



# ANNUAL REPORT FY - 2022 - 23

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# CHAIRMAN'S LETTER



Dear Shareholders,

Greetings to each of you as we reflect upon a year of remarkable accomplishments for Aaron Industries. I trust this message finds you and your loved ones in good health and spirits. Looking back, the past year has proven to be a monumental chapter in our Company's narrative. It is with great delight that I present the synopsis of our journey through the Financial Year 2022-23.

In the face of relentless uncertainties, Aaron Industries displayed unparalleled resilience, agility, and adaptability, culminating in a record-breaking EBITDA performance. This year witnessed an unwavering commitment to business restructuring, innovation, and growth, resulting in surpassing our own benchmarks in the first three quarters itself.

The fiscal year under review marked a turning point, showcasing a resounding transformation in our Turnover and profitability. Notably, our total income surged to Rs.5591.30 Lakhs from Rs.3777.73 Lakhs, marking an impressive growth of 48.01% over the previous year. Equally commendable, our Profit before tax scaled to Rs.743.46 Lakhs from Rs.486.08 Lakhs, translating to a substantial increase of 52.95%. Net Profit surged from Rs.370.92 Lakhs to Rs.540.44 Lakhs, signifying an outstanding growth of 45.70% year-on-year. The impact of our Kosamba Unit's operation was pivotal, particularly in driving growth within the Steel polishing segment. This segment flourished, reporting revenues of Rs.1447.24 lakhs compared to Rs.900.33 lakhs the previous year, reflecting a substantial growth of 60.75%. This unit's strategic role in the supply of SS sheets, crucial raw material for our primary products - Elevator doors and cabins - significantly reduced our dependence on external suppliers, enhancing our operational autonomy.

In light of these exceptional achievements, I'm pleased to announce that the Board of Directors has recommended a final dividend of Rs.1/- per fully paid-up equity share, underscoring our commitment to enhancing shareholder value. Our alignment with growth prospects positions us optimally to amplify margins and profitability.

At this juncture we are propelling into a planned and promising trajectories, I extend my heartfelt gratitude to our esteemed Board for their sagacious guidance, and our diligent team for their unwavering dedication in meeting and exceeding customer expectations. My sincere appreciation also extends to our stakeholders, whose steadfast support fuels our journey and diverse endeavors. With fervent enthusiasm, we embark on the next leg of our journey, equipped to harness opportunities and ensure a sustainable business. Here's to the future, brimming with promise to grow.

Warm regards,

Mr. Amar Doshi

Chairman & Managing Director

# CORE PURPOSE

“To innovatively convert resources into products that provide ease, comfort, safety and add value to human life”

# CORE VALUES

- 1 *Result Oriented Smart Work*
- 2 *Unity*
- 3 *Continuous improvement in every sphere of activities*
- 4 *Continuous employee growth*



# GROWTH PILLARS

TRUST  
LIKE  
TATA

MANAGEMENT  
LIKE  
L&T

WEALTH  
CREATION  
LIKE  
INFOSYS

## 1 TRUST LIKE TATA

*Shareholders, Customers, Suppliers and Employees of Aaron would be having the same faith in Aaron as Tata has. Aaron would always focus towards building nation first*

## 2 MANAGEMENT LIKE L&T

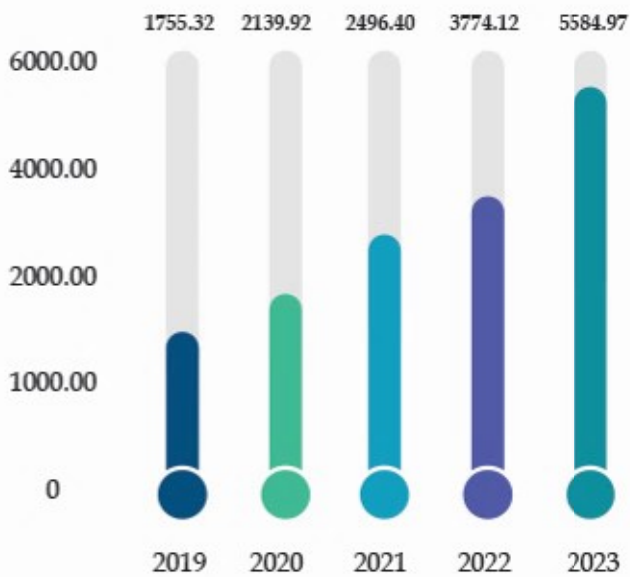
*Aaron management would be a professional management like L&T. It would not be known as a family company and the right person would be selected for each position.*

## 3 WEALTH CREATION LIKE INFOSYS

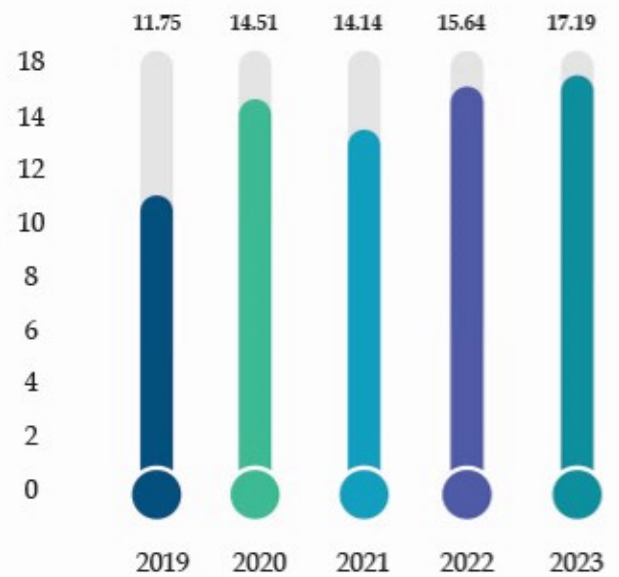
*Aaron would always focus on giving good returns to our shareholders. Aaron would share maximum portion with its shareholders.*

# FINANCIAL HIGHLIGHTS

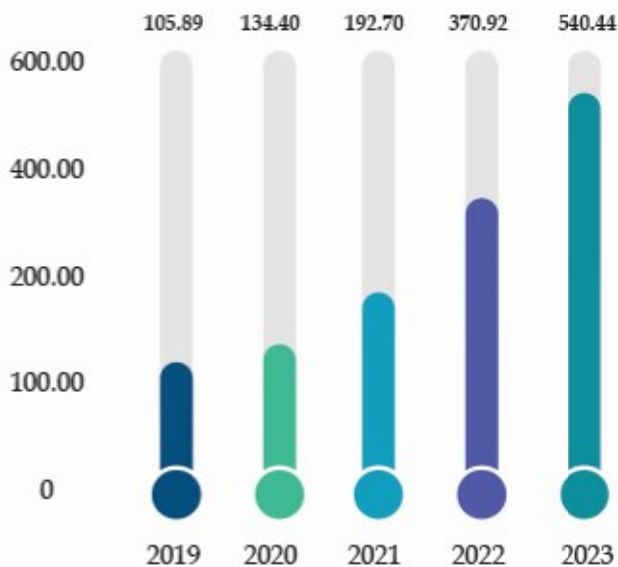
### Revenue From Operations Rs. (in lakhs)



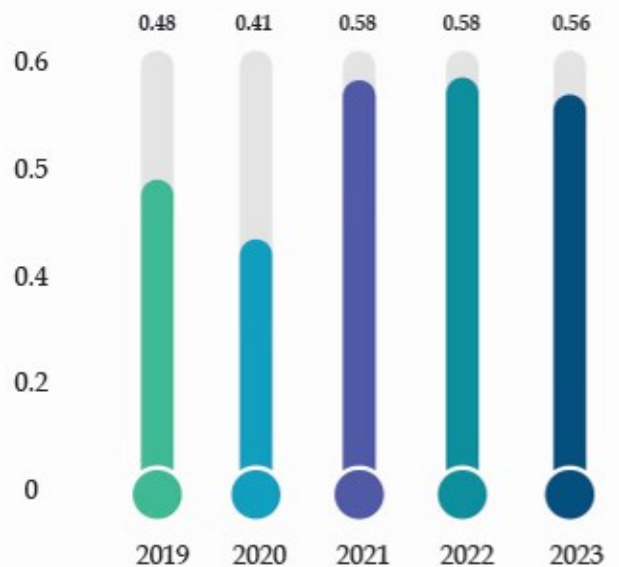
### EBITA % (Excl. O.L. & Exceptional Items)



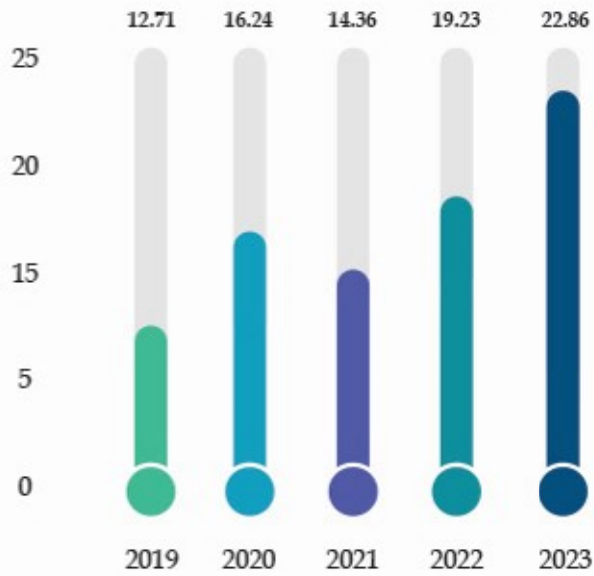
### Profit After Tax (PAT) Rs. (in lakhs)



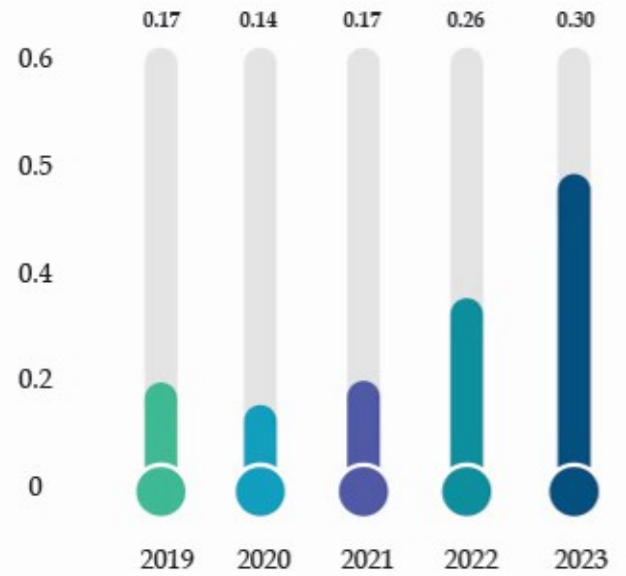
### Debt to Equity



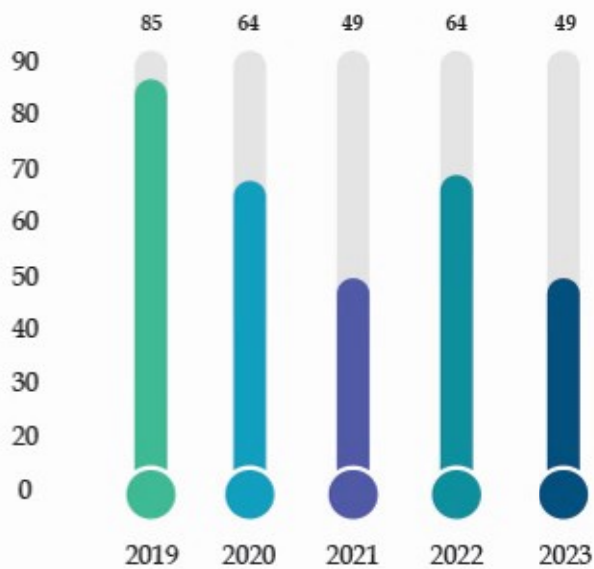
### Return On Capital Employed (%)



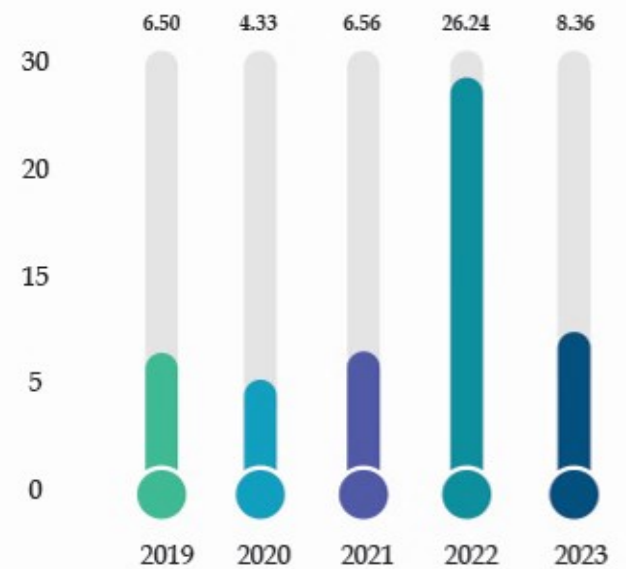
### Return On Equity (%)



### Days Working Capital



### Interest Coverage





# Management Discussion and Analysis Report

Pursuant to Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Management Discussion and Analysis Report covering business performance and outlook (within limits set by Company's competitive position) are given below:

## [A] Industry Structure and Developments:

### Global Economic Overview

According to IMF World economic Outlook (Apr-2023), The global economy is yet again at a highly uncertain moment, with the cumulative effects of the past three years of adverse shocks—most notably, the COVID-19 pandemic and Russia's invasion of Ukraine—manifesting in unforeseen ways. Spurred by pent-up demand, lingering supply disruptions, and commodity price spikes, inflation reached multidecade highs last year in many economies, leading central banks to tighten aggressively to bring it back toward their targets and keep inflation expectations anchored.

A return of the world economy to the pace of economic growth that prevailed before the bevy of shocks in 2022 and the recent financial sector turmoil is increasingly elusive. More than a year after Russia's invasion of Ukraine and the outbreak of more contagious COVID-19 variants, many economies are still absorbing the shocks. The recent tightening in global financial conditions is also hampering the recovery. As a result, many economies are likely to experience slower growth in incomes in 2023, amid rising joblessness. Moreover, even with central banks having driven up interest rates to reduce inflation, the road back to price stability could be long. Over the medium term, the prospects for growth now seem dimmer than in decades.

The baseline forecast is for global output growth, estimated at 3.4 percent in 2022, to fall to 2.8 percent in 2023, before rising to 3.0 percent in 2024. This forecast for the coming years is well below what was expected before the onset of the adverse shocks since early 2022. Compared with the January 2022 WEO Update forecast, global growth in 2023 is 1.0 percentage point.

Monetary policy projections are consistent with achieving the Reserve Bank of India's inflation target over the medium term, despite a recent uptick in inflation that exceeded the upper target band.

## **Indian Economic Review:**

According to ADB (Asian Development Bank), despite the global slowdown, India's economic growth rate is stronger than in many peer economies and reflects relatively robust domestic consumption and lesser dependence on global demand. The Government of India's strong infrastructure push under the Prime Minister's Gati Shakti (National Master Plan for Multimodal Connectivity) initiative, logistics development, and industrial corridor development will contribute significantly to raising industrial competitiveness and boosting future growth

Improving labor market conditions and consumer confidence will drive growth in private consumption. The central government's commitment to significantly increase capital expenditure in FY2023, despite targeting a lower fiscal deficit of 5.9% of GDP, will also spur demand. Helped by recovery in tourism and other contact services, the services sector will grow strongly in FY2023 and FY2024 as the impact of COVID-19 wanes. However, manufacturing growth in FY2023 is expected to be tamped down by a weak global demand, but it will likely improve in FY2024.



## Elevator Market:

The Company is engaged in the business of manufacturing Elevator and Elevator parts. India is the second-largest market for elevators and escalators in the world according to independent analysts. Elevator and Escalator Market size in India to grow by USD 784.24 Million from 2022 to 2027; Growing number of high-speed metro projects is expected to drive the market growth. Moreover, with the growing number of high-rise commercial and residential buildings across the country, the need for high-speed traction elevators is increasing tremendously, which in turn is pushing product demand over the coming years.

The building & construction segment is set to capture more than 80% of the market share by 2028 on account of the increasing construction of private homes, apartments, and high-rises across the globe. Developing regions have been witnessing a growth in the number of people living in cities & urban centers. The rising construction of commercial buildings, such as shopping malls, restaurants, hotels, hypermarkets, etc., impelled by growing tourist traffic will be a major growth enabler.

The elevator segment will contribute significantly to market growth. In the past, commercial buildings in India would install a typical set of elevators. However, a number of vendors, has started to offer cutting-edge elevator designs that are not only more affordable but also more energy-efficient. The amount of vertical housing has increased in India as a result of the country's expanding population. In many Indian cities, population densities are rising as a result of rapid urbanization, which also contributed to this development. These skyscrapers need elevators to allow occupants to travel between floors. It is challenging for people to use stairs to travel between floors in structures with four or more stories. The movement of people and goods is made easier in these structures by the use of elevators. During the anticipated period, these factors will hasten market expansion.

Moreover, government initiatives such as the Smart Cities Mission and Pradhan Mantri Awas Yojana (Urban), and the growing adoption of smart, fast, and environment-friendly elevators are expected to aid growth in India elevators and escalators market during the forecast period. Furthermore, rising demand for elevators with Automatic Rescue Devices is anticipated to boost the country's elevators and escalators market in the coming years.



## Steel Polishing and Finishing Market:

One of the primary forces behind industrialization has been the use of metals. Steel has traditionally occupied a top spot among metals. Steel production and consumption are frequently seen as measures of a country's economic development because it is both a raw material and an intermediary product. Therefore, it would not be an exaggeration to argue that the steel sector has always been at the forefront of industrial progress and that it is the foundation of any economy. The Indian steel industry is classified into three categories - major producers, main producers and secondary producers.

As of December 2022, India was the world's second-largest producer of crude steel. In FY22, the production of crude steel and finished steel stood at 133.596 MT and 120.01 MT, respectively. In April-November 2022, the production of crude steel and finished steel stood at 81.96 MT and 78.09 MT respectively. The growth in the Indian steel sector has been driven by the domestic availability of raw materials such as iron ore and cost-effective labour. Consequently, the steel sector has been a major contributor to India's manufacturing output.

The Indian steel industry is modern, with state-of-the-art steel mills. It has always strived for continuous modernization of older plants and up-gradation to higher energy efficiency levels.

In FY23 (until January 2023), the exports of finished steel stood at 5.33 MT, while the imports stood at 5 MT. In FY22, exports and imports of finished steel stood at 13.49 MT and 4.67 MT, respectively. In FY22, India's export rose by 25.1% YoY, compared with 2021. In FY21, India exported 9.49 MT of finished steel. In December 2022 exports of finished steel stood at 4.42 lakh tonnes.

The annual production of steel is anticipated to exceed 300 million tonnes by 2030–2031. By 2030–31, crude steel production is projected to reach 255 million tonnes at 85% capacity utilization achieving 230 million tonnes of finished steel production, assuming a 10% yield loss or a 90% conversion ratio for the conversion of raw steel to finished steel. With net exports of 24 million tonnes, consumption is expected to reach 206 million tonnes by the years 2030–2031. As a result, it is anticipated that per-person steel consumption will grow to 160 kg. (Source:IBEF)

## [B] Opportunity:

1

Increasing the focus of manufacturers on offering products with improved safety is expected to result in market growth.

2

The high demand for high-speed lifts due to the increasing skyscrapers is resulting in market growth.

3

Rapid urbanization and the consequential proliferation of multi-storey buildings will continue to intensify the demand for Elevators.

4

Growing value of aesthetics in elevators





5

Escalating demand for elevators from industrial units for seamless transportation of heavy loads to various floors will continue to boost market revenues.

6

Consumption of steel by India's infrastructure segment is expected to increase to 11% by FY26.

7

Due to rising investment in infrastructure, the demand for steel products would increase in the years ahead.

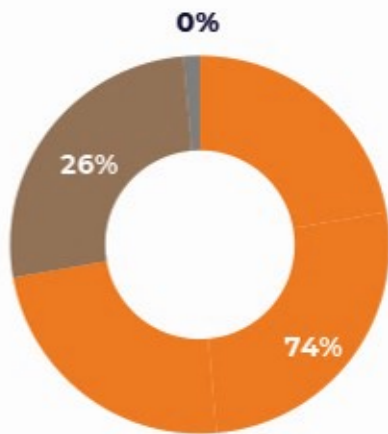
8

Increasing concept of Elevator in Bungalow.





## [C] Segment-Wise / Product-Wise Performance:



Segment	FY2022-23	FY2021-22
● Elevator Division	4107.88	2731.44
● Steel Polishing Division	1447.24	900.33
● Unallocated	29.85	142.35
<b>Total</b>	<b>5584.97</b>	<b>3774.12</b>

## [D] Outlook:

The Company is confident that it can utilize future opportunities and face future challenges with agility in order to meet the shareholders' expectation of sustainable growth and profitability. The key focus areas are:

- Debt reduction and thereby savings in interest cost
- Increasing the Value Addition per product
- To Sustain the EBITDA levels

Your Company focuses on quality products and expects to get more orders in coming years. Adoption of global trends in the Elevator business which includes energy-efficient, safe, and reliable equipment manufacturing, and improved designs will help us to gain more in the coming years.

## **[E] Risks, Concerns and Threats:**

The Company is exposed to a number of risks such as Economic Risk, Supply Demand Risk, Competition Risk, Input Risk, Regulatory Risk, Taxation, and Environmental Risks. Further, the following can be some of the risks and concerns the Company needs to be kept in mind:

1. Economic uncertainty: Based on the current and future market environment estimates, the base cost of material are expected to continue to be volatile.
2. The main challenges facing the steel industry today are overcapacity, high raw material/energy costs, and price volatility.
3. The constantly fluctuating price of raw materials and weak steel prices have put significant pressure on steel margins.
4. Delayed real estate projects have impacted the Elevator Industry.
5. Malpractices by some of the players in the industry may affect the overall performance of the emerging players.
6. Strict government policies and regulations have been put in place to administer safety and security in Elevators. Ensuring conformity to the above-mentioned policies and regulations will continue to exert high pressure on Companies.
7. Over-the-top demand for top-notch assistance and instant reverts to repairs, replacements, and queries is also posing considerable challenges for companies in terms of keeping up with ever-evolving customer expectations.
8. It is a challenge to recruit and hire technically sound manpower, who understands the complexity and technicality of elevator products for installation, servicing & maintenance.

Some of the risks that may arise in the normal course of its business and impact its ability for future developments include inter-alia, Credit Risk, Liquidity Risk, Counterparty Risk, Regulatory Risk, Commodity Inflation Risk, Currency Fluctuation Risk, and Market Risk.

## [F] Internal Control System and their adequacy:

The Company maintains adequate and effective internal control systems commensurate with its size and complexity. It also ensures that they are recorded in all material respects to permit the preparation of financial statements in conformity with established accounting principles, along with the assets of the Company being adequately safeguarded against significant misuse or loss.

In the opinion of the Management, the Company has adequate internal audit and control systems to ensure that all transactions are authorized, recorded, and reported correctly. An independent internal audit function is an important element of the Company's internal control systems. This is supplemented through an extensive internal audit programme and periodic review by the management and the Audit Committee. The internal control systems comprise extensive internal and statutory audits. The Corporate Governance practices instituted by the Company are discussed in detail in the chapter on Corporate Governance which forms part of the Annual Report.

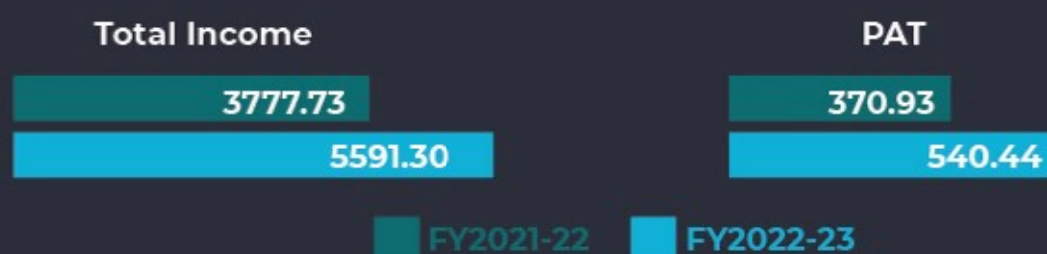
## [G] Discussion on Financial Performance with respect to Operational Performance:

The Total Income for the current year is Rs.5591.30 Lakhs as compared to Rs.3777.73 Lakhs in the previous year. It grew by 48.01% for the Financial Year 2022-23. The Profit before Tax for the year under review is Rs.743.46 Lakhs as against Rs.486.08 Lakhs of the previous year. The Company has made a Net Profit after Tax of Rs.540.44 Lakhs in the current year as against Rs.370.92 Lakhs in the previous year.

EBITDA margin of the Company increased to 17.19% against the previous year of 15.64%

### Financial Performance

Rs. (In Lakhs)





## **[H] Material developments in Human Resources / Industrial Relations fronts, including the number of people employed:**

Human Resource development continues to be our Top Focused area which will ensure intentions are converted to realities. The emphasis was on reskilling and upskilling to enable the teams in navigating change and remaining compliant with evolving processes. Industrial Relations with employees remained cordial throughout the year under review.

During the year ended March 31, 2023, the Company has employed 139 permanent workmen and staff.

**[I] Details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios, along with detailed explanations, therefore, including::**

<b>Financial Ratio</b>	<b>FY 2022-23</b>	<b>FY 2021-22</b>	<b>% Change</b>	<b>Reasons For Change</b>
Debt Turnover Ratio	22.38	18.07	23.82%	NA
Inventory Turnover Ratio	3.53	3.89	(9.26%)	NA
Interest Coverage Ratio	2.86	2.16	32.24%	Reduction in interest cost
Current Ratio	1.64	1.92	(14.61%)	NA
Debt to Equity Ratio	0.56	0.58	(3.60%)	NA
Operating Profit Margin %	27.58%	27.67%	(0.32%)	NA
Net Profit Margin %	9.66%	9.85%	(1.88%)	NA

**[J] Details of any change in Return on Net Worth as compared to the immediately previous financial year along with detailed explanations thereof:**

<b>Particulars</b>	<b>FY 2022-23</b>	<b>FY 2021-22</b>	<b>% Change</b>	<b>Reasons For Change</b>
Return on Net Worth	26.34%	23.39%	12.61%	During FY 2023 the Company performed better in PAT by 45.70%.

**[K] Cautionary Statement:**

Certain statements made in the Management Discussion and Analysis Report relating to the Company's objectives, projections, outlook, expectations, estimates, and others may constitute forward-looking statements within the meaning of applicable laws and regulations. Actual results may differ from such expectations, whether expressed or implied. Several factors could make a significant difference to the Company's Operations. These include climatic and economic conditions affecting demand and supply, government regulations and taxation, any epidemic or pandemic, and natural calamities over which the Company may not have any direct / indirect control



## COMPANY INFORMATION

### BOARD OF DIRECTORS

Mr. Amar Chinubhai Doshi  
 Mr. Karan Amar Doshi  
 Mr. Monish Amarbhai Doshi  
 Mr. Pradeepkumar Sanmukhlal Choksi  
 Mr. Hetal Rumendrabhai Mehta  
 Mrs. Shrungi Kiranbhai Desai

Chairman & Managing Director  
 Whole-Time Director  
 Director & Chief Financial Officer  
 Independent Director  
 Independent Director  
 Independent Director

### CHIEF FINANCIAL OFFICER

Mr. Monish Doshi

### COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Nitinkumar Maniya

### STATUTORY AUDITORS

**M/s. P. J. Desai & Co.**  
 Chartered Accountants  
 34, Maher Park - A, Opp-Fly Over Bridge,  
 Ring Road, Athwagate, Surat-395001, Gujarat

### INTERNAL AUDITORS

**M/s. VCAS & Co.**  
 Chartered Accountants  
 141, 1<sup>st</sup> Floor, M.V. Corner, KamalPark-2,  
 B/s Little Flower School, Hirabaug to Kalakunj  
 Mandir Road, Varachha, Surat-395006, Gujarat

### REGISTERED OFFICE

B-65 & 66, Jawahar Road No.4,  
 Udhyog Nagar, Udhana, Surat – 394210, Gujarat  
 Tel.: 0261-2278410  
 E-mail: [info1@aaronindustries.net](mailto:info1@aaronindustries.net)  
 Website: [www.aaronindustries.net](http://www.aaronindustries.net)

### AUDIT COMMITTEE

Pradeepkumar Sanmukhlal Choksi - Chairman  
 Hetal Rumendrabhai Mehta - Member  
 Shrungi Kiranbhai Desai - Member

### PLANT LOCATIONS

1. B-65 & 66, Jawahar Road No. 4, Udhyog Nagar, Udhana, Surat – 394210, Gujarat
2. 251-B, Royal Industrial Park, Vil. Moti Pardi, Ta. Mangrol, Surat-394120, Gujarat

### NOMINATION & REMUNERATION COMMITTEE

Pradeepkumar Sanmukhlal Choksi - Chairman  
 Hetal Rumendrabhai Mehta - Member  
 Shrungi Kiranbhai Desai - Member

### REGISTRAR & SHARE TRANSFER AGENT

**M/s. Bigshare Services Private Limited**  
 Office No S6-2, 6<sup>th</sup> Floor Pinnacle Business Park,  
 Next to Ahura Centre, Mahakali Caves Road,  
 Andheri (East), Mumbai – 400093,  
 Maharashtra, India.  
 Phone No.: 022 – 62638200,  
 Fax: 022 - 62638299  
 Email: [info@bigshareonline.com](mailto:info@bigshareonline.com)  
 Website: [www.bigshareonline.com](http://www.bigshareonline.com)

### STAKEHOLDERS RELATIONSHIP COMMITTEE

Shrungi Kiranbhai Desai - Chairperson  
 Pradeepkumar Sanmukhlal Choksi - Member  
 Hetal Rumendrabhai Mehta - Member

### CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Monish Amarbhai Doshi - Chairman  
 Amar Chinubhai Doshi - Member  
 Karan Amar Doshi – Member  
 Shrungi Kiranbhai Desai - Member

### BANKERS

HDFC Bank

NOTICE

**Notice** is hereby given that the **10<sup>th</sup> Annual General Meeting (AGM)** of the Members of **AARON INDUSTRIES LIMITED** will be held on **Monday, September 04, 2023, at 11:00 A.M. (IST)** through Video Conferencing (“VC”) / Other Audio-Visual Means (“OAVM”), to transact the following businesses:

**ORDINARY BUSINESSES:****1. Adoption of Audited Standalone Financial Statements:**

To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2023, together with the reports of the Board of Directors and Auditors thereon.

**2. Declaration of Dividend:**

To declare a Final Dividend of Rs.1/- per Equity Share of the face value of Rs.10/- each (10%) of the Company, for the Financial Year ended March 31, 2023.

**3. Appointment of Director retiring by rotation:**

To appoint a Director in place of Mr. Monish Doshi (DIN:06690246), who retires by rotation, and being eligible, offers himself for re-appointment.

**4. Appointment of M/s. D C Jariwala and Co., Chartered Accountants as Statutory Auditors of the Company and to fix their remuneration:**

To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and other applicable rules, if any, and pursuant to the recommendation of the Audit Committee and the Board of Directors, M/s. D C Jariwala and Co., Chartered Accountants (Firm Registration No.:104063W), be and are hereby appointed as the Statutory Auditor of the Company, in place of the retiring Statutory Auditors, M/s. P.J. Desai & Co., Chartered Accountants (Firm Registration No.:102330W), to hold office for a period of 5 (five) consecutive years commencing from the conclusion of this 10<sup>th</sup> Annual General Meeting till the conclusion of the 15<sup>th</sup> Annual General Meeting of the Company to be held in the year 2028, on such remuneration as may be mutually agreed by the Audit Committee and the Board in consultation with the Auditors in addition to the re-imbursalment of applicable taxes and actual out of pocket and travelling expenses incurred in connection with the Audit.”

**RESOLVED FURTHER THAT** any of the Directors of the Company, be and are hereby jointly and/or severally authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable and expedient for giving effect to this Resolution.”

## SPECIAL BUSINESSES:

**5. Revision in Remuneration payable to Mr. Amar Doshi (DIN:00856635), Chairman & Managing Director of the Company:**

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

**“RESOLVED THAT** pursuant to the provisions of Section 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (Including any statutory modification(s) or re-enactment(s) thereof for the time being in force), read with Schedule V of the Companies Act, 2013 and pursuant to the provisions of Regulation 17(6)(e) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended and Articles of Association of the Company and pursuant to the recommendation of Nomination and Remuneration Committee and Board of Directors of the Company, the consent of the Shareholders of the Company, be and is hereby accorded to revise the remuneration of Mr. Amar Doshi (DIN:00856635), Chairman & Managing Director of the Company with effect from April 01, 2023, as follows:-

Salary	Rs.2,50,000/- (Rupees Two Lakh Fifty Thousand) per month.
Perquisites	He will be entitled to furnish/non-furnished accommodation or House Rent Allowance in lieu thereof, Gas, Water, Electricity Expenses, Medical Expenses, Leave Travel Allowance for self and family, Club Fees, Car & Telephone Expenses, Entertainment Expenses, and other Business Expenses, Personal Accident Insurance, and any other allowances, benefits, and perquisites as per the rules applicable to the Senior Executives of the Company and/or which may become applicable in the future and/or any other allowance, perquisites as the Board may from time to time decide.
	Company's contribution to Provident Fund and Superannuation Fund or Annuity Fund, Gratuity Payment as per Company's rules, and encashment of leave at the end of his tenure shall not be included in the computation of ceiling on remuneration and perquisites as aforesaid.
Duration	w.e.f. April 01, 2023, till the rest of the term as Chairman & Managing Director

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to alter or vary the terms and conditions of the remuneration specified above based on the recommendation of the Nomination and Remuneration Committee from time to time, subject to the limits specified under Section 197 read with Schedule V of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force).

**RESOLVED FURTHER THAT** except for the aforesaid revision in terms of remuneration, all other terms and conditions of his re-appointment as Managing Director, designated as “Chairman & Managing Director” of the Company, as approved by the Special Resolution passed at the 8<sup>th</sup> Annual General Meeting of the Company held on September 17, 2021, shall remain unchanged.

**RESOLVED FURTHER THAT** in the event of loss or inadequacy of profits of the Company in any Financial Year, Mr. Amar Doshi (DIN:00856635) shall be entitled to receive remuneration including perquisites, etc. as minimum remuneration and the same shall be subject to the limits specified under Section 197 read with Schedule V of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force).



**RESOLVED FURTHER THAT** any Director and/or Company Secretary of the Company be and is hereby authorized to do all such acts, deeds, matters and take all such steps as may be necessary, proper, or expedient to give effect to this Resolution.”

**6. Revision in Remuneration payable to Mr. Karan Doshi (DIN:06690242), Whole-Time Director of the Company:**

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

“**RESOLVED THAT** pursuant to the provisions of Section 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (Including any statutory modification(s) or re-enactment(s) thereof for the time being in force), read with Schedule V of the Companies Act, 2013 and pursuant to the provisions of Regulation 17(6)(e) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended and Articles of Association of the Company and pursuant to the recommendation of Nomination and Remuneration Committee and Board of Directors of the Company, the consent of the Shareholders of the Company, be and is hereby accorded to revise the remuneration of Mr. Karan Doshi (DIN:06690242), Whole-Time Director of the Company with effect from April 01, 2023, as follows:-

Salary	Rs.2,25,000/- (Rupees Two Lakh Twenty Five Thousand) per month.
Perquisites	He will be entitled to furnish/non-furnished accommodation or House Rent Allowance in lieu thereof, Gas, Water, Electricity Expenses, Medical Expenses, Leave Travel Allowance for self and family, Club Fees, Car & Telephone Expenses, Entertainment Expenses, and other Business Expenses, Personal Accident Insurance, and any other allowances, benefits, and perquisites as per the rules applicable to the Senior Executives of the Company and/or which may become applicable in the future and/or any other allowance, perquisites as the Board may from time to time decide.
	Company's contribution to Provident Fund and Superannuation Fund or Annuity Fund, Gratuity Payment as per Company's rules, and encashment of leave at the end of his tenure shall not be included in the computation of ceiling on remuneration and perquisites as aforesaid.
Duration	w.e.f. April 01, 2023, till the rest of the term as Whole-Time Director

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to alter or vary the terms and conditions of the remuneration specified above based on the recommendation of the Nomination and Remuneration Committee from time to time, subject to the limits specified under Section 197 read with Schedule V of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force).

**RESOLVED FURTHER THAT** except for the aforesaid revision in terms of remuneration, all other terms and conditions of his re-appointment as Whole-Time Director of the Company, as approved by the Special Resolution passed at the 8<sup>th</sup> Annual General Meeting of the Company held on September 17, 2021, shall remain unchanged.

**RESOLVED FURTHER THAT** in the event of loss or inadequacy of profits of the Company in any Financial Year, Mr. Karan Doshi (DIN:06690242) shall be entitled to receive remuneration including perquisites, etc. as minimum remuneration and the same shall be subject to the limits specified under Section 197 read with Schedule V of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force).

**RESOLVED FURTHER THAT** any Director and/or Company Secretary of the Company be and is hereby authorized to do all such acts, deeds, matters and take all such steps as may be necessary, proper, or expedient to give effect to this Resolution.”

**7. Re-Appointment of Mr. Amar Doshi (DIN:00856635) as a Chairman & Managing Director of the Company:**

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

“**RESOLVED THAT** pursuant to the provisions of Section 196, 197, 198, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and Regulation 17 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended and Articles of Association of the Company, the consent of the Shareholders of the Company, be and is hereby accorded for the Re-Appointment of Mr. Amar Doshi (DIN:00856635), as a Chairman & Managing Director of the Company for a further period of (3) three years with effect from February 01, 2024 to January 31, 2027, liable to retire by rotation, upon the terms and conditions as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the aforesaid period) as set out in the Explanatory Statement annexed to the Notice with authority to the Board of Directors (which shall be deemed to include a Committee of the Board) to alter and vary the terms and conditions of the said re-appointment and remuneration in such manner as may be agreed to between the Board of Directors and Mr. Amar Doshi.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (including its Committee thereof) be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, expedient and desirable for the purpose of giving effect to this Resolution.”

**8. Re-Appointment of Mr. Karan Doshi (DIN:06690242) as a Whole-time Director of the Company:**

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

“**RESOLVED THAT** pursuant to the provisions of Section 196, 197, 198, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and Regulation 17 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended and Articles of Association of the Company, the consent of the Shareholders of the Company, be and is hereby accorded for the Re-Appointment of Mr. Karan Doshi (DIN:06690242), as a Whole-Time Director of the Company for a further period of (3) three years with effect from February 01, 2024 to January 31, 2027, liable to retire by rotation, upon the terms and conditions as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the aforesaid period) as set out in the Explanatory Statement annexed to the Notice with authority to the Board of Directors (which shall be deemed to include a Committee of the Board) to alter and vary the terms and conditions of the

said re-appointment and remuneration in such manner as may be agreed to between the Board of Directors and Mr. Karan Doshi.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (including its Committee thereof) be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, expedient and desirable for the purpose of giving effect to this Resolution.”

#### 9. Increase in Borrowing Limits of the Company:

“**RESOLVED THAT** in supersession of earlier Resolution passed in this regard, pursuant to the provisions of Section 180(1)(c) and all other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Meetings of Board and its Powers) Rules, 2014 (including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force) and any approvals, consents, sanctions, permissions as may be necessary from any governmental authorities and all other appropriate statutory and regulatory authorities, and such other rules made thereunder (including any statutory amendment(s) or re-enactment(s) thereof, for time being in force) and the Articles of Association of the Company and all other provisions of applicable laws, the consent of the shareholders of the Company, be and is hereby accorded to the Board of Directors of the Company (which term shall be deemed to include any Committee of Directors thereof which the Board may have constituted or hereafter constitute for the time being exercising the powers conferred on the Board by this Resolution), to borrow from time to time, any sum or sums of monies as it may deem requisite for the purpose of the business of the Company, inter alia, by way of Loan/Financial Assistance from various Bank(s), Financial Institution(s) and/or other Lender(s), issue of Debentures/Bonds or other Debt Instruments, with or without security, whether in India or abroad and through acceptance of Fixed Deposits and Inter Corporate Deposits, on such terms and conditions as the Board at its sole discretion may deem fit, notwithstanding that the monies to be borrowed together with monies already borrowed by the Company (apart from temporary loans obtained/to be obtained from the Company’s bankers in the ordinary course of business) may exceed the aggregate of its Paid-Up Share Capital of the Company and its free reserves, and Securities Premium, provided that the total amount up to which monies may be borrowed by the Board of Directors shall not exceed the sum of Rs.100.00 Crore (Rupees Hundred Crore only) at any point of time.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds, and things including delegating powers to officers and/ or employees of the Company, as they may in their absolute discretion deem necessary or expedient in respect of matters and things incidental or related thereto and settle any question or doubt, to give effect to the aforesaid Resolution.”

#### 10. Creation of Charge/Mortgage/Security on the Properties / Undertakings of the Company:

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

“**RESOLVED THAT** in supersession of earlier Resolution passed in this regard, pursuant to the provision of Section 180(1)(a) and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 (including any statutory modification(s) and/or re-enactment thereof for the time being in force) and any approvals, consents, sanctions, permissions as may be necessary from any governmental authorities and all other appropriate statutory and regulatory authorities, and such other rules made thereunder (including any statutory amendment(s) or re-enactment(s) thereof, for time being in force) and the Articles of Association of the Company and all other provisions of applicable laws, consent of the Shareholders of the Company, be and is hereby accorded to the



Board of Directors of the Company (which term shall be deemed to include any Committee of Directors thereof which the Board may have constituted or hereafter constitute for the time being exercising the powers conferred on the Board by this Resolution) to create charge by way of mortgage(s), lien, hypothecation and/or other securities, in addition to the mortgages, lien, hypothecation and/or other securities created by the Company, on such terms and conditions as the Board at its sole discretion may deem fit, on the Company's assets and/or properties, both present and future, whether movable or immovable, including the whole or substantially the whole of the undertaking of the Company or where the Company owns more than one undertaking, of the whole or substantially the whole of any of such undertakings, in favour of the Bank(s), Financial Institution(s), and/or other Lender(s), Mutual Fund(s), Fixed Deposit Trustee, Debenture Trustee, Security Trustee as may be agreed to by the Board for the purpose of securing repayment of any loans/financial assistance (whether in Rupees or in foreign currency), debentures or bonds or other instruments issued to the public and/or on private placement basis and/or in any other manner, subject to a maximum amount of Rs.100.00 Crore (Rupees Hundred Crore only).

