# AADI INDUSTRIES LIMITED

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

Date: 28th May, 2021

To,

BSE Limited

1st Floor, New Trading Ring,
Rotunda Building, P. J. Towers
Dalal Street, Fort,
Mumbai-400 001
Scrip Code: 530027

Subject: Revised Annual Report for FY 2019-20

Dear Sir/ Ma'am,

It came to the notice of the Company that due to some inadvertent error, the Annual Report submitted to the BSE did not contain Notes to Financial Statements. Hence, to rectify the same, the Company is submitting the revised Annual Report.

We request you to please replace this Annual Report with the earlier one and consider the same.

Thanking You,

Yours Truly,

**For Aadi Industries Limited**

Rushabh Jitendra Shah

Digitally signed by Rushabh Jitendra Shah
Date: 2021.05.28 18:44:27 +05'30'

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

# AADI INDUSTRIES LIMITED

## 26TH ANNUAL REPORT

## 2019-2020

| | |
|---|---|
| CHAIRMAN & MANAGING DIRECTOR | MR. RUSHABH SHAH |
| CHIEF FINANCIAL OFFICER | MR. SUSHIL SURVE |
| DIRECTORS | MR. RUSHABH SHAH<br>MRS. KAVITA JAMSUTKAR<br>MR. SADANAND KOTNIS*<br><br>* ON SEPTEMBER 03, 2020, BSE INTIMATION REGARDING THE DEATH OF MR. SADANAND KOTNIS PURUSHOTTAM, INDEPENDENT DIRECTOR OF THE COMPANY WAS GIVEN UNDER REGULATION 30 AND 68(2) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015. |
| AUDITORS | M/S. N. H. VYAS & CO.<br>CHARTERED ACCOUNTANTS MUMBAI |
| BANKERS | DENA BANK |
| REGISTEREDOFFICE | 421, 4TH FLOOR, KAILASH PLAZA BUILDING, VALLABH BAUG LANE, GHATKOPAR (EAST), MUMBAI- 400 075. |
| REGISTRAR & SHARE TRANSFER AGENT | LINK INTIME INDIA PVT. LTD<br><br>C 101, 247 PARK, L.B.S.MARG, VIKHROLI (WEST), MUMBAI - 400083.<br><br>*MERGER OF SHAREX DYNAMIC (INDIA) PVT LTD INTO LINK INTIME INDIA PVT LTD WITH EFFECT FROM 31ST AUGUST, 2020 WAS INTIMATED TO BSE AS ON OCTOBER 10, 2020. AS THE COMPANY'S RTA WAS SHAREX DYNAMIC (INDIA) PVT LTD BUT DUE TO AFORESAID MERGER, LINK INTIME IS NOW THE RTA OF AADI INDUSTRIES LIMITED. |

## MANAGEMENT DISCUSSION AND ANALYSIS

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

### A. Industry structure and developments

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

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

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

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

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

### C. Internal control systems and their adequacy

The Company is in process of designing and putting in place various internal control systems for all the key departments. Further Internal Audit systems will also be placed and proposed to be carried out to check the implementation and working of the Internal Systems.

### D. Social Responsibility

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

### E. Cautionary Statement

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

regulations, tax laws & other statutes & other incidental factors.

### F. Future Outlook

The trading in equity shares of the Company was suspended w.e.f. 5th September, 2017 due to non-compliance with Regulation 34 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 for two consecutive years i.e. March 2015 & March 2016. The Company is now in process of complying all the Regulations and has already submitted application for revocation of suspension in trading of equity shares. The Company has also submitted disclosures as required under SEBI (Prohibition of Insider Trading) Regulation, 1992 and SEBI (Substantial Acquisition of Shares and Takeover) Regulation, 2011.

### G. Industrial Relations

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

### H. Forward looking and cautionary statements

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

### I. Human Capital

Human Resources are important assets of Aadi Industries Limited. Your Company has employed 3 employees during financial year 2019-20.

