accumulated depreciation, if any. Cost of fixed assets includes taxes, duties, freight and other incidental expenses related to acquisition and installation after reducing Cenvat credit received/receivable, if any

### ii. Intangible Fixed Assets:

Intangible assets are stated at cost of acquisition / revalued amount, less accumulated depreciation and impairments, if any. Cost of fixed assets includes taxes, duties, freight and other incidental expenses related to acquisition and installation after reducing Cenvat credit received/receivable, if any.

### 1.5 Depreciation

In respect of Fixed Assets, Depreciation is provided on WDV Method at the rates and in the manner specified under Schedule II of the Companies Act, 2013.

- (i) Depreciation on additions/deletions of assets during the year is provided on pro-rata basis.
- (ii) In respect of Software the company has calculated the depreciation as per the provisions of Schedule II of the Companies Act, 2013 on the basis of useful lives of the assets.

#### 1.6 Investments

Investments that are readily realizable and are intended to be held for not more than one year, are classified as current investments. All other investments are classified as non-current investments. Current investments are carried at cost or fair value, whichever is lower. Non-current investments are carried at cost.

### 1.7 Foreign Currency Transactions

Transactions in foreign currency are accounted at the exchange spot rate prevailing on the date of the transaction. Year end receivables and payables are translated at year end rate of exchange. With effect from April 1, 2011, gain/loss on account of fluctuation in exchange rates pertaining to long term foreign currency borrowings to the extent they are related to acquisition of depreciable fixed assets is adjusted to the cost of asset, and in case of other long term borrowings, the same is amortized over the life of such long term borrowings.

In all other cases, the difference on account of fluctuation in the rate of exchange is recognized in the statement of profit and loss.

### 1. (C) SIGNIFICANT ACCOUNTING POLICIES:

1.1 The Company has applied following accounting policies to all periods presented in the Ind AS Financial Statement

#### 1.2 Revenue Recognition:

Revenue is primarily derived from Software development, Consulting and allied services. Arrangements for software development and related services are either on fixed-price and fixed-timeframe or on a time and material basis.



Revenue from fixed-price and fixed-time frame contracts, where there is no uncertainty as to measurement or collectability of consideration is recognised based on percentage-completion method. Where there is uncertainty as to measurement or collectability revenue recognition is postponed until such uncertainty is resolved. Revenue from fixed-price maintenance contracts are recognised ratably over the period in which services are rendered.

## 1.3 Preliminary Expenses and Pre-operative Expenses:

Preliminary Expenses and Pre-operative Expenses are to be amortized over a period of ten years from the date of commencement of commercial activities.

# 1.4 Cash and Cash Equivalents:

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

#### 1.5 Tax on Income:

Current Income tax is determined as the amount of tax payable in respect of taxable income for the period.

Deferred tax is recognized, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are not recognized on unabsorbed depreciation and carry forward of losses unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

## 1.6 Provisions for Liabilities and Charges, Contingent Liabilities and Assets:

The assessments undertaken in recognising provisions and contingencies have been made in accordance with the applicable Ind AS. Provisions represent liabilities to the Company for which the amount or timing is uncertain. Provisions are recognized when the Company has a present obligation (legal or constructive), as a result of past events, and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation. a. Contingent Liabilities are determined on the basis of available information and are disclosed by way of a note to the accounts. Contingent assets are not recognised but disclosed in the financial statements when an inflow of economic benefits is probable.

## 1.7 Foreign Currency Transactions:

For the purpose of Consolidation, Ajel Technologies, Inc was treated as Integral foreign operation in accordance with the Accounting Standard 11 -"Effects of Changes in Foreign Exchange Rates" and transactions in foreign currency for the items of income and expenses are recorded at the Average rate of exchange for the period. All the Assets and Liabilities were recorded at the Closing rate of exchange. Exchange differences arising there from is transferred to Foreign Currency gain or loss and transferred to Profit and Loss Account.

#### 1.8 Earnings Per Share:

The Company presents basic and diluted earnings per share ("EPS") data for its equity shares. Basic EPS is calculated by dividing the profit and loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. Diluted EPS is determined by adjusting the profit and loss attributable to equity shareholders and



the weighted average number of equity shares outstanding for the effects of all dilutive potential equity shares.

### 1.9 Cash Flow Statement:

Cash flows are reported using indirect method as set out in Ind AS -7 "Statement of Cash Flows", whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

### **NOTES ON ACCOUNTS:**

- 2.27 Previous year figures have been regrouped and rearranged wherever found necessary, to be in confirmative with current year classification.
- 2.28 Contingent liabilities not provided for: -Nil-

# 2.29 Accounting Standard 18 Related Party Disclosure:

As per Accounting Standard -18 issued by the Institute of Chartered Accountants of India, the company's related parties with whom the company has entered into transactions during the year in the ordinary course of business, as certified by the Management are discussed below:

# (I) Names of Related Parties and Nature of Relationship:

SI. No.	Name of the Related Party	Nature of Relationship	
1.	AJEL Technologies India Private Limited	Common Directors	
2.	Srinivasa Arikatla	Director	
3.	AJEL Technologies INC	Common Directors	
4.	AJEL Limited USA Branch	Common Directors	

### (II) Transactions with Related Parties:

SI. No.	Name of the Person	Amount (Rs.) FY 2021-22	Amount (Rs.) FY 2020-21
1.	Directors Remuneration:		
	Srinivas Arikatla	-Nil-	-Nil-
2.	Loan Accepted:		
	Srinivas Arikatla	2156001	17,15,004

The Management of the Company feels that the above payments under various heads to Directors, their relatives and associated enterprises are reasonable compared to the Market conditions.

# 2.30 Earning Per Share:

Basic EPS before extraordinary items

Rs. (0.08)

Diluted EPS before extraordinary items

Rs. (0.08)

#### 2.31 Taxes on Income:



Current Year Income Tax amounting to **-Nil-** has been recognized as per the Tax rates applicable for the year.

# 2.32 Provisions, Contingent Liabilities and Contingent Assets:

Provisions are recognised for liabilities that can be measured only by using as substantial degree of estimation, if the Company has a present obligation as a result of past event, a probable outflow of resource is expected to settle the obligation and the amount of obligation can be really estimated.

Provisions, Contingent Liabilities and Contingent Assets are reviewed at each Balance sheet Date.

- 2.33 During the year the company has credited an amount of Rs.24,63,624 /- to Other Reserves under Statement of Changes in Equity on account of exchange fluctuation difference in balances of some of the Assets & Liabilities in Consolidated Financial Statements.
- **2.34** Balances under Sundry Debtors, Sundry Creditors, other receivables and payables are subject to confirmation to be receivable from the parties.
- **2.35** Paises are rounded off to the nearest rupee.

As per our Report of even date, for RAMESH ATHASNIYA & COMPANY, Chartered Accountants,

Sd/-CA. RAMESH ATHASNIYA, Partner. M.No. 204976 Firm Regn No.007480S

Place: Hyderabad, Date: 30<sup>th</sup> May 2022. For Ajel Limited

Sd/-Srinivasa Reddy Arikatla Managing Director DIN: 01673552

Sd/-Balarami Reddy Chintakuntla Chief Financial Officer Sd/-Harshana Antharaji Wholetime Director DIN: 07466984

Sd/-Shruthi Rathi Company Secretary M.No.: 67780