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds, and things including delegating powers to officers and/ or employees of the Company, as they may in their absolute discretion deem necessary or expedient in respect of matters and things incidental or related thereto and settle any question or doubt, to give effect to the aforesaid Resolution."

#### 11. Issue of Equity Shares of the Company on a Preferential Basis:

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

**"RESOLVED THAT** pursuant to the provisions of Sections 23(1)(b), 42, 62(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 (the 'Act'), read with the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014 and such other applicable rules made thereunder (including any amendment(s), modification(s) or re-enactment(s) thereof for the time being in force) (hereinafter referred to as the **"Companies Act"**) and in accordance with the enabling provisions of the Memorandum and Articles of Association of the Company and in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, (including any amendment(s), modification(s) or re-enactment(s) thereof for the time being in force) (**"SEBI ICDR Regulations"**), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any amendment(s), modification(s) or re-enactment(s) thereof for the time being in force) (**"SEBI Listing Regulations"**), SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (**"SEBI SAST Regulations"**) to the extent applicable, the uniform listing agreements entered into by the Company with National Stock Exchange of India Limited (**"NSE"**) (**"Stock Exchange"**) on which the Equity Shares of the Company are listed and subject to any other applicable rules, regulations, guidelines, notifications, circulars and clarifications issued thereunder from time to time by the Government of India (**"GOI"**), the Ministry of Corporate Affairs (**"MCA"**), the Securities and Exchange Board of India (**"SEBI"**), the Foreign Exchange Management Act, 1999, as amended or restated (**"FEMA"**), and rules, circulars, notifications, regulations and guidelines issued under FEMA, the Reserve Bank of India (**"RBI"**) and/ or any other competent authorities, (hereinafter referred to as "Applicable Regulatory Authorities") from time to time to the extent applicable and pursuant to the approval of the Board of Directors and subject to the approvals, permissions, sanctions and consents as may be necessary from any regulatory and other appropriate authorities, as applicable, and subject to such conditions and modifications as may be prescribed by any of them while granting such approvals, permissions, sanctions and consents, which may be agreed to by the Board of Directors

(hereinafter referred to as **“Board”**, which term shall be deemed to include any committee which the Board may constitute to exercise its powers, including the powers conferred by this Special Resolution), the consent and approval of the Members of the Company be and is hereby accorded to the Board and the Board be and is hereby authorized in their absolute discretion to create, issue, offer and allot up to 4,40,000 (Four Lakh Forty Thousand) fully paid up Equity Shares of face value of Rs.10.00 each, at an issue price of Rs.235.00 (Rupees Two hundred Thirty Five Only) per Equity Share (including a premium of Rs.225.00 per Equity Share) aggregating to Rs.10,34,00,000/- (Rupees Ten Crore Thirty Four Lakhs Only) for cash consideration on a preferential basis (**“Preferential Issue”**), on such terms and conditions as may be determined by the Board in accordance with Chapter V of the SEBI ICDR Regulations, to the Proposed Allottees (Promoter, Promoter Group and other than Promoter and Promoter Group) of the Company:

Sr. No.	Name of Proposed Allottee(s)	Category of Allottee(s)	No. of Equity Shares proposed to be Allotted
1	Amar Chinubhai Doshi	Promoter	45,000
2	Karan Amar Doshi	Promoter	22,000
3	Monish Amarbhai Doshi	Promoter	22,000
4	Rajiv Chandrakant Shah	Promoter Group	10,700
5	Falguni Rajiv Shah	Promoter Group	10,700
6	Kushal Mitesh Jariwala	Promoter Group	10,700
7	Jitendra Ranchhodbhai Tanti	Non Promoter	42,600
8	Vinod Ranchhodbhai Tanti	Non Promoter	42,600
9	Manisha Sanjay Shah	Non Promoter	31,900
10	SMP Infracon LLP	Non Promoter	21,300
11	Kevin Kumarpal Kothari	Non Promoter	17,000
12	Jayesh Chandrakant Shah	Non Promoter	12,800
13	Manishkumar Ashokbhai Shah	Non Promoter	10,700
14	Kunjali Subhashchandra Shah	Non Promoter	10,700
15	Girishbhai Mohanlal Patel	Non Promoter	10,700
16	Subhash Somchand Kotadia	Non Promoter	10,700
17	Virendra Rameshchandra Madrasi	Non Promoter	10,700
18	Jayaben Virendra Madrasi	Non Promoter	10,700
19	Vijay Ishverbhai Desai	Non Promoter	10,700
20	Nirav Prafulchandra Shah	Non Promoter	10,700
21	Rupal Nirav Shah	Non Promoter	10,700
22	Rupa Mukesh Bhayani	Non Promoter	10,700
23	Jay Vallabh Narola	Non Promoter	10,700
24	Rikhav A Shah	Non Promoter	10,700
25	Bhavna Jayesh Shah	Non Promoter	8,500
26	Jagruiti Tejas Doshi	Non Promoter	4,300
27	Shaswat B Patel	Non Promoter	2,150
28	Nishita Shaswat Patel	Non Promoter	2,150
29	Bharat Vallabhbhai Patel	Non Promoter	2,150
30	Gita Bharat Patel	Non Promoter	2,150
31	Sankalp Bharatkumar Patel	Non Promoter	900

**RESOLVED FURTHER THAT** in accordance with the provisions of Chapter V of the SEBI (ICDR) Regulations, the “**Relevant Date**” for the purpose of determining the floor price for the Preferential issue of Equity Shares be and is hereby fixed as Friday, August 04, 2023, (Saturday, August 05, 2023, being weekend) being the date 30 (Thirty) days prior to the date on which the Meeting of Shareholders to be held.

**RESOLVED FURTHER THAT** without prejudice to the generality of the above Resolution, the issue of the Equity Shares to Proposed Allottees under the Preferential Allotment shall be subject to the following terms and conditions apart from others as prescribed under applicable laws:

- a) The full consideration in respect of Equity Shares shall be paid by the Proposed Allottees at the time of allotment of Equity Shares and the consideration must be paid from respective Proposed Allottees’ bank account.
- b) The Equity Shares to be allotted shall be fully paid up and rank pari passu with the existing Equity Shares of the Company in all respects (including with respect to Dividend and voting powers) from the date of allotment thereof, be subject to the requirements of all applicable laws and shall be subject to the provisions of the Memorandum of Association and Articles of Association of the Company.
- c) The Equity Shares to be allotted shall be subject to lock-in for such period as specified in the provisions of Chapter V of the SEBI (ICDR) Regulations and will be listed on the Stock Exchanges subject to receipt of necessary permission(s), sanction(s) and approval(s).
- d) The Equity Shares shall be allotted in dematerialized form within a period of 15 (Fifteen) days from the date of passing of the Special Resolution by the Members, provided that where the allotment of Equity Shares is subject to receipt of any approval(s) or permission(s) from any regulatory authority or Government of India, the allotment shall be completed within a period of 15 (Fifteen) days from the date of receipt of last of such approval(s) or permission(s).

**RESOLVED FURTHER THAT** pursuant to the provisions of the Act, the name(s) of the Proposed Allottee(s) be recorded for the issuance of invitation to subscribe to the Equity Shares of the Company and a private placement offer letter in Form No. PAS-4 together with an application form be issued to the Proposed Allottee(s) inviting them to subscribe to the Equity Shares of the Company.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this Resolution, the Board, be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters and things as the Board may, in its absolute discretion, deem necessary or desirable for such purpose, including without limitation to vary, modify or alter any of the relevant terms and conditions, attached to the number of Equity Shares to be allotted to the Investor, effecting any modifications, changes, variations, alterations, additions and/or deletions to the preferential issue as may be required by any regulatory or other authorities or agencies involved in or concerned with the issue of the Equity Shares, making applications to the Stock Exchanges for obtaining in principle approvals, listing of shares, filing requisite documents with the MCA and other regulatory authorities, filing of requisite documents with the depositories, to resolve and settle any questions and difficulties that may arise in the preferential offer, issue and allotment of Equity Shares without being required to seek any further consent or approval of the Members of the Company.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of its powers conferred upon it by this Resolution to any Director(s), Committee(s), executive(s), officer(s) or authorized signatory(ies) to give effect to this Resolution including execution of any



documents on behalf of the Company and to represent the Company before any governmental or regulatory authorities and to appoint any professional advisors, bankers, consultants, advocates and advisors to give effect to this Resolution and further to take all others steps which may be incidental, consequential, relevant or ancillary in this regard.”

By order of the Board Directors of  
**Aaron Industries Limited**

Sd/-

**Nitinkumar Maniya**

Company Secretary & Compliance Officer

FCS No.: 12623

Date: August 05, 2023

Place: Surat

**Notes: -**

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ('Act'), as amended, setting out material facts concerning the business concerning Items No. 4 & 11 forms part of this Notice. Additional information, pursuant to Regulations 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') and Secretarial Standard 2 on General Meetings issued by The Institute of Company Secretaries of India, in respect of Directors seeking re-appointment at this Annual General Meeting ('Meeting' or 'AGM'), is furnished as an annexure to this Notice.
2. Pursuant to the Circular No.14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs (MCA) followed by Circular No.20/2020 dated May 05, 2020, Circular No.02/2021 dated January 13, 2021 and General Circular No.10/2022 dated December 28, 2022 and all other relevant circulars issued from time to time (collectively referred to as "MCA Circulars"), MCA has permitted holding of the Annual General Meeting ("AGM") through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"), without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") and MCA Circulars, the 10<sup>th</sup> AGM of the Company is being held through VC / OAVM.
3. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended), and MCA Circulars, the Company is providing the 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 registered with Bigshare Services Private Limited ("**Bigshare**") for facilitating voting through electronic means, as the authorized e-Voting agency. The facility of casting votes by a Member using remote e-Voting as well as the e-Voting system on the date of the AGM will be provided by Bigshare Services Private Limited.
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 at least 1000 Members on a 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/OVAM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
6. Since the AGM is being held through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of Proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip including Route Map are not annexed to this Notice. However, the Body Corporates are entitled to appoint authorized representatives to attend the AGM through VC/OAVM, participate thereat, and cast their votes on e-Voting.

7. Pursuant to Section 113 of the Companies Act, 2013, Institutional / Corporate shareholders (i.e., any Body Corporate) are required to send a scanned copy (in PDF/JPG format) of certified true copy of the Board Resolution authorising its representative to vote through remote e-Voting/e-Voting during the AGM and attend the AGM through VC / OAVM. The said certified true copy of the Board Resolution should be sent to the Scrutinizer by email through its registered email address to [contact@drdcs.net](mailto:contact@drdcs.net) with a copy marked to [info1@aaronindustries.net](mailto:info1@aaronindustries.net).
8. 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 [www.aaronindustries.net](http://www.aaronindustries.net). The Notice can also be accessed from the website of the Stock Exchange i.e., National Stock Exchange of India Limited at [www.nseindia.com](http://www.nseindia.com). The AGM Notice is also disseminated on the website of Bigshare (agency for providing the Remote e-Voting facility and e-Voting system during the AGM) i.e., <https://ivote.bigshareonline.com>.
9. In line with MCA Circulars, the Notice of the AGM along with the Annual Report 2022-23 is being sent by electronic mode to those Members whose email addresses are registered with the Company/Depository Participants ('DP').
10. Members desirous of receiving communication from the Company in electronic form may register their email addresses with their respective Depository Participants. Further, Members are also requested to approach their Depository Participant to register their e-mail address in their Demat account details as per the process defined by the respective Depository Participant. In case any Member is desirous of obtaining a hard copy of the Annual Report for the Financial Year 2022-23 and Notice of the 10<sup>th</sup> AGM of the Company, may send the request to the Company's email address at [info1@aaronindustries.net](mailto:info1@aaronindustries.net) mentioning DP ID and Client ID.
11. The SEBI has mandated the submission of a Permanent Account Number (PAN) by every participant in the securities market. Therefore, Members holding shares in Demat form are requested to submit the PAN to their respective Depository Participant(s). Members holding shares in physical form can submit their PAN details to the Company or the RTA (Bigshare Services Private Limited).
12. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or arrangements on which the Directors are interested under Section 189 of the Companies Act, 2013 will be available electronically for inspection during the AGM. For inspection, the Shareholders may contact the Company Secretary at [info1@aaronindustries.net](mailto:info1@aaronindustries.net) at least 5 days before the date of the AGM.
13. The Board of Directors has recommended a Final Dividend of Rs.1/- (10%) per Equity Share of Rs.10.00 each for the Financial Year ended March 31, 2023, subject to the approval of the Members at the 10<sup>th</sup> AGM and the Dividend, if declared, will be paid within 30 days from the date of approval by the Members at the 10<sup>th</sup> AGM. The Record Date for determining the eligibility of the Equity Shareholders to the Final Dividend for the Financial Year ended March 31, 2023, is fixed as **Monday, August 28, 2023**.
14. Register of Members and Share Transfer Books of the Company will remain closed from **Tuesday, August 29, 2023**, to **Monday, September 04, 2023** (both days inclusive), for the purpose of determining the name of Shareholders who are eligible for Dividend on Equity Shares, if declared at the AGM.



15. As mandated by the Listing Regulations, Company will remit Dividend electronically by RTGS/NECS/NACH, etc. to the bank account of the shareholder, whose bank details are registered with the Company. Shareholders holding shares in Dematerialized mode are requested to intimate all changes pertaining to their bank details, NECS, mandates, nominations, power of attorney, change of address/name, PAN details, etc. to their Depository Participant (“DP”) only. In the event, the Company is unable to pay Dividend to any shareholder directly in their bank accounts through Electronic Clearing Service or any other means, due to non-registration of the Electronic Bank Mandate, the Company shall dispatch the Dividend Warrant/ Bankers cheque/ Demand Draft to such shareholder.
16. Pursuant to the Income-tax Act, 1961, as amended by the Finance Act, 2020, Dividend income has become taxable in the hands of shareholders with effect from April 01, 2020, and therefore, the Company shall be required to deduct tax at source (TDS) from Dividend paid to shareholders at the prescribed rates. The summary of the applicable TDS provisions in accordance with the provisions of the Income Tax Act, 1961, for various categories, including Resident or Non-Resident Shareholders are available below. Shareholders are requested to update their Permanent Account Number (“PAN”) with the Company and Depositories (in case of shares held in Demat mode) on or before **Monday, August 28, 2023**.

**a) For Resident Shareholders:**

Particular	Applicable Rate	Documents required (If any)
<b>For Resident Shareholders:</b>		
Shareholders with valid PAN	10%	Update/Verify the PAN, and the residential status as per Income Tax Act, 1961 if not already done, with the Depositories (in case of shares held in Demat mode) and with the Company’s Registrar and Transfer Agents i.e. Bigshare Services Private Limited (in case of shares held in physical mode).
If PAN of the Shareholder is not submitted/ PAN is invalid	20%	N.A.
If a person has not filed his/ her return of Income for each of the two preceding Financial Years and the aggregate of tax deducted at source in his/ her case is ₹ 50,000 or more in each of these two Financial Years.	Higher of the following: a) Twice the rate specified in the relevant provision of the Income-tax Act, 1961; or b) Twice the rate or rates in force; or c) The rate of five percent	N.A.
<b>a) For Resident Individual:</b>		
If the total Dividend to be received by a Resident Individual during FY 2023-24 does not exceed Rs.5,000.	Nil	
Shareholder Submitting Form 15G/ Form 15H		Declaration in Form 15G (for individuals, with no tax liability on total income and income, not exceeding maximum amount which is not chargeable to tax) / Form 15H (for individuals above the age of 60 years with no tax liability on total income) for the FY 2023-24.

Shareholder submitting order under Section 197 of the Income Tax Act, 1961	Rate specified in the said certificate	If a shareholder has obtained a lower or Nil withholding tax certificate from the tax authorities, a self-attested copy of the said certificate shall be submitted. The certificate should be valid for the FY 2023-24 and should cover the Dividend income.
<b>b) For Resident Non-Individual:</b>		
Insurance Companies as specified under Section 194 of the Income Tax Act, 1961	Nil	Self-declaration that it qualifies as 'Insurer' as per section 2(7A) of the Insurance Act, 1938 and has full beneficial interest with respect to the ordinary shares owned by it along with a self-attested copy of PAN card and certificate of registration with Insurance Regulatory and Development Authority (IRDA).
Mutual Fund specified under clause (23D) of Section 10 of the Income Tax Act, 1961	Nil	Self-declaration that it is registered with SEBI and is specified and covered under section 10 (23D) of the Income-tax Act, 1961 along with a self-attested copy of the PAN card and certificate of registration with SEBI
Alternative Investment Fund (AIF) established in India	Nil	Self-declaration that its income is exempt under section 10 (23FBA) of the Income-tax Act, 1961, and they are registered with SEBI as Category I or Category II AIF along with a self-attested copy of the PAN Card and certificate of AIF registration with SEBI.
Corporation established by or under a Central Act, which is, under any law for the time being in force, exempt from income tax on its income	Nil	A declaration that it is a corporation established by or under a Central Act whereby income tax is exempt on the income and accordingly, covered under section 196 of the Income Tax Act, 1961 along with self-attested copy of PAN card and registration certificate and relevant extract of the section whereby the income is exempt from tax.
Any other entity entitled to exemption from TDS	Nil	Valid self-attested documentary evidence (e.g., a copy of the relevant registration, notification, order, etc.) in support of the entity being entitled to TDS exemption along with a self-attested copy of the PAN Card.

**b) For Non-resident Shareholders:**

Particulars	Applicable Rate	Documents required (if any)
Non-resident shareholders [including Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs)]	20% (plus applicable surcharge and cess) OR Tax Treaty Rate (whichever is lower, provided documents are received)	Update/Verify the PAN and the residential status as per Income Tax Act, 1961, if not already done, with the Depositories (in case of shares held in Demat mode) and with the Company's Registrar and Transfer Agents i.e. Bigshare Services Private Limited (in case of shares held in physical mode).
Shareholders having PE in India who have not filed an Income Tax return for FY 21-22 (AY 22-23) and the amount of TDS deducted on their PAN is Rs.50,000 or above	40% (plus applicable surcharge and cess) [Shareholder who has not furnished a declaration stating any Permanent Establishment (PE) in India]	N.A.

Shareholder submitting order under Section 197 of the Income Tax Act, 1961	Rate provided in the Order	Lower/NIL withholding tax certificate obtained from the tax authority. Tax will be deducted at the rate specified in the said certificate, subject to furnishing a self-attested copy of the same. The certificate should be valid for FY 2023-24 and should cover the Dividend income.
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As per section 90 read with section 195 of the Income-tax Act, 1961, the non-resident shareholder has the option to be governed by the provisions of the Double Tax Avoidance Agreement (“DTAA”) read with applicable Multilateral Instrument (‘MLI’) between India and the country of tax residence of the shareholder, if they are more beneficial to them.

For this purpose, i.e., to avail of the Tax Treaty benefits, the non-resident shareholder will have to provide the following:

- a. Self-attested true copy of Tax Residency Certificate (“TRC”) obtained from the tax authorities of the country of which the shareholder is resident for the FY 2022-23;
- b. Self-declaration in Form 10F;
- c. Self-attested true copy of the PAN Card if allotted by the Indian Income Tax authorities;
- d. Self-declaration to be provided under Rule 37BC(2) of the Income Tax Rules, 1962
- e. Self-declaration in the format prescribed by the Company, certifying the following points:
  - i. Shareholder is and will continue to remain a tax resident of the country of its residents during the FY 2023-24;
  - ii. Shareholder is eligible to claim the beneficial DTAA rate for the purposes of tax withholding on dividend declared by the Company;
  - iii. Shareholder has no reason to believe that its claim for the benefits of the DTAA is impaired in any manner;
  - iv. Shareholder does not have a taxable presence or a Permanent Establishment (“PE”) in India during the FY 2023-24. In any case, the amounts paid/payable to the Shareholder are not attributable or effectively connected to the PE or fixed base, if any, which may have got constituted otherwise;
  - v. Shareholder is the ultimate beneficial owner of its shareholding in the Company and Dividend receivable from the Company; and
  - vi. Self-declaration by the shareholder regarding the satisfaction of the place of effective management (POEM), principal purpose test, GAAR, Simplified Limitation of Benefit test (wherever applicable), as regards the eligibility to claim recourse to concerned Double Taxation Avoidance Agreements.

Shareholders may submit the aforementioned documents to [tds@bigshareonline.com](mailto:tds@bigshareonline.com) on or before Monday, August 28, 2023 in order to enable the Company to determine and deduct appropriate tax.

It may be further noted that in case the tax on said dividend is deducted at a higher rate in absence of receipt of the aforementioned details/ documents from the Shareholders, there would still be an option available with the Shareholders to file the return of income and claim an appropriate refund, if eligible. The above-referred documents submitted by you will be verified by



us and we will consider the same while deducting the appropriate taxes, if any, provided that these documents are in accordance with the provisions of the Act.

In addition to the above, please note the following:

- i. In case you hold shares under multiple accounts under different status/categories but under a single PAN, the highest rate of tax as applicable to the status in which shares held under the said PAN will be considered on the entire holding in different accounts.
- ii. In the case of joint shareholding, the withholding tax rates shall be considered basis the status of the primary beneficial shareholder.
- iii. The Beneficiary data provided by the CDSL and NSDL will be taken into consideration.

In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy, or omission of information provided by the shareholder, such shareholder will be responsible to indemnify the Company and also, provide the Company with all information/ documents and co-operation in any appellate proceedings. The said certificate can also be viewed in Form 26AS at TRACES <https://www.tdscpc.gov.in/app/login.xhtml> or the website of the Income Tax department of India <https://www.incometax.gov.in/home>.

17. Details required under Regulation 36 of the Listing Regulations, 2015 and Secretarial Standards on General Meetings (SS-2) issued by The Institute of Company Secretaries of India, in respect of Directors seeking appointment/re-appointment/revision in remuneration at this AGM is provided in “Annexure-I” of this Notice. Directors seeking appointment/re-appointment have furnished requisite declarations under Section 164(2) and other applicable provisions of the Act including rules framed thereunder.
18. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised not to leave their Demat account(s) dormant for long. A periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified from time to time.
19. Members seeking any information/document as referred in the Notice are requested to write to the Company on or before Monday, September 04, 2023, through email at [info1@aaronindustries.net](mailto:info1@aaronindustries.net). The same will be addressed by the Company suitably.
20. The Board of Directors of the Company has appointed M/s. Dhirren R. Dave & Co., Practicing Company Secretaries as the Scrutinizer to scrutinize the remote e-Voting process and voting through the electronic voting system at the AGM in a fair and transparent manner.
21. The Scrutinizer will, after the conclusion of e-Voting at the Meeting, scrutinize the votes cast at the Meeting and votes cast through remote e-Voting, make a consolidated Scrutiniser’s Report and submit the same to the Chairman or a person authorized by him in writing, who shall countersign the same and declare results (consolidated) within two working days from the conclusion of the AGM.
22. The result declared along with the Scrutinizers Report will be placed on the Company’s website [www.aaronindustries.net](http://www.aaronindustries.net) and the website of Bigshare e-Voting <https://ivote.bigshareonline.com> immediately after the declaration of the result and the same will also be communicated to the National Stock Exchange of India Limited.

23. Instructions for e-Voting and joining the AGM are as follows:

**THE INSTRUCTIONS OF SHAREHOLDERS FOR REMOTE E-VOTING ARE AS UNDER:**

- i. The voting period begins on Friday, September 01, 2023, at 9.00 AM and ends on Sunday, September 03, 2023, at 5.00 PM. During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as of the cut-off date (record date) Monday, August 28, 2023, may cast their vote electronically. The e-Voting module shall be disabled by Bigshare 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 December 09, 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.

- iv. In terms of SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 09, 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.

**1. Pursuant to above said SEBI Circular, the Login method for e-Voting and joining virtual Meetings for Individual shareholders holding securities in Demat mode is given below:**

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> <li>1. Users who have opted for CDSL's Easi / Easiest facility, can log in through their existing user id and password. The option will be made available to reach the e-Voting page without any further authentication. The URL for users to log in to Easi / Easiest is <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on the Login icon and select New System Myeasi.</li> <li>2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-Voting is in progress as per the information provided by company. On clicking the e-Voting option, the user</li> </ol>

	<p>will be able to see e-Voting page of <b>BIGSHARE</b> the e-Voting service provider and you will be re-directed to i-Vote website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. <b>BIGSHARE</b>, so that the user can visit the e-Voting service providers' website directly.</p> <ol style="list-style-type: none"> <li>3. If the user is not registered for Easi/Easiest, the option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a>.</li> <li>4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a link <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-Voting is in progress, and also able to directly access the system of all e-Voting Service Providers. Click on <b>BIGSHARE</b> and you will be re-directed to i-Vote website for casting your vote during the remote e-Voting period.</li> </ol>
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	<ol style="list-style-type: none"> <li>1. If you are already registered for the NSDL IDeAS facility, please visit the e-Services website of NSDL. Open a web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under the '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 the e-Voting page. Click on the Company name or e-Voting service provider name <b>BIGSHARE</b> and you will be re-directed to <b>i-Vote</b> website for casting your vote during the remote e-Voting period or joining a virtual Meeting &amp; voting during the Meeting.</li> <li>2. If the user is not registered for IDeAS e-Services, the 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>.</li> <li>3. Visit the e-Voting website of NSDL. Open a 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 mobile. Once the home page of the e-Voting system is launched, click on the icon "Login" which is available under the 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e., your sixteen-digit Demat account number held with NSDL), Password/OTP, and a Verification Code as shown on the screen. After successful authentication, you will be redirected to the NSDL Depository site wherein you can see the e-Voting page. Click on the Company name or e-Voting service provider name <b>BIGSHARE</b> and you will be redirected to <b>i-Vote</b> website for casting your vote during the remote e-Voting period or joining a virtual Meeting &amp; voting during the Meeting.</li> </ol>



<p>Individual Shareholders (holding securities in Demat mode) login through their <b>Depository Participants</b></p>	<p>You can also login using the login credentials of your Demat account through your Depository Participant registered with NSDL/CDSL for the e-Voting facility. After Successful login, you will be able to see the e-Voting option. Once you click on the e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see the e-Voting feature. Click on the Company name or e-Voting service provider name and you will be redirected to the e-Voting service provider website for casting your vote during the remote e-Voting period or joining a virtual Meeting &amp; voting during the Meeting.</p>
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**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at the 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 <b>CDSL</b>	Members facing any technical issue in login can contact the CDSL helpdesk by sending a request at the <a href="mailto: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 <b>NSDL</b>	Members facing any technical issue in login can contact the NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll-free no.: 1800 1020 990 and 1800 22 44 30

**2. Login method for e-Voting for shareholder other than individual shareholders holding shares in Demat mode & physical mode is given below:**

- ◆ You are requested to launch the URL on internet browser: <https://ivote.bigshareonline.com>
- ◆ Click on “**LOGIN**” button under the ‘**INVESTOR LOGIN**’ section to Login on e-Voting Platform.
- ◆ Please enter you ‘**USER ID**’ (User id description is given below) and ‘**PASSWORD**’ which is shared separately on you register email id.
  - ◆ Shareholders holding shares in **CDSL Demat account should enter 16 Digit Beneficiary ID** as user id.
  - ◆ Shareholders holding shares in **NSDL Demat account should enter 8 Character DP ID followed by 8 Digit Client ID** as user id.
  - ◆ Shareholders holding shares in **physical form should enter Event No + Folio Number** registered with the Company as user id.

**Note** If you have not received any user id or password please email from your registered email id or contact i-vote helpdesk team. (Email id and contact number are mentioned in helpdesk section).

- ◆ Click on **I AM NOT A ROBOT (CAPTCHA)** option and login.

**NOTE:** If Shareholders are holding shares in Demat form and have registered on to e-Voting system of <https://ivote.bigshareonline.com> and/or voted on an earlier event of any company then they can use their existing user id and password to login.

- ◆ If you have forgotten the password: Click on '**LOGIN**' under '**INVESTOR LOGIN**' tab and then Click on '**Forgot your password?**
- ◆ Enter "**User ID**" and "**Registered email ID**" Click on **I AM NOT A ROBOT (CAPTCHA)** option and click on '**Reset**'.

*(In case a shareholder is having valid email address, Password will be sent to his / her registered e-mail address).*

### Voting method for shareholders on i-Vote e-Voting portal:

- ◆ After successful login, **Bigshare e-Voting system** page will appear.
- ◆ Click on "**VIEW EVENT DETAILS (CURRENT)**" under '**EVENTS**' option on investor portal.
- ◆ Select event for which you are desire to vote under the dropdown option.
- ◆ Click on "**VOTE NOW**" option which is appearing on the right hand side top corner of the page.
- ◆ Cast your vote by selecting an appropriate option "**IN FAVOUR**", "**NOT IN FAVOUR**" or "**ABSTAIN**" and click on "**SUBMIT VOTE**". A confirmation box will be displayed. Click "**OK**" to confirm, else "**CANCEL**" to modify. Once you confirm, you will not be allowed to modify your vote.
- ◆ Once you confirm the vote you will receive confirmation message on display screen and also you will receive an email on your registered email id. During the voting period, members can login any number of times till they have voted on the resolution(s). Once vote on a resolution is casted, it cannot be changed subsequently.
- ◆ Shareholder can "**CHANGE PASSWORD**" or "**VIEW/UPDATE PROFILE**" under "**PROFILE**" option on investor portal.

### 3. Custodian registration process for i-Vote e-Voting Website:

- ◆ You are requested to launch the URL on internet browser: <https://ivote.bigshareonline.com>
- ◆ Click on "**REGISTER**" under "**CUSTODIAN LOGIN**", to register yourself on Bigshare i-Vote e-Voting Platform.
- ◆ Enter all required details and submit.
- ◆ After Successful registration, message will be displayed with "**User id and password will be sent via email on your registered email id**".

**NOTE:** If Custodian have registered on to e-Voting system of <https://ivote.bigshareonline.com> and/or voted on an earlier event of any company then they can use their existing user id and password to login.

- ◆ If you have forgotten the password: Click on '**LOGIN**' under '**CUSTODIAN LOGIN**' tab and further Click on '**Forgot your password?**
- ◆ Enter "**User ID**" and "**Registered email ID**" Click on **I AM NOT A ROBOT (CAPTCHA)** option and click on '**RESET**'.

*(In case a custodian is having valid email address, Password will be sent to his / her registered e-mail address).*

**Voting method for Custodian on i-Vote e-Voting portal:**

- ◆ After successful login, **Bigshare e-Voting system** page will appear.

**Investor Mapping:**

- ◆ First you need to map the investor with your user ID under “**DOCUMENTS**” option on custodian portal.
  - ◆ Click on “**DOCUMENT TYPE**” dropdown option and select document type power of attorney (POA).
  - ◆ Click on upload document “**CHOOSE FILE**” and upload power of attorney (POA) or Board Resolution for respective investor and click on “**UPLOAD**”.
- Note:** The power of attorney (POA) or Board Resolution has to be named as the “**InvestorID.pdf**” (Mention Demat account number as Investor ID.)
- ◆ Your investor is now mapped and you can check the file status on display.

**Investor vote file upload:**

- ◆ To cast your vote select “**VOTE FILE UPLOAD**” option from left hand side menu on custodian portal.
- ◆ Select the Event under dropdown option.
- ◆ Download sample voting file and enter relevant details as required and upload the same file under upload document option by clicking on “**UPLOAD**”. Confirmation message will be displayed on the screen and also you can check the file status on display (Once vote on a resolution is casted, it cannot be changed subsequently).
- ◆ Custodian can “**CHANGE PASSWORD**” or “**VIEW/UPDATE PROFILE**” under “**PROFILE**” option on custodian portal.

**Helpdesk for queries regarding e-Voting:**

Login type	Helpdesk details
Shareholder’s other than individual shareholders holding shares in Demat mode & Physical mode.	In case shareholders/ investor have any queries regarding e-Voting, you may refer the Frequently Asked Questions (‘FAQs’) and i-Vote e-Voting module available at <a href="https://ivote.bigshareonline.com">https://ivote.bigshareonline.com</a> , under download section or you can email us to <a href="mailto:ivote@bigshareonline.com">ivote@bigshareonline.com</a> or call us at: 1800 22 54 22.

**4. Procedure for joining the AGM through VC/ OAVM:**

**For shareholder other than individual shareholders holding shares in Demat mode & physical mode is given below:**

- ◆ The Members may attend the AGM through VC/ OAVM at <https://ivote.bigshareonline.com> under Investor login by using the e-Voting credentials (i.e., User ID and Password).
- ◆ After successful login, **Bigshare e-Voting system** page will appear.
- ◆ Click on “**VIEW EVENT DETAILS (CURRENT)**” under ‘**EVENTS**’ option on investor portal.
- ◆ Select event for which you are desire to attend the AGM under the dropdown option.
- ◆ For joining virtual meeting, you need to click on “**VC/OAVM**” link placed beside of “**VIDEO CONFERENCE LINK**” option.
- ◆ Members attending the AGM/EGM through VC/ OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.



**The instructions for Members for e-Voting on the day of the AGM are as under:-**

- ◆ The Members can join the AGM in the VC/ OAVM mode 15 minutes before the scheduled time of the commencement of the Meeting. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-Voting.
- ◆ Only those members/shareholders, who will be 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 in the AGM.
- ◆ Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

**Helpdesk for queries regarding Virtual Meeting:**

In case shareholders/ investor have any queries regarding virtual meeting, you may refer the Frequently Asked Questions ('FAQs') available at <https://ivote.bigshareonline.com>, under download section or you can email us to [ivote@bigshareonline.com](mailto:ivote@bigshareonline.com) or call us at: 1800 22 54 22.

**EXPLANATORY STATEMENT****(Pursuant to Section 102 of the Companies Act, 2013)**

The following Explanatory Statement sets out all material facts relating to businesses mentioned under Item No. 4 to 11 of the accompanying Notice:

<b>Item No. 4</b>	<b>Appointment of M/s. D C Jariwala and Co., Chartered Accountants as Statutory Auditors of the Company and to fix their remuneration.</b>
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M/s. P.J. Desai & Co, Chartered Accountants, Surat, (Membership No. ICAI – 039868, Firm Registration No. 102330W), was appointed as Statutory Auditors of the Company at the 6<sup>th</sup> Annual General Meeting ('AGM') held on August 24, 2019 for a period of 4 years till the conclusion of 10<sup>th</sup> Annual General Meeting. The term of appointment of M/s. P.J. Desai & Co., Chartered Accountants shall expire at the conclusion of 10<sup>th</sup> AGM. The Board of Directors places on record their appreciation for the services rendered by M/s. P.J. Desai & Co., Chartered Accountants, Surat.

Accordingly, the Board of Directors based on the recommendations of the Audit Committee, proposed the appointment of M/s. D C Jariwala and Co., Chartered Accountants, (Firm Registration No. 104063W) as the Statutory Auditors of the Company for a period of 5 (Five) consecutive years commencing from the conclusion of 10<sup>th</sup> AGM till the conclusion of the 15<sup>th</sup> AGM of the Company to be held in the Year 2028.

M/s. D C Jariwala and Co., has confirmed that their appointment, if made, will be within the limits specified under Section 141 of the Companies Act, 2013. They have also confirmed that they are not disqualified to be appointed as Statutory Auditors in terms of the provisions of Section 141 of the Companies Act, 2013 and the provisions of Companies (Audit and Auditors) Rules, 2014.

**The details required pursuant to Regulation 36(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, are as under below:**

- **Proposed fees payable to the Statutory Auditor**

The fees proposed to be paid to M/s. D C Jariwala and Co., towards Statutory Audit and Limited Review for Financial Year 2023-2024 shall not exceed Rs.5 Lakhs, with the authority to the Board to make changes as it may deem fit for the balance term on the basis of recommendation of the Audit Committee.

The fees for services in the nature of statutory certifications and other professional work will be in addition to the audit fee as above, and will be decided by the management in consultation with the Statutory Auditors, subject to approval of the Board of Directors and/or Audit Committee, wherever required.

- **Terms of Appointment**

Appointment as a Statutory Auditor for a period of 5 (Five) consecutive years commencing from the conclusion of this 10<sup>th</sup> Annual General Meeting till the conclusion of the 15<sup>th</sup> Annual General Meeting of the Company to be held in the year 2028.

- **Any material change in the fee payable to such auditor from that paid to the outgoing auditor along with the rationale for such change**

No such material change. The fees payable to the new Statutory Auditor would be in line with the remuneration being paid to outgoing Auditors and shall be commensurate with the size and the nature of transactions of the Company and the relevant experience and expertise of the Auditors.

The Board of Directors in consultation with the Audit Committee may alter and vary the terms and conditions of appointment, including remuneration, in such manner and to such extent as may be mutually agreed with the Statutory Auditors.

- **Basis of recommendation for appointment including the details in relation to and credentials of the Statutory Auditor(s) proposed to be appointed**

The Audit Committee and the Board of Directors, while recommending the appointment of M/s. D C Jariwala and Co., Chartered Accountants as the Statutory Auditors of the Company, have taken into consideration, among other things, the credentials of the firm and partners, and eligibility criteria prescribed under the Companies Act, 2013.

M/s. D C Jariwala and Co., Chartered Accountants (Firm Registration No. 104063W) was established since past 36 years having vast experiences in direct and indirect tax along with internal and statutory audit of corporate and non-corporate entities. M/s. D C Jariwala and Co., Chartered Accountants are an integrated professional service firm providing management consultancy in the field of Income tax, Audit, GST, Company law, Accounting, Cost Management, Bank Audit, RERA, Business Strategy and much more. M/s. D C Jariwala and Co., have an experienced and qualified team who are capable of providing best output and services to clients within stipulated time.

The firm holds the valid '**Peer Review**' certificate as issued by 'ICAI'.

The Board of Directors accordingly recommends the Ordinary Resolutions set out in Item No.4 of this Notice for approval of the Members.

The interest of Directors & Key Managerial Personnel:

None of the Directors or Key Managerial Personnel of the Company or their relatives, are in any way, concerned or interested, financially or otherwise, in the Resolution set out in Item No.4 of this Notice except to the extent of their Shareholding interest, if any, in the Company.

**Item No. 5 Revision in Remuneration payable to Mr. Amar Doshi (DIN:00856635), Chairman & Managing Director of the Company**

Based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors, the Members at their 8<sup>th</sup> Annual General Meeting of the Company held on September 17, 2021, approved the re-appointment of Mr. Amar Doshi as a Chairman & Managing Director for a further period of 3 (three) years with effect from February 01, 2021, to January 31, 2024.

Considering the contribution of Mr. Amar Doshi and the progress made by the Company under his leadership and guidance and based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors at their Meetings held on May 15, 2023, revised the remuneration payable to Mr. Amar Doshi (DIN:00856635) with effect from April 01, 2023, as follow:

Salary	Rs.2,50,000/- (Rupees Two Lakh Fifty Thousand) per month.
Perquisites	He will be entitled to furnish/non-furnished accommodation or House Rent

Allowance in lieu thereof, Gas, Water, Electricity Expenses, Medical Expenses, Leave Travel Allowance for self and family, Club Fees, Car & Telephone Expenses, Entertainment Expenses, and other Business Expenses, Personal Accident Insurance, and any other allowances, benefits, and perquisites as per the rules applicable to the Senior Executives of the Company and/or which may become applicable in the future and/or any other allowance, perquisites as the Board may from time to time decide.

Company's contribution to Provident Fund and Superannuation Fund or Annuity Fund, Gratuity Payment as per Company's rules, and encashment of leave at the end of his tenure shall not be included in the computation of ceiling on remuneration and perquisites as aforesaid.

Duration	w.e.f. April 01, 2023, till the rest of the term as Chairman & Managing Director
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Except for the aforesaid revision in terms of remuneration, all other terms and conditions of his re-appointment as Chairman & Managing Director of the Company, as approved by the Special Resolution passed at the 8<sup>th</sup> Annual General Meeting of the Company held on September 17, 2021, shall remain unchanged and shall continue to remain in full force and effect.

#### **Minimum Remuneration:**

In the event of loss or inadequacy of profits in any Financial Year, during his tenure, the Company shall pay remuneration and perquisites to Mr. Amar Doshi, Chairman & Managing Director, within the limits specified under Section 197 read with Schedule V of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force).

It is proposed to seek approval of the Members for the revision in remuneration payable to Mr. Amar Doshi, Chairman & Managing Director of the Company, in terms of the applicable provisions of the Companies Act, 2013 ('the Act') and rules made thereunder.

This Explanatory Statement may also be considered as the requisite abstract under Section 190 of the Companies Act, 2013 setting out the terms and conditions of revision in remuneration of Mr. Amar Doshi, Chairman & Managing Director of the Company.

Details of Mr. Amar Doshi, pursuant to the provisions of (i) SEBI (LODR) Regulations and (ii) Secretarial Standard on General Meetings ('SS-2') issued by the Institute of Company Secretaries of India are provided in '**Annexure-I**' to the Notice.

A Statement as per the requirement of Section II of Part II of Schedule V of the Companies Act, 2013 containing the information of the Company and Mr. Amar Doshi is given at the end of Item No. 8 of the accompanying Notice.

The Board of Directors accordingly recommends the Special Resolutions set out in Item No.5 of this Notice for approval of the Members.

#### **The interest of Directors & Key Managerial Personnel:**

None of the Directors or Key Managerial Personnel of the Company or their relatives, except Mr. Amar Doshi and his relatives, are in any way, concerned or interested, financially or otherwise, in the Resolution set out in Item No.5 of this Notice except to the extent of their Shareholding interest, if any, in the Company.