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

The Company has started business last year so there is increase in the following financial ratios from financial year 2018-19 to 2019-20.

| Sr. No. | Ratio | FY 2018-19 | FY 2019-20 |
|---|---|---|---|
| 1. | Current Ratio | 0.23 | 0.08 |
| 2. | Debt Equity Ratio | -1.31 | -1.09 |
| 3. | Debtors Turnover Ratio | 0.16 | 2.72 |
| 4. | Inventory Turnover Ratio | 4.82 | 5.48 |
| 5. | Interest Coverage Ratio | Nil | Nil |
| 6. | Operating Profit Margin | 1 | 0.31 |
| 7. | Net Profit Margin | -0.92 | 0.60 |

### K. Return on Net Worth:

The Company had incurred net loss of Rs. 23,58,215.61 in previous financial year in comparison to net profit of Rs. 1,23,70,955 in current financial year. Shareholders equity has increased from Rs. -7,19,18,640.61 in previous financial year to Rs. -5,96,23,036 in current financial year.

Accordingly, return on Net Worth of the Company has improved from 0.032 to -0.207 in the financial year 2019-20.

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

**Sd/-**

**Mr. Rushabh Shah**
**Managing Director**
**(DIN: 01944390)**
**Place: Mumbai**
**December 5, 2020**

**Aadi Industries Limited**

## DIRECTORS' REPORT

Dear Shareholders,

The Board of Directors of your Company take pleasure in presenting the Twenty-Sixth Annual Report together with Audited Financial Statements of the Company for the financial year ended March 31, 2020.

### 1. Financial Performance

(Amount in Rs.)

| Particulars | As on 31st March, 2020 | As on 31st March, 2019 |
|---|---|---|
| Total Income | 2,06,21,872 | 25,53,296 |
| Total Expenses | 82,50,916 | 49,11,508 |
| Profit/(loss) before Tax | 1,23,70,956 | (23,58,212) |
| Provision for Income Tax (including for earlier years) | 75,352 | - |
| Net Profit/(Loss) After Tax | 1,22,95,604 | (23,58,212) |

Your Company has earned income of Rs. 2,06,21,872 during the current Financial Year. The total expenses increased from Rs. 49,11,508 to Rs. 82,50,916. Accordingly, the net profit has increased from loss of Rs. 23,58,212in the preceding financial year to Rs. 1,22,95,604 in the current financial year.

### 2. Operations:

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

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

### 3. Dividend

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

### 4. Transfer to Reserve

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

### 5. Revision of Financial Statement

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

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

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

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

There were no changes in the nature of business during financial year ending 31st March, 2020.

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

During the year under review the trading in equity shares of the company was suspended w.e.f. 5thSeptember, 2017 due to noncompliance with Regulation 34 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 for two consecutive years i.e. March 2015 & March 2016.

The Company has already made application to the Stock Exchange for revocation of suspension.

**9. Share Capital**

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

As on March 31, 2020, the Authorised share capital stands at Rs. 25,00,00,000 divided into 2,50,00,000 equity shares of Rs.10/- each whereas issued, subscribed & paid-up share capital of your Company stand at Rs.10,00,00,000 divided into 1,00,00,000 Equity Shares of Rs.10 each.

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

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

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

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

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

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

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

During the year under review, there were no instances of non-exercising of voting rights in respect of shares purchased directly by employees under a scheme pursuant to Section 67(3) of the Act read with Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014 is furnished.

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

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

**10. Means of Communication**

The quarterly and annual results are generally published in English and Marathi Newspaper and simultaneously posted on the Company's website (www.aadiindustries.com) and are also sent to the BSE Limited.

**Letters and Reminders to Shareholders**

Updation of PAN and Bank Account Details:

Pursuant to circular issued by SEBI on 20th April, 2018, the Company has sent letters and reminders to shareholders holding shares in physical form for updation of PAN and Bank account details with the Company/ its RTA.

Dematerialisation of shares:

The Securities and Exchange Board of India also issued Circulars during the year thereby mandating transfer of securities only in electronic form effective 1st April, 2019.

Pursuant thereto, the Company sent letters and reminders to those shareholders holding shares in physical form advising them to dematerialise their holding.

**11. Internal Financial Controls:**

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

**12. Board of Directors**

**a) <u>Composition & Constitution of Board of Directors& KMP:</u>**

During the year under review, there was no change in the Directorship of the Company. Your Board comprises of three Directors – Mr. Rushabh Shah, Mr. Sadanand Purushottam Kotnis* and Mrs. Kavita Suresh Jamsutkar.

Mr. Jayesh Mohan Kakade was appointed as Chief Financial Officer (CFO) w.e.f May 29, 2019 and Mr. Jayesh Mohan Kakade resigned from post of C.F.O. w.e.f. June 14, 2019.

Mr. Sushil Surve was appointed as Chief Financial Officer of the Company w.e.f. June 14, 2019.

Mr. Akash Bhandari resigned from the post of Company secretary w.e.f April 01, 2019.

Mr. Bharat Tulsani was appointed as Company Secretary w.e.f. April 02, 2019 and Mr. Bharat Tulsani resigned from the post of Company secretary w.e.f August 31, 2019.

Mr. Rajendra Purohit was appointed as Company Secretary w.e.f. April 20, 2020 and Mr. Rajendra Purohit resigned from post of Company secretary w.e.f November 04, 2020.

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

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

* On September 03, 2020, BSE intimation regarding the death of Mr. Sadanand Kotnis Purushottam, Independent Director of the Company was given under regulation 30 and 68(2) of SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015.

## b) Board Meeting &Attendance:

During the year under review, the Board of your company met six (6) times. The details of Board Meeting held and participation of Directors thereat is enumerated as below:

| Sr. No. | Date of meeting | Total No. of Directors on the Date of Meeting | No. of Directors attended | % of Attendance |
|---|---|---|---|---|
| 1 | 02.04.2019 | 3 | 3 | 100.00 |
| 2 | 29.05.2019 | 3 | 3 | 100.00 |
| 3 | 14.06.2019 | 3 | 3 | 100.00 |
| 4 | 13.08.2019 | 3 | 3 | 100.00 |
| 5 | 13.11.2019 | 3 | 3 | 100.00 |

| | | | | |
|---|---|---|---|---|
| 6 | 14.02.2020 | 3 | 3 | 100.00 |

a) Board-skills/expertise/competencies:

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

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

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

| S. N | Name of Directors | Leadership qualities | Industry knowledge and experience | Understanding of relevant laws, rules and regulations | Financial Expertise | Risk Management |
|---|---|---|---|---|---|---|
| 1 | Mr. Rushabh Shah | Expert | Expert | Expert | Expert | Expert |
| 2 | Mr. Sadanand Kotnis* | Proficient | Proficient | Proficient | Expert | Proficient |
| 3 | Ms. Kavita Suresh Jamsutkar | Proficient | Proficient | Proficient | Expert | Proficient |

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

**c) Nomination and remuneration committee:**

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

The composition of the committee as on March 31, 2020 is as under:

1. *Mr. Sadanand Purushottam Kotnis, Chairman,
2. Ms. Kavita Suresh Jamsutkar, Independent Director and
3. Mr. Rushabh Shah, Director

* On September 03, 2020, BSE intimation regarding the death of Mr. Sadanand Kotnis Purushottam, Independent Director of the Company was given under regulation 30 and 68(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

Major criteria defined in the policy framed for appointment of and payment of remuneration to

the Directors of the Company, are as under

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

| Sr. No. | Date of meeting | Total No. of Directors on the Date of Meeting | No. of Directors attended | % of Attendance |
|---|---|---|---|---|
| 1 | 02.04.2019 | 3 | 3 | 100% |
| 2 | 14.06.2019 | 3 | 3 | 100% |

## I Selection of Directors and Key Managerial Personnel

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

a) by way of recruitment from outside;
b) from within the Company hierarchy; or
c) Upon recommendation by the Chairman or other Directors.