Item No. 6	<b>Revision in Remuneration payable to Mr. Karan Doshi (DIN:06690242), Whole-Time Director of the Company.</b>
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Based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors, the Members at their 8<sup>th</sup> Annual General Meeting of the Company held on September 17, 2021, approved the re-appointment of Mr. Karan Doshi as a Whole-Time Director for a further period of 3 (three) years with effect from February 01, 2021, to January 31, 2024.

Considering the contribution of Mr. Karan Doshi and the progress made by the Company under his leadership and guidance and based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors at their Meetings held on May 15, 2023, revised the remuneration payable to Mr. Karan Doshi (DIN:06690242) with effect from April 01, 2023, as follow:

Salary	Rs.2,25,000/- (Rupees Two Lakh Twenty Five Thousand) per month.
Perquisites	He will be entitled to furnish/non-furnished accommodation or House Rent Allowance in lieu thereof, Gas, Water, Electricity Expenses, Medical Expenses, Leave Travel Allowance for self and family, Club Fees, Car & Telephone Expenses, Entertainment Expenses, and other Business Expenses, Personal Accident Insurance, and any other allowances, benefits, and perquisites as per the rules applicable to the Senior Executives of the Company and/or which may become applicable in the future and/or any other allowance, perquisites as the Board may from time to time decide.
	Company's contribution to Provident Fund and Superannuation Fund or Annuity Fund, Gratuity Payment as per Company's rules, and encashment of leave at the end of his tenure shall not be included in the computation of ceiling on remuneration and perquisites as aforesaid.
Duration	w.e.f. April 01, 2023, till the rest of the term as Whole-Time Director

Except for the aforesaid revision in terms of remuneration, all other terms and conditions of his re-appointment as Whole-Time Director of the Company, as approved by the Special Resolution passed at the 8<sup>th</sup> Annual General Meeting of the Company held on September 17, 2021, shall remain unchanged and shall continue to remain in full force and effect.

#### **Minimum Remuneration:**

In the event of loss or inadequacy of profits in any Financial Year, during his tenure, the Company shall pay remuneration and perquisites to Mr. Karan Doshi, Whole-Time Director, within the limits specified under Section 197 read with Schedule V of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force).

It is proposed to seek approval of the Members for the revision in remuneration payable to Mr. Karan Doshi, Whole-Time Director of the Company, in terms of the applicable provisions of the Companies Act, 2013 ('the Act') and rules made thereunder.

This Explanatory Statement may also be considered as the requisite abstract under Section 190 of the Companies Act, 2013 setting out the terms and conditions of revision in remuneration of Mr. Karan Doshi, Whole-Time Director of the Company.

Details of Mr. Karan Doshi, pursuant to the provisions of (i) SEBI (LODR) Regulations and (ii) Secretarial Standard on General Meetings ('SS-2') issued by the Institute of Company Secretaries of India are provided in '**Annexure-I**' to the Notice.

A Statement as per the requirement of Section II of Part II of Schedule V of the Companies Act, 2013 containing the information of the Company and Mr. Karan Doshi is given at the end of Item No. 8 of the accompanying Notice.

The Board of Directors accordingly recommends the Special Resolutions set out in Item No.6 of this Notice for approval of the Members.

The interest of Directors & Key Managerial Personnel:

None of the Directors or Key Managerial Personnel of the Company or their relatives, except Mr. Karan Doshi and his relatives, are in any way, concerned or interested, financially or otherwise, in the Resolution set out in Item No.6 of this Notice except to the extent of their shareholding interest, if any, in the Company.

**Item No. 7** **Re-Appointment of Mr. Amar Doshi (DIN:00856635) as a Chairman & Managing Director of the Company.**

Mr. Amar Doshi was Re-Appointed as a Chairman & Managing Director of the Company for a period of 3 years w.e.f. February 01, 2021, after obtaining due approval of the Members of the Company in their Annual General Meeting held on September 17, 2021. Accordingly, the existing term of Mr. Amar Doshi as a Chairman & Managing Director of the Company comes to an end on January 31, 2024.

The Board, in their Meeting held on August 05, 2023 has approved the Re-Appointment of Mr. Amar Doshi, as a Chairman & Managing Director for a further period of 3 (three) years after his current tenure ends on January 31, 2024. The Board has taken the decision of said Re-Appointment based on the recommendation of the Nomination and Remuneration Committee and subject to the approval of Members of the Company.

Mr. Amar Doshi is not disqualified from being Re-Appointed as a Managing Director in terms of Section 164 of the Companies Act, 2013. He has communicated his willingness to be Re-Appointed as a Chairman & Managing Director of the Company. He satisfies all the conditions set out in Section 196(3) of the said Act and Part-I of Schedule V thereof and hence, is eligible for Re-Appointment. He is not debarred from holding the office of Director by virtue of any SEBI order or any other such authority.

A brief profile of Mr. Amar Doshi is provided in the '**Annexure-I**' to the Notice pursuant to the provisions of (i) SEBI (LODR) Regulations, 2015 and (ii) Secretarial Standard on General Meetings ('SS-2') issued by the Institute of Company Secretaries of India.

It is proposed to seek approval of the Members for the Re-Appointment of and remuneration payable to Mr. Amar Doshi, as a Chairman & Managing Director of the Company, in terms of the applicable provisions of the Companies Act, 2013 ('the Act') and rules made thereunder.

Broad particulars of the terms of Re-Appointment of and remuneration payable to Mr. Amar Doshi are as under:

Salary	Rs.2,50,000/- (Rupees Two Lakh Fifty Thousand) per month.
Perquisites	He will be entitled to furnish/non-furnished accommodation or House Rent Allowance in lieu thereof, Gas, Water, Electricity Expenses, Medical Expenses, Leave Travel Allowance for self and family, Club Fees, Car & Telephone Expenses, Entertainment Expenses, and other Business Expenses, Personal Accident Insurance, and any other allowances, benefits, and perquisites as per the rules applicable to the Senior Executives of the Company and/or which may become applicable in the future and/or any other allowance, perquisites as the Board may from time to time decide.
	Company's contribution to Provident Fund and Superannuation Fund or Annuity Fund, Gratuity Payment as per Company's rules, and encashment of leave at the end of his tenure shall not be included in the computation of ceiling on remuneration and perquisites as aforesaid.
Duration	w.e.f. February 01, 2024 to January 31, 2027

### Minimum Remuneration:

In the event of loss or inadequacy of profits in any financial year, during the tenure of the Managing Director, the Company shall pay remuneration to the Managing Director, within the maximum ceiling per annum as per Section II of Part II of Schedule V of the Companies Act, 2013, including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, as per the recommendation of the Nomination and Remuneration Committee and the approval of the Board of Directors of the Company.

### Sitting Fees:

He shall not be paid sitting fees for attending the Meetings of the Board of Directors or Committees thereof.

Mr. Amar Doshi, has been associated with the Company since incorporation and has contributed a great value in the growth and success of the Company with his rich expertise in the industry where the Company operates. It would be in the interest of the Company to continue to avail of his considerable expertise and to Re-Appoint him as the Chairman & Managing Director.

This Explanatory Statement may also be considered as the requisite abstract under Section 190 of the Companies Act, 2013 setting out the terms and conditions of appointment of Mr. Amar Doshi, as a Chairman & Managing Director of the Company.

A Statement as per the requirement of Section II of Part II of Schedule V of the Companies Act, 2013 containing the information of the Company and Mr. Amar Doshi is given at the end of Item No. 8 of the accompanying Notice.

The Board of the Directors accordingly recommends the Special Resolutions set out at Item No. 7 of this Notice for approval of the Members.

### Interest of Directors & Key Managerial Personnel:

None of the Directors or Key Managerial Personnel of the Company or their relatives, except Mr. Amar Doshi and his relatives, are in any way, concerned or interested, financially or otherwise, in the Resolution set out in Item No.7 of this Notice except to the extent of their Shareholding interest, if any, in the Company.

Item No. 8	<b>Re-Appointment of Mr. Karan Doshi (DIN:06690242) as a Whole-Time Director of the Company.</b>
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Mr. Karan Doshi was Re-Appointed as a Whole-Time Director of the Company for a period of 3 years w.e.f. February 01, 2021, after obtaining due approval of the Members of the Company in their Annual General Meeting held on September 17, 2021. Accordingly, the existing term of Mr. Karan Doshi as a Whole-Time Director of the Company comes to an end on January 31, 2024.

The Board, in their Meeting held on August 05, 2023 has approved the Re-Appointment of Mr. Karan Doshi, as a Whole-Time Director for a further period of 3 (three) years after his current tenure ends on January 31, 2024. The Board has taken the decision of said Re-Appointment based on the recommendation of the Nomination and Remuneration Committee and subject to the approval of Members of the Company.

Mr. Karan Doshi is not disqualified from being Re-Appointed as a Whole-Time Director in terms of Section 164 of the Companies Act, 2013. He has communicated his willingness to be Re-Appointed as a Whole-Time Director of the Company. He satisfies all the conditions set out in Section 196(3) of the said Act and Part-I of Schedule V thereof and hence, is eligible for Re-Appointment. He is not debarred from holding the office of Director by virtue of any SEBI order or any other such authority.

A brief profile of Mr. Karan Doshi is provided in the 'Annexure-I' to the Notice pursuant to the provisions of (i) SEBI (LODR) Regulations, 2015 and (ii) Secretarial Standard on General Meetings ('SS-2') issued by the Institute of Company Secretaries of India.

It is proposed to seek approval of the Members for the Re-Appointment of and remuneration payable to Mr. Karan Doshi, as a Whole-Time Director of the Company, in terms of the applicable provisions of the Companies Act, 2013 ('the Act') and rules made thereunder.

Broad particulars of the terms of Re-Appointment of and remuneration payable to Mr. Karan Doshi are as under:

Salary	Rs.2,25,000/- (Rupees Two Lakh Twenty Five Thousand) per month.
Perquisites	He will be entitled to furnish/non-furnished accommodation or House Rent Allowance in lieu thereof, Gas, Water, Electricity Expenses, Medical Expenses, Leave Travel Allowance for self and family, Club Fees, Car & Telephone Expenses, Entertainment Expenses, and other Business Expenses, Personal Accident Insurance, and any other allowances, benefits, and perquisites as per the rules applicable to the Senior Executives of the Company and/or which may become applicable in the future and/or any other allowance, perquisites as the Board may from time to time decide.
Duration	w.e.f. February 01, 2024 to January 31, 2027

#### Minimum Remuneration:

In the event of loss or inadequacy of profits in any financial year, during the tenure of the Whole-Time Director, the Company shall pay remuneration to the Whole-Time Director, within the maximum ceiling per annum as per Section II of Part II of Schedule V of the Companies Act, 2013,



including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, as per the recommendation of the Nomination and Remuneration Committee and the approval of the Board of Directors of the Company.

#### **Sitting Fees:**

He shall not be paid sitting fees for attending the Meetings of the Board of Directors or Committees thereof.

Mr. Karan Doshi, has been associated with the Company since incorporation and has contributed a great value in the growth and success of the Company with his rich expertise in the industry where the Company operates. It would be in the interest of the Company to continue to avail of his considerable expertise and to Re-Appoint him as the Whole-Time Director.

This Explanatory Statement may also be considered as the requisite abstract under Section 190 of the Companies Act, 2013 setting out the terms and conditions of appointment of Mr. Karan Doshi, as a Whole-Time Director of the Company.

A Statement as per the requirement of Section II of Part II of Schedule V of the Companies Act, 2013 containing the information of the Company and Mr. Karan Doshi is given below.

The Board of the Directors accordingly recommends the Special Resolutions set out at Item No.8 of this Notice for approval of the Members.

#### **Interest of Directors & Key Managerial Personnel:**

None of the Directors or Key Managerial Personnel of the Company or their relatives, except Mr. Karan Doshi and his relatives, are in any way, concerned or interested, financially or otherwise, in the Resolution set out in Item No.8 of this Notice except to the extent of their Shareholding interest, if any, in the Company.

**The statement containing the information as required under Section II of Part II of Schedule V of the Companies Act, 2013:**

## **I. GENERAL INFORMATION:**

### **(1) Nature of Industry:**

The Company is engaged in the business of Manufacturing Elevators and Elevators parts and Stainless-Steel press plates.

### **(2) Date or expected date of commencement of commercial production:**

The Company commenced its operations in the year 2013.

### **(3) In case of new Companies, expected date of commencement of activities as per the project approved by Financial Institutions appearing in the prospectus:**

Not Applicable.

**(4) Financial performance based on given indicators:**

The financial data as per the last Audited Balance Sheet as on March 31, 2023, is as under:

Particulars	Financial Year 2022-23 (Rs. in Lakhs)
Paid-up Capital	1004.39
Reserves and surplus	1043.51
Total Income	5591.30
Total Expenses	4847.84
Profit before Tax	743.46
Tax Expenses including Deferred Tax	203.03
Profit after Tax	540.44

**(5) Foreign Investments or collaborators, if any:**

The Company has not entered into any foreign collaboration and no direct capital investment has been made in the Company in the last three Financial Years.

**II. INFORMATION ABOUT THE APPOINTEES:****(1) Background Details:**

Name	Amar Doshi (DIN:00856635)	Karan Doshi (DIN:06690242)
Designation	Chairman & Managing Director	Whole-Time Director
Age	60 Years	37 Years
Experience	More than 32 Years	More than 12 Years

**(2) Past Remuneration:**

The details of Managerial Remuneration paid to Mr. Amar Doshi and Mr. Karan Doshi during the previous Financial Year ended on March 31, 2023, are as under: -

Particulars	Amar Doshi Chairman & Managing Director	Karan Doshi Whole-Time Director
<b>Remuneration</b>	Rs.28.20 Lakhs per annum	Rs.24.60 Lakhs per annum

**(3) Recognition or Awards: Nil****(4) Job profile and their suitability:**

**Mr. Amar Chinubhai Doshi**, aged 60 years, is the Promoter, Chairman & Managing Director of the Company. He has been a Director of the Company since incorporation and has been appointed as Managing Director with effect from February 01, 2018, and re-appointed with effect from February 01, 2021. He completed his Diploma in Man-made fiber fabrics (with in Plant Training) in the year 1984. He has more than 32 of experience in the Sheet Metal Fabrication business. Since the date of incorporation of the Company, he is involved in planning, strategies and capacity expansion, and business development of the Company. His scope of work also includes overall management of the Stainless-Steel polishing division of the Company.

**Mr. Karan Amar Doshi**, aged 37 years, is the Promoter and Whole Time Director of the Company. He has been the Director since incorporation and has been designated as Whole Time Director with effect from February 01, 2018, and re-appointed with effect from February 01, 2021. He completed his Bachelor of Engineering from the University of Pune in the year 2009. Further, he also completed his Master of Mechanical Engineering from the University of Southern California in the year 2011. He has more than 12 years of business experience in the Sheet metal fabrication business. He is the Production Head of the Company and is involved in overseeing the production process and planning and organizing production schedules.

**(5) Remuneration proposed:**

Details of the proposed remuneration are stated in the Explanatory Statement at Item No.7 & 8 of this Notice.

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

Taking into consideration the size of the Company, the profile of the Director, and the responsibilities shouldered by them, the remuneration proposed to be paid to Mr. Amar Doshi, Chairman & Managing Director, and Mr. Karan Doshi, Whole-Time Director, is commensurate with the remuneration packages paid to their similar level counterparts in other Companies.

**(7) Pecuniary relationship directly or indirectly with the Company, or relationship with the Managerial Personnel or other Director, if any:**

**Mr. Amar Doshi** holds 26,52,252 Equity Shares of Rs.10/- each of the Company (26.41% Share Capital of the Company). He is the father of Mr. Karan Doshi, Whole-Time Director, and Mr. Monish Doshi, Director & CFO of the Company.

**Mr. Karan Doshi** holds 14,34,122 Equity Shares of Rs.10/- each of the Company (14.28% Share Capital of the Company). He is the son of Mr. Amar Doshi, Chairman & Managing Director, and the brother of Mr. Monish Doshi, Director & CFO of the Company.

### III. OTHER INFORMATION:

**(1) Reasons for loss or inadequate profits:**

At present, the Company is earning profits that may be deemed inadequate for the purpose of limits of managerial remuneration.

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

The Company is planning to increase its profitability through various initiatives in product development, marketing, distribution, and trade promotions.

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

Due to the aforesaid steps, the Company has continuously improved its performance during the last three Financial Years in terms of revenue from operations and profits and expects a significant increase in productivity and profits of the Company in next Financial Year.

**IV. DISCLOSURES:****(i) All elements of the remuneration package such as salary, benefits, bonuses, stock options, pensions, etc., of all the Directors:**

Apart from remuneration payable to Managing Director, and Whole-Time Director, the Company does not pay any remuneration including bonuses, stock options, pension, etc. to the other Directors of the Company.

**(ii) Details of fixed components and performance-linked incentives along with the performance criteria:**

The Company does not pay performance-linked incentives to the Managing Director and Whole-Time Director of the Company.

**(iii) Service contracts, notice period, severance fees:**

The appointment may be terminated by the Company or Managing Director or Whole-Time Director by giving notice in writing not less than three months before such termination.

**(iv) Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable:**

The Company has not issued any stock options to any Directors of the Company.

<b>Item No. 9 &amp; 10</b>	<b>Increase in Borrowing Limits of the Company and Creation of Charge/Mortgage/Security on the Properties / Undertakings of the Company.</b>
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As per the provisions of Section 180(1)(c) of the Companies Act, 2013, the Borrowings (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) by the Company beyond the aggregate of the Paid-Up Share Capital of the Company and its Free Reserves and Securities Premium requires approval from the Shareholders of the Company.

The Members at their Annual General Meeting held on September 10, 2022, had accorded their consent Vide Special Resolutions in this regard and authorized the Board of Directors to borrow monies for the purpose of the business of the Company not exceeding Rs.35 Crore (including the temporary loans obtained/to be obtained from the Company's bankers in the ordinary course of business) from time to time on behalf of the Company in terms of Section 180(1)(c) of the Companies Act, 2013 ('the Act') and creation of mortgages, charges, liens, hypothecation and/ or other securities on the Company's assets and/or properties, both present and future, whether movable or immovable, including the whole or substantially the whole of the Company's undertaking or undertakings, for securing the borrowings up to limit of Rs.35 Crore in terms of Section 180(1)(a) of the Act.

Considering the future business plans of the Company and to meet the funding requirements for the business of the Company, the Board of Directors may need to resort to further borrowings from time to time, inter alia, by way of Loan/ Financial Assistance from the various Bank(s)/Financial Institution(s) and/or other Lender(s), issue of Debentures/Bonds or other Debt Instruments and through acceptance of Fixed Deposits, Inter-Corporate Deposits, etc. These borrowings may also have to be secured by the creation of mortgages, charges, liens, hypothecation, and/or other securities on the Company's assets and/or properties, both present and future, whether movable or immovable, including the whole or substantially the whole of the



undertaking of the Company or where the Company owns more than one undertaking of the whole or substantially the whole of any of such undertakings, in favour of Bank(s)/ Financial Institution(s)/ other Lender(s)/ Mutual Fund(s)/ Debenture Trustee/ Security Trustee/ Fixed Deposits Trustee.

Accordingly, it is proposed to seek approval of the Members of the Company for revising the limits of borrowing and creation of charge/Mortgage/security on the Company's assets with respect to borrowing from the existing Rs.35 Crore to Rs.100 Crore.

The Board of Directors accordingly recommends the Special Resolutions set out in Item No.9 & 10 of this Notice for approval of the Members.

The interest of Directors & Key Managerial Personnel:

None of the Directors or Key Managerial Personnel of the Company or their relatives, are in any way, concerned or interested, financially or otherwise, in the Resolution set out in Item No.9 & 10 of this Notice except to the extent of their Shareholding interest, if any, in the Company.

**Item No. 11 Issue of Equity Shares of the Company on a Preferential Basis.**

The Company proposes to raise funds through the proposed Preferential Issue to meet working capital requirements and to strengthen financial position.

In terms of Sections 23(1)(b), 42, 62(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 ("**Act**"), the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014 and other applicable rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("**SEBI ICDR Regulations**") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("**SEBI Listing Regulations**"), the listing agreements entered into by the Company with National Stock Exchange of India Limited ('Stock Exchange') on which the Equity Shares having face value of Rs.10.00 each of the Company ('Equity Shares') are listed, approval of Shareholders of the Company by way of Special Resolution is required for allotment of Equity Shares on a preferential basis to the Proposed Allottee(s) of the Company.

The Board of Directors ("**Board**") of the Company at their Meeting held on August 05, 2023, has approved the issuance of 4,40,000 (Four Lakh Forty Thousand) fully paid up Equity Shares of the face value of Rs.10.00 each at an issue price of Rs.235.00 (Rupees Two Hundred Thirty Five Only) per Equity Share (including a premium of Rs.225.00 per Equity Share), aggregating to Rs.10,34,00,000.00 (Rupees Ten Crore Thirty Four Lakhs Only), for cash consideration, on a preferential basis ("**Preferential Issue**") to the Proposed Allottee(s), subject to the approval of the Members and such other approvals as may be required.

In terms of Section 102 of the Companies Act, 2013 ("Act"), this Explanatory Statement sets out all the material facts in respect of aforementioned business. As required under Section 42 and 62(1)(c) of the Act read with Rule 14(1) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and Rule 13(2)(d) of the Companies (Share Capital and Debentures) Rules, 2014 and Chapter V of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (SEBI (ICDR) Regulations), necessary information or details in respect of the proposed Preferential Issue of Equity Shares are as under:

**1. Object(s) of the Preferential Issue:**

The Company proposes to utilize the Net Proceeds towards augmenting the Company's capital base to meet their working capital requirements arising out of the growth of the business and assets.

The object-wise funds utilization would be as below:

Object(s)	Fund Utilization (In Rs.)
Working Capital requirements	10,34,00,000/-

The proceeds of the issue will be used within 12 months from the date of receipt of funds or from the date the receipts can be utilized, as per the stipulations of Companies Act, 2013 and SEBI Regulations, whichever later.

**2. Particulars of the Preferential Issue including date of passing of Board Resolution:**

The Board at its Meeting held on August 05, 2023 approved to create, issue, offer and allot up to 4,40,000 (Four Lakh Forty Thousand) fully paid up Equity Shares of face value of Rs.10.00 each, at an issue price of Rs.235.00 (Rupees Two Hundred Thirty Five Only) per Equity Share (including a premium of Rs.225.00 per Equity Share), aggregating to Rs.10,34,00,000.00 (Rupees Ten Crore Thirty Four Lakhs Only), for cash consideration, on a preferential basis ("Preferential Issue") to the Proposed Allottee(s), subject to the approval of the Members and such other approvals as may be required.

The issue price has been determined in accordance with Chapter V of the SEBI ICDR Regulations.

**3. Maximum number of specified securities to be issued /Kinds of securities offered and the price at which security is being offered / Total number of Shares or other securities to be offered:**

The Resolution set out in the accompanying notice authorize the Board to issue and allot up to 4,40,000 (Four Lakh Forty Thousand) fully paid up Equity Shares of face value of Rs.10.00 each, at an issue price of Rs.235.00 (Rupees Two Hundred Thirty Five Only) per Equity Share (including a premium of Rs.225.00 per Equity Share), aggregating to Rs.10,34,00,000.00 (Rupees Ten Crore Thirty Four Lakhs Only) for cash consideration, on a preferential basis ("Preferential Issue") to the Proposed Allottee(s).

**4. Relevant Date with reference to which the price has been arrived at:**

In terms of the provisions of Chapter V of the SEBI (ICDR) Regulations, 2018, the Relevant Date for the purpose of determining the floor price for the Preferential Issue is Friday, August 04, 2023, (Saturday, August 05, 2023 being the weekend) being the date 30 (Thirty) days prior to the date on which the Meeting of Shareholders to be held.

**5. The price or price band at/within which the allotment is proposed:**

There shall be no price band. All the Equity Shares under this preferential issue shall be made at an issue price of Rs.235.00 (Rupees Two Hundred Thirty Five Only) per Equity Share (including premium of Rs.225.00 per Equity Share), being issue price higher than the issue price determined as on the relevant date in accordance with Chapter V of the SEBI (ICDR) Regulations, 2018 and Articles of Association of the Company or such other higher price, as may be deemed appropriate

by the Board in accordance with the relevant provisions of SEBI (ICDR) Regulations, or other applicable laws in this regard.

**6. Basis or justification for the price (including premium, if any) at which the offer or invitation is being made along with report of the Registered Valuer:**

The Equity Shares of Company are listed on National Stock Exchange of India Limited (NSE) for a period of more than 90 trading days as on the relevant date i.e. Friday, August 04, 2023 and are frequently traded in accordance with Regulation 164 of the SEBI (ICDR) Regulations, 2018.

In compliance with Regulation 164 of the SEBI (ICDR) Regulations, 2018, If the Equity Shares of the Company have been listed on a recognized stock exchange for a period of 90 trading days or more as on the Relevant Date, the price of the Equity Shares to be allotted pursuant to the Preferential Issue shall be not less than higher of the following;

- the 90 trading days' volume weighted average price of the related Equity Shares quoted on the recognized Stock Exchange preceding the relevant date; or
- the 10 trading days' volume weighted average prices of the related Equity Shares quoted on a recognized Stock Exchange preceding the relevant date.

Provided that if the Articles of Association of the issuer provide for a method of determination which results in a floor price higher than that determined under these regulations, then the same shall be considered as the floor price for Equity Shares to be allotted pursuant to the preferential issue.

Accordingly, in terms of Articles of Association of the Company, the Company has taken Valuation Report dated August 04, 2023 from Den Valuation (OPC) Private Limited, Registered Valuer entity having its office at B/801 Gopal Palace, Nr. Shiromani Complex, Nehrunagar Cross Road, Ahmedabad – 380015 and Registration No: IBBI/RV-E/06/2021/146 and the copy of the same has been hosted on the website of the Company which can be accessed at [https://www.aaronindustries.net/wp-content/uploads/2023/08/Valuation-Report\\_04082023.pdf](https://www.aaronindustries.net/wp-content/uploads/2023/08/Valuation-Report_04082023.pdf).

As per the Valuation Report, the minimum price, in terms of Regulation 164(1) of the SEBI (ICDR) Regulations r.w. Articles of Association of the Company, at which Equity Shares to be issued is Rs.234.74/-. However, the issue price for this Preferential Issue is kept at Rs.235.00 (Rupees Two Hundred Thirty Five only) per Equity Share including Premium of Rs.225.00 (Rupees Two Hundred Twenty Five Only) per Equity Share which is higher than the above floor price determined in accordance with Regulation 164(1) of SEBI (ICDR) Regulations and Valuation Report obtained in terms of Articles of Association of the Company.

Moreover, none of the Allottee(s) or the Allottee(s) acting in concert are proposed to be allotted more than 5% of the post issue fully diluted Equity Share Capital of the Company and there is no change in control of the Company due to this Preferential Issue. Accordingly, Regulation 166A of the SEBI (ICDR) Regulations is not applicable.

**7. The class or classes of persons to whom the allotment is proposed to be made:**

The allotment is proposed to be made to Promoter, Promoter Group and other than Promoter and Promoter Group of the Company.

## 8. Intention of Promoters, Directors, Key Managerial Personnel or Senior Management of the issuer to subscribe to the offer:

Mr. Amar Chinubhai Doshi, Mr. Karan Amar Doshi and Mr. Monish Amar Doshi, Promoters of the Company and Mr. Rajiv Chandrakant Shah, Mrs. Falguni Rajiv Shah and Mr. Kushal Mitesh Jariwala, Promoter Group of the Company intend to subscribe 1,21,100 Subscription Shares in the proposed issue. Except this, none of the other Promoters and Promoters Group or Directors or Key Managerial Personnel or Senior Management of the Company intends to subscribe to any of the Subscription Shares proposed to be issued under the Preferential Issue or otherwise contribute to the Preferential Issue.

## 9. The proposed time frame within which the Preferential Issue shall be completed:

Pursuant to the SEBI (ICDR) Regulations, the Company shall complete the allotment of Equity Shares within a period of 15 (Fifteen) days from the date of passing of Special Resolution, provided that where any approval or permission by any regulatory authority or the Central Government or Stock Exchanges for allotment is pending, the period of 15 (Fifteen) days shall be counted from the date of such approvals or permissions.

## 10. Shareholding Pattern of the Company before and after the Preferential Issue:

The shareholding pattern before and after the Preferential Issue offer would be as under:

Sr. No.	Category of Shareholders	Pre-Issue		Post Issue	
		No. of Equity Shares	%	No. of Equity Shares	%
<b>A</b>	<b>Promoter and Promoter Group</b>				
1	<b>Indian</b>				
a)	Individuals/Hindu undivided Family	7530245	74.97	7651345	72.98
b)	Bodies Corporate	0	0.00	0	0.00
	<b>Sub-Total</b>	7530245	74.97	7651345	72.98
2	Foreign Promoters	0	0.00	0	0.00
	<b>Sub-Total (A)</b>	7530245	74.97	7651345	72.98
<b>B</b>	<b>Non-Promoters' Holding</b>				
1	Institutional Investors	0	0.00	0	0.00
2	<b>Non-Institutional</b>				
a)	Private Corporate Bodies	0	0.00		
b)	Directors & Relatives	0	0.00	0	0.00
c)	Indian Public	2267266	22.57	2575566	24.56
d)	Other (Including NRIs)				
	(i) Hindu undivided Families	56346	0.56	56346	0.56
	(ii) NRI	28551	0.28	39251	0.37
	(iii) Corporate Bodies	5287	0.05	5287	0.05
	(v) Clearing Member	156244	1.56	156244	1.56
	<b>Sub-Total (B)</b>	2513694	25.03	2832594	27.02
	<b>Grand Total (A) + (B)</b>	10043939	100.00	10483939	100.00

### Notes:

- The Pre-Issue Shareholding Patterns has been prepared based on shareholding of the Company as on **Friday, August 04, 2023**.
- The post issue shareholding pattern in the above table has been prepared on the basis that the Proposed Allottee(s) of Equity Shares will subscribe to all the Equity Shares which they are



intent to do so. In the event for any reason, the Proposed Allottee(s) do not or are unable to subscribe to and/or are not allotted the Equity Shares, the shareholding pattern in the above table would undergo corresponding changes.

- It is further assumed that shareholding of the Company in all other categories will remain unchanged.
- The Company will ensure compliance with all applicable laws and regulations including the SEBI (ICDR) Regulations at the time of allotment of Equity Shares of the Company.

#### 11. Details of Proposed Allottees and the identity of the natural persons who are the ultimate beneficial owners of the shares proposed to be allotted and/or who ultimately control the proposed Allottees:

Name of Proposed Allottees	Category	Ultimate Beneficial Owner
Amar Chinubhai Doshi	Promoter–Resident Individual	Not Applicable
Karan Amar Doshi	Promoter–Resident Individual	Not Applicable
Monish Amarbhai Doshi	Promoter–Resident Individual	Not Applicable
Rajiv Chandrakant Shah	Promoter Group–Resident Individual	Not Applicable
Falguni Rajiv Shah	Promoter Group–Resident Individual	Not Applicable
Kushal Mitesh Jariwala	Promoter Group–Resident Individual	Not Applicable
Jitendra Ranchhodbhai Tanti	Public – Resident Individual	Not Applicable
Vinod Ranchhodbhai Tanti	Public – Resident Individual	Not Applicable
Manisha Sanjay Shah	Public – Resident Individual	Not Applicable
SMP Infracon LLP	Public – Limited Liability Partnership Firm	Ketan Patel Alpesh Vora Shefali Patel Manisha Vora
Kevin Kumarpal Kothari	Public – Resident Individual	Not Applicable
Jayesh Chandrakant Shah	Public – Resident Individual	Not Applicable
Manishkumar Ashokbhai Shah	Public – Resident Individual	Not Applicable
Kunjal Subhashchandra Shah	Public – Resident Individual	Not Applicable
Girishbhai Mohanlal Patel	Public – Resident Individual	Not Applicable
Subhash Somchand Kotadia	Public – Resident Individual	Not Applicable
Virendra Rameshchandra Madrasi	Public – Resident Individual	Not Applicable
Jayaben Virendra Madrasi	Public – Resident Individual	Not Applicable
Vijay Ishverbhai Desai	Public – Resident Individual	Not Applicable
Nirav Prafulchandra Shah	Public – Resident Individual	Not Applicable
Rupal Nirav Shah	Public – Resident Individual	Not Applicable
Rupa Mukesh Bhayani	Public – Resident Individual	Not Applicable
Jay Vallabh Narola	NRI-Repatriable	Not Applicable
Rikhav A Shah	Public – Resident Individual	Not Applicable
Bhavna Jayesh Shah	Public – Resident Individual	Not Applicable
Jagruti Tejas Doshi	Public – Resident Individual	Not Applicable
Shaswat B Patel	Public – Resident Individual	Not Applicable
Nishita Shaswat Patel	Public – Resident Individual	Not Applicable
Bharat Vallabhbhai Patel	Public – Resident Individual	Not Applicable
Gita Bharat Patel	Public – Resident Individual	Not Applicable
Sankalp Bharkumar Patel	Public – Resident Individual	Not Applicable

**12. The percentage of post Preferential Issue capital that may be held by Allottees:**

Name of Shareholders	Pre-Issue		Post Issue	
	No. of Equity Shares	%	No. of Equity Shares	%
Amar Chinubhai Doshi	26,52,252	26.41	26,97,252	25.73
Karan Amar Doshi	14,34,122	14.28	14,56,122	13.89
Monish Amarbhai Doshi	13,96,654	13.91	14,18,654	13.53
Rajiv Chandrakant Shah	63,000	0.63	73,700	0.70
Falguni Rajiv Shah	63,000	0.63	73,700	0.70
Kushal Mitesh Jariwala	0	0.00	10,700	0.10
Jitendra Ranchhodbhai Tanti	18,900	0.19	61,500	0.59
Vinod Ranchhodbhai Tanti	12,600	0.13	55,200	0.53
Manisha Sanjay Shah	812	0.01	32,712	0.31
SMP Infracon LLP	0	0.00	21,300	0.20
Kevin Kumarpal Kothari	2,900	0.03	19,900	0.19
Jayesh Chandrakant Shah	1,000	0.01	13,800	0.13
Manishkumar Ashokbhai Shah	9,600	0.10	20,300	0.19
Kunjali Subhashchandra Shah	7,100	0.07	17,800	0.17
Girishbhai Mohanlal Patel	0	0.00	10,700	0.10
Subhash Somchand Kotadia	0	0.00	10,700	0.10
Virendra Rameshchandra Madrasi	12,850	0.13	23,550	0.22
Jayaben Virendra Madrasi	12,850	0.13	23,550	0.22
Vijay Ishverbhai Desai	1,010	0.01	11,710	0.11
Nirav Prafulchandra Shah	9,900	0.10	20,600	0.20
Rupal Nirav Shah	9,900	0.10	20,600	0.20
Rupa Mukesh Bhayani	0	0.00	10,700	0.10
Jay Vallabh Narola	0	0.00	10,700	0.10
Rikhav A Shah	0	0.00	10,700	0.10
Bhavna Jayesh Shah	5,800	0.06	14,300	0.14
Jagruti Tejas Doshi	0	0.00	4,300	0.04
Shaswat B Patel	0	0.00	2,150	0.02
Nishita Shaswat Patel	6,300	0.06	8,450	0.08
Bharat Vallabhbhai Patel	0	0.00	2,150	0.02
Gita Bharat Patel	0	0.00	2,150	0.02
Sankalp Bharkat Kumar Patel	0	0.00	900	0.01

**Note:** Post Issue No of Shares held and % are derived after considering the preferential allotment of Equity Shares.

**13. The change in control, if any, in the Company consequent to the preferential issue:**

The existing Promoters of the Company will continue to be in control of the Company and there will not be any change in the management or control of the Company as a result of the proposed Preferential Issue.

However, the percentage of shareholding and voting rights exercised by the shareholders of the Company will change in accordance with the change in the post issue shareholding pattern pursuant to the Preferential Allotment.

**14. The number of persons to whom allotment on preferential basis have already been made during the year, in terms of number of securities as well as price:**

The Company has not made any allotment on preferential basis during the period from April 01, 2023 till the date of this Notice.

**15. The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the Registered Valuer:**

The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer is not applicable as the allotment of Equity Shares under the Preferential Issue is for cash consideration.

**16. The current and proposed status of the allottee(s) post the preferential issues namely, Promoter or Non-Promoter:**

The current and proposed status of the Proposed Allottees post the preferential issue is "Promoter, Promoter Group and Non-Promoter (Public Shareholder).

**17. Amount which the Company intends to raise by way of such Equity Shares:**

Considering, issue price as Rs.235.00 (Rupees Two Hundred Thirty Five Only) per Equity Share including premium of Rs.225.00 (Rupees Two Hundred Twenty Five Only) per Equity Share, the Company intends to raise total sum of Rs.10,34,00,000.00 (Rupees Ten Crore Thirty Four Lakhs Only).

**18. Material Terms of the Issue:**

The material terms of the proposed Preferential Issue of the Equity Shares are provided in the Special Resolution as set out at Item No.11 of this notice.

**19. Principle terms of assets charged as securities:**

Not Applicable.

**20. Undertaking:**

The Company undertakes to re-compute the price of the Equity Shares in terms of provision of SEBI (ICDR) Regulations, 2018, where it is required to do so. If the amount payable on account of the re-computation of price is not paid within the time stipulated in these regulations, the Equity Shares shall continue to be locked- in till the time such amount is paid by the Proposed Allottees.

**21. Practicing Company Secretary's Certificate:**

The certificate from M/s. Dhirren R. Dave & Co., Practicing Company Secretaries having its office at B-103, International Commerce Center (ICC), Near Kadiwala School, Ring Road, Surat – 395002, Gujarat, India, certifying that the Preferential Issue is being made in accordance with the requirements contained in the SEBI (ICDR) Regulations, 2018, shall be made available for inspection by the Members during the Meeting and the same has also been made available on the Company's website and be accessible at link: <https://www.aaronindustries.net/wp-content/uploads/2023/08/Compliance-Certificate.pdf>.

**22. Lock in Period:**

The Equity Shares to be allotted to the Proposed Allottee(s), including the pre-preferential allotment shareholding of the Proposed Allottee(s) shall be subject to applicable lock-in and transfer restrictions stipulated under the SEBI (ICDR) Regulations, 2018, as may be applicable.

**23. Listing:**

The Company will make an application to National Stock Exchange of India Limited at which the existing Equity Shares of the Company are listed, for listing of the Equity Shares allotted under this Preferential Issue. All the Equity Shares, once allotted, shall rank pari-passu with the existing Equity Shares of the Company in all respects, including Dividend and Voting Rights.

**24. Disclosures specified in Schedule VI, if the issuer or any of its Promoters or Directors is a wilful defaulter or fugitive economic offender or fraudulent borrower:**

The Company, its Promoters and its Directors have not been declared as wilful defaulters or a fraudulent borrower or fugitive economic offender as defined under SEBI (ICDR) Regulations.

**25. Other Disclosure(s) / Undertaking(s):**

- All Equity Shares of the Company are already made fully paid up as on date. Further, all Equity Shares to be allotted by way of preferential issue shall be made fully paid up at the time of the allotment;
- The issue of Equity Shares shall be made in accordance with the provisions of the Memorandum and Articles of Association of the Company and shall be made in a dematerialized format only;
- The Company is in compliance with the conditions for continuous listing of Equity Shares as specified in the listing agreement with the stock exchange where the Equity Shares of the Company are listed and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), 2015, as amended, and any circular or notification issued by the SEBI thereunder;
- The Company has obtained the Permanent Account Numbers of the Proposed Allottee(s);
- The Company does not have any outstanding dues to the SEBI, the Stock Exchanges or the Depositories;
- The Proposed Allottees have represented and declared to the Company that they haven't sold or transferred any Equity Shares of the Company during the 90 (Ninety) trading days preceding the relevant date, being Friday, August 04, 2023 (Saturday, August 05, 2023 being weekend);
- The Proposed Allottees have further confirmed that they shall be an entity eligible under SEBI (ICDR) Regulations to undertake the preferential issue.

The Board of Directors accordingly recommends the Special Resolutions set out in Item No.11 of this Notice for approval of the Members.

**The interest of Directors & Key Managerial Personnel:**

None of the Directors or Key Managerial Personnel of the Company or their relatives, are in any way, concerned or interested, financially or otherwise, in the Resolution set out in Item No.11 of this Notice except to the extent of their Shareholding interest, if any, in the Company.



## ANNEXURE-I TO THE NOTICE

Details of Directors seeking appointment / re-appointment /revision in remuneration at the forthcoming Annual General Meeting pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard – 2 on “General Meeting” issued by the Institute of Company Secretaries of India:

Name of the Director	Mr. Amar Doshi	Mr. Karan Doshi	Mr. Monish Doshi
Director Identification Number (DIN)	00856635	06690242	06690246
Designation/ Category	Chairman & Managing Director	Whole-time Director	Director & CFO
Date of Birth & Age	September 16, 1962 60 Year	May 14, 1986 37 Year	December 01, 1988 34 Year
Date of the first appointment on the Board	Since Incorporation	Since Incorporation	Since Incorporation
Nationality	Indian	Indian	Indian
No. of Board Meetings attended during the Year 2022-2023	7	7	6
Qualifications	Diploma in Man-made fibres fabrics (with in-Plant Training)	B.E. (Mechanical) MSC (Mechanical)	BBA MBA
Brief resume Expertise in specific functional areas	He has more than 30 years of experience in the Sheet Metal Fabrication business. He is involved in planning, strategies and capacity expansion, and business development of our Company. His scope of work also includes overall management of the Stainless-Steel polishing division of our Company.	He has more than 10 years of business experience in the Sheet metal fabrication business. He is Production Head of our Company and involved in overseeing production process and planning and organizing production schedules.	He has more than 10 years of business experience in Sheet metal fabrication and more than 9 years of experience in the Elevator sector business. He is responsible for administrative and risk management operations and to develop financial and operational strategy for our Company. Apart from that, He is Sales & Marketing Head of our Company and involved in development of marketing opportunities and planning and implementation of new sales plans.
Terms and conditions of appointment or re-appointment	Terms and conditions will be the same as mentioned in the Appointment Letter between the Company and him.	Terms and conditions will be the same as mentioned in the Appointment Letter between the Company and him.	Terms and conditions will be the same as mentioned in the Appointment Letter between the Company and him.
Remuneration last drawn	Rs.2,50,000/- per month plus perquisites	Rs.2,25,000/- per month plus perquisites	Rs.2,25,000/- per month plus perquisites
No. of Equity Shares held in the Company	26,52,252 Equity Shares	14,34,122 Equity Shares	13,96,654 Equity Shares
Directorship in the other Listed Entities	Nil	Nil	Nil
Membership/ Chairmanship in Committees (Other than Aaron Industries Limited)	Nil	Nil	Nil

Listed entities from which the person has resigned in the past three years	None	None	None
Disclosure of relationships between directors inter-se	He is the father of Mr. Karan Doshi, Whole-Time Director, and Mr. Monish Doshi, Director & CFO of the Company.	He is the Son of Mr. Amar Doshi, Chairman & Managing Director, and the brother of Mr. Monish Doshi, Director & CFO of the Company.	He is the Son of Mr. Amar Doshi, Chairman & Managing Director, and the brother of Mr. Karan Doshi, Whole-Time Director of the Company.