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

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

a) By way of selection from the data bank of Independent Directors maintained by the Government.

b) Upon recommendation by Chairman or other Directors.

## II Qualifications, Experience and Positive Attributes of Directors

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

a) In case of appointment as an Executive Director, the candidate must have the relevant technical or professional qualifications and experience as are considered necessary based on the job description of the position. In case no specific qualification or experience is prescribed or thought necessary for the position then, while recommending the appointment, the job description to the Committee shall be provided and along with justifications that the qualifications, experience and expertise of the recommended candidate are satisfactory for the relevant appointment.

b) The Board, while making the appointment of a Director, shall also try to assess from the information available and from the interaction with the candidate that he is a fair achiever in his chosen field and that he is a person with integrity, diligence and open mind.

## III Board Diversity and Independence of Directors

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

- There shall be a proper mix of Executive and Non-Executive Directors and Independent and non-independent directors on the Board. The Company shall always be in compliance

of the provisions of Section 149 of the Companies Act, 2013 in this regard.

- There shall be a workable mix of directors drawn from various disciplines like technical, finance, commercial, legal, etc.

- While appointing a director to fill in a casual vacancy caused by death, resignation etc. of a director, an effort shall be made, as far as possible, to appoint such a person in his place who has the relevant experience in the fields or disciplines in which the outgoing director had with relevant expertise as requisite to Business of the Company.

- No preference on the basis of gender, religion or cast shall be given while considering the appointment of directors.

- While appointing independent directors, the criteria for the independent directors, as laid down in Section 149 (6) of the Companies Act, 2013 shall be followed.

**IV Remuneration of Directors**

- Remuneration to Directors is based on various factors like Company's size, economic and financial position, Directors' participation in Board and Committee Meetings and after benchmarking with peer companies. Based on the same and performance evaluation of the concerned director, NRC recommends to the Board, remuneration payable to the Directors.

- The remuneration paid to Managing Director and Executive Director(s) includes base salary and variable compensation while remuneration to Independent Directors is based on the various factors like committee position, chairmanship, attendance, participation and performance evaluation. The Independent Directors are entitled to receive remuneration by way of sitting fees, reimbursement of expenses for participation in the Board/Committee meetings and commission.

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

- For details of remuneration paid/payable to Directors for the year ended March 31, 2020, refer Form No. MGT-9 annexed as Annexure 3to the Directors' Report of the Company.

**d) Audit Committee:**

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

1. *Mr. Sadanand Purushottam Kotnis, Chairman,
2. Ms. Kavita Suresh Jamsutkar, Independent Director and
3. Mr. Rushabh Shah, Director

* On September 03, 2020, BSE intimation regarding the death of Mr. Sadanand Kotnis Purushottam, Independent Director of the Company was given under regulation 30 and 68(2) of SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015.

The scope and terms of reference of the Audit Committee have been amended in accordance with the Act and the Listing Agreement entered into with the Stock Exchanges. During the year under review, the Board of Directors of the Company had accepted all the recommendations of the Committee.

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

| Sr. No. | Date of meeting | Total No. of Directors on the Date of Meeting | No. of Directors attended | % of Attendance |
|---|---|---|---|---|
| 1 | 02.04.2019 | 3 | 3 | 100% |
| 2 | 29.05.2019 | 3 | 3 | 100% |
| 3 | 14.06.2019 | 3 | 3 | 100% |
| 4 | 13.08.2019 | 3 | 3 | 100% |
| 5 | 13.11.2019 | 3 | 3 | 100% |
| 6 | 14.02.2020 | 3 | 3 | 100% |

**e) Stakeholders Relationship Committee:**

During the year under review, pursuant to Section 178 of the Companies Act, 2013, the Board of Directors of the Company has constituted the Stakeholder's Relationship Committee, comprising of *Mr. Sadanand Purushottam Kotnis as its Chairman and, Mr. Rushabh Shah and Ms. Kavita Suresh Jamsutkar as the Committee Members Respectively.

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

| Sr. No. | Date of meeting | Total No. of Directors on the Date of Meeting | No. of Directors attended | % of Attendance |
|---|---|---|---|---|
| 1 | 02.04.2019 | 3 | 3 | 100% |
| 2 | 14.06.2019 | 3 | 3 | 100% |

* On September 03, 2020, BSE intimation regarding the death of Mr. Sadanand Kotnis Purushottam, Independent Director of the Company was given under regulation 30 and 68(2) of SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015.

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

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

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

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

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

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

As stipulated by the Code of Independent Directors under the Companies Act, 2013 and the Listing Agreement, a separate meeting of the Independent Directors of the Company was held on 14th February, 2020, to review the performance of Non- Independent Directors (including the Chairman) and the Board as whole.

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

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

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

Familiarization Programme

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

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

As stipulated by the Code for Independent Directors in Schedule IV of the Act and Regulation 25 of the Listing Regulations, a separate meeting of the Independent Directors of the Company was held on 14thFebruary, 2020, to review the performance of all Non-Independent Directors, the Board as a whole and the performance of the Chairman of the Company taking into account the views of other executive and non-executive directors. The independent directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board and its Committees towards effective and reasonable performance and discharge of their duties.

**i) Declaration by Independent Director(s):**

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

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

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

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

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

## 13. Prevention of Insider Trading

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

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

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

## 14. Auditors

### a) Statutory Auditors

The Members of the Company at their Annual General Meeting held in 2019, had appointed N.H.Vyas & Co., Chartered Accountants (Firm Registration No. 132204W), as Statutory Auditors of the Company for a period of five years till the conclusion of 30th Annual General Meeting of the Company to be held in 2023-2024

**Comment on Auditors' Report**

The report of the Auditors along with notes to Schedules forms part of this Annual Report. The observations made by the Auditors in the Auditors' Report are self- explanatory and therefore do not call for any further comments.

### b) Secretarial Audit Report for the year ended 31st March, 2020:

The Board appointed S. A. & Associates, Practising Company Secretary, to conduct Secretarial Audit for the FY 19-20. The Secretarial Audit report for the financial year ended March 31, 2020 is annexed herewith marked as **Annexure 3** to this report.

Comments:

1.The Company is in process of constituting proper Board structure and proper composition of Nomination and remuneration committee – The Company is in process of inducting new Board Members on the Board

### c) Cost Audit:

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

Company.

**15. Related party transactions**

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

**16. Particulars of loans, guarantees or investments under section186:**

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

**17. Extract of Annual Return**

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

**18. Public Deposits**

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

**19. Corporate Social Responsibility**

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

**20. Particulars of Employees**

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

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

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

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

**22. Directors' Responsibility Statement**

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

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

## 23. Corporate Governance

The Company does not fall under purview of Regulations of Corporate Governance Pursuant to the SEBI (Listing Obligation and Disclosures Requirements) Regulations, 2015, the provisions of reporting of Corporate governance as specified in Regulation 27 (2) is not applicable to the Company, as it does not meet the threshold of Paid up capital of Rs. 10 crores and networth of Rs. 25 crores as on March, 2020.

Accordingly, the Company is fully compliant with the applicable provision and the Company is committed to ensure compliance with all modification within prescribed norms under Companies Act, 2013. Company is committed to maintain the highest standards of corporate practices as set out by SEBI as good Corporate Governance, which forms part of the Directors Report as an "Annexure 4".