By order of the Board Directors  
**Aaron Industries Limited**

Sd/-

**Nitinkumar Maniya**

Company Secretary & Compliance officer

FCS No.: 12623

Date: August 05, 2023

Place: Surat

## DIRECTORS' REPORT

To,  
The Members,

Your Directors are pleased to present the 10<sup>th</sup> Annual Report of your Company together with the Audited Financial Statements for the year ended on March 31, 2023.

### 1. FINANCIAL HIGHLIGHTS & STATE OF AFFAIRS:

The financial performance of the Company for the financial year ended March 31, 2023, is summarized below:

Particulars	(Rs. in Lakhs)	
	2022-23	2021-22
<b>Revenue from Operations</b>	<b>5584.97</b>	<b>3774.12</b>
Other Income	6.33	3.60
<b>Total Income</b>	<b>5591.30</b>	<b>3777.73</b>
Profit/(Loss) Before Tax & Exceptional/Extraordinary Items	743.46	486.08
Less: Exceptional/Extraordinary items	0.00	0.00
<b>Profit/(Loss) Before Tax</b>	<b>743.46</b>	<b>486.08</b>
<b>Less: Tax Expense:</b>		
- Current Tax	175.79	97.43
- Deferred Tax Charge/ (Credit)	26.88	17.73
<b>Net Profit/(Loss) After Tax</b>	<b>540.44</b>	<b>370.92</b>
Other Comprehensive Income	(1.11)	0.68
<b>Total Comprehensive Income</b>	<b>539.33</b>	<b>371.60</b>

During the Financial Year 2022-23, the Company has achieved the highest ever Operating Income of Rs.5584.97 Lakhs as compared to Rs.3774.12 Lakhs in Financial Year 2021-22. The Profit before tax for the Financial Year 2022-23 stood at Rs.743.46 Lakhs as compared to Rs.486.08 Lakhs achieved in Financial Year 2021-22. The Profit after tax stood at Rs.540.44 Lakhs for Financial Year 2022-23 as compared to Rs.370.92 Lakhs for the Previous Year.

### 2. DIVIDEND:

For the Financial Year 2021-22, the Company has declared a Final Dividend of Rs.0.80/- (Eighty Paise Only) per Equity Shares of Rs.10/- each with total outlay of Rs.80.35 Lakhs.

The Board of Directors at their Meeting held on May 15, 2023, has recommended the payment of Rs.1/- (One Rupee Only) per Equity Share being 10% on the face value of Rs.10/- each as the Final Dividend for the Financial Year ended March 31, 2023. The payment of Dividend is subject to the approval of the Shareholders at the 10<sup>th</sup> Annual General Meeting ("AGM") of the Company.

The Dividend, if approved by the Members would involve a cash outflow of Rs.100.44 Lakhs.

In view of the changes made under the Income Tax Act, 1961, by the Finance Act, 2020, the Dividend paid or distributed by the Company shall be taxable in the hands of the Shareholders. Your Company shall, accordingly, make the payment of the Dividend after deduction of tax at source.

### 3. TRANSFER OF UNCLAIMED DIVIDEND TO THE INVESTOR EDUCATION AND PROTECTION FUND (IEPF):

In accordance with the provisions of Sections 124 and 125 of the Companies Act, 2013 and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer, and Refund) Rules, 2016 ("IEPF Rules"), Dividends of a Company which remain unpaid or unclaimed for a period of seven years from the date of transfer to the Unpaid Dividend Account shall be transferred by the Company to the Investor Education and Protection Fund ("IEPF").

In terms of the foregoing provisions of the Act, no Dividend remains unpaid or unclaimed for 7 (seven) consecutive years; Hence not required to be transferred to the IEPF by the Company during the year ended March 31, 2023.

### 4. SHARE CAPITAL:

During the year under review, the Company has not altered/modified its Authorized Share Capital and has neither issued any shares with differential voting rights nor has granted any stock options or sweat equity. The Company has paid Listing Fees for the Financial Year 2022-23 to the Stock Exchange, where its Equity Shares are listed.

The Paid-up Equity Share Capital of the Company as on March 31, 2022, was Rs.10,04,39,390 divided into 1,00,43,939 Equity Shares of Rs.10/- each fully paid up.

### 5. TRANSFER TO RESERVES:

The Company has not transferred any amount to the Reserves for the Financial Year ended March 31, 2023.

### 6. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

Pursuant to Regulation 34(2) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Management Discussion and Analysis Report is presented in a separate section forming part of this Annual Report.

### 7. CORPORATE GOVERNANCE:

Pursuant to Regulation 34(3) read with Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015, a report on Corporate Governance, forms an integral part of this Annual Report is given in **Annexure – 1**.

### 8. CERTIFICATE ON CORPORATE GOVERNANCE:

A certificate received from Practicing Company Secretaries regarding the compliance of conditions of Corporate Governance, as required under Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached herewith in **Annexure – 2**.

### 9. CORPORATE SOCIAL RESPONSIBILITY (CSR):

The provisions of the CSR expenditure and Composition of Committee as provided in Section 135 of the Companies Act, 2013 are not applicable to the Company during the Financial Year 2022-23.

The applicability of CSR Committee arises after the financial year ended March 31, 2023, so the Company will make a Committee and Policy for proper compliance of the Corporate Social Responsibility.



## **10. MATERIAL CHANGES AND COMMITMENT – IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY FROM THE END OF THE FINANCIAL YEAR TILL THE DATE OF THIS REPORT:**

There are no material changes and commitments affecting the financial position of the Company which has occurred between the end of the Financial Year of the Company to which the Financial Statements relate and the date of signing of this report.

## **11. RISK MANAGEMENT POLICY:**

The Company has been exempted under Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 from reporting risk management.

A well-defined risk management mechanism covering risk mapping and trend analysis, risk exposure, potential impact, and risk mitigation process is in place. The Board is fully aware of Risk Factors and is taking preventive measures wherever required.

## **12. VIGIL MECHANISM/WHISTLE BLOWER POLICY:**

The Company has adopted a Whistle Blower Policy to provide a formal mechanism for the Directors and employees to report their concerns about unethical behaviour, actual or suspected fraud, or violation of the Company's Code of Conduct or Ethics Policy. The Policy provides for adequate safeguards against victimization of employees, who avail of the mechanism and provides employees' direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the Company has been denied access to the Audit Committee. The Whistle Blower Policy has been posted on the Website of the Company at <https://aaronindustries.net/wp-content/uploads/2022/08/Whistle-Blower-Policy-Vigil-Mechanism.pdf>.

## **13. INFORMATION REQUIRED UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013:**

The Company has in place a policy on prevention, prohibition, and redressal of Sexual Harassment at the workplace in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Internal Complaints Committee has been set up to redress the complaints received on sexual harassment. All employees of the Company are covered under this policy.

No complaints about sexual harassment were received during the year 2022-23.

## **14. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:**

All Related Party Transactions that were entered into during the Financial Year under review were on an arm's length basis and in the ordinary course of business and are in compliance with the applicable provisions of the Act and the Listing Regulations. There were no materially significant Related Party Transactions made by the Company during the year that required shareholders' approval under Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

All Related Party Transactions are placed before the Audit Committee for prior approval. Prior omnibus approval of the Audit Committee is obtained for transactions which are repetitive in nature or when the need for these transactions cannot be foreseen in advance.

Particulars of contracts or arrangements with Related Parties as required under Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 are given in **Annexure - 3** in Form AOC - 2 and forms part of this Report.

The Company has adopted a Policy for dealing with Related Party Transactions. The Policy as approved by the Board is available at the web link <https://aaronindustries.net/wp-content/uploads/2022/11/Policy-on-Materiality-of-RPTs.pdf>.

#### **15. PARTICULARS OF LOANS, GUARANTEES, AND INVESTMENTS UNDER SECTION 186 OF THE ACT:**

The Company has not given any loan or provided any guarantee or made any investment under the provision of Section 186 of the Companies Act, 2013.

#### **16. THE DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016) DURING THE FINANCIAL YEAR:**

No application was made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the Financial Year 2022-2023.

#### **17. THE DETAILS OF THE DIFFERENCE BETWEEN THE AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE-TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF DURING THE FINANCIAL YEAR:**

Not applicable during the Financial Year 2022-2023.

#### **18. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS:**

There were no significant or material orders passed by the Regulators or Courts or Tribunals during the Financial Year 2022-2023 impacting the going concern status and Company's operations in the future.

#### **19. EXTRACT OF ANNUAL RETURN:**

Pursuant to Section 92(3) and 134(3)(a) of the Act the Annual Return of the Company prepared in accordance with Section 92(1) of the Act read with Rule 11 of the Companies (Management and Administration) Rules, 2014 (as amended), is placed on the website of the Company and is accessible at the [www.aaronindustries.net](http://www.aaronindustries.net).

#### **20. DEPOSITS:**

During the year under review, your Company has neither invited nor accepted any Public Deposits within the meaning of Section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposit) Rules, 2014.

#### **21. DETAILS OF SUBSIDIARY, JOINT VENTURE, OR ASSOCIATES COMPANIES:**

As on March 31, 2023, your Company does not have any Subsidiaries, Joint Ventures, or Associates Company.

#### **22. CHANGE IN THE NATURE OF BUSINESS:**

During the year under review, there has been no change in the Company's nature of business.

**23. DIRECTORS:**

The Board of the Company comprises Six (6) Directors; one Managing Director, one Whole-Time Director, One Executive Director, and the remaining three (3) Independent Directors. As on the date of this report, the composition of the Board of the Company is as follows:

Name of Directors	Category & Designation
Mr. Amar Chinubhai Doshi	Executive Chairman & Managing Director
Mr. Karan Amar Doshi	Executive Whole-Time Director
Mr. Monish Amarbhai Doshi	Executive Director
Mr. Pradeepkumar Sanmukhlal Choksi	Non-Executive Independent Director
Mr. Hetal Mehta	Non-Executive Independent Director
Mrs. Shrunji Kiranbhai Desai	Non-Executive Independent Director

The Shareholders of the Company had approved the re-appointment of Mr. Pradeepkumar Sanmukhlal Choksi (DIN:02709943), Mr. Hetal Mehta (DIN:03370244), and Mrs. Shrunji Kiranbhai Desai (DIN:08063562), as an Independent Director for the second term w.e.f. February 01, 2023.

In accordance with the provisions of Section 152 of the Act, 2013 and the Articles of Association of the Company, Mr. Monish Doshi (DIN:06690246), Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

**24. KEY MANAGERIAL PERSONNEL:**

As per the provisions of Section 2(51) and Section 203 of the Companies Act, 2013; the Key Managerial Personnel (KMP) of the Company are as follows:

Name of KMP	Designation
Mr. Amar Chinubhai Doshi	Managing Director
Mr. Karan Amar Doshi	Whole-Time Director
Mr. Monish Amarbhai Doshi	Director & CFO
Mr. Nitinkumar Maniya	Company Secretary

**25. INTERNAL FINANCIAL CONTROL:**

The Company has a well-placed, proper, and adequate internal financial control system which ensures that all the assets are safeguarded and protected and that the transactions are authorized recorded, and reported correctly. The internal audit covers a wide variety of operational matters and ensures compliance with specific standards with regard to the availability and suitability of policies and procedures. During the year, no reportable material weaknesses in the design or operation were observed.

**26. AUDITORS:****A. STATUTORY AUDITOR:**

Pursuant to the provisions of Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the term of M/s. P. J. Desai & Co., Chartered Accountants, (Firm Registration No. 102330W), as the Statutory Auditors of the Company, shall expired at the conclusion of 10<sup>th</sup> AGM of the Company.

On the recommendation of the Audit Committee, the Board at its Meeting held on August 05, 2023, has proposed the appointment of M/s. D C Jariwala & Co., Chartered Accountants, Surat, as the Statutory Auditors of the Company in place of retiring Auditors M/s. P.J. Desai & Co., Chartered Accountants, for a term of 5 years i.e. from the conclusion of the 10<sup>th</sup> Annual General Meeting until the conclusion of the 15<sup>th</sup> Annual General Meeting.

The Company has received a Consent and Certificate from M/s. D C Jariwala & Co., Chartered Accountant, Surat (Firm Registration No. 104063W) to the effect that the appointment, if made, would be in accordance with limits specified under the Companies Act, 2013. As required under SEBI Regulations, they have confirmed that they hold valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

Accordingly, in terms of Section 139, 141, 142 and other applicable provisions of the Companies Act, 2013 and the Rules made there under, resolution has been proposed for the appointment of M/s. D C Jariwala & Co., Chartered Accountant, Surat (Firm Registration No. 104063W), as the Statutory Auditors of the Company for period of 5 years upto the conclusion of the 15<sup>th</sup> Annual General Meeting to be held in the year 2028.

M/s. P.J. Desai & Co., have issued their report on the Financial Statements for the Financial Year ended March 31, 2023, with an unmodified opinion and do not contain any qualification, observation, or adverse remarks or disclaimer that may call for any explanation from the Board of Directors. The Auditors have not reported any matter under Section 143(12) of the Companies Act, 2013, and therefore no detail is required to be disclosed under Section 134(3)(ca) of the Companies Act, 2013.

#### **B. INTERNAL AUDITOR:**

M/s. VCAS & Co. Chartered Accountant, Surat, who is the Internal Auditor has carried out Internal Audit for the Financial Year 2022-2023. Their reports were reviewed by the Audit Committee.

#### **C. COST AUDITOR:**

During the Financial Year 2022-23, the Company has maintained and prepared the cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013. Further, the requirement of Cost Audit is not applicable to the Company for the Financial Year 2022-23.

#### **D. SECRETARIAL AUDITOR:**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors had appointed M/s. Dhirren R. Dave & Co., Practicing Company Secretaries, Surat as the Secretarial Auditor to undertake the Secretarial Audit of the Company for the Financial Year 2022-23. The Secretarial Audit Report issued in this regard is annexed as **Annexure - 4**.

The Auditors' Report and the Secretarial Audit Report for the Financial Year ended March 31, 2023, do not contain any qualifications or reservations, or adverse remarks.

#### **E. ANNUAL SECRETARIAL COMPLIANCE REPORT:**

The Company has undertaken an audit for the Financial Year ended March 31, 2023, for all applicable compliances as per the Regulation 24A of the Listing Regulations and



Circulars/Guidelines issued thereunder. The Annual Secretarial Compliance Report issued by M/s. Dhirren R. Dave & Co., Practicing Company Secretaries, has been submitted to the Stock Exchange within 60 days of the end of the Financial Year.

#### **F. REPORTING OF FRAUDS BY AUDITORS:**

During the year under review, the Statutory Auditors, Internal Auditors, and Secretarial Auditors have not reported any instance of fraud committed in the Company by its Officers or Employees to the Audit Committee under Section 143(12) of the Act and the Rules made thereunder.

#### **27. MEETINGS OF THE BOARD AND COMMITTEE:**

During the Financial Year 2022-23, the Board of Directors met Seven (7) times, and the details of *the* Meetings of the Board and its Committees are given in the Corporate Governance Report **(Annexure-1)**.

The gap intervening between the two Meetings was within the time prescribed under the Act and LODR Regulations.

Details of attendance at Meetings of the Board, its committees, and the Annual General Meeting are included in the Report on Corporate Governance, which forms part of this Annual Report.

#### **28. MEETING OF INDEPENDENT DIRECTORS:**

In terms of requirements under Schedule IV of the Companies Act, 2013 and Regulation 25(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Separate Meeting of the Independent Directors was held on May 12, 2022, and January 24, 2023.

The Independent Directors at the Meeting, inter alia, reviewed the following:

- Performance of Non-Independent Directors and Board as a whole.
- Performance of the Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors.
- Assessed the quality, quantity, and timeliness of the flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

#### **29. DECLARATION FROM INDEPENDENT DIRECTORS:**

The Company has received declarations from each Independent Director of the Company under Section 149(7) of the Act and Regulation 25(8) of the Listing Regulations confirming compliance with the criteria of independence as stipulated under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations and there has been no change in the circumstances which may affect their status as Independent Directors during the Financial Year 2022-23.

All Independent Directors of the Company have affirmed compliance with Schedule IV of the Act and the Company's Code of Conduct for Directors and Employees for the Financial Year 2022-23.

All the Independent Directors of the Company have registered themselves with the Indian Institute of Corporate Affairs ('IICA') towards the inclusion of their names in the data bank maintained with it and they meet the requirements of the proficiency self-assessment test.

**30. NON-EXECUTIVE DIRECTORS' COMPENSATION AND DISCLOSURES:**

None of the Independent / Non-Executive Directors has any pecuniary relationship or transactions with the Company which in the Judgment of the Board may affect the independence of the Directors.

**31. FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS:**

The Company has adopted a familiarization program for Independent Directors with the objective of making the Independent Directors of the Company accustomed to the business and operations of the Company through various structured orientation programs. The familiarization program also intends to update the Directors on a regular basis on any significant changes therein so as to be in a position to make well-informed and timely decisions.

The details of the Familiarization program undertaken have been uploaded on the Company's website at [www.aaronindustries.net](http://www.aaronindustries.net).

**32. PERFORMANCE EVALUATION OF BOARD AND ITS COMMITTEES:**

Pursuant to the applicable provisions of the Act and the Listing Regulations, the Board has carried out an Annual Evaluation of its own performance, the performance of the Directors, and the working of its committees, based on the evaluation criteria defined by Nomination and Remuneration Committee (NRC) for the performance evaluation process of the Board, its Committees and Directors.

The performance of the Board was evaluated by the Board after seeking inputs from all the Directors on the basis of criteria such as the Board composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the Committees was evaluated by the Board after seeking inputs from the Committee Members on the basis of criteria such as the composition of Committees, effectiveness of Committee Meetings, etc.

The performance assessment of Non-Independent Directors, the Board as a whole, and the Chairman were evaluated at Separate Meetings of Independent Directors. The same was also discussed in the Meetings of NRC and the Board. Performance evaluation of Independent Directors was done by the entire Board, excluding the Independent Director being evaluated.

**33. DIRECTOR'S APPOINTMENT AND REMUNERATION POLICY:**

Pursuant to the provision of Section 178(3) of the Companies Act, 2013, the Company has, on the recommendation of the Nomination and Remuneration Committee, framed and adopted a Policy for the selection, appointment, cessation, remuneration, and evaluation of Directors, Key Managerial Personnel and senior management personnel including criteria for determining qualifications, positive attributes and independence of Directors.

The Nomination and Remuneration Policy of the Company is available on the website of the Company at <https://aaronindustries.net/wp-content/uploads/2022/08/Nomination-Remuneration-Policy.pdf>.

### 34. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES:

The details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given in **Annexure – 5** of this Report.

In terms of the first proviso to Section 136 of the Act, the Reports and Accounts are being sent to the shareholders excluding the information required under Rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Any shareholder interested in obtaining the same may write to the Company Secretary at the Registered Office of the Company. The said information is available for inspection by the Members at the Registered Office of the Company on any working day of the Company up to the date of the 10<sup>th</sup> Annual General Meeting.

During the year, the Company had no employee who was employed throughout the financial year or part thereof and was in receipt of remuneration, which in the aggregate, or as 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.

### 35. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The details of Conservation of Energy, Technology Absorption, and Foreign Exchange Earnings and Outgo as stipulated under Section 134(3)(m) of the Companies Act, 2013, read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is annexed as **Annexure - 6** and forms part of this Report.

### 36. DIRECTORS' RESPONSIBILITY STATEMENT:

The Directors' Responsibility Statement referred to in Section 134(3)(c) of the Companies Act, 2013, shall state 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) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis;
- (e) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**37. SECRETARIAL STANDARDS:**

The Company complies with all applicable mandatory Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI).

**38. PROHIBITION OF INSIDER TRADING:**

In terms of the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended (PIT Regulations), the Company has adopted revised “Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons and Immediate Relatives of Designated Persons” (“the Code”). The Code is applicable to all Designated persons, Immediate Relatives of Designated Persons, Connected Persons, Promoters and Promoter Group of the Company, who have access to Unpublished Price Sensitive Information relating to the Company.

The Company has also formulated a “Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI)” in compliance with the PIT Regulations.

The aforesaid Codes are posted on the Company’s website and can be accessed by using the web link at <https://aaronindustries.net/wp-content/uploads/2023/03/Code-of-Conduct-to-Regulate-Monitor-and-Report-Trading-by-DP.pdf> and <https://aaronindustries.net/wp-content/uploads/2022/11/Code-of-Practices-and-Procedures-for-Fair-Disclosure-of-UPSI.pdf>.

**39. STATEMENT REGARDING OPINION OF THE BOARD WITH REGARD TO INTEGRITY, EXPERTISE AND EXPERIENCE (INCLUDING THE PROFICIENCY) OF THE INDEPENDENT DIRECTORS APPOINTED DURING THE YEAR:**

In the opinion of Board of Directors of the Company, Independent Directors on the Board of Company hold highest standards of integrity and are highly qualified, recognized and respected individuals in their respective fields. It’s an optimum mix of expertise (including financial expertise), leadership and professionalism.

**40. CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION:**

In terms of Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015; the CFO has certified to the Board of Directors of the Company with regard to the Financial Statements and other matters specified in the said Regulation for the Financial Year 2022-23. The certificate received from CFO is attached herewith as per **Annexure - 7**.

**41. DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY’S CODE OF CONDUCT:**

The Board of Directors has formulated and adopted the Code of Conduct for all Board Members and Senior Management Personnel of the Company. All the Board Members and Senior Management Personnel have affirmed compliance with the Code on annual basis.

In this regard certificate from Managing Directors, as required under Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been received by the Board, and the same is attached herewith as per **Annexure - 8**.

Code of Conduct for Board of Directors and Senior Management Personnel is available on the website of the Company at the web link <https://aaronindustries.net/wp-content/uploads/2022/08/Code-of-Conduct-for-Board-Members-and-Senior-Management-Personnel.pdf>.

**42. INSURANCE:**

Your Company has taken the required insurance coverage for its assets against possible risks like fire, flood, burglary, etc.

**43. GREEN INITIATIVES:**

In commitment to keep in line with the Green Initiative and going beyond it to create new green initiatives, electronic copy of the Notice of 10<sup>th</sup> Annual General Meeting of the Company including the Annual Report for the Financial Year 2022-23 is being sent to all Members whose e-mail addresses are registered with the Company/Depository Participant(s).

**44. CAUTIONARY STATEMENT:**

The Annual Report including those which relate to the Directors' Report, Management Discussion and Analysis Report may contain certain statements on the Company's intent expectations or forecasts that appear to be forward-looking within the meaning of applicable securities laws and regulations while actual outcomes may differ materially from what is expressed herein. The Company bears no obligations to update any such forward-looking statement. Some of the factors that could affect the Company's performance could be the demand and supply for the Company's products and services, changes in Government regulations, tax laws, forex volatility, etc.

**45. ACKNOWLEDGEMENT:**

The Directors take this opportunity to thank the shareholders and bankers for their cooperation and support to the operations and look forward for their continued support in future. The Directors also thank all the customers, vendor partners, and other business associates for their continued support during the year. The Directors place on record their appreciation for the hard work put in by all employees of the Company.

For and on behalf of the Board

Sd/-

**Amar Doshi**

Chairman & Managing Director

DIN: 00856635

Date: August 05, 2023

Place: Surat



## CORPORATE GOVERNANCE REPORT

**[Pursuant to Part C of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]**

The Directors present the Company's Report on Corporate Governance for the Financial Year 2022-23. This report elucidates the systems and processes followed by the Company to ensure compliance of Corporate Governance requirements under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations") and the Companies Act, 2013 ("Act").

**1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:**

The Company's Philosophy on Corporate Governance aims at the attainment of the highest levels of transparency, accountability, and responsibility in all operations and all interactions with its Shareholders, Investors, Lenders, Employees, Government, and other stakeholders. The Company believes that all its operations and actions must serve the underlying goal of enhancing overall Shareholder value, consistently over a sustained period of time.

**2. BOARD OF DIRECTORS:****(a) Composition of the Board**

The Company has formulated a Board Diversity policy to have a competent and highly professional team of Board Members. The Company has an optimum combination of Executive and Non-Executive Directors including a Woman Director. There are six Directors on the Board of the Company having diverse experience and expertise in their respective areas. The composition of the Board meets the criteria as prescribed in SEBI (LODR) Regulations, 2015, and Companies Act, 2013.

As on March 31, 2023, the Board Members consist of one (1) Executive Chairman & Managing Director, who is a Promoter of the Company, one (1) Executive Whole Time Director, who is a Promoter of the Company, one (1) Executive Director, who is Promoter of the Company and Three (3) Non-Executive Independent Directors including One Non-Executive Women Independent Director.

In terms of the provisions of the Act, and the Listing Regulations, the Directors of the Company submit necessary disclosures regarding the positions held by them on the Board and/ or the Committees of other companies with changes therein, if any, on a periodical basis. On the basis of such disclosures, it is confirmed that as on March 31, 2023, none of the Directors on the Board holds Directorship position in more than twenty (20) companies [including ten (10) public limited companies and seven (7) listed companies]; holds Executive Director position and serves as an Independent Director in more than three (3) listed companies; and is a member of more than ten (10) Committees (Audit Committee and the Stakeholders Relationship Committee) and/or Chairperson of more than five (5) Committees (Audit Committee and the Stakeholders Relationship Committee) across all the Indian Public Limited Companies in which he/ she is a Director pursuant to Regulation 26 of the Listing Regulations.

None of the Directors have attained the age of Seventy-five (75) years.

The Board is of the opinion that Independent Directors fulfil conditions specified under the Listing Regulations and are independent of the management of the Company.

**(b) Meetings and Attendance**

During the Financial Year 2022-23, Seven (7) Board Meetings were held on May 12, 2022, July 29, 2022, September 13, 2022, October 29, 2022, November 12, 2022, January 24, 2023, and March 07, 2023. The composition of the Board, attendance at the Board Meetings during the year ended on March 31, 2023, and the last Annual General Meeting, and also the number of other Directorships and Committee Memberships are given below:

Name of Directors and Designation	Category of Directorship	Date of Appointment	No. of Shares held in the Company as on March 31, 2022	No. of Board Meetings Attended	Attendance at the last AGM	No. of Directorships* held in other Public Company(ies)	No. of Membership(s)/ Chairmanship(s) of Committees in other Company(ies)**	
							Member	Chairman
Mr.Amar Chinubhai Doshi, Chairman & Managing Director	Promoter, Executive Director	23/10/2013	26,52,252	7	Yes	NIL	NIL	NIL
Mr.Karan Amar Doshi, Whole Time Director	Promoter, Executive Director	23/10/2013	14,34,122	7	Yes	NIL	NIL	NIL
Mr.Monish Amarbhai Doshi, Director & CFO	Promoter, Executive Director	23/10/2013	13,96,654	6	Yes	NIL	NIL	NIL
Mr.Pradeepkumar Sanmukhlal Choksi, Independent Director	Non-Executive Independent Director	01/02/2018	NIL	7	Yes	NIL	NIL	NIL
Hetal Ramendrabhai Mehta, Independent Director	Non-Executive Independent Director	01/02/2018	NIL	6	Yes	1	2	1
Shrungi Kiranbhai Desai, Independent Director	Non-Executive Independent Director	01/02/2018	NIL	7	Yes	NIL	NIL	NIL

\*In accordance with the provisions of the SEBI LODR Regulations, 2015, directorships held in Private Limited have been excluded.

\*\*In accordance with the provisions of the SEBI LODR Regulations, 2015, Memberships/ Chairpersonships of only the Audit Committee and Stakeholders' Relationship Committee in all public limited Companies have been considered.

The names of the listed entities in which Directors of the Company hold Directorship and category thereof, as at March 31, 2022, are furnished below:

Name of the Director	Name of the listed entity in which Directorship held	Category of Directorship
Hetal Ramendrabhai Mehta	Meera Industries Limited	Non-Executive Independent Director

**(c) Disclosure of relationship between directors inter-se:**

Mr.Amar Doshi, Chairman and Managing Director, Mr.Karan Doshi, Whole Time Director, and Mr.Monish Doshi, Director of the Company are related to each other. No other Director is related to each other.

**(d) Shareholding of Non-Executive Directors:**

Details of shares held by the Non-Executive Directors of the Company are as under:

Name of the Non-executive director	No. of Equity Shares held in the Company	No. of convertible instruments held in the Company
Mr.Pradeepkumar Sanmukhlal Choksi	NIL	There is no convertible instrument issued by the Company.
Mr.Hetal Ramendrabhai Mehta		
Mrs.Shrungi Kiranbhai Desai		

**(e) Familiarisation programmes:**

The Company familiarises its Independent Directors with regard to their role, rights, responsibilities in the Company, nature of the industry, the business models of the Company, etc., and the details of the familiarisation program are available on the website of the Company at <https://www.aaronindustries.net/wp-content/uploads/2023/05/Familiarization-Programme.pdf>.

**(f) Chart/Matrix Setting Out the Skills/Expertise/Competence of the Board of Directors:**

A chart/ matrix setting out the core skills/ expertise/ competencies identified by the Board of Directors in the context of the Company's businesses and sectors as required for it to function effectively and those actually available with the Board along with skills/expertise/competence, possessed by the Board Members, are given as below:

Mapping of the skills/expertise/competence actually available with the Board along with the names of Directors are given below:

Director	Industry Knowledge	Finance	Sales	Accounting	Import/ Export	Regulatory	Diversity
Mr.Amar Chinubhai Doshi, Chairman & Managing Director	Yes	Yes	Yes	No	Yes	Yes	Yes
Mr.Karan Amar Doshi, Whole Time Director	Yes	Yes	Yes	No	Yes	Yes	Yes
Mr.Monish Amarbhai Doshi, Director & CFO	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr.Pradeepkumar Sanmukhlal Choksi, Independent Director	Yes	Yes	Yes	Yes	No	Yes	Yes
Mr.Hetal Ramendrabhai Mehta, Independent Director	Yes	Yes	No	Yes	Yes	Yes	Yes
Mrs.Shrungi Kiranbhai Desai, Independent Director	Yes	Yes	No	No	No	Yes	Yes

**(g) Independent Directors confirmation by the Board:**

All the Independent Directors have submitted a declaration of independence, stating that they meet the criteria of independence provided under section 149(6) of the Act, as amended, and Regulation 16(1)(b) and 25 of the SEBI Listing Regulations. The Independent Directors have also confirmed compliance with the provisions of Rule 6 of Companies (Appointment and Qualifications of Directors) Rules, 2014, as amended, relating to the inclusion of their name in the databank of independent directors maintained by the Indian Institute of Corporate Affairs.

**(h) Independent Directors:**

Independent Directors play a pivotal role in maintaining a transparent working environment in the Company. They provide valuable outside perspectives to the deliberations of the Board and contribute significantly to the decision-making process. They help the Company in improving corporate credibility and governance standards. They bring an element of objectivity to the board processes and deliberations.

As per clause 7 of the Schedule IV of the Companies Act (Code for Independent Directors) read with Regulation 25(3) of SEBI (LODR) Regulations, 2015, a separate meeting of Independent Directors of the Company without the attendance of Non-Independent Directors for the Financial Year 2022-23, was held on May 12, 2022, and January 24, 2023.

The composition of and attendance at the Committee of Independent Directors Meeting are given below:

Name of the Member	No. of Meetings held	No. of Meetings attended
Mr.Pradeepkumar Sanmukhlal Choksi	2	2
Mr.Hetal Ramendrabhai Mehta	2	2
Mrs.Shrungi Kiranbhai Desai	2	2

During the year, no Independent Director resigned before the expiry of his/her tenure.

**3. AUDIT COMMITTEE:**

The role and terms of reference of the Audit Committee cover the areas mentioned under Regulation 18(3) of SEBI (LODR) Regulations, 2015 and Section 177 of the Companies Act, 2013, besides other terms as may be referred to by the Board of Directors from time to time.

During the Financial Year 2022-23, the Audit Committee met four times during the year i.e. May 12, 2022, July 29, 2022, November 12, 2022, and January 24, 2023.

The composition of and attendance at Audit Committee Meetings are given below:

Name of the Member	Category	No. of Meetings held	No. of Meetings attended
Mr.Pradeepkumar Sanmukhlal Choksi, Non-Executive Independent Director	Chairman & Member	4	4
Mr.Hetal Ramendrabhai Mehta, Non-Executive Independent Director	Member	4	4
Mrs.Shrungi Kiranbhai Desai, Non-Executive Independent Director	Member	4	4

The Company Secretary is also Secretary to the Audit Committee.

There has been no instance, where the Board has not accepted any recommendation of the Audit Committee.

#### 4. NOMINATION AND REMUNERATION COMMITTEE:

The role and terms of reference of the Nomination and Remuneration Committee cover the areas mentioned under Regulation 19(4) of SEBI (LODR) Regulations, 2015 and Section 178 of the Companies Act, 2013 read with Rules framed thereunder.

During the Financial Year 2022-23, the Nomination and Remuneration Committee met two times during the year i.e. May 12, 2022, and July 29, 2022.

The composition of and attendance at Nomination and Remuneration Committee Meetings are given below:

Name of the Member	Category	No. of Meetings held	No. of Meetings attended
Mr.Pradeepkumar Sanmukhlal Choksi, Non-Executive Independent Director	Chairman & Member	2	2
Mr.Hetal Ramendrabhai Mehta, Non-Executive Independent Director	Member	2	2
Mrs.Shrungi Kiranbhai Desai, Non-Executive Independent Director	Member	2	2

The Company Secretary is also Secretary to the Nomination and Remuneration Committee.

#### Performance evaluation criteria for Independent Directors:

In terms of Section 178 of the Act and Regulation 19 read with Part D Schedule II of the SEBI (LODR) Regulations, 2015, the Nomination and Remuneration Committee has laid down the criteria for performance evaluation of the Board as a whole, its Committees, and individual Directors. Based thereon, the evaluation was carried out by the Board.

The criteria for performance evaluation forms part of the Nomination and Remuneration Policy of the Company, which is placed on the Company's website at [www.aaronindustries.net](http://www.aaronindustries.net).

#### 5. Remuneration of Directors:

##### Pecuniary Relationship of Non-Executive Directors

The Company has no pecuniary relationship or transaction with its Non-Executive and Independent Directors of the Company.

##### (a) Non-Executive Directors:

Presently the Company doesn't pay any sitting fees and/or commission to its Non-Executive Director.



**Criteria of making payments to Non-Executive Directors:**

Criteria of making payments to Non-Executive Directors are as per the Nomination and Remuneration Policy of the Company and the same is available at the web link: <https://aaronindustries.net/wp-content/uploads/2022/08/Criteria-for-Making-Payment-to-NED.pdf>.

**(b) Executive Directors:**

The two Executive Directors (Chairman and Managing Director and Whole-time Director) are paid remuneration as decided by the Board of Directors on the recommendation of the Nomination and Remuneration Committee of the Board, with the approval of the Shareholders and other necessary approvals.

**(c) Details of remuneration paid to the Directors for the year ended March 31, 2023.**

Name	Category of Directorship	Remuneration / Sitting Fees (Rs. In Lakhs)
Mr.Amar Chinubhai Doshi,	Executive Managing Director	28.20
Mr.Karan Amar Doshi,	Executive Whole Time Director	24.60
Mr.Monish Amarbhai Doshi,	Executive Director	NIL
Mr.Pradeepkumar Sanmukhlal Choksi,	Non-Executive Independent Director	NIL
Mr.Hetal Ramendrabhai Mehta,	Non-Executive Independent Director	NIL
Mrs.Shrungi Kiranbhai Desai,	Non-Executive Independent Director	NIL

- There are no stock options available/ issued to any Non-Executive Directors of the Company.
- The Company has not granted any stock options to the Directors and hence, it does not form part of the remuneration package payable to any Director. During the year, the Company did not advance any loan to any Director.

**(d) Details of Service contracts, notice period, severance fees, etc.**

Name	Service Contracts	Notice period and severance fees	Stock Option details
Mr.Pradeepkumar Sanmukhlal Choksi,	Nil	Nil	Nil
Mr.Hetal Ramendrabhai Mehta,	Nil	Nil	Nil
Mrs.Shrungi Kiranbhai Desai,	Nil	Nil	Nil

**6. STAKEHOLDERS RELATIONSHIP COMMITTEE:**

In compliance with Section 178(5) of the Companies Act, 2013 and Regulation 20 read with Part D of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Committee has been formed to specifically focus on the services to shareholders/ investors.

During the Financial Year 2022-23, the Stakeholders Relationship Committee met four (4) times during the year i.e. May 12, 2022, July 29, 2022, November 12, 2022 and January 24, 2023.

The composition of and attendance at Stakeholders Relationship Committee Meetings are given below:

Name of the Member	Category	No. of Meetings held	No. of Meetings attended
Mrs.Shrungi Kiranbhai Desai, Non-Executive Independent Director	Chairperson & Member	4	4
Mr.Hetal Ramendrabhai Mehta, Non-Executive Independent Director	Member	4	4
Mr.Pradeepkumar Sanmukhlal Choksi, Non-Executive Independent Director	Member	4	4

### Name & Designation and address of the Compliance Officer

#### CS Nitinkumar Maniya

Aaron Industries Limited  
B-65 & 66, Jawahar Road No.4, Udhyog Nagar,  
Udhana, Surat-394210, Gujarat, India

Pursuant to the Regulation 13(3) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015; the details regarding investor's complaints are as follows:

### Status of Complaints pending, received, disposed, and unresolved:

Particulars	No. of Complaints
Number of Shareholders' Complaints pending at the end of the year	NIL
Number of Shareholders' Complaints received during the year	NIL
Number of Shareholders' Complaints disposed during the year	NIL
Number of Shareholders' Complaints remain unresolved during the year	NIL

## 7. GENERAL BODY MEETINGS:

### (a) Location and time, where the last three AGMs were held:

The last three Annual General Meetings of the Company were held as under:

Year	Day, Date, and Time of Meeting	Venue
2018-19	Saturday, August 24, 2019, at 10:30 A.M.	B-65 & 66, Jawahar Road No. 4, Udhyog Nagar, Udhana, Surat-394210, Gujarat.
2019-20	Thursday, August 20, 2020, at 10:30 A.M.	B-65 & 66, Jawahar Road No. 4, Udhyog Nagar, Udhana, Surat-394210, Gujarat.
2020-21	Friday, September 17, 2021, at 11:00 A.M.	Through Video Conference

### (b) Whether any special resolutions passed in the previous three AGMs:

Date of AGM	Resolution	Ordinary / Special	Favour		Against	
			Ballot	E-Voting	Ballot	E-Voting
August 20, 2020	Adoption of Annual Accounts, Auditor's Report, and Director's Report.	Ordinary	754113	3448675	0	0
	Declaration of Dividend of Rs. 0.60 per equity share of Rs.10/- each for the Financial Year 2019-20.	Ordinary	754113	3448675	0	0

	Re-appointment of Mr.Monish Doshi (DIN:06690246), as a Director, retire by rotation.	Ordinary	754113	3448675	0	0
	Increase in the Authorized Share Capital of the Company and consequential alteration to Clause V of the Memorandum of Association of the Company.	Ordinary	754113	3448675	0	0
	Issue of Bonus Shares.	Ordinary	754113	3448675	0	0
September 17, 2021	Adoption of Annual Accounts, Auditor's Report, and Director's Report.	Ordinary	NA*	7280458	NA*	0
	Re-appointment of Mr. Amar Doshi (DIN:00856635), as a Director, retire by rotation.	Ordinary	NA*	7280458	NA*	0
	Re-Appointment of Mr. Amar Doshi (DIN:00856635) as a Chairman & Managing Director of the Company.	Special	NA*	5846336	NA*	0
	Re-Appointment of Mr.Karan Doshi (DIN:06690242) as a Whole-Time Director of the Company.	Special	NA*	5846336	NA*	0
September 10, 2022	Adoption of Annual Accounts, Auditor's Report, and Director's Report.	Ordinary	NA*	8007886	NA*	0
	Declaration of Final Dividend of Rs. 0.80/- per Equity Share of Rs.10/- each for the Financial Year 2021-22.	Ordinary	NA*	8007886	NA*	0
	Re-appointment of Mr. Karan Doshi (DIN:06690242), as a Director, retire by rotation.	Ordinary	NA*	6573764	NA*	0
	Revision in Remuneration payable to Mr. Amar Doshi (DIN:00856635), Chairman & Managing Director of the Company.	Special	NA*	603641	NA*	0
	Revision in Remuneration payable to Mr. Karan Doshi (DIN:06690242), Whole-Time Director of the Company.	Special	NA*	603641	NA*	0
	Re-appointment of Mr. Hetal Mehta (DIN:03370244) as an Independent Director of the Company for the second term of 5 (Five) consecutive Years	Special	NA*	8007886	NA*	0

Re-appointment of Mr. Pradeepkumar Choksi (DIN:02709943) as an Independent Director of the Company for the second term of 5 (Five) consecutive Years	Special	NA*	8007886	NA*	0
Re-appointment of Mrs. Shrungi Desai (DIN:08063562) as an Independent Director of the Company for the second term of 5 (Five) consecutive Years	Special	NA*	8007886	NA*	0
Increase in Borrowing Power of the Company	Special	NA*	8007886	NA*	0
Creation of Charge/Mortgage/ Security on the Assets of the Company	Special	NA*	8007886	NA*	0

\*As the 9<sup>th</sup> AGM of the Company was held through Video Conferencing (VC) / Other Audio-Visual Means (OAVM); No votes were cast through Ballot Papers.