## 24. Reporting of Fraud by Auditors

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

## 25. Secretarial Standards of ICSI

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

## 26. General Shareholder Information

### a) 26th Annual General Meeting

| Date | Time | Venue |
|---|---|---|
| **30.12.2020** | 2.00 P.M. | AGM will be held through electronic mode [video conference or other audiovisual means("OAVM")] |

**Financial Calendar for the year 2019-2020**

| | |
|---|---|
| **Financial year** | 1st April, 2019 to 31st March, 2020 |
| **Book Closure Dates** | 24.12.2020to 30.12.2020<br>(both days inclusive) |

### b) Listing of Equity Shares on Stock Exchange and Stock Codes

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

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

| Financial Year | AGM | Date | Time | Location |
|---|---|---|---|---|
| 2018-19 | 25th | Friday, 27th September, 2019 | 11.00 a.m | 421, 4th Floor, Kailash Plaza Building, VallabhBuag Lane, Ghatkopar (East) Mumbai-400075 |
| 2017-18 | 24th | Thursday,27 September, 2018 | 12.00 p.m | 320/7, Siddhivinayak CHS, Hingwala Lane, Pant Nagar, Ghatkopar (East), Mumbai- 400 075 |
| 2016-17 | 23rd | Saturday, 23 September, 2017 | 11.00 a.m | 320/7, Siddhivinayak CHS, Hingwala Lane, Pant Nagar, Ghatkopar (East), Mumbai- 400 075 |

**d) Stock Market Date and their Performance v/s S&P BSE Sensex**

The high/low of the market price of the shares of the Company and the performance there of with the BSE Sensex is not applicable as the listing of the Company is suspended due to penal reasons.

**e) Registrar and Share Transfer Agent (RTA)**

The Company has appointed Sharex Dynamic (India) Private Limited as it's RTA. The registered office address and contact details of RTA are as follows:

**Sharex Dynamic (India) Pvt.Ltd.**
C-101, 247 Park L.B.S Marg,
Vikhroli West,
Mumbai - 400083
Tel: 2851 5606/ 5644/ 6338.
Fax: 2851 2885
website: http://www.sharexindia.com

**f) Share transfer system:**

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

As per SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018, requests for effecting transfer of securities (except in case of transmission or

transposition of securities) cannot be processed from April 1, 2019 unless the securities are held in the dematerialized form with the depositories. Therefore, Members holding shares in physical form are requested to take necessary action to dematerialize the holdings.

**g) Distribution of shareholding:**

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

| Category (Shares) | Shareholders | | Shares | |
|---|---|---|---|---|
| | Number | % | Number | % |
| UPTO TO 100 | 616 | 25.9916 | 37996 | 0.3800 |
| 101 TO 200 | 246 | 10.3797 | 46009 | 0.4601 |
| 201 TO 500 | 506 | 21.3502 | 210137 | 2.1014 |
| 501 TO 1000 | 351 | 14.8101 | 306809 | 3.0681 |
| 1001 TO 5000 | 404 | 17.0464 | 1011476 | 10.1148 |
| 5001 TO 10000 | 112 | 4.7257 | 849290 | 8.4929 |
| 10001 TO ****** | 135 | 5.6962 | 7538283 | 75.3828 |
| | | | | |
| Total | 2370 | 100.00 | 10000000 | 100.00 |

**h) Dematerialization of Shares:**

The Company's shares are required to be compulsorily traded on Stock Exchanges in dematerialized form. The number of shares as on 31st March, 2020 held in dematerialized and physical form are as under:

| **Particulars** | **No. of Shares** | **%** |
|---|---|---|
| NSDL | 37,19,040 | 37.19 |
| CDSL | 54,83,894 | 54.83 |
| Physical | 7,97,066 | 7.98 |
| **Total** | **1,00,00,000** | **100** |

**i) Compliance with mandatory and non-mandatory requirements of the Listing Regulations:**

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

**j)** Shareholding of Directors and Key Managerial Personnel:

For Mr. Rushabh Shah

| SN | Shareholding of each Directors and each Key Managerial Personnel | Shareholding at the beginning of the year | | Cumulative Shareholding during the Year | |
|---|---|---|---|---|---|
| | | No. of shares | % of total shares of the company | No. of Shares | % of total shares of the company |
| | At the beginning of the year | 24,86,429 | 24.86 | 24,86,429 | 24.86 |
| | Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.): | No change | | | |
| | At the end of the year | 24,86,429 | 24.86 | 24,86,429 | 24.86 |