The Extra Ordinary General Meetings held during the year 2022-23: NIL

No Special Resolution was required to be put through the Postal Ballot during the year 2022-23.

No Special Resolution is proposed to be conducted through Postal Ballot.

## 8. MEANS OF COMMUNICATION:

The Quarterly and Annual Financial Results are published in English and Vernacular Newspaper "Financial Express". The said results are promptly furnished to the Stock Exchange for display on their respective websites and also displayed on the Company's website.

## 9. GENERAL SHAREHOLDER INFORMATION:

<b>(a) Date, Time, and Venue of the Annual General Meeting</b>	Monday, September 04, 2023, at 11:00 A.M. IST through Video Conferencing (VC) / Other Audio-Visual Means (OAVM)
<b>(b) Financial Year</b>	From April 01 to March 31 of the following year
<b>(c) Dates of Book Closure</b>	From Tuesday, August 29, 2023, to Monday, September 04, 2023 (both days inclusive)
<b>(d) Dividend Record Date</b>	Monday, August 28, 2023
<b>Dividend Payment Date</b>	Will be paid within 30 days from the date of approval at the 10 <sup>th</sup> AGM.

- (e) The name and address of each Stock Exchange(s) at which the Listed Entity's securities are Listed and confirmation about payment of the annual listing fee to each of such Stock Exchange:

National Stock Exchange of India Limited,  
Exchange Plaza, C-1, Block G, Bandra Kurla Complex,  
Bandra (E) Mumbai – 400051

The Company has paid Listing Fees to the National Stock Exchange of India Limited, where the equity shares of the Company are listed.

- (f) **Stock Code:** AARON, **ISIN:** INE721Z01010

- (g) **Market Price Data: High and Low during each month in the Financial Year 2022-23:**

Month	High Price (in ₹)	Low Price (in ₹)	No. of Shares Traded
April 2022	125.25	111.15	73970
May 2022	129.00	109.00	88899
June 2022	123.85	107	68978
July 2022	137.00	110.15	277967
August 2022	168.30	123.35	350802
September 2022	207.80	150.00	1180061
October 2022	168.00	149.00	73723
November 2022	168.15	152.05	83472
December 2022	180.00	152.10	154610
January 2023	194.25	160.00	259675
February 2023	236.00	171.30	532146
March 2023	207.00	172.10	308754

- (g) **Performance of the Company's Equity Shares (closing share price) in comparison to BSE Sensex and CNX Nifty during the Financial Year 2022-23:**

Month	NSE Closing Price (in ₹)	Closing BSE Sensex	Closing CNX Nifty
April 2022	119.45	57060.87	17102.55
May 2022	117.65	55566.41	16584.55
June 2022	111.15	53018.94	15780.25
July 2022	130.40	57570.25	17158.25
August 2022	166.35	59537.07	17759.30
September 2022	155.70	57426.92	17094.35
October 2022	157.55	60746.59	18012.20
November 2022	157.85	63099.65	18758.35
December 2022	172.50	60840.74	18105.30
January 2023	180.90	59549.90	17662.15
February 2023	196.05	58962.12	17703.95
March 2023	183.35	58991.52	17359.75



(h) There was no suspension from trading in Equity Shares of the Company during the year 2022-2023.

**(i) Registrar and Share Transfer Agent:**

The Company has appointed Bigshare Services Private Limited as Registrar and Share Transfer Agent (RTA). Shareholders / Investors / Depository Participants are requested to send all their documents and communications pertaining to both physical and Demat shares to the RTA at the following address:

**Bigshare Services Private Limited**

Category I Registrar to Registrar & Share Transfer Agents

Office No S6-2, 6<sup>th</sup> Floor, Pinnacle Business Park,

Next to Ahura Centre, Mahakali Caves Road,

Andheri (East) Mumbai – 400093

Tel.: (91)22-62638200

Fax.: (91)22-62638299

Email: [info@bigshareonline.com](mailto:info@bigshareonline.com)

Website: [www.bigshareonline.com](http://www.bigshareonline.com)

**(j) Share transfer system:**

In terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Securities of listed Companies can only be transferred in dematerialized form with effect from April 01, 2019. In view of the same, the entire Share Capital of the Company is in dematerialized form. The shares can be transferred by Shareholders through their Depository Participants.

**(k) Distribution of Shareholding as on March 31, 2023:**

No. of Equity Shares		No. of Shareholders	% of Shareholders	No. of Shares	% of Shareholding
1	5000	6705	94.70	314954	3.14
5001	10000	139	1.96	105318	1.05
10001	20000	72	1.02	109026	1.09
20001	30000	26	0.37	67532	0.67
30001	40000	13	0.18	46570	0.46
40001	50000	19	0.27	86560	0.86
50001	100000	53	0.75	346328	3.45
100000	10043939	53	0.75	8967651	89.28
<b>Total</b>		<b>2629</b>	<b>7080</b>	<b>100.00</b>	<b>10043939</b>

**Category-wise Shareholders as on March 31, 2023:**

Category of Shareholders	Total Shareholders	% of Shareholders	No. of Shares	% of Shareholding
Promoters & Promoters Group	11	0.16	7530245	74.97
Clearing Member	10	0.14	156458	1.56
Corporate Bodies	7	0.10	6516	0.06
Non-Resident Indian	63	0.89	24096	0.24
Public	6988	98.70	2325367	23.15
Proprietary Firm	1	0.01	1257	0.01
<b>Total</b>	<b>2629</b>	<b>100.00</b>	<b>10043939</b>	<b>100.00</b>

**(l) Dematerialization of Shares and Liquidity:**

As on March 31, 2023, 100.00% of the Company's Equity Shares have been dematerialized.

**(m) Outstanding Global Depository Receipts or American Depository Receipts or Warrants or any Convertible Instruments, conversion date and likely impact on Equity Shares as on March 31, 2023:**

The Company has no outstanding GDR / ADR / Warrants or any Convertible Instruments.

**(n) Commodity Price Risk or Foreign Exchange Risk and Hedging Activities: Nil****(o) Plant Locations:**

**Unit-1 :** B-65 & 66, Jawahar Road No.4, Udhyog Nagar, Udhana, Surat-394210, Gujarat.

**Unit-2 :** Block No.251-B, Royal Industrial Park, Vill-Moti Pardi, Ta.-Mangrol, Surat-394210, Gujarat.

**(p) Address for correspondence:****Registrar & Transfer Agent****M/s. Bigshare Services Private Limited**

Office No S6-2, 6<sup>th</sup> Floor, Pinnacle Business Park,

Next to Ahura Centre, Mahakali Caves Road,

Andheri (East) Mumbai – 400093

Tel.: (91)22-62638200

Fax.: (91)22-62638299

Email: info@bigshareonline.com

Website: www.bigshareonline.com

**Registered Office:**

B-65 & 66, Jawahar Road No.4,

Udhyog Nagar, Udhana, Surat-394210,

Gujarat, India.

Phone: 0261-2278410

E-mail: info1@aaronindustries.net

Website: www.aaronindustries.net

**10. OTHER DISCLOSURES:**

(a) All transactions entered into by the Company with Related Parties as defined under the Act and the Listing Regulations, during the Financial Year 2022-23 were in the ordinary course of business and on an arm's length pricing basis. There were no materially significant transactions with the related parties during the Financial Year which were in conflict with the interest of the Company at large. Necessary disclosures as required under the Accounting Standards have been made in the Financial Statements.

(b) No penalty or strictures have been imposed on the Company by Stock Exchange or Securities and Exchange Board of India or any Statutory Authority on any matter related to capital markets during the **last three** years except the following:

- National Stock Exchange of India Limited (NSE) has, vide its email/letter No. NSE/LIST-SOP/REG-34/FINES/0814 dated January 08, 2021, has imposed a fine of Rs.30,680/- (including GST @18%) on the Company for delay in submission of the Annual report for the Financial Year 2019-20 to the Stock Exchange pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In this connection, the Company had requested for waiver of fine to NSE dated January 22, 2021, clarifying that it was inadvertently errors of uploading/attaching the wrong file. Accepting the submission made by the Company, the NSE has waived the fine vide its letter No. NSE/LIST/SOP/AARON dated July 20, 2021.

- National Stock Exchange of India Limited (NSE) has, vide its letter No. NSE/LIST/39856 dated February 25, 2022, seeking clarification on the Shareholding Pattern submitted by the Company for the Quarter ended December 31, 2021.

In this connection, the Company has replied to NSE dated March 03, 2022, informing that Mr.Kushal Mitesh Jariwala, Member of Promoter Group has unintentionally and inadvertently transacted during the Trading Window Closure period and the same was fall under the contra trade within a period of six months which was violated the Regulation 9 (Code of Conduct) read with Schedule B of SEBI (Prohibition of Insider Trading) Regulations, 2015. The Company has reported the violations to the Stock Exchange and also issued a warning letter to Mr.Kushal Mitesh Jariwala.

Further, the National Stock Exchange of India Limited (NSE) has, vide its email dated April 01, 2022, inform us to submit the revised Shareholding Pattern for the Quarter ended September 30, 2021, and December 31, 2021, and the Company has submitted the same on dated April 02, 2022.

- Pursuant to Regulation 9 of the SEBI (Prohibition of Insider Trading) Regulation, 2015, and the Company's Code of Conduct for Prevention of Insider Trading, the transaction undertaken by the Designated Person during the Trading window closure period and the same had been fall under the contra trade within a period of Six (6) months.

The Company has reported the Violation under Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 relating to the Code of Conduct (CoC) to the Stock Exchange. The Designated Person clarified that the trades executed by him were entirely inadvertent and without any intention of reaping abnormal gains. He was inadvertently not aware of the contra trade and the trade executed at such time was unintentional and it is the first case of a violation from their side. Therefore, the Company has issued warning letter to him. Further, the Designated Person was trained and updated with all rules and regulations about the Insider Trading Policy of the Company.

- National Stock Exchange of India Limited (NSE) has, vide its letter No. NSE/LIST/47074 dated November 16, 2022, seeking clarification on the Shareholding Pattern submitted by the Company for the Quarter ended September 30, 2022.

In this connection, the Company has replied to NSE dated November 22, 2022, informed that the System Driven Disclosures (SDD) have some mandatory fields like PAN and in case of PAN-exempt cases, BO ID details of Demat accounts in NSDL and CDSL should be provided. We have PAN details of all the Promoters, Promoter group & Designated Persons and already updated the details in the System Driven Disclosure.

Further informed that, the Demat details of the PAN-holding persons are auto-captured by the system based on PAN but the BO ID details of the Demat Account in CDSL of the Designated Persons are not auto-captured by the system due to some technical issue from the depository (CDSL) side.

No further clarification was asked by NSE till March 31, 2023 regarding this matter.

- (c) The Company has adopted a Whistle Blower Policy/Vigil Mechanism and has established the necessary Vigil Mechanism as required under Regulation 22 of the Listing Regulations for Directors and employees to report concerns about any unethical behaviour. No person has been denied access to the Chairman of the Audit Committee. The said policy has also been

disclosed on the website of the Company at the web link <https://aaronindustries.net/wp-content/uploads/2020/10/Whistle-Blower-Policy-Vigil-Mechanism.pdf>.

- (d) The Company has complied with all the mandatory requirements of Corporate Governance and endeavours to adopt the Good Corporate Governance practices which help in adoption of non-mandatory requirements.
  - (e) The Company does not have any material subsidiary.
  - (f) The policy of the Company relating to Related Party Transaction is available at the Company's website at the web link: <https://aaronindustries.net/wp-content/uploads/2022/11/Policy-on-Materiality-of-RPTs.pdf>.
  - (g) The Company does not have any significant exposure to commodity price risk. Hence, the Company is not undertaking any commodity hedging activities.
  - (h) The Company has not raised any funds through preferential allotment or qualified institutional placement as specified under Regulation 32(7A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
  - (i) A certificate from a Company Secretary in Practice that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority has been obtained and is attached to this report in **Annexure-9**.
  - (j) During the year under review, the recommendations made by the different Committees have been accepted and there were no instances where the Board of Directors had not accepted any recommendation of the Committees.
  - (k) The Company has paid a sum of Rs.4.62 Lakhs as fees on a consolidated basis to the statutory auditors for all services rendered by them.
  - (l) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:  
  
During the year 2022-23, no complaints have been received under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
  - (m) Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/ companies in which Directors are interested by name and amount: None.
  - (n) Disclosure with respect to Demat suspense account/ unclaimed suspense account: Not applicable.
11. All the requirements of the Corporate Governance Report of sub paragraphs (2) to (10) of Para C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 have been duly complied with.

## 12. Adoption of discretionary requirements specified in Part E of Schedule II of the Listing Regulations:

### A. The Board

The Company does not have a Non-Executive Chairman.

## **B. Shareholder Rights**

Quarterly, half-yearly, and yearly declaration of financial performance are published in the newspapers and are also uploaded on the website of the Company at [www.aaronindustries.net](http://www.aaronindustries.net) as soon as it is intimated to the Stock Exchange.

## **C. Modified opinion(s) in Audit Report**

The Statutory Auditors of the Company have issued Audit Report on Audited Financial Results for year ended March 31, 2023 with unmodified opinion. A declaration has submitted to the stock exchanges as per Regulation 33(3)(d) of the Listing regulations.

## **D. Separate posts of Chairperson and the Managing Director or the Chief Executive Officer**

Separation of Chairperson and Managing Director is not mandatory as per SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2022.

## **E. Reporting of Internal Auditor**

The Internal Auditor has reported directly to the Audit Committee of the Company.

- 10.** The Company has duly complied with the requirements specified in Regulations 17 to 27 and Clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 of the Listing Regulations.

**For and on behalf of the Board**

Sd/-

**Amar Doshi**

Chairman & Managing Director

DIN:00856635

Date: August 05, 2023

Place: Surat



## CERTIFICATE ON CORPORATE GOVERNANCE

To,  
The Members of  
Aaron Industries Limited,

We have examined the compliance of the conditions of Corporate Governance by **Aaron Industries Limited** (the Company) for the year ended March 31, 2023, as per Regulations 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of regulation 46 and paragraph C, D, and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations").

The Compliance of the conditions of Corporate Governance is the responsibility of the Company's Management. Our examination were limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We state that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Shareholders/Investors Grievances Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **DHIRREN R. DAVE & CO.,**  
**COMPANY SECRETARIES**  
UIN: P1996GJ002900  
P/R No.:2144/2022

Sd/-  
**PINAL KANDARP SHUKLA**  
Principal Partner  
ACS 28554 C.P. No. 10265  
UDIN: A028554E000749604

Date: August 05, 2023  
Place: Surat

## Form No. AOC - 2

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

**Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto**

1. Details of contracts or arrangements or transactions not at arm's length basis: **Not Applicable**
2. Details of material contracts or arrangements or transactions at arm's length basis:

Sr. No.	Name(s) of the related party and nature of the relationship	Nature of contracts/ arrangements / transactions	Duration of the contracts/ arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances if any:
1	Moti Industries (Managing Director is Partner)	Leasing of Property	Continuous	0.10 Lakh Per Month	12/05/2022	Nil
2	Chinubhai Doshi (Director's Relative)	Availing services	Current year	7.00 Lakh Per Year	12/05/2022	Nil
3	Radhika Doshi (Director's Relative)	Salary	N.A.	0.65 Lakh Per Month	12/05/2022	Nil
4	Toral Doshi (Director's Relative)	Salary	N.A.	0.45 Lakh Per Month	12/05/2022	Nil
5	Bhoomi Doshi (Director's Relative)	Salary	N.A.	0.45 Lakh Per Month	12/05/2022	Nil

For and on behalf of the Board

Sd/-

**Amar Doshi**

Chairman & Managing Director

DIN:00856635

Date: August 05, 2023

Place: Surat

## Secretarial Audit Report

For the Financial Year ended March 31, 2023

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

To,  
The Members  
**M/s AARON INDUSTRIES LIMITED**  
B-65 & 66, Jawahar Road No- 4, Udhog Nagar,  
Udhana, Surat-394210, Gujarat, India

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

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2023, 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:

1. We 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, 2023 according to the provisions of:
  - (i) The Companies Act, 2013 (**the Act**) and the Rules made there under;
  - (ii) The Securities Contracts (Regulation) Act, 1956 (**'SCRA'**) and the Rules made there under:-  
There are no events occurred during the year which attracts provisions of these Act, Rules and Regulations and hence not applicable.
  - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder
  - (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings:-  
There are no events occurred during the year which attracts provisions of these Act, Rules and Regulations and hence not applicable.
  - (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (**'SEBI Act'**) to the extent applicable to the Company:-
    - 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, 2015.
    - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009:-There are no events occurred during the year which attracts provisions of these Act, Rules and Regulations and hence not applicable.
    - d. The Securities and Exchange Board of India (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999:- There are no events occurred

during the year which attracts provisions of these Act, Rules and Regulations and hence not applicable.

- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; - There are no events occurred during the year which attracts provisions of these regulations hence not applicable
- 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; - There are no events occurred during the year which attracts provisions of these regulations hence not applicable.
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; - There are no events occurred during the year which attracts provisions of these regulations hence not applicable.
- i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

- (vi) The Factories Act, 1948
- (vii) Industrial Disputes Act, 1947
- (viii) The Payment of Wages Act, 1936
- (ix) The Minimum Wages Act, 1948
- (x) Employees' State Insurance Act, 1948
- (xi) The Employees' Provident Fund and Miscellaneous Provisions Act, 1952
- (xii) The Payment of Bonus Act, 1965
- (xiii) The Payment of Gratuity Act, 1972
- (xiv) The Maternity Benefit Act, 1961
- (xv) The Child Labour (Prohibition and Regulation) Act, 1986
- (xvi) The Employees' Compensation Act, 1923
- (xvii) Equal Remuneration Act, 1976
- (xviii) And all other laws applicable to the company not mentioned hereinabove.

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

1. Secretarial Standards issued by The Institute of Company Secretaries of India.
2. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 with reference to listing of the Equity shares of the company on National Stock Exchange of India Limited w.e.f. 03.09.2018.
3. During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, Listing Agreements etc. mentioned above subject to the following observations:
  - a) Letter asking Clarification by NSE dated 16.11.2022 regarding Difference in SDD (System Driven Disclosures and SHP (Shareholding pattern) as on September, 2022 filed by the Company, Company has replied vide letter dated 22.11.2022.
  - b) There was a violation of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 relating to Code of Conduct (CoC) in the nature of Transaction undertaken by Designated Person during the Trading Window Closure period and also falls under contra trade within a period of six months. Company has reported the violations to Stock Exchange as per SEBI circular on 05.09.2022 and also issued warning letter to DP on 01.09.2022.

2. We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The 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.

As informed by directors, 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.

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

3. We further report that, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
4. We further report that during the audit period the company has not taken major steps or enter into events having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

This report is to be read with our letter dated 05<sup>th</sup> Day of August, 2023 which is annexed and forms an integral part of this report.

**For DHIRREN R. DAVE & CO.,  
COMPANY SECRETARIES  
UIN: P1996GJ002900  
P/R No.:2144/2022**

**Sd/-**

**PINAL KANDARP SHUKLA  
Principal Partner  
ACS:28554 CP:10265  
UDIN: A028554E000748251**

Date: August 05, 2023  
Place: Surat



To,  
The Members  
**M/s AARON INDUSTRIES LIMITED**  
B-65 & 66, Jawahar Road No- 4, Udhog Nagar,  
Udhana, Surat-394210, Gujarat, India

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

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

**For DHIRREN R. DAVE & CO.,  
COMPANY SECRETARIES  
UIN: P1996GJ002900  
P/R No.:2144/2022**

**Sd/-  
PINAL KANDARP SHUKLA  
Principal Partner  
ACS:28554 CP:10265  
UDIN: A028554E000748251**

Date: August 05, 2023  
Place: Surat

## PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

[Pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

- (i) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2022-23 and the percentage increase in remuneration of each Director, Chief Financial Officer, and Company Secretary, in the Financial Year 2022-23:

Sr. No	Name of Director/KMP and Designation	Ratio to Median Remuneration*	% Increase in Remuneration
1	Amar Doshi Chairman & Managing Director	19.03	6.82
2	Karan Doshi Whole-time Director	16.60	7.89
3	Monish Doshi Director & CFO	16.60	7.89
4	Pradeepkumar Choksi Independent Director	0.00	0.00
5	Hetal Mehta Independent Director	0.00	0.00
6	Shrungi Desai Independent Director	0.00	0.00
7	Nitinkumar Maniya Company Secretary	NA	10%

**Note:** \*The median is calculated on gross annual salary on the basis of the salary of March-2023 of the employee.

- (ii) The percentage increase in the median remuneration of employees in the Financial Year 2022-23: 2.26%.

- (iii) The number of permanent employees on the rolls of the Company at the end of the Financial Year 2022-23: 139.

- (iv) Average percentile increases already made in the salaries of employees other than the managerial personnel in the last Financial Year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

The percentage increase in the salaries of employees other than Managerial Personnel in Financial Year 2022-23 was 2.34%. The increments given to employees are based on their potential, performance, and contribution, which are benchmarked against applicable Industry norms.

**(v) Affirmation that the remuneration is as per the Remuneration Policy of the Company:**

It is hereby affirmed that the remuneration paid is as per the Remuneration Policy applicable for Directors, Key Managerial Personnel, and other employees, adopted by the Company.

For and on behalf of the Board

Sd/-

**Amar Doshi**

Chairman & Managing Director

DIN:00856635

Date: August 05, 2023

Place: Surat

### Details on Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

(Pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014)

#### A. Conservation of Energy:

- i) The steps taken or impact on the conservation of energy: **Nil**
- ii) The steps taken by the Company for utilizing alternate sources of energy: **Nil**
- iii) The capital investment in energy conservation equipment: **Nil**

#### B. Technology Absorption:

- i) **Efforts made towards technology absorption:** The Company has successfully absorbed the technology.
- ii) **Benefits derived as a result of technology absorption:** The Company installed imported machinery to improve the production process and that will help us in product development and cost reduction. The Company will get higher productivity and improved quality by using the latest technology.
- iii) **Technology imported (imported during the last three years from the beginning of the financial year):**

Details of technology imported	Year of import	Whether the technology has been fully absorbed
PVD Coating Machine with standard Accessories	2022-23	Yes
Moulds for press brake machine	2022-23	Yes
Motorized crowing compensation working table	2022-23	Yes
Vacuum Sheet lifter	2022-23	Yes
Vacuum Gauge	2022-23	Yes
Mirror Polishing Product Line	2021-22	Yes
Vertical Grooving Machine	2021-22	Yes
CNC Press Brake with Matching Punch and Die	2021-22	Yes
Bending Mould	2020-21	Yes
Sand Blasting Machine	2020-21	Yes
Fiber Laser Cutting Machinery-XT Laser	2020-21	Yes

- iv) **The expenditure incurred on Research and Development:** The Company has not incurred any expenditure on Research and Development.

#### C. Foreign Exchange Earning and Outgo:

- i) **The Foreign Exchange earning in terms of actual inflows:**

Export of goods calculated on a FOB basis during the Financial Year 2022-23 was Rs.57.10 lakh.

**ii) The Foreign Exchange outgo during the year in terms of actual outflows:**

Foreign Exchange outgo during the Financial Year 2022-23 was Rs.1413.55 lakhs.

For and on behalf of the Board

Sd/-

**Amar Doshi**

Chairman & Managing Director

DIN:00856635

Date: August 05, 2023

Place: Surat



## CFO CERTIFICATION

(Pursuant to Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the Financial Year ended March 31, 2023)

To,  
The Board of Directors of  
**Aaron Industries Limited**

In accordance with Regulation 17(8) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby certify that:

- A. I have reviewed the Financial Statements and the Cash Flow Statement of Aaron Industries Limited for the year ended March 31, 2023, and that to the best of our knowledge and belief:
1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws, and regulations.
- B. There are to the best of my knowledge and belief, no transactions entered into by the Company during the year ended March 31, 2023, which are fraudulent, illegal, or violative of the Company's code of conduct.
- C. I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and I have not observed any deficiencies in the design or operation of such internal controls.
- D. I have indicated to the Auditors and the Audit Committee that there are:
- (i) No significant changes in internal control over financial reporting during the Financial Year 2022-23;
  - (ii) No significant changes in accounting policies during the Financial Year 2022-23; and
  - (iii) No instances of significant fraud where the involvement of the management or an employee having a significant role in the Company's internal control system over financial reporting have been observed.

For and on behalf of the Board

Sd/-

**Monish Doshi**

Director & Chief Financial Officer

Date: May 15, 2023

Place: Surat

**DECLARATION BY THE MANAGING DIRECTOR ON CODE OF CONDUCT AS REQUIRED BY SCHEDULE V OF SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.**

I, Amar Doshi, Chairman & Managing Director of the Company, hereby declare that all the Members of Board of Directors and Senior Management Personnel have affirmed compliance with Code of Conduct, as applicable to them, in respect of the Financial Year 2022-23.

For and on behalf of the Board

Sd/-

**Amar Doshi**

Chairman & Managing Director

DIN:00856635

Date: May 15, 2023

Place: Surat

### CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,  
The Members,  
**Aaron Industries Limited,**  
B-65 & 66, Jawahar Road No. 4,  
Udhyog Nagar, Udhana, Surat - 394210

We have examined the relevant registers, records, forms, returns, and disclosures received from the Directors of Aaron Industries Limited having CIN-L31908GJ2013PLC077306 and having its registered office at B-65 & 66, Jawahar Road No.4, Udhyog Nagar, Udhana, Surat – 394210, Gujarat (hereinafter referred to as ‘the Company’), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V- Para C Sub-clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

Sr. No.	Name of Director	DIN	Date of Appointment in the Company
1	Amar Chinubhai Doshi	00856635	23/10/2013
2	Karan Amar Doshi	06690242	23/10/2013
3	Monish Amarbhai Doshi	06690246	23/10/2013
4	Hetal Mehta	03370244	01/02/2018
5	Pradeepkumar Sanmukhlal Choksi	02709943	01/02/2018
6	Shrungi Kiranbhai Desai	08063562	01/02/2018

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

**For DHIRREN R. DAVE & CO.,**  
**COMPANY SECRETARIES**  
**UIN: P1996GJ002900**  
**P/R No.:2144/2022**

Sd/-  
**PINAL KANDARP SHUKLA**  
**Principal Partner**  
**ACS:28554 CP:10265**  
**UDIN: A028554E000748328**

Date: August 05, 2023  
Place: Surat

## INDEPENDENT AUDITOR'S REPORT

## To the Members of Aaron Industries Limited

## Report on the audit of Standalone Ind AS financial statements

## Opinion

We have audited the accompanying standalone Ind AS financial statements of Aaron Industries Limited ("the Company"), which comprise the Balance sheet as at March 31, 2023, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("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, 2023, its profit including other comprehensive income its cash flows and the changes in equity for the year ended on that date.

## Basis for opinion

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules 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 Ind AS financial statements.

## Key Audit Matters

Key audit matters ('KAM') 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 the matters described below to be the key audit matters to be communicated in our report.

**Description of Key Audit Matters**

The key audit matters	How the matter was addressed in our audit
<p>The company has a closing inventory of Rs. 1448.60 Lakhs as at March 31, 2023, the inventory constitutes approximately 37.37% (Last Year 23.94%) of total assets of the Company.</p> <p>We also notice increase in considerable increase in inventory at the year end.</p> <p>The Company is required to regularly establish amount of closing inventory on the basis of physical verification at the year-end as well as carry out valuation as per Ind As 2.</p> <p>The company carries a large number of items of inventory both raw material and finished goods with different characteristics. The inventory is kept at two locations where manufacturing activities are carried out.</p> <p>This is a key audit matter as amount of inventory constitute a material item as compared to total assets of the company. Significant judgements and assumptions are involved in carrying out physical verification of inventory and in valuation of some of the items.</p> <p>The details of inventory is further disclosed in note 9 and 9.1 to the standalone financial statements.</p>	<ul style="list-style-type: none"> <li>• Evaluated the Company’s accounting policies pertaining to valuation of Inventory, including obsolete inventory.</li> <li>• Assessed and tested the design and operating effectiveness of the Company’s internal financial controls over Physical Verification of Inventory and movement of inventory between the two locations of the company.</li> <li>• Evaluated management’s assessment of recoverability of the value of inventory and conditions of inventory through inquiry with management</li> <li>• Assessed and reviewed the disclosures made by the Company in the standalone financial statements relating to inventory</li> </ul>

**Other Information**

The Company’s Board of Directors are responsible for the other information. The other information comprises the financial highlights, Management discussion and analysis report, Company information, Notice of AGM and Directors’ Report including corporate governance report but does not include the standalone Ind AS financial statements and our auditor’s report thereon. The financial highlights, Management discussion and analysis report, Company information, Notice of AGM and Directors’ Report including corporate governance report is expected to be made available to us after that date of this auditor’s report.

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

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

**Responsibilities of Management for Standalone Ind AS Financial Statements**

The Company’s Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a



true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended by the Companies (Indian Accounting Standards) Second Amendment Rules, 2019. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 standalone 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 standalone Ind AS 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.

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

### **Auditor's Responsibilities for the Audit of Standalone Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone Ind AS financial statements.

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

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls 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 auditor's report to the related disclosures in the financial

statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone 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 standalone financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements for the financial year ended March 31, 2023 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 Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended by the Companies (Indian Accounting Standards) Second Amendment Rules, 2019;

- (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting.
- (g) With respect to the other matters to be included in the Auditor’s Report in accordance with 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:
- i) The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements — Refer Note No 43 to the standalone Ind AS financial statements;
  - ii) The Company did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2023;
  - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv)
    - a. The Management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
    - b. The Management has represented, that, to the best of its knowledge and belief, as disclosed in the notes to accounts, no funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- c. Based on the audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provide under (a) & (b) above contain any material mis-statement.
  - v) As stated in Note 16.4 to the financial statements, the Board of Directors of the Company have proposed final dividend of Rs.1/- per equity share for the year, which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with Section 123 of the Act, as applicable.
  - vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company w.e.f. April 01, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.
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 P. J. Desai & Co.**  
**Chartered Accountants**  
**(Firm's Registration No.:102330W)**

Sd/-

**Pallav J Desai**  
**Partner**

**(Membership No.-039868)**  
**UDIN: 23039868BGWSCA7893**

**Date : May 15, 2023**

**Place: Surat**

## ANNEXURE - A TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Aaron Industries Limited of even date)

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

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

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

The Company's Management 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 the 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 with reference to these standalone Ind AS financial statements 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, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. 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 with reference to these standalone Ind AS financial statements 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 over financial reporting with reference to these standalone Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these standalone Ind AS financial statements, 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 judgement, including the assessment of the risks of material misstatement of the standalone Ind AS 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 over financial reporting with reference to these standalone Ind AS financial statements.

## Meaning of Internal Financial Controls over Financial Reporting with Reference to these Standalone Ind AS Financial Statements

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

## Inherent Limitations of Internal Financial Controls over Financial Reporting with Reference to Standalone Ind AS Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these standalone Ind AS financial statements, 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 with reference to standalone Ind AS financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these standalone Ind AS financial statements 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, adequate internal financial controls over financial reporting with reference to these standalone Ind AS financial statements and such internal financial controls over financial reporting with reference to these standalone Ind AS financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

**For P. J. Desai & Co.**  
**Chartered Accountants**  
**(Firm's Registration No.:102330W)**

Sd/-

**Pallav J Desai**

**Partner**

**(Membership No.:039868)**

**UDIN: 23039868BGWSCA7893**

**Date : May 15, 2023**

**Place: Surat**



## ANNEXURE-B TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Aaron Industries Limited of even date)

In terms of the information and explanations sought by us and given by the company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we report that:

- (i)
  - (a)
    - (A) The company has maintained proper records showing full particulars, including quantitative details and situation of the property, plant and equipment.
    - (B) The company has maintained proper records showing full particulars intangible asset.
  - (b) As explained to us, the company has verified its property, plant and equipment in accordance with a program of physical verification which in our opinion provides for a physical verification of its items of PPE, Work in progress at reasonable intervals, looking to size of the company and its nature of assets and its activities. No material discrepancies were noticed on such physical verification.
  - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, we report that title deeds of all the immovable properties of land and buildings (other than the properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in Property, Plant and Equipment and capital work-in-progress are held in the name of the Company as at balance sheet date. As confirmed by the management Immovable properties of land and buildings owned by the company whose title deeds have been pledged as security for loans are held in the name of the Company.
  - (d) According to the information and explanations given to us, the Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) and intangible assets during the year.
  - (e) To the best of our knowledge and according to the information and explanations given to us, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder
- (ii)
  - (a) The company has conducted the physical verification of inventory at reasonable intervals during the year. In our opinion and based on the information and explanation given to us, the coverage and procedure of such verification by Management is appropriate having regard to the size of the Company and nature of its operations. As per information and explanations furnished to us day to day stock records are not kept in sufficient details hence we are unable to comment whether material discrepancies, if any, were noticed on such verification.

- (b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of Rs.5 crores, in aggregate, at points of time during the year, from bank on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns or statements comprising of value of closing stock of inventory, receivables and payables filed by the Company with such bank are not in agreement with the audited books of account of the Company of the respective quarters. The details of differences are stated as under.

(Rs. in Lakhs)

Month	Details	Books	Bank	Difference
Jun-21	Stocks	667.87	671.15	-3.28
	Debtors	229.77	153.51	76.26
	Creditor	161.88	161.07	0.80
Sep-21	Stocks	785.74	785.57	0.17
	Debtors	218.51	86.62	131.89
	Creditor	172.83	52.69	120.14
Dec-21	Stocks	760.45	760.11	0.34
	Debtors	203.63	203.82	-0.19
	Creditor	137.82	146.04	-8.22
Mar-22	Stocks	710.97	695.96	15.01
	Debtors	277.67	277.89	-0.22
	Creditor	215.92	227.11	-11.19

(iii)

- (a) The Company has provided loans during the year and the outstanding balance of loans as at March 31, 2023 are given below

Particulars	Amount (Rs. in Lakhs)
Loan given to Employees	10.04

- (b) In our opinion the terms and conditions of the loans granted by the Company to employees are not prejudicial to the Company's interest.
- (c) The Company has granted loans to employees. In our opinion the repayments of principal amounts and receipts of interest are regular.
- (d) In respect of loans granted, there are no amounts overdue for more than 90 days as at the balance sheet date.
- (e) As per information and explanations provided to us and as per our examination, we report that, there are no loans which have fallen due during the year and have been renewed or extended or fresh loans are granted to settle the overdue of the existing loans given to the same parties.
- (f) As per information and explanations provided to us and as per our examination, we report that the company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying terms or period of repayment.
- (iv) In our opinion and according to the information and explanations given to us, 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.

- (v) According to the information and explanations given to us, the Company has not accepted any deposit or amount which are deemed to be deposit. Hence reporting under clause (v) of the order is not applicable.
- (vi) According to the information and explanations given to us, the company is required to maintain the cost records specified by the Central Government under section 148(1) of the Companies Act, 2013. In our opinion the cost records maintained by the Company are prima facie incomplete
- (vii) According to the information and explanations given to us, in respect of statutory dues
- (a) The amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities.
- According to the information and explanations given to us, no undisputed amounts payable in respect of applicable statutory dues were in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.
- (b) There are no outstanding statutory dues in arrears for a period of more than six months as at March 31, 2023. Hence, reporting under sub-clause (b) of clause (vii) of the order is not applicable.
- (viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.
- (ix)
- (a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
- (b) The company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion and according to the information and explanations given to us, the company has utilized the money obtained by way of term loans during the year for the purposes for which they were obtained.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis, have prima facie, not been used during the year for the long term purposes by the Company.
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary or joint venture.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiary or joint venture.

- (x)
- (a) The Company has not raised money by way of an initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 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 (x)(b) of the Order is not applicable to the Company.
- (xi)
- (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
  - (b) To the best of our knowledge, 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) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year and up to the date of this report.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv)
- (a) In our opinion, the Company has an adequate internal audit system commensurate with the size and nature of its business.
  - (b) We have considered, the internal audit reports issued to the Company during the year and covering the period up to March 31, 2023.
- (xv) In our opinion during the year the Company has not entered into any non-cash transactions with any of its directors or directors of its holding company, subsidiary company, or persons connected with such directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b), (c) & (d) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization 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.

- (xx) The section 135 of the Companies Act, 2013 is not applicable to the Company. Hence, reporting under the clause (xx) of the Order is not required.
- (xxi) This clause (xxi) of the order is not applicable.

**For P. J. Desai & Co.  
Chartered Accountants  
(Firm's Registration No.- 102330W)**

Sd/-

**Pallav J Desai**

**Partner**

**(Membership No.-039868)**

**UDIN: 23039868BGWSCA7893**

**Date : May 15, 2023**

**Place: Surat**

## STANDALONE BALANCE SHEET AS AT MARCH 31, 2023

(₹ in Lakhs)

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
<b>ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Property, Plant and Equipment	4	1882.59	1483.11
(b) Capital work-in-progress	5	40.88	75.66
(c) Investment Property		-	-
(d) Goodwill		-	-
(e) Other Intangible assets	6	9.26	1.95
(f) Intangible assets under development		-	-
(g) Biological Assets other than bearer plants		-	-
(h) Financial Assets		-	-
(i) Investments		-	-
(ii) Loans		-	-
(iii) Others	7	21.56	21.04
(i) Deferred tax assets (net)		-	-
(j) Income Tax Assets (net)	8	-	4.11
(k) Other non-current assets		-	-
<b>Total Non-Current Assets</b>		<b>1954.29</b>	<b>1585.88</b>
<b>(2) Current Assets</b>			
(a) Inventories	9	1448.60	710.97
(b) Financial Assets			
(i) Investments		-	-
(ii) Trade receivables	10	253.94	244.82
(iii) Cash and cash equivalents	11	4.79	3.48
(iv) Other bank balances	12	89.67	25.87
(v) Loans	13	10.04	4.56
(vi) Others		-	-
(c) Current Tax Assets (Net)		-	-
(d) Other current assets	14	114.85	394.61
<b>Total Current Assets</b>		<b>1921.89</b>	<b>1384.31</b>
Assets classified as held for sale/Assets included in disposal group(s) held-for-sale		-	-
<b>Total Assets</b>		<b>3876.18</b>	<b>2970.18</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	15	1004.39	1004.39
(b) Instruments entirely equity in nature		-	-
(c) Other Equity	16	1043.51	584.53
<b>Total Equity</b>		<b>2047.90</b>	<b>1588.92</b>



<b>Liabilities</b>			
<b>(1) Non-Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	<b>17</b>	<b>546.37</b>	577.56
(ia) Lease Liabilities		-	-
(ii) Other financial liabilities		-	-
(b) Provisions		-	-
(c) Deferred tax liabilities (Net)	<b>18</b>	<b>108.78</b>	82.15
(d) Other non-current liabilities		-	-
<b>Total Non-Current Liabilities</b>		<b>655.15</b>	659.71
<b>(2) Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	<b>19</b>	<b>590.97</b>	337.85
(ia) Lease Liabilities		-	-
(ii) Trade payables			
(A) due to micro enterprises and small enterprises	<b>20</b>	<b>113.10</b>	85.40
(B) due to other than micro enterprises and small enterprises	<b>20</b>	<b>277.59</b>	136.99
(iii) Other financial liabilities	<b>21</b>	<b>39.48</b>	37.10
(b) Other current liabilities	<b>22</b>	<b>145.23</b>	118.90
(c) Provisions		-	-
(d) Current Tax Liabilities (Net)	<b>23</b>	<b>6.75</b>	5.31
<b>Total Current Liabilities</b>		<b>1173.13</b>	<b>721.55</b>
Liabilities classified as held for sale / Liabilities included in disposal group held-for-sale		-	-
<b>Total Equity and Liabilities</b>		<b>3876.18</b>	<b>2970.18</b>
<b>Significant Accounting Policies and Notes to Standalone Financial Statements</b>	<b>1- 48</b>		

As per our report of even date attached

For P J Desai & Co.  
Chartered Accountants

For and on behalf of the Board

Sd/-  
**CA Pallav Desai**  
Partner  
M No. 039868 FRN 102330W  
**UDIN: 23039868BGWSCA7893**

Sd/-  
**Amar Doshi**  
Chairman & Managing Director  
DIN: 00856635

Sd/-  
**Karan Doshi**  
Whole Time Director  
DIN: 06690242

Place : Surat  
Date : May 15, 2023

Sd/-  
**Monish Doshi**  
Director & CFO  
DIN: 06690246

Sd/-  
**Nitinkumar Maniya**  
Company Secretary

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023

(₹ in Lakhs)

Sr. No.	Particulars	Note No.	For the year ended March 31, 2023	For the year ended March 31, 2022
I	Revenue from operations	24	5584.97	3774.12
II	Other income	25	6.33	3.60
III	<b>Total income (I+II)</b>		<b>5591.30</b>	<b>3777.73</b>
IV	<b>EXPENSES</b>			
	Cost of materials consumed	26	3975.25	2408.67
	Purchase of Stock in trade	27	171.26	216.33
	Changes in Inventories of finished goods, Stock- in- trade and work-in-progress	28	(330.82)	(48.20)
	Employee benefits expense	29	407.50	322.34
	Finance costs	30	100.95	19.26
	Depreciation and amortization expense	31	115.38	84.99
	Other expenses	32	408.02	288.25
	<b>Total expenses (IV)</b>		<b>4847.84</b>	<b>3291.65</b>
V	<b>Profit/(loss) before exceptional items and tax (III-IV)</b>		<b>743.46</b>	<b>486.08</b>
VI	Exceptional items			
VII	<b>Profit/(loss) before tax (V-VI)</b>		<b>743.46</b>	<b>486.08</b>
VIII	<b>Tax expense:</b>	33		
	(a) Current tax		175.79	97.43
	(b) Deferred tax		27.06	18.18
	(c) Short/(excess) provisions of current tax earlier years		0.18	(0.45)
IX	<b>Profit /(loss) for the period from continuing operations (VII-VIII)</b>		<b>540.44</b>	<b>370.92</b>
X	<b>Profit/(loss) from discontinued operations</b>		-	-
XI	<b>Tax expense of discontinued operations</b>		-	-
XII	<b>Profit/(loss) from discontinued operations (after tax) (X-XI)</b>		-	-
XIII	<b>Profit/(loss) for the period (IX+XII)</b>		<b>540.44</b>	<b>370.92</b>
XIV	<b>Other comprehensive income</b>	34		
	A (i) Items that will not be reclassified to profit or loss		(1.54)	0.95
	(ii) Income tax relating to items that will not be reclassified to profit or loss		(0.43)	0.26
	B (i) Items that will be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
XV	<b>Total Comprehensive Income for the period (XIII+XIV)</b>		<b>539.33</b>	<b>371.60</b>
XVI	<b>Earnings per equity share (for continuing operation) Basic &amp; Diluted</b>		<b>5.37</b>	<b>3.70</b>
XVII	<b>Earnings per equity share (for discontinued operation) Basic &amp; Diluted</b>		-	-
XVIII	<b>Earnings per equity share (for discontinued &amp; continuing operations) Basic &amp; Diluted</b>		<b>5.37</b>	<b>3.70</b>
	<b>Significant Accounting Policies and Notes to Standalone Financial Statements</b>	1-48		

As per our report of even date attached

**For P J Desai & Co.**  
Chartered Accountants

**For and on behalf of the Board**

**Sd/-**  
**CA Pallav Desai**  
Partner  
M No. 039868 FRN 102330W  
**UDIN: 23039868BGWSCA7893**

**Place :** Surat  
**Date :** May 15, 2023

**Sd/-**  
**Amar Doshi**  
Chairman & Managing Director  
DIN: 00856635

**Sd/-**  
**Monish Doshi**  
Director & CFO  
DIN: 06690246

**Sd/-**  
**Karan Doshi**  
Whole Time Director  
DIN: 06690242

**Sd/-**  
**Nitinkumar Maniya**  
Company Secretary

## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2023

(₹ in Lakhs)

Particulars	For the year ended on March 31, 2023	For the year ended on March 31, 2022
<b>Cash Flow from Operating Activities</b>		
<b>Net Profit Before Tax</b>	<b>743.46</b>	<b>486.08</b>
Add: Depreciation	115.38	84.99
Assets Written off	-	2.07
Loss on sale of Fixed Asset	1.52	0.12
Interest/Dividend	100.95	19.26
	<b>961.32</b>	<b>592.52</b>
Less: Investment Income	3.94	3.60
Profit on sale of Fixed Asset	1.90	0.00
<b>Operating Profit before Working Capital Changes</b>	<b>955.49</b>	<b>588.92</b>
<b>Adjustment for Working Capital Changes</b>		
<b>Cash Inflow</b>		
Increase in Trade Payables	168.29	127.45
Increase in Other Current Liabilities	26.33	52.41
(Increase)/Decrease in Other Current Assets	278.22	(380.92)
Decrease in Other Current Financial Liabilities	2.38	14.83
	<b>475.23</b>	<b>(186.23)</b>
<b>Cash Outflow</b>		
Increase in Inventories	737.63	98.64
Increase in Trade Receivable	9.12	72.11
Increase Current Loan (Asset)	5.47	0.00
Decrease/(Increase) in Other Financial Assets	-	0.08
Decrease Other Current Financial Assets	-	0.26
	<b>752.22</b>	<b>171.10</b>
<b>Cash From Operations</b>	<b>678.49</b>	<b>231.60</b>
Interest Paid	100.95	19.26
Direct Taxes Paid	170.40	94.97
	<b>271.35</b>	<b>114.23</b>
<b>Net Cash Flow from Operating Activities</b>	<b>407.13</b>	<b>117.37</b>
	A	
<b>Cash Flow from Investing Activities</b>		
Net Purchases of Fixed Assets	(407.13)	(309.29)
Increase in Other Non-Current Financial Assets	(0.52)	-
Interest Income received	3.94	3.60
Decrease/(Increase) in Loans	-	(1.80)
<b>Net Cash Used in Investing Activities</b>	<b>(483.59)</b>	<b>(307.50)</b>
	B	

<b>Cash Flow from financing Activities</b>			
Increase/(decrease) in Non-Current Borrowings		<b>(31.19)</b>	159.71
Dividend paid		<b>(80.35)</b>	-
Increase/(Decrease) in other bank balances		<b>(63.81)</b>	(17.12)
Increase/(Decrease) in Current Borrowings		<b>253.12</b>	48.80
<b>Net Cash inflow from Financing Activities</b>	<b>C</b>	<b>77.78</b>	<b>191.39</b>
Net Cash Changes		<b>1.32</b>	1.26
Cash and Cash equivalents Opening		<b>3.48</b>	2.22
Cash and Cash equivalents Closing		<b>4.79</b>	3.48

Note: The Cash flow Statement has been prepared under Indirect Method as set out in IND AS-7.

**For P J Desai & Co.**  
Chartered Accountants

**For and on behalf of the Board**

**Sd/-**  
**CA Pallav Desai**  
Partner  
M No. 039868 FRN 102330W  
**UDIN: 23039868BGWSCA7893**

**Sd/-**  
**Amar Doshi**  
Chairman & Managing Director  
DIN: 00856635

**Sd/-**  
**Karan Doshi**  
Whole Time Director  
DIN: 06690242

**Place :** Surat  
**Date :** May 15, 2023

**Sd/-**  
**Monish Doshi**  
Director & CFO  
DIN: 06690246

**Sd/-**  
**Nitinkumar Maniya**  
Company Secretary

## Statement of changes in Equity for the year ended March 31, 2023

## A. Equity Share Capital

As on March 31, 2023

(₹ in Lakhs)

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
1004.39	-	1004.39	-	1004.39

As on March 31, 2022

(₹ in Lakhs)

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
1004.39	-	1004.39	-	1004.39

## B. Other Equity

(₹ in Lakhs)

Particulars	Reserve & Surplus		Items of Other Comprehensive Income	Total Other Equity
	Securities Premium Account	Retained Earnings	Remeasurement of defined benefit	
<b>Balance as at April 01, 2021</b>	-	<b>213.79</b>	<b>(0.86)</b>	<b>212.92</b>
Changes in accounting policy or prior period item	-	-	-	-
<b>Restated balance at the beginning of the current reporting period</b>	-	<b>213.79</b>	<b>(0.86)</b>	<b>212.92</b>
Profit/(Loss) for the year	-	370.92	-	<b>370.92</b>
Other Comprehensive income/(expense) for the year [net of tax]	-	-	0.68	<b>0.68</b>
<b>Total Comprehensive Income the period</b>	-	<b>370.92</b>	<b>0.68</b>	<b>371.60</b>
<b>Balance as at March 31, 2022</b>	-	<b>584.71</b>	<b>(0.18)</b>	<b>584.53</b>
<b>Balance as at April 01, 2022</b>	-	<b>584.71</b>	<b>(0.18)</b>	<b>584.53</b>
Changes in accounting policy or prior period item	-	-	-	-
<b>Restated balance at the beginning of the current reporting period</b>	-	<b>584.71</b>	<b>(0.18)</b>	<b>584.53</b>
Profit/(Loss) for the year	-	540.44	-	<b>540.44</b>
Dividend including tax (Refer Note 16.4)	-	(80.35)	-	<b>(80.35)</b>
Other Comprehensive income/(expense) for the year [net of tax]	-	-	(1.11)	<b>(1.11)</b>
<b>Total Comprehensive Income the period</b>	-	<b>460.09</b>	<b>(1.11)</b>	<b>458.98</b>
<b>Balance as at March 31, 2023</b>	-	<b>1044.80</b>	<b>(1.29)</b>	<b>1043.51</b>

As per our report of even date attached



**For P J Desai & Co.**  
Chartered Accountants

**For and on behalf of the Board**

**Sd/-**  
**CA Pallav Desai**  
Partner  
M No. 039868 FRN 102330W  
**UDIN: 23039868BGWSCA7893**

**Sd/-**  
**Amar Doshi**  
Chairman & Managing Director  
DIN: 00856635

**Sd/-**  
**Karan Doshi**  
Whole Time Director  
DIN: 06690242

Place : Surat  
Date : May 15, 2023

**Sd/-**  
**Monish Doshi**  
Director & CFO  
DIN: 06690246

**Sd/-**  
**Nitinkumar Maniya**  
Company Secretary

## Notes to the Standalone financial statements

## 4. PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakhs)

Particulars / Assets	GROSS BLOCK - AT COST					DEPRECIATION					NET BLOCK
	As at April 01, 2022	Adjustment	Additions during the year	Deletion during the year	As at March 31, 2023	Upto April 01, 2022	Adjustment	Provided during the year	Deletion during the year	Upto March 31, 2023	As at March 31, 2023
Free Hold land	52.95	-	18.02	-	70.97	-	-	-	-	-	70.97
Building	558.91	-	105.82	-	664.73	40.94	-	19.55	-	60.50	604.23
Computers	13.84	(2.11)	3.58	2.19	13.13	7.06	(0.60)	2.73	2.12	7.07	6.06
Electrical Installation	73.29	5.74	12.46	-	91.49	17.33	0.68	8.13	-	26.14	65.35
Furniture & Fixtures	10.37	-	8.88	-	19.25	2.04	-	1.29	-	3.34	15.91
Vehicles	58.87	-	41.63	10.75	89.75	23.05	-	9.04	6.52	25.58	64.17
Office Equipment	5.15	2.64	5.91	-	13.71	2.09	0.80	2.24	-	5.14	8.57
Plant and Machinery	889.89	(6.28)	327.59	8.83	1202.37	135.41	(1.09)	68.36	3.05	199.64	1002.74
Solar Rooftop System	50.30	-	-	-	50.30	2.53	-	3.19	-	5.72	44.58
<b>TOTAL</b>	<b>1713.57</b>	<b>0.00</b>	<b>523.90</b>	<b>21.77</b>	<b>2215.70</b>	<b>230.46</b>	<b>(0.21)</b>	<b>114.54</b>	<b>11.68</b>	<b>333.11</b>	<b>1882.59</b>

Particulars / Assets	GROSS BLOCK - AT COST					DEPRECIATION					NET BLOCK
	As at April 01, 2021	Adjustment	Additions during the year	Deletion during the year	As at March 31, 2022	Upto April 01, 2022	Adjustment	Provided during the year	Deletion during the year	Upto March 31, 2022	As at March 31, 2022
Free Hold land	52.95	-	-	-	52.95	-	-	-	-	-	52.95
Building	533.87	-	25.04	-	558.91	23.65	-	17.30	-	40.94	517.96
Computers	9.74	-	4.87	0.76	13.84	5.19	-	2.61	0.74	7.06	6.79
Electrical Installation	72.04	-	1.25	-	73.29	10.32	-	7.00	-	17.33	55.96
Furniture & Fixtures	7.49	-	2.88	-	10.37	1.25	-	0.79	-	2.04	8.33
Vehicles	57.93	-	0.94	-	58.87	16.09	-	6.97	-	23.05	35.81
Office Equipment	4.62	-	0.53	-	5.15	1.20	-	0.90	-	2.09	3.06
Plant and Machinery	695.14	-	197.04	2.29	889.89	89.38	-	46.14	0.11	135.41	754.48
Solar Rooftop System	-	-	50.30	-	50.30	-	-	2.53	-	2.53	47.77
<b>TOTAL</b>	<b>1433.78</b>	<b>-</b>	<b>282.84</b>	<b>3.05</b>	<b>1713.57</b>	<b>147.08</b>	<b>-</b>	<b>84.23</b>	<b>0.85</b>	<b>230.46</b>	<b>1483.11</b>

Note:

- 1) Refer to note 17.2 for information on property, plant and equipment pledged as security by the Company.
- 2) All the immovable property is held in the name of the company.
- 3) During the F.Y.2022-23, adjustments were made in gross block and depreciation to correct the classification in respect of items of Property, Plant and Equipment.
- 4) Balance of Cumulative depreciation of Plant & Machinery is adjusted for Rs.0.21/- Lakh to correct calculation to give effect of subsidy. Adjustment is not Material.

## 5. CAPITAL WORK IN PROGRESS

(₹ in Lakhs)

Particulars / Assets	As on March 31, 2023					As on March 31, 2022				
	< 1 year	1-2 years	2-3 years	More than 3 years	Total	< 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	40.88	-	-	-	40.88	75.66	-	-	-	75.66
Projects temporarily suspended	-	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>40.88</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>40.88</b>	<b>75.66</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>75.66</b>

- 1) There are no capital work in progress as on March 31, 2023 and March 31, 2022 whose completion is overdue or has exceeded its cost compared to its original plan.

## 6 INTANGIBLE ASSETS

(₹ in Lakhs)

Particulars / Assets	GROSS BLOCK - AT COST					DEPRECIATION					NET BLOCK
	As at April 01, 2022	Adjustment	Additions during the year	Deletion during the year	As at March 31, 2023	Upto April 01, 2022	Adjustment	Provided during the year	Deletion during the year	Upto March 31, 2023	As at March 31, 2023
Computer Software	6.36		8.36	-	14.72	4.41		1.05	-	5.46	9.26
<b>TOTAL</b>	<b>6.36</b>		<b>8.36</b>	<b>-</b>	<b>14.72</b>	<b>4.41</b>		<b>1.05</b>	<b>-</b>	<b>5.46</b>	<b>9.26</b>

(₹ in Lakhs)

Particulars / Assets	GROSS BLOCK - AT COST					DEPRECIATION					NET BLOCK
	As at April 01, 2021	Adjustment	Additions during the year	Deletion during the year	As at March 31, 2022	Upto April 01, 2021	Adjustment	Provided during the year	Deletion during the year	Upto March 31, 2022	As at March 31, 2022
Computer Software	5.26		1.10	-	6.36	3.65		0.76	-	4.41	1.95
<b>TOTAL</b>	<b>5.26</b>		<b>1.10</b>	<b>-</b>	<b>6.36</b>	<b>3.65</b>		<b>0.76</b>	<b>-</b>	<b>4.41</b>	<b>1.95</b>

**7. Financial Assets - Others****(₹ in Lakhs)**

Particulars	As at March 31, 2023	As at March 31, 2022
Interest Accrued on deposits and loans		
- Considered Good	0.74	0.90
- Considered Doubtful	-	-
Less: Impairment for doubtful receivables	-	-
	0.74	0.90
Security Deposit	20.83	20.15
<b>Total</b>	<b>21.56</b>	<b>21.04</b>

**8. Current Tax Assets****(₹ in Lakhs)**

Particulars	As at March 31, 2023	As at March 31, 2022
Income tax refund (A.Y.2020-21)	-	4.11
<b>Total</b>	<b>-</b>	<b>4.11</b>

**9. Inventories****(₹ in Lakhs)**

Particulars	As at March 31, 2023	As at March 31, 2022
Raw Material	727.03	333.37
Work in Progress	124.13	60.38
Stock in Trade	86.57	45.31
Finished goods	485.44	259.62
Packing Material	6.49	5.83
Stores and Spares	18.94	6.46
<b>Total</b>	<b>1448.60</b>	<b>710.97</b>

9.1 Inventory of Raw Material includes goods in transit of Rs.56.65 Lakhs and inventory of Stock in Trade includes goods in transit of Rs.21.95 Lakhs.

**10. Trade Receivables****(₹ in Lakhs)**

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured, Considered good		
-Due from Related Parties	-	-
-Others	294.22	277.67
Secured, Considered Good	-	-
Significant increase in credit risk	-	-
Credit impaired	-	-
Less : Impairment for doubtful receivables	(40.28)	(32.85)
<b>Total</b>	<b>253.94</b>	<b>244.82</b>

10.1 Generally, the Company enters into long-term sales arrangement with its customers. The credit period on sales is generally 0 to 45 days.

Ageing of Trade Receivables	As on March 31, 2023							(₹ in Lakhs)
Particulars	Not due	Outstanding for following periods from due date of Payments						
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total	
<b>Undisputed Trade Receivables</b>	-	-	-	-	-	-	-	-
Considered good	218.00	47.61	11.11	0.13	2.09	15.28	<b>294.22</b>	
Significant increase in credit risk	-	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-	-
<b>Disputed Trade Receivables</b>	-	-	-	-	-	-	-	-
Considered good	-	-	-	-	-	-	-	-
Significant increase in credit risk	-	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-	-
<b>Gross Total</b>	<b>218.00</b>	<b>47.61</b>	<b>11.11</b>	<b>0.13</b>	<b>2.09</b>	<b>15.28</b>	<b>294.22</b>	
Less : Impairment for doubtful receivables	-	-	-	-	-	-	-	<b>(40.28)</b>
<b>Net Total</b>	<b>218.00</b>	<b>47.61</b>	<b>11.11</b>	<b>0.13</b>	<b>2.09</b>	<b>15.28</b>	<b>253.94</b>	

Ageing of Trade Receivables	As on March 31, 2022							(₹ in Lakhs)
Particulars	Not due	Outstanding for following periods from due date of Payments						
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total	
<b>Undisputed Trade Receivables</b>								
Considered good	219.76	34.27	1.45	4.39	0.37	1.27	<b>261.51</b>	
Significant increase in credit risk								
Credit impaired								
<b>Disputed Trade Receivables</b>								
Considered good	-	-	-	-	-	16.17	<b>16.17</b>	
Significant increase in credit risk								
Credit impaired								
<b>Gross Total</b>	<b>219.76</b>	<b>34.27</b>	<b>1.45</b>	<b>4.39</b>	<b>0.37</b>	<b>17.43</b>	<b>277.67</b>	
Less : Impairment for doubtful receivables	-	-	-	-	-	-	-	<b>(32.85)</b>
<b>Net Total</b>	<b>219.76</b>	<b>34.27</b>	<b>1.45</b>	<b>4.39</b>	<b>0.37</b>	<b>17.43</b>	<b>244.82</b>	

**11 Cash and Cash Equivalents****(₹ in Lakhs)**

Particulars	As at March 31, 2023	As at March 31, 2022
Cash on hand	4.79	3.48
<b>Total</b>	<b>4.79</b>	<b>3.48</b>

11.1 Cash and Cash equivalents include cash on hand, cheques, drafts on hand, cash at bank and deposits with original maturity of 3 months or less.

**12. Other Bank balances****(₹ in Lakhs)**

Particulars	As at March 31, 2023	As at March 31, 2022
Earmarked bank deposits	89.67	25.87
<b>Total</b>	<b>89.67</b>	<b>25.87</b>

12.1 The earmarked deposits are maintained by the Company with banks for availing letter of credit facility.

**13. Loans****(₹ in Lakhs)**

Particulars	As at March 31, 2023	As at March 31, 2022
<b>(Unsecured, Considered Good unless Otherwise Stated)</b>		
<b>Loans to Employees</b>		
- Secured, Considered Good	-	-
- Unsecured, Considered Good	10.04	4.8
- Significant increase in credit risk	-	-
- Credit impaired	-	-
Less: Impairment for doubtful loans	-	0.42
<b>Total</b>	<b>10.04</b>	<b>4.56z</b>

**14. Other Current Assets****(₹ in Lakhs)**

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Unsecured, considered good</b>		
Balance with Government Authorities	14.34	43.52
Prepaid Expenses	9.17	6.97
Capital Advances	19.53	26.74
Prepaid Long term Employee Benefits	5.12	5.49
Advances to vendors	66.68	311.89
Others	-	-
<b>Total</b>	<b>114.85</b>	<b>394.61</b>

**15. Equity Share Capital****(₹ in Lakhs)**

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Authorised</b>		
1,10,00,000 Equity Shares of ₹ 10/- each	1100.00	1100.00
<b>Total</b>	<b>1100.00</b>	<b>1100.00</b>
<b>Issued, Subscribed and Fully Paid Up</b>		
1,00,43,939 Equity Shares of ₹ 10/-each	1004.39	1004.39
<b>Total</b>	<b>1004.39</b>	<b>1004.39</b>



### 15.1 Reconciliation of number of equity shares outstanding at the beginning and at the end of reporting period is as under:

Particulars	No. of Shares	Share Capital (₹ in Lakhs)
As at April 01, 2021	1,00,43,939	1004.39
Additions/(Reductions)	-	-
As at March 31, 2022	1,00,43,939	1004.39
<b>As at April 01, 2022</b>	<b>1,00,43,939</b>	<b>1004.39</b>
<b>Additions/(Reductions)</b>	<b>-</b>	<b>-</b>
<b>As at March 31, 2023</b>	<b>1,00,43,939</b>	<b>1004.39</b>

### 15.2 Details of Shareholders holding more than 5 % share in Company:

Name	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	% of Shares Holding	No. of Shares	% of Shares Holding
Amar Chinubhai Doshi	26,52,252	26.41%	26,52,252	26.41%
Karan Amar Doshi	14,34,122	14.28%	14,34,122	14.28%
Monish Amar Doshi	13,96,654	13.91%	13,96,654	13.91%
Radhika Amar Doshi	11,12,070	11.07%	11,12,070	11.07%
<b>Total</b>	<b>65,95,098</b>	<b>65.66%</b>	<b>65,95,098</b>	<b>65.66%</b>

### 15.3 Details of shareholding by the Promoter/Promoter Group:

Promoter/Promoter Group Name	As at March 31, 2023		As at March 31, 2022		% Change during the year
	Number of shares	% holding	Number of shares	% holding	
<b>Promoter:</b>					
Amar Chinubhai Doshi	26,52,252	26.41	26,52,252	26.41	-
Karan Amar Doshi	14,34,122	14.28	14,34,122	14.28	-
Monish Amar Doshi	13,96,654	13.91	13,96,654	13.91	-
Radhika Amar Doshi	11,12,070	11.07	11,12,070	11.07	-
Toral Karan Doshi	1,02,077	1.02	1,02,077	1.02	-
Bhoomi Monish Doshi	97,667	0.97	97,667	0.97	-
<b>Promoter Group:</b>					
Amar Chinubhai Doshi (HUF)	2,71,291	2.70	2,71,291	2.70	-
Karan Amar Doshi (HUF)	1,47,341	1.47	1,47,341	1.47	-
Monish Amarbhai Doshi (HUF)	1,90,771	1.90	1,90,771	1.90	-
Falguni Rajiv Shah	63,000	0.63	63,000	0.63	-
Rajiv Chandrakant Shah	63,000	0.63	63,000	0.63	-
<b>Total</b>	<b>75,30,245</b>	<b>74.97</b>	<b>75,30,245</b>	<b>74.97</b>	<b>-</b>

% change during the year has been computed on the basis of the number of shares at the beginning of the year.

### 15.4 Right, Preferences and restrictions attached to Equity Shares

The Company has only one class of equity shares having a par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share. Any dividend declared by the company shall be paid to each holder of Equity shares in proportion to the number of shares held to total equity shares outstanding as on that date. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**16. Other Equity****(₹ in Lakhs)**

Particulars	As at March 31, 2023	As at March 31, 2022
Securities Premium	-	-
Retained Earnings	1043.51	584.53
<b>Total</b>	<b>1043.51</b>	<b>584.53</b>

**16.1 Particulars relating to Other Equity****(₹ in Lakhs)**

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Securities Premium</b>		
Balance at the beginning of the year	-	-
Addition/(Deduction) during the year	-	-
<b>Balance at the end of the year</b>	<b>-</b>	<b>-</b>
<b>Retained Earnings</b>		
Balance at the beginning of the year	584.53	212.92
Profit after tax for the year	540.44	370.92
Other comprehensive income for the year	(1.11)	0.68
<b>Less: Payments of dividends</b>	<b>(80.35)</b>	-
<b>Net</b>	<b>458.98</b>	<b>371.60</b>
<b>Balance at the end of the year</b>	<b>1043.51</b>	<b>584.53</b>
<b>Total</b>	<b>1043.51</b>	<b>584.53</b>

16.2 The General Reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the General Reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve is not reclassified subsequently to the Statement of Profit and Loss.

16.3 The amount that can be distributed by the Company as dividends to its equity shareholders is determined considering the requirements of the Companies Act, 2013 and the dividend distribution policy of the Company. Thus, the amount reported in General Reserve is not entirely distributable.

**16.4 Distributions Made and Proposed****(₹ in Lakhs)**

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Cash dividends on equity shares declared and paid</b>		
Final dividend for the year ended on March 31, 2022: ₹ 0.80 per share	80.35	-
<b>Proposed Dividends on Equity shares</b>		
Final dividend for the year ended on March 31, 2023: ₹ 1.00 per share	100.44	-

On September 16, 2022, a final dividend of ₹ 0.80 per share for 2021-22 was paid to holders of fully paid equity shares.

**17. Borrowings****(₹ in Lakhs)**

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Secured</b>		
Term Loans		
From Banks	<b>367.24</b>	<b>487.14</b>
<b>Unsecured</b>		
Loans from related parties	<b>179.13</b>	<b>90.42</b>
<b>Total</b>	<b>546.37</b>	<b>577.56</b>

**17.1 Term Loans from Banks consists of following:****(₹ in Lakhs)**

Term Loans	Year Ended	Current Maturities of each Loan	Amount of Each Loan Outstanding
A) HDFC Bank Car Loan -58296181_Hexa	<b>31-03-2023</b> 31-03-2022	<b>1.09</b> 4.16	<b>0.01</b> 1.09
B) HDFC Bank Car Loan_133144433_Harrier	<b>31-03-2023</b> 31-03-2022	<b>6.40</b> -	<b>12.59</b> -
C) HDFC Bank Car Loan_133150731_Swift	<b>31-03-2023</b> 31-03-2022	<b>2.10</b> -	<b>4.15</b> -
D) HDFC Vehicle Loan _134017302_Bolero	<b>31-03-2023</b> 31-03-2022	<b>2.88</b> -	<b>5.08</b> -
E) HDFC Bank Construction TL_83558395	<b>31-03-2023</b> 31-03-2022	<b>16.55</b> 23.18	<b>0.09</b> 16.43
F) HDFC Bank Loan Construction Phase_2 84556605	<b>31-03-2023</b> 31-03-2022	<b>8.02</b> 7.72	<b>12.41</b> 20.16
G) HDFC Bank Loan Machinery Phase_2 84557676	<b>31-03-2023</b> 31-03-2022	<b>59.87</b> 57.56	<b>92.57</b> 150.42
H) HDFC Bank Loan Machinery Phase_3 86024516	<b>31-03-2023</b> 31-03-2022	<b>41.22</b> 25.10	<b>153.13</b> 172.93
I) HDFC Bank Machinery TL_83610279	<b>31-03-2023</b> 31-03-2022	<b>24.26</b> 27.51	<b>0.14</b> 24.10
J) HDFC Bank TL Loan_ECLGS_452811097	<b>31-03-2023</b> 31-03-2022	- -	<b>86.99</b> 86.47
K) HDFC Car Loan_Nexon Zx	<b>31-03-2023</b> 31-03-2022	<b>2.69</b> 5.11	<b>0.02</b> 2.69
L) HDFC Machinery Loan TL_83222410	<b>31-03-2023</b> 31-03-2022	<b>13.01</b> 53.58	<b>0.07</b> 12.83

**17.2 Nature of security**

- (A) borrowings other than car loans referred to in a), b), c), d) and k) above are secured by the following:
- Industrial Property at Plot No. B-65 & 66 at Udhana, Surat owned by associate concerns and at Block No. 251, Mangrol, Kosamba owned by company.
  - Plant & Machinery @25%, New Plant & Machinery, FDR for LC, Other CA for LC, Debtors and Stock.
  - Personal guarantee of promoter directors, associate firms and their partners and their relatives.

(B) Car Loans referred to in a), b), c), d) and k) above are secured by hypothecation of vehicles.

**17.1 The terms of repayment of the above loans are as follows:**

(₹ in Lakhs)

Term Loans	Year Ended	Current Maturities of each Loan	Amount of Each Loan Outstanding
A) HDFC Bank Car Loan -58296181_Hexa	31-03-2023 31-03-2022	3 15	0.40 0.37
B) HDFC Bank Car Loan_133144433_Harrier	31-03-2023 31-03-2022	33 -	0.64 -
C) HDFC Bank Car Loan_133150731_Swift	31-03-2023 31-03-2022	33 -	0.21 -
D) HDFC Vehicle Loan _134017302_Bolero	31-03-2023 31-03-2022	31 -	0.28 -
E) HDFC Bank Construction TL_83558395	31-03-2023 31-03-2022	9 20	2.12 2.12
F) HDFC Bank Loan Construction Phase_2 84556605	31-03-2023 31-03-2022	28 40	0.79 0.79
G) HDFC Bank Loan Machinery Phase_2 84557676	31-03-2023 31-03-2022	29 40	5.90 5.90
H) HDFC Bank Loan Machinery Phase_3 86024516	31-03-2023 31-03-2022	49 57	4.82 2.78
I) HDFC Bank Machinery TL_83610279	31-03-2023 31-03-2022	10 22	2.55 2.55
J) HDFC Bank TL Loan_ECLGS_452811097	31-03-2023 31-03-2022	50 -	0.67 -
K) HDFC Car Loan_Nexon Zx	31-03-2023 31-03-2022	6 18	0.46 0.46
L) HDFC Machinery Loan TL_83222410	31-03-2023 31-03-2022	3 15	4.74 4.74

The applicable interest rate is subject to change in accordance with every reset/change of the Reference rate or change of the spread by the bank.

**18. Deferred tax Liabilities/(assets) (net)**

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred Tax Liabilities	121.12	92.32
Deferred Tax Assets	12.34	10.17
<b>Total</b>	<b>108.78</b>	<b>82.15</b>

**F.Y. 2022-23**

(₹ in Lakhs)

Particulars	Opening Balance	Recognized in Statement of Profit and Loss	Recognized in Other Comprehensive Income	Closing Balance
<b>Deferred tax liability on account of:</b>				
Property, Plant & Equipment and Intangible assets & Investment Property	92.32	28.80	-	121.12
<b>Total Deferred Tax Liabilities</b>	<b>92.32</b>	<b>28.80</b>	<b>-</b>	<b>121.12</b>

<b>Deferred tax asset on account of:</b>				
Provision for Doubtful debts	9.14	2.07	-	11.21
Unamortised preliminary expense-35D	0.96	(0.32)	-	0.64
Actuarial Loss	0.07	-	0.43	0.50
<b>Total Deferred Tax Assets</b>	<b>10.17</b>	<b>1.75</b>	<b>0.43</b>	<b>12.34</b>
<b>Net Deferred Tax</b>	<b>82.15</b>	<b>27.06</b>	<b>(0.43)</b>	<b>108.78</b>

## F.Y. 2021-22

(₹ in Lakhs)

Particulars	Opening Balance	Recognized in Statement of Profit and Loss	Recognized in Other Comprehensive Income	Closing Balance
<b>Deferred tax liability on account of:</b>				
Property, Plant & Equipment and Intangible assets & Investment Property	70.78	21.54	-	92.32
Interest on Planned Assets	0.28	(0.28)	-	-
<b>Total Deferred Tax Liabilities</b>	<b>71.06</b>	<b>21.26</b>	<b>-</b>	<b>92.32</b>
<b>Deferred tax asset on account of:</b>				
Provision for Doubtful debts	5.74	3.40	-	9.14
Unamortised preliminary expense-35D	1.28	(0.32)	-	0.96
Actuarial Loss	0.33	-	(0.26)	0.07
<b>Total Deferred Tax Assets</b>	<b>7.35</b>	<b>3.08</b>	<b>(0.26)</b>	<b>10.17</b>
<b>Net Deferred Tax</b>	<b>63.71</b>	<b>18.18</b>	<b>0.26</b>	<b>82.15</b>

## 19. Borrowings

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Secured Loans</b>		
From Banks	590.97	337.85
<b>Total</b>	<b>590.97</b>	<b>337.85</b>

The company has been sanctioned a CC limit of ₹ 7.50 crores from HDFC bank and is secured by

- Industrial Property at Plot No. B-65 & 66 at Udhana, Surat owned by associate concerns and at Block No. 251, Mangrol, Kosamba owned by company.
- Plant & Machinery @25%, New Plant & Machinery, FDR for LC, Other CA for LC, Debtors and Stock.
- Personal guarantee of promoter directors, associate firms and their partners and their relatives.

## 20. Trade Payables

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Micro, Small and Medium Enterprises	113.10	85.40
Others	277.59	136.99
<b>Total</b>	<b>390.69</b>	<b>222.39</b>

20.1 Payment towards trade payables is made as per the terms and conditions of the contract/purchase orders.

(₹ in Lakhs)

Ageing of Trade Payables	As at March 31, 2023				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
<b>Undisputed Trade Payables</b>					
MSME	113.10	-	-	-	<b>113.10</b>
Other Creditors	277.59	-	-	-	<b>277.59</b>
<b>Total</b>	<b>390.69</b>	-	-	-	<b>390.69</b>

(₹ in Lakhs)

Ageing of Trade Payables	As at March 31, 2022				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
<b>Undisputed Trade Payables</b>					
MSME	84.01	-	-	-	<b>84.01</b>
Other Creditors	138.39	-	-	-	<b>138.39</b>
<b>Total</b>	<b>222.39</b>	-	-	-	<b>222.39</b>

20.2 The amount due to Micro and Small Enterprises as defined in the “The Micro, Small and Medium Enterprises Development Act, 2006” has been determined to the extent such parties have been identified on the basis of information available with the Company. The disclosures relating to Micro and Small Enterprises are as below:

(₹ in Lakhs)

Trade Payables -Total outstanding dues of Micro & Small Enterprises*	As at March 31, 2023	As at March 31, 2022
Principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year	113.10	85.40
Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006	-	-
Interest accrued and remaining unpaid as at of end of each accounting year	-	-
Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise	-	-

\*Based on the confirmation from Vendors.

20.3 No interest during the year has been actually paid to Micro and Small Enterprise on delayed payments.

20.4 As per management's opinion, no interest is provided in books of accounts as there is no delay in payment to Micro and Small Enterprises.



**21. Other Financial Liabilities****(₹ in Lakhs)**

Particulars	As at March 31, 2023	As at March 31, 2022
Liability for Capital Goods	2.31	6.39
Liability for Employees	29.65	22.97
Expenses payable	7.52	7.74
<b>Total</b>	<b>39.48</b>	<b>37.10</b>

21.1 No amount is due for deposit in Investor Education and Protection Fund.

**22. Other Current Liabilities****(₹ in Lakhs)**

Particulars	As at March 31, 2023	As at March 31, 2022
Advance from Customers	136.44	77.62
Liability for Statutory Payments	8.79	41.28
Other liabilities	-	-
<b>Total</b>	<b>145.23</b>	<b>118.90</b>

**23. Current Tax Liabilities (Net)****(₹ in Lakhs)**

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Current Tax Liabilities</b>		
Provision for Income Tax	175.79	97.43
Less: Advance Tax	(165.00)	(90.00)
Less: Tax Collected at Source Receivable	(0.93)	(0.48)
Less: Tax Deducted at Source Receivable	(3.11)	(1.64)
<b>Total</b>	<b>6.75</b>	<b>5.31</b>

**24. Revenue from Operations****(₹ in Lakhs)**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Sale of Products</b>		
Domestic	5208.16	3420.40
Export	57.10	27.68
Trading Sales	212.29	270.79
<b>Sale of Services</b>	<b>102.99</b>	<b>54.05</b>
<b>Other Operating Revenues</b>		
Sale of scrap	-	-
Export Incentives	0.01	0.01
Miscellaneous Receipts	4.43	1.19
<b>Total</b>	<b>5584.97</b>	<b>3774.12</b>

**25. Other Income****(₹ in Lakhs)**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Interest income</b>		
on other financials assets carried on amortized cost	4.22	2.09
on other assets	-	-
<b>Other Non-Operating Revenue</b>		
Miscellaneous Income	2.11	1.52
<b>Total</b>	<b>6.33</b>	<b>3.60</b>

## 26. Cost of materials consumed

(₹ in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Raw materials consumed</b>		
Raw materials at the beginning of the year	333.37	276.00
Add: Purchases	4234.04	2363.59
Less: Raw materials at the end of the year	727.03	333.37
<b>Total cost of raw materials consumed (A)</b>	<b>3840.37</b>	<b>2306.23</b>
<b>Packing materials consumed</b>		
Packing materials at the beginning of the year	5.83	9.23
Add: Purchases	128.68	89.06
Less: Packing materials at the end of the year	6.49	5.83
<b>Total cost of packing materials consumed (B)</b>	<b>128.02</b>	<b>92.47</b>
<b>Stores &amp; Spares consumed</b>		
Stores & Spares at the beginning of the year	6.46	9.98
Add: Purchases	19.34	6.46
Less: Stores & Spares at the end of the year	18.94	6.46
<b>Total cost of Stores &amp; Spares consumed (C)</b>	<b>6.85</b>	<b>9.98</b>
<b>Total</b>	<b>3975.25</b>	<b>2408.67</b>

## 27. Purchase of Stock in Trade

(₹ in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Purchase of stock in trade	171.56	216.33
<b>Total</b>	<b>171.56</b>	<b>216.33</b>

## 28. Changes in Inventories

(₹ in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Opening stock:</b>		
Work-in-progress	60.38	40.35
Finished goods	259.62	214.56
Traded Goods	45.31	62.20
<b>Total (A)</b>	<b>365.31</b>	<b>317.11</b>
<b>Closing stock:</b>		
Work-in-progress	124.13	60.38
Finished goods	485.44	259.62
Traded Goods	86.57	45.31
<b>Total (B)</b>	<b>696.13</b>	<b>365.31</b>
<b>Total(A-B)</b>	<b>(330.82)</b>	<b>(48.20)</b>

## 29. Employee Benefits Expense

(₹ in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries, Wages and Bonus	358.70	285.46
Contribution to Provident and Other Funds	29.55	24.28
Gratuity Expenses	5.93	5.16
Staff welfare expenses	13.32	7.44
<b>Total</b>	<b>407.50</b>	<b>322.34</b>

## 30. Finance Costs

(₹ in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Interest on Financials Liabilities carried at Amortized Cost</b>		
Borrowings from banks	80.97	50.93
Others	16.25	10.32
Other borrowing costs	9.36	9.40
<b>Less:</b>		
Interest subsidy received	5.63	51.40
<b>Total</b>	<b>100.95</b>	<b>19.26</b>

## 31. Depreciation and amortization expense

(₹ in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation on Property Plant & Equipment (Refer note 4)	114.33	84.23
Amortization of Intangible assets (Refer note 6)	1.05	0.76
<b>Total</b>	<b>115.38</b>	<b>84.99</b>

## 32. Other Expenses

(₹ in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Administrative and other expenses	56.27	29.93
Advertisement and Sales Promotion	2.13	3.74
Asset written off	0.00	2.07
Allowance for doubtful debts and advances	7.43	12.65
Bad debt & Loans written off	1.83	0.17
Donation	0.11	0.55
Commission	17.71	12.20
Consultancy & Professional fees	17.71	21.98
Consumables	21.24	2.07
Exchange fluctuation (net)	4.72	2.80
Freight and handling charges	86.00	61.31
Insurance	3.81	1.60
Legal expenses	11.89	4.33
Loss on sale of property, plant and equipment - Net	0.00	0.12
Maintenance and upkeep	6.07	5.19
Other Manufacturing Expenses	11.05	9.07
Payment to Auditors	4.62	9.24
Power and fuel	82.12	44.47
Printing and stationery	2.03	0.93
Processing Expenses	13.19	25.41
Rent, Rates and taxes	5.81	7.74
Repairs		
- Machinery	43.24	24.50
- Others	0.54	0.51
Telephone and communication charges	0.98	0.98
Travelling and conveyance	7.53	4.72
<b>Total</b>	<b>408.02</b>	<b>288.25</b>

## (i) Payment to auditors has been classified below (Excluding Taxes)

(₹ in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(a) Audit Fees	3.25	3.25
(b) Tax Audit Fees	0.65	0.65
(c) Limited Review Fees	0.45	0.45
(d) Other Services	0.24	0.24
(e) Certification Fees	0.03	0.03
(f) Provision for current year	-	4.62
<b>Total</b>	<b>4.62</b>	<b>9.24</b>

For the financial year 2021-22, amount of Rs 4.62 Lakhs at point (f) pertains to provision made in books of accounts for the services provided by the statutory auditor.

## 33. Tax Expense

(₹ in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Current tax in relation to:</b>		
Current years	175.79	97.43
Earlier years	0.18	(0.45)
<b>Deferred Tax:</b>		
In respect of current year	27.06	18.18
<b>Total Income Tax expense recognised in the current year</b>	<b>203.02</b>	<b>115.16</b>

(i) The income tax expense for the year can be reconciled to the accounting profit as follows:

(₹ in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit before tax	743.46	486.08
Income tax expense calculated at 27.82%	206.83	135.23
<b>Tax effects of amounts which are not deductible/ (taxable) in calculating taxable income:</b>		
Expenses not allowed in Income Tax	(3.99)	(1.15)
Mat Credit u/s 115JB	-	(18.47)
Others	-	-
Adjustment of current tax of prior period	0.18	(0.45)
<b>Total Income Tax Expense as per P&amp;L a/c</b>	<b>203.02</b>	<b>115.16</b>

## 34. Other Comprehensive Income

(₹ in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>A - Items that will not be reclassified to Profit &amp; Loss</b>		
Changes in revaluation surplus	-	-
Re-measurements of the defined benefit plans	(1.54)	0.95
Fair value changes on Equity Instruments through other comprehensive income	-	-
Fair value changes relating to own credit risk of financial liabilities designated at fair value through profit or loss	-	-
Share of Other Comprehensive Income in Associates and Joint Ventures, to the extent not to be classified into profit or loss	-	-
Income tax related to above	(0.43)	0.26
	<b>(1.11)</b>	<b>0.68</b>
<b>B - Items that will be reclassified to Profit &amp; Loss</b>		
Exchange differences in translating the financial statements of a foreign operation	-	-
Fair value changes in Debt Instruments through other comprehensive income	-	-
The effective portion of gain and loss on hedging instruments in a cash flow hedge	-	-
Share of Other Comprehensive Income in Associates and Joint Ventures, to the extent to be classified into profit or loss	-	-
Income tax related to above	-	-
<b>Total</b>	<b>(1.11)</b>	<b>0.68</b>

## 35. Disclosures on financial instruments

This section gives an overview of the significance of financial instruments for the Company and provides additional information on balance sheet items that contain financial instruments.