**k) INDEBTEDNESS**

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

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|---|---|---|---|---|
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | 35,00,000 | 4,89,86,101 | Nil | 5,24,86,101 |
| ii) Interest due but not paid | Nil | Nil | Nil | Nil |
| iii) Interest accrued but not due | Nil | Nil | Nil | Nil |
| Total (i+ii+iii) | 35,00,000 | 4,89,86,101 | Nil | 5,24,86,101 |
| Change in Indebtedness during the financial year | | | | |
| • Addition | Ni | 1,17,13,690 | Nil | 1,17,13,690 |
| • Reduction | Nil | Nil | Nil | Nil |
| Net Change | 35,00,000 | 1,17,13,690 | Nil | 1,52,13,690 |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | 35,00,000 | 6,06,99,791 | Nil | 6,41,99,791 |
| ii) Interest due but not | | | | |

| | | | | |
|---|---|---|---|---|
| | paid | Nil | Nil | Nil | Nil |
| iii) | Interest accrued but not due | Nil | Nil | Nil | Nil |
| Total (i+ii+iii) | | 35,00,000 | 6,06,99,791 | Nil | 6,41,99,791 |

## l) REMUNERATION OF DIRECTORS AND KEY MANAGERIALPERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

| SN | Particulars of Remuneration | Rushabh Shah | Total Amount |
|---|---|---|---|
| 1 | Gross salary | Nil | Nil |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | Nil | Nil |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | Nil | Nil |
| | (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961 | Nil | Nil |
| 2 | Stock Option | Nil | Nil |
| 3 | Sweat Equity | Nil | Nil |
| 4 | Commission<br>- as % of profit<br>- others, specify | Nil | Nil |
| 5 | Others, please specify | Nil | Nil |
| | Total (A) | Nil | Nil |
| | Ceiling as per the Act | NA | NA |

B. Remuneration to other directors:

| SN. | Particulars of Remuneration | Name of Directors | | Total Amount |
|---|---|---|---|---|
| | | | | |
| 1 | Independent Directors | | | |
| | • Fee for attending board /committee meetings | Nil | Nil | Nil |
| | • Commission | Nil | Nil | Nil |
| | • Others, please specify | Nil | Nil | Nil |
| | Total (1) | Nil | Nil | Nil |
| 2 | Other Non-Executive Directors | | | |
| | • Fee for attending board committee meetings | Nil | Nil | Nil |
| | • Commission | Nil | Nil | Nil |
| | • Others, please specify | Nil | Nil | Nil |
| | Total (2) | Nil | Nil | Nil |
| | Total (B)=(1+2) | Nil | Nil | Nil |
| | Total Managerial Remuneration | Nil | Nil | Nil |
| | Overall Ceiling as per the Act | NA | NA | NA |

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

| Sl. No. | Particulars of Remuneration | Remuneration in (Rs.) | | |
|---|---|---|---|---|
| | | Company Secretary | CFO | Total |
| 1 | Gross salary<br>(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961<br><br>(b) Value of perquisites u/s 17(2) Income-tax Act, 1961<br><br>(c) Profits in lieu of salary undersection 17(3) Income-tax Act, 1961 | 60,000/- | - | 60,000/- |
| 2 | Stock Option | - | - | - |
| 3 | Sweat Equity | - | - | - |
| 4 | Commission<br>- as % of profit<br>- others, specify… | - | - | - |
| 5 | Others, please specify | - | - | - |
| | **Total** | **60,000/-** | **-** | **60,000/-** |

**PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

| Type | Section of the Companies Act | Brief Description | Details of Penalty / Punishment/ Compounding fees imposed | Authority [RD / NCLT/ COURT] | Appeal made, if any (give Details) |
|---|---|---|---|---|---|
| **A. COMPANY** | | | | | |
| Penalty | NONE | | | | |
| Punishment | | | | | |
| Compounding | | | | | |
| **B. DIRECTORS** | | | | | |
| Penalty | NONE | | | | |
| Punishment | | | | | |
| Compounding | | | | | |
| **C. OTHER OFFICERS IN DEFAULT** | | | | | |
| Penalty | NONE | | | | |
| Punishment | | | | | |
| Compounding | | | | | |