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognized, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2.1 to the financial statements.

**(a) Financial assets and liabilities: Category wise Classification**

The following table presents the carrying amounts and fair value of each category of financial assets and liabilities.

I. Financial assets:		(₹ in Lakhs)		
Particulars	As at March 31, 2023		As at March 31, 2022	
	Carrying Value	Fair Value	Carrying Value	Fair Value
<b>Non-Current</b>				
<b>Measured at amortised cost</b>				
Security Deposit	21.56	21.56	21.04	21.04
<b>Total (A)</b>	<b>21.56</b>	<b>21.56</b>	<b>20.96</b>	<b>20.96</b>
<b>Current</b>				
<b>Measured at amortised cost</b>				
Trade and other receivables	253.94	253.94	244.82	244.82
Cash and cash equivalents	4.79	4.79	3.48	3.48
Other bank balances	86.67	86.67	25.87	25.87
Loan to Employees	10.04	10.04	4.56	4.56
Other financial assets	-	-	-	-
<b>Total (B)</b>	<b>358.44</b>	<b>358.44</b>	<b>278.73</b>	<b>278.73</b>
<b>Total (A+B)</b>	<b>380.00</b>	<b>380.00</b>	<b>299.77</b>	<b>299.77</b>

II. Financial liabilities:		(₹ in Lakhs)		
Particulars	As at March 31, 2023		As at March 31, 2022	
	Carrying Value	Fair Value	Carrying Value	Fair Value
<b>Non-Current</b>				
<b>Measured at amortized cost</b>				
Borrowings from Banks	367.24	367.24	487.14	487.14
Borrowings from Related parties	179.13	179.13	90.42	90.42
<b>Total (A)</b>	<b>546.37</b>	<b>546.37</b>	<b>577.56</b>	<b>577.56</b>
<b>Current</b>				
<b>Measured at amortized cost</b>				
Short term borrowings	590.97	590.97	337.85	337.85
Trade payables	390.69	390.69	222.39	222.39
Other financial liabilities	39.48	39.48	37.10	37.10
<b>Total (B)</b>	<b>1021.14</b>	<b>597.34</b>	<b>597.34</b>	<b>597.34</b>
<b>Total (A+B)</b>	<b>1567.51</b>	<b>1174.90</b>	<b>1174.90</b>	<b>1174.90</b>

The Company has determined that the carrying values of cash and cash equivalents, bank balances, trade receivables, short term loans, floating rate loans, trade payables, short term debts and borrowings, bank overdrafts and other current liabilities are a reasonable approximation of their fair value and hence their carrying value are deemed to be fair value.

b) Following table provides Fair value measurement hierarchy of financial instruments not measured at fair value as at March 31, 2023 on a recurring basis, other than those with carrying amounts that are reasonable approximations of its fair value.



## Quantitative Disclosure of Fair value measurement hierarchy as on 31-03-2023

(₹ in Lakhs)

Particulars	Carrying value	Fair value measurement using			Total
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
<b>Financial Assets</b>					
<b>Non-Current</b>					
Security Deposits	21.56	-	21.56	-	21.56
<b>Total (A)</b>	21.56	-	21.56	-	21.56
<b>Current</b>					
Loan to Employees	10.04	-	10.04	-	10.04
<b>Total (B)</b>	10.04	-	10.04	-	10.04
<b>Total (A+B)</b>	31.60	-	31.60	-	31.60
<b>Financial Liabilities</b>					
<b>Non-Current</b>					
Borrowings (other than debt securities)	546.37	-	546.37	-	546.37
<b>Total (C)</b>	546.37	-	546.37	-	546.37
<b>Current</b>					
Borrowings (other than debt securities)	590.97	-	590.97	-	590.97
<b>Total (D)</b>	590.97	-	590.97	-	590.97
<b>Total (C+D)</b>	1137.34	-	1137.34	-	1137.34

## Quantitative disclosure of Fair value measurement hierarchy as on 31-03-2022

(₹ in Lakhs)

Particulars	Carrying value	Fair value measurement using			Total
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
<b>Financial Assets</b>					
<b>Non-Current</b>					
Security Deposits	21.04	-	21.04	-	21.04
<b>Total (A)</b>	21.04	-	21.04	-	21.04
<b>Current</b>					
Loan to Employees	4.56	-	4.56	-	4.56
<b>Total (B)</b>	4.56	-	4.56	-	4.56
<b>Total (A+B)</b>	25.60	-	25.60	-	25.60
<b>Financial Liabilities</b>					
<b>Non-Current</b>					
Borrowings (other than debt securities)	577.56	-	577.56	-	577.56
<b>Total (C)</b>	577.56	-	577.56	-	577.56
<b>Current</b>					
Borrowings (other than debt securities)	337.85	-	337.85	-	337.85
<b>Total (D)</b>	337.85	-	337.85	-	337.85
<b>Total (C+D)</b>	915.40	-	915.40	-	915.40

There has been no transfers between level 1, level 2 and level 3 for the years ended March 31, 2023 and March 31, 2022.

Particulars	Fair value hierarchy	Valuation Technique	Inputs used
<b>Financial assets measured at amortised cost</b>			
Security Deposits	Level 2	Amortized Cost	Prevailing interest rates in the market, Future payouts
Loan to Employees			
<b>Financial liabilities measured at amortised cost</b>			
Borrowings (other than debt securities)	Level 2	Amortized Cost	Prevailing interest rates in the market, Future payouts

The fair value of borrowings which have a quoted market price in an active market is based on its market price and for other borrowings the fair value is estimated by discounting expected future cash flows, using a discount rate equivalent to the risk-free rate of return, adjusted for the credit spread considered by the lenders for instruments of similar maturity.

Management uses its best judgment in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of all the amounts that the Company could have realized or paid in sale transactions as of respective dates. As such, the fair value of the financial instruments subsequent to the respective reporting dates may be different from the amounts reported at each year end.

#### Offsetting:

Certain financial assets and financial liabilities are subject to offsetting where there is currently a legally enforceable right to set off recognized amounts and the Company intends to either settle on a net basis, or to realize the asset and settle the liability, simultaneously.

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Financial assets</b>		
<b>Trade receivables and unbilled revenues</b>		
Gross amounts of recognized financial assets	17.44	20.58
Gross amounts of recognized financial liabilities set off in the balance sheet	2.70	5.16
<b>Net amounts of financial assets presented in the balance sheet</b>	<b>14.74</b>	<b>15.42</b>
<b>Financial liabilities</b>		
<b>Trade payables</b>		
Gross amounts of recognized financial liabilities	453.95	-
Gross amounts of recognized financial assets set off in the balance sheet	431.82	-
<b>Net amounts of financial liabilities presented in the balance sheet</b>	<b>22.13</b>	-

#### (c) Financial risk management:

The Company's principal financial liabilities comprise of loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Company is exposed to market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The senior management ensures that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarized below.

#### (A) Market risk:

Market risk is the risk that changes in market prices- such as foreign exchange rates, interest rates and equity prices- will affect the Company's income or the value of its holdings of financial instrument. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising the return. The major components of market risk are foreign currency risk, interest rate risk and price risk.

#### (I) Foreign Currency Risk:

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise.

The carrying amount of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

(₹ in Lakhs)		
Foreign Currency Exposure USD	As at March 31, 2023	As at March 31, 2022
Assets	72.98	270.59
Liabilities	160.83	0.46

(₹ in Lakhs)		
Foreign Currency Exposure EURO	As at March 31, 2023	As at March 31, 2022
Assets	0.60	16.81
Liabilities	13.70	11.49

The Company has not entered in to any forward contracts to hedge its foreign exposures and therefore, there are no outstanding forward contract at the year-end (as at March 31, 2023 and as at March 31, 2022)

#### Foreign Currency Sensitivity:

The Company is principally exposed to foreign currency risk against USD and EURO Sensitivity of profit or loss arises mainly from USD/ EURO denominated receivables and payables.

As per management's assessment of reasonable possible changes in the exchange rate of +/- 5% between USD-INR currency pair, sensitivity of profit or loss only on outstanding foreign currency denominated monetary items at the period end is presented below:

(₹ in Lakhs)

USD sensitivity at year end	As at March 31, 2023	As at March 31, 2022
<b>Assets:</b>		
Weakening of INR by 5%	(3.65)	(13.53)
Strengthening of INR by 5%	3.65	13.53
<b>Liabilities:</b>		
Weakening of INR by 5%	(8.04)	(0.02)
Strengthening of INR by 5%	8.04	0.02

(₹ in Lakhs)

EURO sensitivity at year end	As at March 31, 2023	As at March 31, 2022
<b>Assets:</b>		
Weakening of INR by 5%	(0.03)	(0.84)
Strengthening of INR by 5%	0.03	0.84
<b>Liabilities:</b>		
Weakening of INR by 5%	(0.69)	(0.57)
Strengthening of INR by 5%	0.69	0.57

**(II) Interest rate risk:**

Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rates. Any movement in the reference rates could have an impact on the Company's cash flows as well as costs.

The Company is subject to variable interest rates on some of its interest-bearing liabilities. The Company's interest rate exposure is mainly related to debt obligations. The Company also uses a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirements for its day-to-day operations like short-Term Bank Borrowing.

**Interest Rate Risk Exposure**

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Variable Rate Borrowing	1100.33	811.92
Fix Rate Borrowing	37.01	13.06

**Sensitivity Analysis**

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Interest Rate - Increase by 70 Basis Points	(7.70)	(5.68)
Interest Rate - Decrease by 70 Basis Points	7.70	5.68

The model assumes that interest rate changes are instantaneous parallel shifts in the yield curve. Although some assets and liabilities may have similar maturities or periods to re-pricing, these may not react correspondingly to changes in market interest rates. Also, the interest rates on some types of assets and liabilities may fluctuate with changes in market interest rates, while interest rates on other types of assets may change with a lag.

The risk estimates provided assume a parallel shift of 100 basis points interest rate across all yield curves. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average debt outstanding during the period.

This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

(Note: The impact is indicated on the profit/(loss) before tax basis).

### (III) Other Price risk:

Other Price Risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded price. Other price risk arises from financial instruments such as investments in equity instruments, mutual funds and bonds. The company has no such investments hence is not exposed to price risks from such investments.

The company is not exposed to price risk arising from investment in fixed deposits with banks.

### (B) Credit Risk:

Credit Risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company's exposure are continuously monitored.

Credit risks arising from other balances with banks is limited and there is no collateral held against these because the counter parties are recognized banks. Balances with banks were not past due or impaired as at the year end. In other financial assets that are not past dues and not impaired, there were no indication of default in repayment as at the year end.

Credit risk arising from trade receivables is managed in accordance with the company's established policy, procedures and control relating to customer credit risk management. Credit quality of customer is assessed based on study of credit worthiness of customer. The concentration of credit risk is limited due to the fact that the customer base is large. The company has three customers representing more than 5 % of total balance of trade receivables Aggregate outstanding from three parties constitute 40.33 % of the total outstanding. To that extent the company has a concentration of credit risk. The Company applies the simplified approach to providing for expected credit losses prescribed by Ind AS 109, which permits the use of the lifetime expected loss provision for all trade receivables. The Company has computed expected credit losses based on a provision matrix which uses historical credit loss experience of the Company.

### The loss allowance for trade receivables using expected credit losses for different ageing periods are as follows:

(₹ in Lakhs)

Particulars	Not due	0-6 months	> 6 months	Total
<b>As at March 31, 2023</b>				
Gross carrying amount	218.00	47.61	28.61	294.22
Loss allowance provision	-	-	-	40.28
<b>Net</b>	<b>218.00</b>	<b>47.61</b>	<b>28.61</b>	<b>253.94</b>
<b>As at March 31, 2022</b>				
Gross carrying amount	219.76	34.27	23.65	277.67
Loss allowance provision				32.85
<b>Net</b>	<b>219.76</b>	<b>34.27</b>	<b>23.65</b>	<b>244.82</b>

## Reconciliation of loss allowance for Trade Receivables:

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Loss allowance as at the beginning of the year	32.85	20.62
Additions during the year	7.43	12.23
<b>Balance as at the end of the year</b>	<b>40.28</b>	<b>32.85</b>

## (C) Liquidity risk:

The Company manages liquidity risk by maintaining sufficient cash and cash equivalents and availability of funding through an adequate amount of committed credit facilities to meet the obligations when due. Management monitors rolling forecasts of liquidity position and cash and cash equivalents on the basis of expected cash flows. In addition, liquidity management also involves projecting cash flows considering level of liquid assets necessary to meet obligations by matching the maturity profiles of financial assets & liabilities and monitoring balance sheet liquidity ratios.

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The information included in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. The contractual maturity is based on the earliest date on which the Company may be required to pay.

Particulars	Less than 1 year	1-3 Years	3 Years to 5 Years	5 Years and above
<b>As at March 31, 2023</b>				
Interest-free sales tax deferral loans from State Government	-	-	-	-
Short term borrowings	590.97	-	-	-
Long term borrowings	-	539.96	6.42	-
Trade payables	390.69	-	-	-
Other Financial Liabilities	-	-	-	-
Financial Guarantee	-	-	-	-
<b>Total</b>	<b>981.65</b>	<b>539.96</b>	<b>6.42</b>	<b>-</b>
<b>As at March 31, 2022</b>				
Interest-free sales tax deferral loans from State Government	-	-	-	-
Short term borrowings	133.92	-	-	-
Long term borrowings	781.48	203.30	403.15	110.76
Trade payables	222.29	-	-	-
Other Financial Liabilities	-	-	-	-
<b>Total</b>	<b>1137.70</b>	<b>203.30</b>	<b>403.15</b>	<b>110.76</b>

The following table details the Company's expected maturity for its non-derivative financial assets. The information included in the table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.



(₹ in Lakhs)

Particulars	Less than 1 year	1-3 Years past due	3 Years to 5 Years	5 Years and above
<b>As at March 31, 2023</b>				
Trade and other receivables	276.70	2.24	0.10	15.17
Investments in Mutual Funds	-	-	-	-
Loans	-	-	-	-
Other Financial Assets	-	-	-	-
<b>Total</b>	<b>276.70</b>	<b>2.24</b>	<b>0.10</b>	<b>15.17</b>
<b>As at March 31, 2022</b>				
Trade and other receivables	259.85	4.76	17.43	-
Investments in Mutual Funds	-	-	-	-
Loans	-	-	-	-
Other Financial Assets	-	-	-	-
<b>Total</b>	<b>259.85</b>	<b>4.76</b>	<b>17.43</b>	<b>-</b>

The Company has access to committed credit facilities as described below, of which the amount mentioned below were unused as at March 31, 2023 and at March 31, 2022. The Company expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets.

#### Committed credit facilities:

##### Cash Credit

(₹ in Lakhs)

Secured bank overdraft facility, reviewed annually and payable at call	As at March 31, 2023	As at March 31, 2022
Amount used	412.87	133.92
Amount unused	337.13	366.08
CC Limit	<b>750.00</b>	<b>500.00</b>

##### Letter of Credit

(₹ in Lakhs)

	As at March 31, 2023	As at March 31, 2022
Amount used	302.62	66.14
Amount unused	97.38	58.86
LC Limit	<b>400.00</b>	<b>125.00</b>

#### 36-36.1 Defined Contribution Plan

The Company makes contribution towards Employee Provident Fund and Super Annuation Fund. The Company is required to contribute specified percentage of payroll cost.

The Company has recognized the following amounts in the Statement of Profit and Loss:

(₹ in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Contribution to Provident Fund	<b>29.55</b>	24.28
Contribution to Super Annuation Fund	-	-
<b>Total</b>	<b>29.55</b>	24.28

## 36.2 Defined Benefits Plan

### Gratuity

15 days salary for each completed year of service. Vesting period is 5 years and the payment is at actual on superannuation, resignation, termination, disablement or on death. The liability for gratuity as above is recognized on the basis of actuarial valuation.

The Company makes contribution to Life Insurance Corporation (LIC) for gratuity benefits according to the Payment of Gratuity Act, 1972.

The Company recognizes the liability towards the gratuity at each Balance Sheet date.

The most recent actuarial valuation of the defined benefit obligation for gratuity was carried out at March 31, 2023 by an actuary. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Scheme is funded through LIC.

These plans typically expose the Company to risks such as: Actuarial risk, Investment risk, Liquidity risk, Market risk and Legislative risk.

Actuarial risk	It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons: Adverse Salary Growth Experience: Salary hikes that are higher than the assumed salary escalation will result into an increase in Obligation at a rate that is higher than expected. Variability in mortality rates: If actual mortality rates are higher than assumed mortality rate assumption than the Gratuity Benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cash flow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate. Variability in withdrawal rates: If actual withdrawal rates are higher than assumed withdrawal rate assumption than the Gratuity Benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.
Investment risk	For funded plans they rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter valuation period.
Liquidity risk	Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign/retire from the company there can be strain on the cash flows.
Market risk	Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate/government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

Legislative risk	Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognized immediately in the year when any such amendment is effective.
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No other post-retirement benefits are provided to these employees.

36.3 The following tables summaries the components of defined benefit expenses recognized in the Statement of Profit and Loss / Other Comprehensive Income and amount recognized in the Balance Sheet for the respective plans:

i) Statement showing the Present Value of the Obligations and Planned Assets **(₹ in Lakhs)**

<b>Present Value of the Obligations</b>	<b>For the year ended March 31, 2023</b>	<b>For the year ended March 31, 2022</b>
<b>Present Value of Obligation at the beginning of the period</b>	<b>21.39</b>	15.88
Interest Cost	<b>1.48</b>	1.08
Current Service Cost	<b>6.41</b>	5.45
Past Service Cost Benefit Paid (If Any)	<b>(2.15)</b>	-
Actuarial (Gain) / Loss	<b>1.30</b>	(1.03)
<b>Present Value of Obligation at the end of the period</b>	<b>28.43</b>	21.39

**(₹ in Lakhs)**

<b>Planned Assets</b>	<b>For the year ended March 31, 2023</b>	<b>For the year ended March 31, 2022</b>
<b>Fair value of Planned Assets at the beginning of the period</b>	<b>26.88</b>	18.63
Actuarial (Gain) / Loss	<b>(0.24)</b>	(0.08)
Interest Income	<b>2.09</b>	1.45
Past Service Cost Benefit Paid (If Any)	<b>(2.15)</b>	-
Contribution by employer	<b>6.98</b>	6.88
<b>Fair value of Planned Assets at the end of the period</b>	<b>33.56</b>	26.88

ii) Bifurcation of Total Actuarial Gain / (Loss) on Liabilities and Assets

**(₹ in Lakhs)**

<b>Bifurcation of Total Actuarial Gain / (Loss) on Liabilities</b>	<b>For the year ended March 31, 2023</b>	<b>For the year ended March 31, 2022</b>
Changes in Demographics Assumptions (Mortality)	-	-
Changes in Financial Assumptions	<b>(0.86)</b>	(0.67)
Experience Adjustments (Gain) / Loss for Plan Liabilities	<b>2.16</b>	(0.36)
<b>Total Amount recognized in Other Comprehensive Income</b>	<b>1.30</b>	(1.03)

₹ in Lakhs)

<b>Bifurcation of Total Actuarial Gain / (Loss) on Assets</b>	<b>For the year ended March 31, 2023</b>	<b>For the year ended March 31, 2022</b>
Return on Planned Assets	(0.24)	(0.08)
<b>Total Amount recognized in Other Comprehensive Income</b>	<b>(0.24)</b>	<b>(0.08)</b>

## iii) Key Results

(₹ in Lakhs)

<b>Results</b>	<b>For the year ended March 31, 2023</b>	<b>For the year ended March 31, 2022</b>
Present Value of the Obligation at the end of the period	(28.43)	(21.39)
Fair Value of Plan Assets at the end of the period	33.56	26.88
Net liability / (assets) to be recognized in the Balance Sheet		
<b>Funded Status Surplus / (Deficit)</b>	<b>5.12</b>	<b>5.49</b>

## iv) Expenses recognized in the Statement of Profit and Loss

(₹ in Lakhs)

<b>Particulars</b>	<b>For the year ended March 31, 2023</b>	<b>For the year ended March 31, 2022</b>
Interest Cost	1.48	1.08
Current Service Cost	6.41	5.45
Past Service Cost	-	-
Expected return on plan assets	(2.09)	(1.45)
<b>Expenses to be recognized in the Statement of Profit and Loss</b>	<b>5.81</b>	<b>5.08</b>

## v) Other Comprehensive (Income) / Expenses (Remeasurements)

(₹ in Lakhs)

<b>Particulars</b>	<b>For the year ended March 31, 2023</b>	<b>For the year ended March 31, 2022</b>
Opening Cumulative Unrecognized Actuarial (Gain) / Loss	0.25	1.20
Actuarial (Gain) / Loss - Obligation	1.30	(1.03)
Actuarial (Gain) / Loss - Plan Assets	0.24	0.08
<b>Total Actuarial (Gain) or Loss</b>	<b>1.54</b>	<b>(0.95)</b>
<b>Closing Cumulative Unrecognized Actuarial (Gain) / Loss</b>	<b>1.79</b>	<b>0.25</b>

## vi) Net Interest Cost

(₹ in Lakhs)

<b>Particulars</b>	<b>For the year ended March 31, 2023</b>	<b>For the year ended March 31, 2022</b>
Interest Cost on Defined Benefit Plans	1.48	1.08
Interest Income on Plan Assets	2.09	(1.45)
<b>Net Interest Cost</b>	<b>(0.60)</b>	<b>(0.37)</b>

## vii) Experience Adjustments

(₹ in Lakhs)

<b>Particulars</b>	<b>For the year ended March 31, 2023</b>	<b>For the year ended March 31, 2022</b>
Experience Adjustments (Gain) / Loss - Plan Liabilities	2.16	(0.36)
Experience Adjustments (Gain) / Loss - Plan Assets	-	-

## viii) Summary of Membership Data at the date of valuation and statistics based thereon

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Number of Employee	144.00	104.00
Total Monthly Salary (₹ in Lakhs)	16.59	12.30
Average Monthly Salary (₹ in Lakhs)	0.12	0.12
Average Age (Years)	31.68	33.02
Average Past Service (Years)	2.98	3.18
Average Future Service (Years)	28.32	26.98
Weighted Average duration (based on discounted cash flows) in years	11.03	11.28

## ix) Assumptions

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Discount Rate (Per Annum)	7.15%	7.15%
Salary Growth Rate (Per Annum)	6.00%	6.00%
Mortality	IALM 2012 - 14 Table	IALM 2012 - 14 Table
Withdrawal Rate (Per Annum)	10.00% p.a at younger ages and reducing to 2.00% p.a at older ages	10.00% p.a at younger ages and reducing to 2.00% p.a at older ages

The estimate of rate of escalation in Salary considered in Actuarial Valuation, taken into the account in action, seniority, promotions and other relevant factors including supply and demand in the employment market. The above information is certified by the Actuary.

## x) Plan features

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Normal Retirement Age (Years)	60	60
Salary	Last Drawn Basic Salary including Dearness Allowance (if any)	Last Drawn Basic Salary including Dearness Allowance (if any)
Vesting conditions	5 years of continuous service (Not applicable in case of death/disability)	5 years of continuous service (Not applicable in case of death/disability)
Vesting Period	5 Years of continuous Service	5 Years of continuous Service
Benefits on Normal Retirements	15/26 * Salary * Past Service (Years)	15/26 * Salary * Past Service (Years)
Benefit on early exit due to death and disability	As mentioned above except no vesting conditions applies	As mentioned above except no vesting conditions applies
Limit (₹ in Lakhs)	20.00	20.00

## xi) Bifurcation of Liabilities

(₹ in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Current Liabilities (Short Term)	(5.12)	(5.49)
Non-Current Liabilities (Long Term) Total Liability	-	-
<b>Total</b>	<b>(5.12)</b>	<b>(5.49)</b>

## xii) Expected Contribution during next Annual Reporting Period (₹ in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
The Company's best estimate of contribution during the next year	7.54	5.90

## xiii) Maturity Profile of Defined Benefit Obligation - Weighted Average

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Weighted Average Duration (based on discounted cash flows) in Years	11.03	11.28

## xiv) Maturity Profile of Defined Benefit Obligation - Benefit Obligations (₹ in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Year 1	2.10	1.33
Year 2	2.49	1.66
Year 3	1.80	1.92
Year 4	2.05	1.38
Year 5	2.29	1.52
Year 6 to 10	14.07	10.83

## xv) Sensitivity Analysis

Significant Actuarial Assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase rate. Effect of change in mortality rate is negligible. Please note that the sensitivity analysis presented below may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumption would occur in isolation of one another as some of the assumptions may be correlated. The results of sensitivity analysis are given below:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Liability with x 0.50 % Increase in Discount Rate	27.10	20.35
Liability with x 0.50 % Decrease in Discount Rate	29.89	22.52
Liability with x 0.50 % Increase in Salary Growth Rate	29.80	22.46
Liability with x 0.50 % Decrease in Salary Growth Rate	27.14	20.37
Liability with x 10 % Increase in Withdrawal Rate	28.56	21.46
Liability with x 10 % Decrease in Withdrawal Rate	28.29	21.30

## xvi) Reconciliation of Liability of Balance Sheet (₹ in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening Gross Defined Benefit Liability / (Assets)	(5.49)	(2.75)
Expense recognized in Statement of Profit and Loss	5.81	5.08
Other Comprehensive Income - Actuarial (Gain) / Loss - Total Current Period	1.54	(0.95)
Contribution paid if any	(6.98)	(6.88)
Benefit Paid (If Any)	-	-
<b>Closing Gross Defined Benefit Liability / (Assets)</b>	<b>(5.12)</b>	<b>(5.49)</b>



### 37. Related Party Disclosures

#### 37.1 Disclosure with respect to Indian Accounting Standard (Ind AS 24) on Related Parties:

Name of Related Parties	Nature of Relationship
Moti Industries (Managing Director is partner in this firm)	Sister Concern
Mr. Amar Chinubhai Doshi (Chairman & Managing Director) Mr. Karan Amar Doshi (Whole-time Director) Mr. Monish Amar Doshi (Director & CFO) Mr. Nitinkumar Maniya (Company Secretary) Appointed w.e.f. January 16, 2021	Key Management Personnel (KMP)
Mrs. Radhika Amar Doshi (Spouse of Mr. Amar Chinubhai Doshi) Mrs. Toral Karan Doshi (Spouse of Mr. Karan Amar Doshi) Mrs. Bhoomi Monish Doshi (Spouse of Mr. Monish Amar Doshi) Amar Doshi HUF (HUF of Mr. Amar Chinubhai Doshi) Monish Doshi HUF (HUF of Mr. Monish Amar Doshi) Karan Doshi HUF (HUF of Mr. Karan Amar Doshi) Mr. Chinubhai Somabhai Doshi (Father of Mr. Amar Chinubhai Doshi)	Relative of Key Management Personnel

#### 37.2 The following transactions were carried out with the related parties in ordinary course of business during the year: (₹ in Lakhs)

Particulars	2022-23	2021-22	Relationship
<b>Mr. Amar Chinubhai Doshi</b>			Key Management Personnel (KMP)
Payment of Interest on Loan	11.41	8.40	
Payment of Salary	28.20	26.40	
<b>Mr. Karan Amar Doshi</b>			
Payment of Interest on Loan	2.66	1.20	
Payment of Salary	24.60	22.80	
<b>Mr. Monish Amar Doshi</b>			Relative of Key Management Personnel
Payment of Interest on Loan	2.18	0.72	
Payment of Salary	24.60	22.80	
<b>Mr. Nitinkumar Maniya</b>			
Payment of Salary	4.96	4.34	
<b>Moti Industries</b>			Associate Company
Payment of Rent Expenses	1.20	1.20	
<b>Mr. Chinubhai Doshi</b>			Relative of Key Management Personnel
Payment of professional Fees	7.00	7.00	
<b>Mrs. Bhoomi Monish Doshi</b>			
Payment of Salary	5.40	3.60	
<b>Mrs. Toral Karan Doshi</b>			Relative of Key Management Personnel
Payment of Salary	5.40	3.60	
<b>Mrs. Radhika Amar Doshi</b>			Relative of Key Management Personnel
Payment of Salary	7.80	4.80	

#### 37.3 Compensation of Key Management Personnel

The remuneration of director and other members of Key Management Personnel during the year was as follows:

	2022-23	2021-22
Short-term benefits (₹ in Lakhs)	82.36	76.34

**37.4 Closing balances:****(₹ in Lakhs)**

Particulars	Relationship	As at March 31, 2023	As at March 31, 2022
<b>Payable:</b>			
Moti Industries - Rent	Sister Concern	-	-
Mr. Amar Chinubhai Doshi - Salary	Key Management Personnel (KMP)	1.62	1.51
Mr. Monish Amar Doshi - Salary		1.39	1.28
Mr. Karan Aamr Doshi -Salary		1.39	1.28
Mr. Nitin Maniya Company Secretary-Salary		0.45	-
Mrs. Radhika Amar Doshi - Salary	Relative of Key Management Personnel (KMP)	0.49	0.60
Mrs. Bhoomi Monish Doshi - Salary		0.42	0.27
Mrs. Toral Karan Doshi - Salary		0.42	0.27
Mr. Chinubhai Somabhai Doshi - Professional Fees		-	-
<b>Unsecured Borrowing:</b>			
Mr. Amar Chinubhai Doshi	Key Management Personnel (KMP)	124.20	70.18
Mr. Karan Amar Doshi		30.03	12.63
Mr. Monish Amar Doshi		24.91	7.61

**37.5 Terms and conditions of transactions with related parties**

- Transaction entered into with related party are made on terms equivalent to those that prevail in arm's length transactions except payment of rent to sister concern, for which the company has passed Board Resolution dated May 12, 2022. Outstanding balances other than loan given & taken and fair value of financial guarantee contract, at the year-end are unsecured and interest free and settlement occurs in cash.
- Loans in INR taken from the related party carries interest rate 10 % (10 % for year ended 31-03-2023 and 31-03-2022).
- There is no allowance account for impaired receivables in relation to any outstanding balances and no expense has been recognized in respect of impaired receivables due from related parties.
- All Outstanding balances are unsecured and are repayable in cash.

**38. SEGMENT REPORTING****Basis of Segmentation: MULTIPLE SEGMENT****Factors used to identify the reportable segments:**

The Company has following business segments, which are its reportable segments. These segments offer different products and services, and are managed separately because they require different technology and production processes. Operating segment disclosures are consistent with the information provided to and reviewed by the chief operating decision maker.

**Reportable Segment**

- Elevator Division
- Steel Polishing Division
- Unallocated

The measurement principles of segments are consistent with those used in Significant Accounting Policies. There are no inter segment transfer.

Particulars	Year 2022-23				Year 2021-22			
	Elevator Division	Steel Polishing Division	Unallocated	Total	Elevator Division	Steel Polishing Division	Unallocated	Total
<b>A. SEGMENT REVENUE</b>	<b>4107.88</b>	<b>1447.24</b>	<b>29.85</b>	<b>5584.97</b>	<b>2731.44</b>	<b>900.33</b>	<b>142.35</b>	<b>3774.12</b>
<b>B. SEGMENT RESULT</b>	<b>1845.60</b>	<b>(904.34)</b>	<b>(141.57)</b>	<b>799.69</b>	<b>1271.50</b>	<b>(486.44)</b>	<b>(269.19)</b>	<b>515.87</b>
<b>C. SPECIFIED AMOUNTS INCLUDED IN SEGMENT RESULTS</b>	-	-	-	-	-	-	-	-
Depreciation and amortisation	14.40	85.98	15.00	115.38	-	67.10	17.90	84.99
Interest Income	0.68	0.68	-	1.37	0.10	1.00	-	1.10
Finance costs	1.57	-	-	1.57	1.89	(13.41)	-	(11.52)
Dividend Income	-	-	-	-	-	-	-	-
<b>D. RECONCILIATION OF SEGMENT RESULT WITH PROFIT AFTER TAX</b>								
<b>SEGMENT RESULT</b>	<b>1845.60</b>	<b>(904.34)</b>	<b>(141.57)</b>	<b>799.69</b>	<b>1271.50</b>	<b>(486.44)</b>	<b>(269.19)</b>	<b>515.87</b>
Add/(Less):								
Interest Income	-	-	2.57	2.57	-	-	0.98	0.98
Depreciation and amortisation	-	-	-	-	-	-	-	-
Net foreign exchange gain	-	-	-	-	-	-	-	-
Dividend received	-	-	-	-	-	-	-	-
Net gain arising on financial assets measured at FVTPL	-	-	-	-	-	-	-	-
Gain on sale of financial assets measured at FVTPL	-	-	-	-	-	-	-	-
Finance costs	-	-	(58.79)	(58.79)	-	-	(30.78)	(30.78)
Exceptional items	-	-	-	-	-	-	-	-
Income taxes	-	-	-	(203.02)	-	-	-	(115.16)
Other Un-allocable Expenses net of Un-allocable Income	-	-	-	-	-	-	-	-
<b>PROFIT AFTER TAX AS PER STATEMENT OF PROFIT AND LOSS</b>	<b>1845.60</b>	<b>(904.34)</b>	<b>(197.80)</b>	<b>540.44</b>	<b>1271.50</b>	<b>(486.44)</b>	<b>(298.98)</b>	<b>370.92</b>

<b>E. OTHER INFORMATION</b>								
Segment assets	1037.67	1037.67	-	2075.34	583.81	2091.53	-	2675.34
Un-allocable assets	-	-	278.71	278.71	-	-	294.84	294.84
<b>Total Assets</b>	<b>1037.67</b>	<b>1037.67</b>	<b>278.71</b>	<b>2354.06</b>	<b>583.81</b>	<b>2091.53</b>	<b>294.84</b>	<b>2970.18</b>
Segment liabilities	348.00	634.69	-	982.69	219.32	696.02	-	915.34
Un-allocable liabilities	-	-	845.59	845.59	-	-	465.92	465.92
<b>Total Liabilities</b>	<b>348.00</b>	<b>634.69</b>	<b>845.59</b>	<b>1828.28</b>	<b>219.32</b>	<b>696.02</b>	<b>465.92</b>	<b>1381.26</b>
Capital expenditure	364.85	-	-	364.85	-	267.16	-	267.16
Un-allocable capital expenditure	-	-	132.62	132.62	-	-	15.68	15.68
<b>Total Capital expenditure</b>	<b>364.85</b>	<b>-</b>	<b>132.62</b>	<b>497.48</b>	<b>-</b>	<b>267.16</b>	<b>15.68</b>	<b>282.84</b>

**F. REVENUE FROM EXTERNAL CUSTOMERS**

(₹ in Lakhs)

	Year 2022-23	Year 2021-22
India	5527.87	3746.44
Outside India	57.10	27.68
<b>TOTAL REVENUE</b>	<b>5584.97</b>	<b>3774.12</b>

All non-current assets of the Company are located in India.

There is transactions with one external customer (Electra Elevator Components) from which amounts to 10% or more of the Company's revenue.

### 39. Disclosures as IND AS 115- Revenue from Contracts with Customers:

39.1 Company derives revenue from sale of goods and rendering of services from its contracts with customers. The Revenues have been disclosed in Note No 25 "Revenue from Operations".

39.2 Disaggregation of revenue is covered in Note no 39F "Segment Reporting" including revenue from Domestic sales and Export Sales.

39.3 The movement in Company's receivables, contract assets and contract liabilities are as under:  
(₹ in Lakhs)

Particulars	Receivables	Contract Assets	Contract Liabilities
<b>As at March 31, 2021</b>	<b>193.33</b>	-	<b>56.30</b>
Additions/(Adjustments)	84.34	-	21.32
<b>As at March 31, 2022</b>	<b>277.67</b>	-	<b>77.62</b>
Additions/(Adjustments)	16.55	-	58.82
<b>As at March 31, 2023</b>	<b>294.22</b>	-	<b>136.44</b>

The revenue of ₹ 54.73 lakhs (P.Y. ₹ 42.25 lakhs) have been recognised from carried forward contract liabilities balance as the beginning of the year.

39.4 The revenue from contracts with customers for the year includes variable consideration (volume discounts) of ₹ 44.80 lakhs, which has been deducted from the transaction price. The company uses expected value method in measuring the variable consideration. There were no constraints in estimating variable consideration.

39.5 The Company has applied practical expedient referred to in paragraph 121 of Ind AS 115 and accordingly has not disclosed information relating to remaining performance obligations. No consideration from contracts with customers is excluded from the remaining performance obligations.

### 41. Ratio Analysis

Sr. No	Ratio	Numerator	Denominator	As at March 31, 2023	As at March 31, 2022	% Variance
1	<b>Current Ratio</b>	Current Assets	Current Liabilities	1.64	1.92	(14.61%)
2	<b>Debt-Equity ratio</b>	Total Debt	Shareholder's Equity	0.56	0.58	(3.60%)
3	<b>Debt Service Coverage Ratio</b>	Earnings available for debt service	Debt Service	2.86	2.16	32.24%
4	<b>Return on Equity Ratio</b>	Net Profits after taxes (Total comprehensive income)	Average Shareholder's Equity	29.66%	26.48%	11.99%
5	<b>Inventory Turnover Ratio</b>	Cost of Goods sold or Sales	Average Inventory	3.53	3.89	(9.26%)
6	<b>Trade Receivables Turnover Ratio</b>	Sales of products	Average Trade Receivables	22.38	18.07	23.82%

7	<b>Trade Payables Turnover Ratio</b>	Cost of Goods sold	Average Trade Payables	12.45	16.24	(23.35%)
8	<b>Net Capital Turnover Ratio</b>	Sales of products	Working Capital	7.45	5.69	30.92%
9	<b>Net Profit Ratio</b>	Net Profit (Total Comprehensive Income)	Sales of products	9.66%	9.85%	(1.88%)
10	<b>Return on Capital Employed</b>	Earnings before interest and taxes	Capital Employed	25.38%	19.23%	31.99%

40.1 The company has not made any investments during the year. Hence, ratios of return on investments have not been presented.

40.2 The interest cost taken in the above ratios, is after netting of the interest subsidy received ₹ 5.63 lakhs (P.Y. ₹ 51.39 lakhs).

#### 42. Contingent Liabilities and Commitments (to the extent not provided for) (₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>(A) Contingent liabilities not provided for in respect of:</b>		
(a) Claims against the company not acknowledged as debt under:		
labour laws	-	-
Others	10.00	10.00
(b) Guarantees excluding financial guarantees		
Corporate guarantees given to others for loans taken by subsidiaries and a joint venture company	-	-
(c) Other money for which the company is contingently liable		
Income Tax	-	-
Sales Tax	-	-
Excise Duty	-	-
<b>(B) Commitments:</b>		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances)	-	-
(b) Other Commitments		
Commitment with respect to the leasehold land to be purchased	-	-
Import duty benefit towards duty free import of raw materials made in respect of which export obligations are yet to be discharged.	-	-

41.1 The Company's pending litigations comprise of claims against the Company and Proceedings pending with Tax/ Statutory/ Government Authorities. The Company has reviewed all its pending litigations and proceedings and has made adequate provisions, wherever required and disclosed the contingent liabilities, wherever applicable, in its financial statements. Future Cash Outflows in respect of the above are determined only on receipt of judgements/ decisions pending with various forums/ authorities.



**43. In accordance with Ind AS - 33, "Earnings Per Share", the Basic and Diluted EPS have been calculated as under:**

Particulars	As at March 31, 2023	As at March 31, 2022
Profits available to equity shareholders (₹ in Lakhs)	539.33	371.60
Weighted Average Number of Equity Shares		
- Basic	1,00,43,939	1,00,43,939
- Diluted		
<b>Earnings Per Share of ₹ 10 each</b>		
- Basic	5.37	3.70
- Diluted		

#### **43. Impairment of Assets**

In accordance with the Indian Accounting Standard (Ind AS-36) on "Impairment of Assets" the Company has, during the year, carried out an exercise of identifying the assets that may have been impaired in respect of cash generating unit in accordance with the said Indian Accounting Standard. Based on the exercise, no impairment loss is required as at March 31, 2023.

#### **44. Leases**

##### **Company is a lessor**

(i) The company has not given any property on lease. Hence disclosure required under IND-AS 17 for company as a lessor is not given.

##### **Company is a lessee**

(ii) The Company has applied Ind AS 17 'Leases' to rent contracts of Land/Building to evaluate whether these contracts contain a lease or not. Based on evaluation of the terms and conditions of the arrangements, the Company has evaluated such arrangements not be a lease. Hence disclosure requirement as per Ind-As 17 for operating/ finance lease is not given.

**45.** Further, some balances of Trade and other receivables, Trade and other payables and Loans are subject to confirmation/reconciliation. Adjustments, if any, will be accounted for on confirmation/reconciliation of the same, which will not have a material impact.

#### **46. Other Statutory information**

- (i) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (ii) The Company do not have any transactions with companies struck off.
- (iii) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iv) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.

- (v) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
    - a. directly or indirectly lends or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
    - b. provides any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
  - (vi) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
    - a. directly or indirectly lends or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
    - b. provides any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - (vii) The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
  - (viii) The company is not declared as wilful defaulter by any bank or financial Institution or other lender.
  - (ix) There is no Scheme of Arrangements approved by the Competent Authority in terms of Sections 230 to 237 of the Companies Act, 2013.
  - (x) The Board of Directors of the Company have proposed final dividend of Rs.1/- per equity share for the year, which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with Section 123 of the Act, as applicable.
  - (xi) The provisions of Section 135 of the Companies Act, 2013 are not applicable to the Company, hence details regarding CSR activities are not provided.
  - (xii) Section 2(87) of the Companies Act, 2013 regarding number of layers of Companies is not applicable to the Company.
- 47.** Previous year's figures have been regrouped, wherever necessary, to confirm to current year's classification.

#### **48. Approval of financial statements**

The financial statements are approved for issue by the Audit Committee at its meeting held on May 15, 2023 and by the Board of Directors on May 15, 2023.

**Notes to the Standalone Financial Statements for the year than ended on March 31, 2023****1. Corporate Information**

**AARON INDUSTRIES LIMITED** is a Public Limited Company, domiciled and incorporated in India under the provisions of Companies Act, 1956. The Registered office of the Company is situated at B-65 & 66, Jawahar Road No.4, Udhog Nagar, Udhna, 394210. Its share is listed on National Stock Exchange (NSE).

The Company is mainly engaged in the business of Manufacturing of Elevators & Elevators Parts and Steel Polishing.

**2. Statement of Compliance**

These financial statements are the separate financial statements of the Company (also called as standalone financial statements) prepared in accordance with Indian Accounting Standard (“Ind AS”) notified under the Companies Act, 2013 (“the Act”) read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standard) Rule, 2016, as amended.

**2.1 Summary of Significant Accounting Policies****a) Basis of preparation Of Financial Statements**

The financial statements have been prepared and presented under the Historical Cost Convention, on accrual basis of the accounting except for certain financial assets and financial liabilities including derivative instruments, if any, which are measured at fair value/amortized cost/net present value at the end of each reporting period; as explained in the accounting policies below.

Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between the market participants at the measurement date. These accounting policies have been applied consistently over all the period presented in these financial statements.

All assets and liabilities have been classified as current or non-current as per the Company’s normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013.

For the purpose of Current / Non - Current classification of assets and liabilities, the Company has ascertained its operating cycle as twelve months. This is based on the nature of services and the time between the acquisition of the assets or liabilities for processing and their realization in Cash and Cash Equivalents.

The Company’s financial statements are prepared and presented in Indian Rupee, which is also the functional currency for the Company. All amounts have been rounded off to nearest lakhs, unless otherwise indicated.

**b) Use of Estimates**

The preparation of the financial statements is in conformity with the Ind AS which requires managements to make certain judgments, estimates and assumptions that affect the application of the accounting policies and the reported amounts of the assets, liabilities,

income and expenses (including contingent liabilities) and the accompanying disclosures. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revision to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

The key assumptions concerning the future and other key resources of estimation uncertainty at the reporting date, have a significant risk of causing a material adjustment to the carrying amount of the assets and liabilities within the next financial year are described as follow:

i. **Income Tax:** The Company's tax jurisdiction is in India. Significant judgments are involved in estimating budgeted profits for the purpose of paying advance tax, determining the income tax provisions, including the amount expected to be paid / recovered. (Refer Note No.33)

ii. **Useful life of the Property, Plants and Equipment:**

Property, Plant and Equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life.

The useful lives and residual values of Company's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end.

Useful lives of each these assets is based on the life prescribed in Schedule II to the Companies Act, 2013 or based on the technical estimates, taking into account the nature of the assets, estimated usage, expected residual values and operating conditions of the assets.

Estimated useful life of Property, Plant and Equipment is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

iii. **Defined Benefits Obligations:**

The costs of providing Gratuity and other post-employment benefits are charged to the Statement of Profit and Loss in accordance with *Ind AS – 19, "Employee Benefits"* over the period during which benefit is derived from the employees' services. It is determined by using the Actuarial Valuation and assessed on the basis of assumptions selected by the management.

An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These assumptions include salary escalation rate, discount rates, expected rate of return on assets and mortality rates. The same is disclosed in *Note No. 36, "Employee Benefits"*. Due to complexities involved in the valuation and its long term in nature, a defined benefit obligation is highly sensitive to change in these assumptions. All assumptions are reviewed at each balance sheet date.

**iv. Fair Value measurements of Financial Instruments:**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, including the discounted cash flow model, which involve various judgments and assumptions.

**v. Allowance for impairment of trade receivables:**

Judgments are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non - payments. Moreover, trade receivables are written off on a case-to-case basis if deemed not to be collectible on the assessment of the underlying facts and circumstances.

**vi. Provisions:**

The timing of recognition and quantification of the liability requires estimates which can be subject to change. The carrying amounts of provision and liabilities are reviewed regularly and revised to take the amount of changing the facts and circumstances.

**vii. Impairment of Financial and Non - Financial Assets:**

The impairment provision of financial assets are based on the assumptions about the risk of default and expected cash loss rates. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of the reporting period.

In case of Non - Financial Assets, the Company estimates asset's recoverable amount, this is higher of an asset's or Cash Generating Units (CGU)'s fair value less the cost of disposal and the value in use.

In assessing the value in use, the estimated future cash flows are discounted using the pre - tax discount rate that reflects current market assessments of the time value of money and the risk specific to the assets. In determining the fair value less cost of disposal, recent market transactions are taken into accounts, if no such transactions can be identified, an appropriate valuation model is used.

**viii. Recognition of Deferred Tax Assets and Liabilities:**

Deferred tax assets and liabilities are recognized for deductible/taxable temporary differences and unused tax losses and tax credits for which there is probability of utilization against the future taxable profit. The Company uses judgments to determine the amount of deferred tax that can be recognized, based upon the likely timing and the level of future taxable profits and business developments.

**ix. Inventory Management:**

Inventory consists of a large variety of items of raw materials, stores and spares finished goods with variation in sizes and weights. Measurement of items of inventory is complex and involves significant judgements and estimates. The Company performs physical counts of the inventory on a periodic basis and arrives at the proper quantity of inventory which involve estimates of quantity for certain types of items with heavy weight or in such forms where complete count is not practicable.

**c) Property, Plants and Equipment**

**Measurement at Recognition**

An item of Property, Plant and Equipment that qualifies as an asset is measured on the initial recognition at cost, net of recoverable taxes, if any. Following the initial recognition, item of property, plants and equipment are carried at its cost less accumulated depreciation / amortization and accumulated impairment losses, if any.

The Company identifies and determines cost of each part of an item of Property, Plant and Equipment separately, if the part has a cost which is significant to the total costs of that item of Property, Plant and Equipment and has a useful life that is materially different from that of remaining items.

The cost of an item of property, plants and equipment comprises of its purchase price including import duties and other non - refundable purchase taxes or levies, directly attributable to the cost of bringing the asset to its present location and working condition for its intended use and the initial estimate of decommissioning, restoration and similar liabilities, if any. Any trade discount and rebates are deducted in arriving at the purchase price of such Property, Plant and Equipment.

Such cost also includes the cost of replacing a part of the plant and equipment and the borrowing cost of the long - term construction projects, if the recognition criteria are met. Expenses directly attributable to new manufacturing facility during its construction period are capitalized if the recognition criteria are met. Expenditure related to plans, designs and drawings of buildings or plant and machinery is capitalized under relevant heads of property, plant and equipment if the recognition criteria are met.

When the significant parts of Property, Plant and Equipment are required to be replaced at periodical intervals, the Company recognizes such part as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as replacement, if the recognition criteria are satisfied, all other repair and maintenance costs are recognized in the Statement of Profit and Loss as and when incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

All the costs, including administrative, financing and general overhead expenses, as are specifically attributable to construction of a project or to the acquisition of a Property, Plants and Equipment or bringing it to its present location and working condition, is included as a part of the cost of construction of the project or as a part of the cost of Property, Plant and Equipment, till the commencement of commercial production. Any adjustments arising from exchange rate variations attributable to the Property, Plant and Equipment are capitalized as aforementioned.



Borrowing cost relating to the acquisition / construction of Property, Plant and Equipment which takes the substantial period of time to get ready for its intended use are also included in the cost of Property, Plant and Equipment / cost of constructions to the extent they relate to the period till such Property, Plant and Equipment are ready to be put to use.

Any subsequent expenditure related to an item of Property, Plant and Equipment is added to its book value only and only if it increases the future economic benefits from the existing asset beyond its previously assessed standard of performance.

Any items such as spare parts, stand by equipment and servicing equipment that meet the definitions of the Property, Plant and Equipment are capitalized at cost and depreciated over the useful life of the respective Property, Plant and Equipment. Cost in the nature of repair and maintenances are recognized in the Standalone Statement of Profit and Loss as and when incurred.

The Company has elected to consider the carrying amount of all its property, plants and equipment appearing the financial statements prepared in accordance with the Accounting Standards notified under the Section 133 of the Companies Act, 2013, read together with the Rule 7 of the Companies (Accounts) Rule, 2014, as amended and used the same as deemed cost in the Opening Ind AS Balance Sheet prepared as on April 01, 2019.

#### Capital Work-in-Progress and Capital Advances

Cost of Property, Plant and Equipment not ready for intended use, as on the balance sheet date, is shown as a "Capital Work-in-Progress". The Capital Work-in-Progress is stated at cost. Any expenditure in relation to survey and investigation of the properties is carried as Capital Work-in-Progress. Such expenditure is either capitalized as cost of the projects on completion of construction project or the same is expensed in the period in which it is decided to abandon such project. Any advances given towards acquisition of Property, Plants and Equipment outstanding at each balance sheet date is disclosed as "Other Current Assets".

#### Depreciation

Depreciation on each part of Property, Plants and Equipment is provided to the extent of the depreciable amount of the assets on the basis of "Straight Line Method (SLM)" on the useful life of the tangible property, plants and equipment. and is charged to the Statement of Profit and Loss, as per the requirement of *Schedule - II to the Companies Act, 2013*. The useful life of the Property, Plants and Equipment is estimated as prescribed in Schedule II of the companies Act 2013 or estimated by the management as per technical evaluation based on the nature of the Property, Plants and Equipment, the usage of the Property, Plants and Equipment, expected physical wear and tear of the such Property, Plants and Equipment, the operating conditions, anticipated technological changes, manufacturer warranties and maintenance support of the Property, Plants and Equipment etc.

When the parts of an item of the Property, Plants and Equipment have different useful life, they are accounted for as a separate item (major components) and are depreciated over their useful life or over the remaining useful life of the principal Property, Plants and Equipment, whichever is less.

Useful lives of each class of Property, Plants and Equipment as prescribed under Part C of Schedule II to the Companies Act, 2013; except as based on technical evaluation are as under:-

S. No.	Name of Property, Plants and Equipment	Useful Life (In Years)
1.	Factory Building	30 Years
2.	Building (Other than Factory Building)	60 Years
3.	Plant and Machineries (Including Continuous Process Plant)	15 Years
4.	Furniture and Fixtures	10 Years
5.	Office Equipment	5 Years
6.	Computer and Other Data Processing units	3 Years
7.	Motor Vehicles	8 Years
8.	Electrical Installation and Other Equipment	10 Years
9.	Motor Cycle/Scooter/Moped	10 Years

Freehold land is not depreciated. Leasehold land and their improvement costs are amortized over the period of the lease. The useful lives, residual value of each part of an item of Property, Plants and Equipment and the method of depreciation are reviewed at the end of each reporting period, if any, of these expectations differ from the previous estimates, such change is accounted for as a change in accounting estimate and adjusted prospectively, if appropriate.

#### Derecognition

The carrying amount of an item of Property, Plants and Equipment and Intangible Assets is recognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from Derecognition of the Property, Plants and Equipment is measured as the difference between the net disposal proceeds and the carrying amount of the assets and is recognized in the Statement of Profit and Loss, as and when the assets are derecognized.

#### d) Intangible Assets

##### Measurement at Recognition

Intangible assets acquired separately is measured on the initial recognition at Cost. Intangible assets arising on the acquisition of business are measured at fair value as at the date of acquisition. Internally generated intangible assets including research cost are not capitalized and the related expenditure is recognized in the Statement of Profit and Loss in the period in which the expenditure is incurred. Following the initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment loss, if any.

The Company has elected to consider the carrying amount of all its intangible assets appearing in the financial statements prepared in accordance with the Accounting Standards notified under the Section 133 of the Companies Act, 2013, read together with the Rule 7 of the Companies (Accounts) Rule, 2014, as amended and used the same as deemed cost in the Opening Ind AS Balance Sheet prepared as on April 1, 2019.

**Amortization**

Intangible assets with the finite lives are amortized on a "Straight Line Basis" over the estimated useful economics life of such Intangible assets. The amortization expenses on Intangible assets with the finite lives are recognized in the Statement of Profit and Loss.

The amortization period and the amortization method for an intangible asset with the finite useful life are reviewed at the end of each financial year. If any of these expectations differ from the previous estimates, such changes are accounted for as a change in an accounting estimate.

Intangible assets including Computer software are amortized on straight-line basis over a period of Five years.

**Derecognition**

The carrying amount of an Intangible asset is recognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the Derecognition of an Intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the intangible asset and is recognized in the Statement of Profit and Loss, as and when such asset is derecognized.

**e) Impairment**

Assets that have an indefinite useful life, for example goodwill, are not subject to amortization and are tested for impairment annually and whenever there is an indication that the asset may be impaired.

Assets that are subject to depreciation and amortization and assets representing investments in subsidiary and associate companies are reviewed for impairment, whenever events or changes in circumstances indicate that carrying amount may not be recoverable. Such circumstances include, though are not limited to, significant or sustained decline in revenues or earnings and material adverse changes in the economic environment.

The Company assesses at each reporting date whether there is an indication that assets may be impaired. If any indication exists based on internal or external factors, or when annual impairment testing for assets is required, the Company estimates the asset's recoverable amount. Where the carrying amount of the assets or its cash generating unit (CGU) exceeds its recoverable amount, the assets are considered impaired and is written down to its recoverable amount. The recoverable amount is the greater of the fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre - tax rate that reflects current market rates and the risk specific to the assets. For those assets that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the assets belong. Fair value less cost to sell is the best estimate of the amount obtainable from the sale of an asset in an arm's length transactions between knowledgeable, willing parties, less cost of disposal. After the impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

Reversal of impairment losses recognized in prior years is recorded when there is an indication that the impairment losses recognized for the assets no longer exists or has decreased. However, the increase in the carrying amount of assets due to the reversal of an impairment loss is recognized to the extent it does exceed the carrying amount that would have been determined (net of depreciation) had no Impairment Loss been recognized for the assets in the prior years.

Impairment losses, if any, are recognized in the Statement of Profit and Loss and included in depreciation and amortization expense. Impairment losses are reversed in the Statement of Profit and Loss only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognized.

#### f) Lease

A lease is classified at the inception date as finance lease or an operating lease. A lease that transfers substantially all the risk and rewards incidental to the ownership to the Company is classified as a finance lease. All other leases are classified as operating lease.

#### The Company as a Lessee

##### i) Operating Lease:

Rental payable under the operating lease is charged to the Statement of Profit and Loss on a straight - line basis over the term of the relevant lease except where another systematic basis is more representative of time pattern in which economic benefits from the leased assets are consumed.

##### ii) Finance Lease:

Finance lease are capitalized at the commencement of the lease, at the lower of the fair value of the property or the present value of the minimum lease payments. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation. Lease payments are apportioned between finance expenses and the reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are charged directly against the income over the period of the lease unless they are directly attributable to qualifying assets, in which case they are capitalized. Contingent rentals are recognized as an expense in the period in which they are incurred.

A leased asset is depreciated over the useful lives of the assets, however, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the assets is depreciated over the shorter of the estimated useful lives of the assets and the lease terms.

#### The Company as a Lessor:

Lease payments under operating leases are recognized as an income on a straight - line basis in the statement of profit and loss over the lease term except where the lease payments are structured to increase in line with expected general inflation. The respective leased assets are included in the Balance Sheet based on their nature.

Assets given under finance lease are recognized at an amount equal to the net investment in the lease. Lease rentals are apportioned between principal and interest on the Internal Rate of Return (IRR) method. The principal amount received reduces the net investment in the lease and interest is recognized as revenue. Initial direct cost such as legal costs, brokerage costs etc. are recognized immediately in the Statement of Profit and Loss/ Profit and Loss Account.

### g) Investments

Investments are classified into Current or Non - Current Investments. Investments that are readily realizable and intended to be held for not more than a year from the date of acquisition are classified as Current Investments. All other Investments are classified as Non - Current Investments. However, that part of Non - Current Investments which are expected to be realized within twelve months from the Balance Sheet date is also presented under "Current Investments" under "Current portion of Non - Current Investments" in consonance with classification of Current / Non – Current classification of Schedule - III of the Act.

All the equity investment which covered under the scope of Ind AS 109, "Financial Instruments" is measured at the fair value. Investment in Mutual Fund is measured at fair value through profit and loss (FVTPL). Trading Instruments are trading at fair value through profit and loss (FVTPL).

The cost of investments comprises the purchase price and directly attributable acquisition charges such as brokerage, fess and duties.

### h) Investments Properties

The property that is held for capital appreciation or for earning rentals or both or, which are not intended to be occupied substantially for use by, or in the operations of the Company is classified as Investment Properties. Items of investment properties are measured at cost less accumulated depreciation / amortization and accumulated impairment losses. Cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for its intended use. Investment properties are depreciated on straight line method on pro-rata basis at the rates specified therein. Subsequent expenditure including cost of major overhaul and inspection is recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

### i) Inventories

Inventories of the raw material, work-in-progress, finished goods, packing material, stores and spares, components, consumables and stock in trade are carried at lower of cost and net realizable value. However, raw material and other items held for use in production of inventories are not written down below cost if the finished goods in which they will be incorporated are expected to be sold at or above cost. The comparison of cost and net realizable value is made on an item by item basis.

In determining the cost of raw materials, work-in-progress, finished goods, packing materials, stores and spares, components and stock in trade "First in First Out (FIFO)" method is used. Cost of inventories included the cost incurred in bringing each product to its present location and conditions are accounted as follows:

- i) **Raw Material:** Cost included the purchase price net of all direct and indirect taxes, duties (other than those which is recoverable from tax authorities) and other direct or indirect costs incurred to bring the inventories into their present location and conditions.

- ii) **Finished Goods and Work-in-Progress:** Cost included cost of direct materials and packing material and the labor cost and an appropriate proportion of fixed and variable overhead based on the normal operating capacity of the Company, but excluding the borrowing costs but include the other costs incurred in bringing the inventories to their present location and condition. Fixed production overheads are allocated based of normal capacity of production facilities. Cost is determined on “*First in First out basis (FIFO)*”.
- iii) **Stock in Trade:** Stock of raw material consists of raw material intended for trading. Cost of raw material intended for trading included the purchase price and other direct or indirect costs incurred in bringing the inventories to their present location and conditions. Cost is determined on “*First in First out basis (FIFO)*”.
- iv) **Stores / spares:** Cost included the purchase price net of all direct and indirect taxes, duties (other than those which is recoverable from tax authorities) and other direct or indirect costs incurred to bring the inventories into their present location and conditions.

The stock of waste or scrap is valued at net realizable value.

“*Net Realizable Value*” is the estimated selling price of inventories in the ordinary course of business, less estimated costs of completion and estimated cost necessary to make the sales of the products.

#### j) **Borrowing Costs**

Borrowing cost include the interest, commitments charges on bank borrowings, amortization of ancillary costs incurred in connection with the arrangement of borrowings.

Borrowing costs that are directly attributable to the acquisition or construction of qualifying property, plants and equipment are capitalized as a part of cost of that property, plants and equipment until such time that the assets are substantially ready for their intended use. Qualifying assets are assets which take the substantial period of time to get ready for the intended use or sale.

When the Company borrows the funds specially for the purpose of obtaining the qualifying assets, the borrowing costs incurred are capitalized with qualifying assets. When the Company borrows fund generally and use them for obtaining a qualifying asset, the capitalization of borrowing costs is computed on weighted average cost of general cost that are outstanding during the reporting period and used for acquisition of the qualifying assets. Capitalization of the borrowing costs ceases when substantially all the activities necessary to prepare the qualifying assets for intended use are complete.

Other Borrowing Costs are recognized as expenses in the period in which they are incurred. Any interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Any exchange differences arising from foreign currency borrowings to the extent that they are regarded as adjustments to interest costs are recognized as Borrowing Costs, and are capitalized as a part of cost of such property, plants and equipment if they are directly attributable to their acquisition or charged to the Standalone Statement or Profit and Loss.



## k) Employee Benefits

### Short Term Employee Benefits

All the employee benefits payable wholly within twelve months of rendering the services are classified as short - term employee benefits and they are recognized in the period in which the employee renders the related services. The Company recognizes the undiscounted amount of short - term employee benefits expected to be paid in the exchange for services are rendered as a liability (accrued expense) after deducting any amount already paid.

The benefit in the form of Leave Encashment is a non-accumulating short term compensated absences. It is accounted in the year when absences occur and charged to Statement of Profit & Loss of the year.

### Post - Employment Benefits

#### a. Defined Contribution Plans

Defined contribution plans are employee state insurance scheme and Government administrated provident fund scheme for all the applicable employees. The Company makes specified monthly contribution towards Employee Provident Fund scheme as per the norms prescribed by the Central Government. The Company's contribution to defined contribution plans is recognized in the Statement of Profit and Loss in the reporting which they relate.

#### Recognition and Measurement of Defined Contribution Plans

The Company recognizes contribution payable to a defined contribution plan as an expense in the Statement of Profit and Loss when the employees render services to the Company during the reporting period. If the contributions payable for services received from employees before the reporting date exceed the contributions already paid, the deficit payable is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the reporting date, the excess is recognized as an asset to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund.

#### b. Defined Benefits Plans

##### i) Gratuity Scheme

The Company operates a defined benefit gratuity plan for employees. The Company pays the gratuity to the employee whoever has completed five years of service with the Company at the time of resignation or superannuation. The Gratuity is paid at 15 Days salary for every completed year of service as per the Payment of Gratuity Act, 1972.

The liability in respect of gratuity and other post - employment benefits is calculated using the "Project Unit Credit Method" and spread over the period during which the benefit is expected to be derived from employee services.

Re - measurement of defined benefits plans in respect of post employments are charged to Other Comprehensive Income.

### Recognition and Measurement of Defined Benefit Plans

The cost of providing defined benefits is determined using the Projected Unit Cash Credit method with actuarial valuations being carried out at each Balance Sheet date. The defined benefit obligations recognized in the Balance Sheet represent the present value of the defined benefit obligations as reduced by the fair value of plan assets, if applicable. Any defined benefit asset (negative defined benefit obligations resulting from this calculation) is recognized representing the present value of available refunds and reductions in future contributions to the plan.

All expenses represented by current service cost, past service cost, if any, and net interest on the defined benefit liability / (asset) are recognized in the Statement of Profit and Loss. Remeasurements of the net defined benefit liability / (asset) comprising actuarial gains and losses and the return on the plan assets (excluding amounts included in net interest on the net defined benefit liability/asset), are recognized in Other Comprehensive Income. Such Remeasurements are not reclassified to the Statement of Profit and Loss in the subsequent periods.

Past service cost is recognized immediately to the extent that the benefits are already vested, else is amortized on a straight - line basis over the average period until the amended benefits become vested. Actuarial gain or losses in respect of the defined benefit plans are recognized in the Statement of Profit and Loss in the year in which they arise.

The Company present the above liability as Current and Non - Current in the Balance Sheet as per the Actuarial Valuation by the Independent actuary; however, the entire liability towards gratuity is considered as current as the Company will contribute this amount to the Gratuity Fund within next twelve months.

#### **I) Revenue Recognition**

Revenue is recognized when it is probable that economic benefit associated with the transaction flows to the Company in ordinary course of its activities and the amount of revenue can be measured reliably, regardless of when the payment is being made. Revenue is measured at the fair value of consideration received or receivable, taking into the account contractually defined terms of payments, net of its returns, trade discounts and volume rebates allowed.

Revenue includes only the gross inflows of economic benefits, including the excise duty, received and receivable by the Company, on its own account. Amount collected on behalf of third parties such as sales tax, value added tax and goods and service tax (GST) are excluded from the Revenue.

Revenue from contract with the customers is recognized upon the transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products and services. Revenue is measured based on the transaction price, which is the consideration, adjusted discounts and other incentives, if any, as per the contract with customers. Revenue also excludes taxes or amounts collected from customers in its capacity as agents.

### Sale of Products

Revenue from sales of goods is recognized, when all the significant risks and rewards of the ownership of the goods is passed to the buyer, recovery of the consideration is probable, associated cost can be estimated reliably, there is no continuing effective control or managerial involvement with the goods and amount of revenue can be measured reliably, which is generally considered on dispatch of goods to the customers except in case of the consignment sales.

Sales (Gross) includes Excise Duty but excludes VAT and Goods and Service Tax (GST) and is net of discounts and incentives to the customers. Excise Duty to the extent included in the gross turnover is deducted to arrive at the net turnover.

### Sale of Services

Revenue from Sale of Services is recognized as per the Completed Service Contract Method of Revenue recognition except in the few cases when the Revenue from Sale of Services is recognized on accrual basis as per the Contractual agreement basis. Stage of completion is measured by the service performed till the balance sheet date as a percentage of total service contracted.

### Revenue from Contracts

Revenue from contracts with customers is recognized on transfer of control of promised goods or services to a customer at an amount that reflects the consideration to which the Company is expected to be entitled to in exchange for those goods or services.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract. This variable consideration is estimated based on the expected value of outflow. Revenue (net of variable consideration) is recognized only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

### Export Incentives

Export incentive revenues are recognized when the right to receive the credit is established and there is no significant uncertainty regarding the ultimate collection.

### Interest

Revenue from Interest income is recognized using the effective interest method. Effective Interest Rate (EIR) is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instruments or a shorter period, where appropriate, to the gross carrying amount of the financial assets or to the amortized cost of financial liability.

### Royalty

Royalty income is recognized on an accrual basis in accordance with the substance of the relevant agreement.

**Dividend**

Revenue is recognized when the Company's right to receive the payment is established at the end of the reporting date, which is generally when the shareholders approve the dividend at the Annual General Meeting / Extraordinary General Meeting.

**Surplus / (Loss) on disposal of Property, Plants and Equipment / Investments**

Surplus or loss on disposal of property, plants and equipment or investment is recorded on transfers of title from the Company, and is determined as the difference between the sales price and carrying value of the property, plants and equipment or investments and other incidental expenses.

**Rental Income**

Rental income arising from operating lease on investments properties is accounted for on a straight - line basis over the lease term except the case where the incremental lease reflects inflationary effect and rental income is accounted in such case by actual rent for the period.

**Insurance Claim**

Claim receivable on account of insurance is accounted for to the extent the Company is reasonably certain of their ultimate collections.

**Other Income**

Revenue from other income is recognized when the payment of that related income is received or credited.

**m) Foreign Currency Transactions****a) Initial Recognition**

Transactions in the Foreign Currencies entered into by the Company are accounted in the functional currency (i.e. Indian Rupee), by applying the exchange rates prevailing on the date of the transaction. Any exchange difference arising on foreign exchange transactions settled during the reporting period are recognized in the Statement of Profit and Loss.

**b) Conversion of Foreign Currency Items at Reporting Date**

Foreign Currency Monetary Items of the Company are restated at the end of the reporting date by using the closing exchange rate as prescribed by the Reserve Bank of India, RBI Reference Rate.

Non - Monetary Items are recorded at the exchange rate prevailing on the date of the transactions.

Non - Monetary Items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is measured. Exchange differences arising out of these translations are recognized in the Statement of Profit and Loss except exchange gain or loss arising on Non - Monetary Items measured at fair value of the item

which are recognized Statement of Profit and Loss or Other Comprehensive Income depending upon their fair value gain or loss recognized in Statement of Profit or Loss and Other Comprehensive Income, respectively.

Exchange differences arising on monetary items that, in substance, form part of the Company's net investment in a foreign operation (having a functional currency other than Indian Rupees) are accumulated in Foreign Currency Translation Reserve.

All the other exchange differences arising on settlement or translation of monetary items and the mark to market losses / gain are dealt with in the Statement of Profit and Loss as Income or Expenses in the period in which they arise except to the extent that they are regarded as an adjustment to the Finance Costs on foreign currency borrowings that are directly attributable to the acquisition or constructions of the qualifying assets, are capitalized to the qualifying assets.

#### n) Government Grants and Subsidies

Any subsidy from the Government authorities or any other authorities which the company is entitled to receive in respect of manufacturing or other facilities are dealt as follows:

- i) Grants in the nature of subsidies which are non - refundable are recognized as income where there is reasonable assurance that the Company will comply with all the necessary conditions attached to them. Income from grants is recognized on a systematic basis over periods in which the related costs that are intended to be compensated by such grants are recognized.
- ii) A government grant which becomes receivable by an entity as compensation for expenses or losses incurred in a previous period is recognized in profit or loss of the period in which it becomes receivable.
- iii) Government grants related to assets, including non-monetary grants at fair value, is presented in the balance sheet by deducting the grant in arriving at the carrying amount of the asset. The grant is recognized in profit or loss over the life of a depreciable asset as a reduced depreciation expense.

#### o) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

##### Financial Assets

##### Initial Recognition and Measurement

The Company recognizes a financial asset in its Balance Sheet when it becomes party to the contractual provisions of the instrument. All financial assets are recognized initially at fair value, plus in the case of financial assets not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial asset.

Where the fair value of a financial asset at initial recognition is different from its transaction price, the difference between the fair value and the transaction price is recognized as a gain or loss in the Statement of Profit and Loss at initial recognition if the fair value is determined

through a quoted market price in an active market for an identical asset (i.e. level 1 input) or through a valuation technique that uses data from observable markets (i.e. level 2 input).

In case the fair value is not determined using a level 1 or level 2 input as mentioned above, the difference between the fair value and transaction price is deferred appropriately and recognized as a gain or loss in the Statement of Profit and Loss only to the extent that such gain or loss arises due to a change in factor that market participants take into account when pricing the financial asset.

However, trade receivables that do not contain a significant financing component are measured at transaction price.

### Subsequent Measurement

For subsequent measurement, the Company classifies a financial asset in accordance with the below criteria:

- i) The Company's business model for managing the financial asset and
- ii) The contractual cash flow characteristics of the financial asset.

Based on the above criteria, the Company classifies its financial assets into the following categories:

- i) Financial assets measured at amortized cost
- ii) Financial assets measured at fair value through other comprehensive income (FVTOCI)
- iii) Financial assets measured at fair value through profit or loss (FVTPL)

### Financial Assets measured at Amortized Cost

A financial asset is measured at the amortized cost if both the following conditions are met:

- a) The Company's business model objective for managing the financial asset is to hold financial assets in order to collect contractual cash flows, and
- b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category applies to cash and bank balances, trade receivables, loans and other financial assets of the Company Refer Note No. 35 for further details. Such financial assets are subsequently measured at amortized cost using the effective interest method.

Under the effective interest method, the future cash receipts are exactly discounted to the initial recognition value using the effective interest rate. The cumulative amortization using the effective interest method of the difference between the initial recognition amount and the maturity amount is added to the initial recognition value (net of principal repayments, if any) of the financial asset over the relevant period of the financial asset to arrive at the amortized cost at each reporting date. The corresponding effect of the amortization under effective interest method is recognized as interest income over the relevant period of the financial asset. The same is included under other income in the Statement of Profit and Loss.

The amortized cost of a financial asset is also adjusted for loss allowance, if any.



**Financial Assets measured at FVTOCI**

A financial asset is measured at FVTOCI if both of the following conditions are met:

- a) The Company's business model objective for managing the financial asset is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category applies to certain investments in debt instruments (Refer Note No.35 for further details). Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Other Comprehensive Income (OCI). However, the Company recognizes interest income and impairment losses and its reversals in the Statement of Profit and Loss.

On Derecognition of such financial assets, cumulative gain or loss previously recognized in OCI is reclassified from equity to Statement of Profit and Loss.

On Derecognition of such financial assets, cumulative gain or loss previously recognized in OCI is not reclassified from the equity to Statement of Profit and Loss. However, the Company may transfer such cumulative gain or loss into retained earnings within equity.

**Financial Assets measured at FVTPL**

A financial asset is measured at FVTPL unless it is measured at amortized cost or at FVTOCI as explained above. This is a residual category applied to all other investments of the Company excluding investments in subsidiary and associate companies. Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Statement of Profit and Loss.

**Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized (i.e. removed from the Company's Balance Sheet) when any of the following occurs:

- i) The contractual rights to cash flows from the financial asset expires;
- ii) The Company transfers its contractual rights to receive cash flows of the financial asset and has substantially transferred all the risks and rewards of ownership of the financial asset;
- iii) The Company retains the contractual rights to receive cash flows but assumes a contractual obligation to pay the cash flows without material delay to one or more recipients under a 'pass-through' arrangement (thereby substantially transferring all the risks and rewards of ownership of the financial asset)
- iv) The Company neither transfers nor retains substantially all risk and rewards of ownership and does not retain control over the financial asset.

In cases where Company has neither transferred nor retained substantially all of the risks and rewards of the financial asset, but retains control of the financial asset, the Company continues to recognize such financial asset to the extent of its continuing involvement in the financial asset. In that case, the Company also recognizes an associated liability. The

financial asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

On Derecognition of a financial asset, (except as mentioned in ii above for financial assets measured at FVTOCI), the difference between the carrying amount and the consideration received is recognized in the Statement of Profit and Loss.

### Impairment of Financial Assets

The Company applies expected credit losses (ECL) model for measurement and recognition of loss allowance on the following:

- i) Trade receivables and lease receivables
- ii) Financial assets measured at amortized cost (other than trade receivables and lease receivables)
- iii) Financial assets measured at fair value through other comprehensive income (FVTOCI)

In case of trade receivables and lease receivables, the Company follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognized as loss allowance.

In case of other assets (listed as ii and iii above), the Company determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognized as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognized as loss allowance.

Subsequently, if the credit quality of the financial asset improves such that there is no longer a significant increase in credit risk since initial recognition, the Company reverts to recognizing impairment loss allowance based on 12 months- ECL.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. 12 months ECL are a portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date.

ECL are measured in a manner that they reflect unbiased and probability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

As a practical expedient, the Company uses a provision matrix to measure lifetime ECL on its portfolio of trade receivables. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates. At each reporting date, the historically observed default rates and changes in the forward-looking estimates are updated.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Statement of Profit and Loss under the head "Other Expenses".

## Financial Liabilities

### Initial Recognition and Measurement

The Company recognizes a financial liability in its Balance Sheet when it becomes party to the contractual provisions of the instrument. All financial liabilities are recognized initially at fair value minus, in the case of financial liabilities not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial liability.

Where the fair value of a financial liability at initial recognition is different from its transaction price, the difference between the fair value and the transaction price is recognized as a gain or loss in the Statement of Profit and Loss at initial recognition if the fair value is determined through a quoted market price in an active market for an identical asset (i.e. level 1 input) or through a valuation technique that uses data from observable markets (i.e. level 2 input).

In case the fair value is not determined using a level 1 or level 2 input as mentioned above, the difference between the fair value and transaction price is deferred appropriately and recognized as a gain or loss in the Statement of Profit and Loss only to the extent that such gain or loss arises due to a change in factor that market participants take into account when pricing the financial liability.

### Subsequent Measurement

All financial liabilities of the Company are subsequently measured at amortized cost using the effective interest method. (Refer Note No 35 for further details).

Under the effective interest method, the future cash payments are exactly discounted to the initial recognition value using the effective interest rate. The cumulative amortization using the effective interest method of the difference between the initial recognition amount and the maturity amount is added to the initial recognition value (net of principal repayments, if any) of the financial liability over the relevant period of the financial liability to arrive at the amortized cost at each reporting date. The corresponding effect of the amortization under effective interest method is recognized as interest expense over the relevant period of the financial liability. The same is included under finance cost in the Statement of Profit and Loss.

### Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the Derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid is recognized in the Statement of Profit and Loss.

## p) Fair Value

The Company measures financial instruments at fair value in accordance with the accounting policies mentioned above. 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 assets or liability, or
- \* In the absence of a principal market, in the most advantageous market for the assets or liabilities.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy that categorizes into three levels, described as follows, the inputs to valuation techniques used to measure value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;

Level 3 - Inputs that are unobservable for the asset or liability

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period and discloses the same.

#### q) Taxes on Income

Tax expense comprises Current and Deferred Income tax. Tax expenses are recognized in the Statement of Profit and Loss, except to the extent that it relates to the items recognized in the other comprehensive income or in equity. In that case tax is also recognized in other comprehensive income or equity.

Current Income tax is the amount of income tax payable in respect of taxable profit for the period. Taxable profit differs from "Profit Before Tax" as reported under Statement of Profit and Loss because of item of expenses or income that are taxable or deductible in other years and items that are never taxable or deductible under Income Tax Act.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the Income Tax Authorities, based on tax rates and laws that are enacted at the balance sheet date. Current tax also includes any adjustments amount to tax payable in respect of previous year.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit under Income Tax Act, 1961.

Deferred tax liabilities are generally recognized for all taxable temporary differences. However, in case of temporary difference that arises from initial recognition of assets or liabilities in a transaction (other than business combination) that affect neither the taxable profit nor the accounting profit, deferred tax liabilities are not recognized. Also, for temporary differences if any that may arise from initial recognition of goodwill, deferred tax liabilities are not recognized.

Deferred tax assets are generally recognized for all deductible temporary differences to the extent it is probable that taxable profits will be available against which those deductible temporary difference can be utilized. In case of temporary differences that arise from initial recognition of assets or liabilities in a transaction (other than business combination) that affect neither the taxable profit nor the accounting profit, deferred tax assets are not recognized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the benefits of part or all of such deferred tax assets to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

### Presentation

Current and deferred tax are recognized as income or an expense in the Statement of Profit and Loss, except when they relate to items that are recognized in Other Comprehensive Income, in which case, the current and deferred tax income / expense are recognized in Other Comprehensive Income.

The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. In case of deferred tax assets and deferred tax liabilities, the same are offset if the Company has a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Company.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognized as deferred tax assets in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realized. However for the years under reporting the company has not recognized deferred tax assets on MAT due to uncertainty arising out of tax planning options available to the company as per prevailing tax laws. (Refer Note 18)

If MAT Credit is recognized, the Company reviews the same at each reporting period and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay Normal Income Tax during the specified period.

### **r) Segment Reporting**

Segments are identified having regard to the dominant source and nature of risks and returns and the internal organization and management structure. The Company has considered as Business Segments as Primary Segments. The Company does not have any Geographical Segments.

### Identification of Segments

The Company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a Strategic business unit that offers the different products and serves the different markets. Majorly, the Company's Business Segments are "Elevator Division", "Steel Polishing Division".

### Segments Accounting Policies

The Company prepares its Segment Information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

### Inter - Segment Transfer

The Company does not recognize Inter - Segment transfers at any agreed value of the transactions.

### Allocation of Common Costs

Common allocable costs are allocated to each segment reporting according to the relative contribution of each segment to the total of common costs.

### Unallocated Items

Unallocated Items include the General Corporate Income and Expense items which are not allocated to any of the Business Segments.

Operating Segment are reported in the manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The CODM is responsible for assessing the performance and allocating the resources of the operating segment of the Company. Refer Note No. 38 for Segment information.

## s) **Research and Developments**

Research and Developments expenditures of a revenue nature are expensed out under the respective heads of the account in the year in which it is incurred. Expenditure of development which does not meet the criteria for recognition as an intangible asset is recognized as an expense when it incurred.

Item of Property, Plants and Equipment and acquired Intangible Assets utilized for research and developments are capitalized and depreciated in accordance with the policies stated for Tangible Property, Plants and Equipment and Intangible Assets.

## t) **Earnings per Share**

The Company reports the basic and diluted Earnings per Share (EPS) in accordance with Indian Accounting Standard - 33, "Earnings per Share". Basic EPS is computed by dividing the Net Profit or Loss attributable to the Equity Shareholders for the period by the weighted average number of Equity shares outstanding during the period.

Diluted EPS is computed by dividing the Net Profit or Loss attributable to the Equity Shareholders for the period by the weighted average number of Equity Shares outstanding



during the period as adjusted for the effects of all potential Equity Shares, except where the results are Anti - Dilutive.

The weighted average number of Equity Shares outstanding during the period is adjusted for events such as Bonus Issue, Bonus elements in right issue, share splits, and reverse share split (consolidation of shares) that have changed the number of Equity Shares outstanding, without a corresponding change in resources.

Partly paid up Equity Shares, if any, are treated as fraction of Equity Shares to the extent that they are entitled to participate in dividends to a fully paid equity shares during the Reporting Period.

#### u) Provisions and Contingencies

The Company recognizes provisions when a present obligation (legal or constructive) as a result of a past event exists and it is probable that an outflow of resources embodying economic benefits will be required to settle such obligation and the amount of such obligation can be reliably estimated.

If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

A provision is recognized if, as a result of a past event, the Company has a present legal obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by the best estimate of the outflow of economic benefits required to settle the obligation at the reporting date. Where no reliable estimate can be made, a disclosure is made as Contingent Liability.

In the rare cases, when a liability cannot be measured reliably, it is classified as Contingent Liability. The Company does not recognize a Contingent Liability but disclosed its existence in the financial statements.

#### v) Event after Reporting Date

Where events occurring after the Balance Sheet date provide evidence of condition that existed at the end of reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed.

All the events occurring after the Balance Sheet date up to the date of the approval of the standalone financial statement of the Company by the board of directors on May 15, 2023, have been considered, disclosed and adjusted, wherever applicable, as per the requirement of Indian Accounting Standards.

**w) Non - Current Assets Held for Sales**

The Company classifies non - current assets as held for sale if their carrying amount will be recovered principally through a sale rather than through continuing use of the assets and action required to complete such sale indicate that it is unlikely that significant changes to the plan to sell will be made or that the decision will be withdrawn. Also, such assets are classified as held for sale only if the management expects to complete the sale within one year from the date of classification.

Non - current assets classified as held for sale are measured at the lower of their carrying amount and the fair value less cost to the sell. Non - current assets are not Depreciated or Amortized.

**x) Cash Flow Statements**

Cash Flows Statements are reported using the method set out in the Indian Accounting Standard – 7, “Cash Flow Statements”, whereby the Net Profit / (Loss) before tax is adjusted for the effects of the transactions of a Non - Cash nature, any deferrals or accrual of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

**y) Cash and Cash Equivalents**

Cash and Cash Equivalents include Cash and Cheques in Hand, Balances with Banks, and demand deposits with Banks and other Short term highly liquid investments where the original maturity is less than three months or less.

**3. RECENT ACCOUNTING PRONOUNCEMENT**

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

**Ind AS 1 – Presentation of Financial Statements**

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general-purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

**Ind AS 12 – Income Taxes**

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company does not expect this amendment to have any significant impact in its financial statements.

**Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors**

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.



## Get In Touch

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