## 24. Appreciation

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

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

**Sd/-**

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

**Place: Mumbai**
**Date: December 5, 2020**

**Aadi Industries Limited**

**Annexure 1**

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

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

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

**Sd/-**
**Mr. Rushabh Shah**
**The Chairman**
**(DIN: 01944390)**

**Place: Mumbai**
**Date: December 5, 2020**

**Annexure 2**

**FORM NO. AOC-2**

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

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

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

2. Details of material contracts or arrangement or transactions at arm's length basis:-

| No. | Name(s) of the related party and nature of relationship | Nature of contracts / arrangements / transactions | Duration of the contracts / arrangements / transactions | Salient terms of the contracts or arrangements or transactions including the value, if any | Date(s) of approval by the Board | Amount paid as advances, if any |
|---|---|---|---|---|---|---|
| | (a) | (b) | (c) | (d) | (e) | (f) |
| 1. | Mr. Rushabh Shah Promoter and Director | Loan Taken | Till the consent of both the parties | Rs. 6,06,99,791 | 02.04.2019 | Nil |

**For and on behalf of the Board of Directors of**
**Aadi Industries Limited.**

**Sd/-**
**Rushabh Shah**
**Managing Director**
**(Din: 01944390)**

**Place: Mumbai**
**Date: December 5, 2020**

**S. A. & ASSOCIATES**

*Company Secretaries*

***'SWASTIK', 334 / 157 Jessore Road,***

***SN-8, (Ground Floor), Kolkata-700089***

***Ph: 2534 2445/ 9830591639 /4060 5201***

***Mobile: 98300 16001***

***Email Id: cs.sa.associates@gmail.com***

**Form No. MR-3**

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020**

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

To,

The Members,
Aadi Industries Limited

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

Based on our verification of the books, papers, minute books, forms and returns filed and other records available and as provided by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2020 complied with the statutory provisions listed hereunder and also that the Company is in process of developing a proper Board-processes and compliance-mechanism, in the manner and subject to the reporting made herein after:

We have examined the books, papers, forms and returns filed and other records maintained by Aadi Industries Limited("the Company") for the financial year ended on March 31, 2020 according to the provisions of following Acts as may be applicable:

(i) TheCompaniesAct,2013(the Act)and the rules made there under;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed hereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and

(v) External Commercial Borrowings

(vi) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers)Regulations,2011

*(b)* The Securities and Exchange Board of India (Prohibition of Insider Trading)Regulations,1992-

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements)Regulations,2009;

**(d)** The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations,2008

(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

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations,1998

(i) The Company has informed that there are no laws which are specifically applicable to the Company.

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.
(ii) The Listing Agreements entered into by the Company with BSE Limited and SEBI (Listing Obligations and Disclosure Requirements) Regulations,2015;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

1. There was no proper constitution proper Board structure and proper composition of Nomination and remuneration committee.

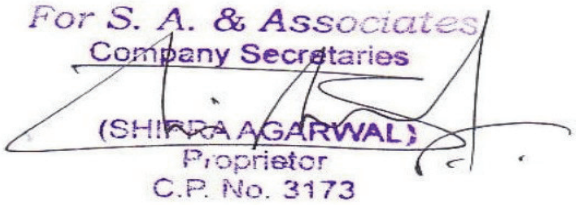
**We further report that**

There were no changes in the composition of the Board of Directors that took place during the period under review

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were not sent at least seven days in advance.

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

**We further report that** the Company is in process of forming 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.




For S. A. & Associates
Company Secretaries
ShipraAgarwal
CP No. 3173
UDIN No. F004917B000656106
Place: Kolkata
Date: 3rd September, 2020

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

**Annexure A**

To,

The Members,

Aadi Industries Limited

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

Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

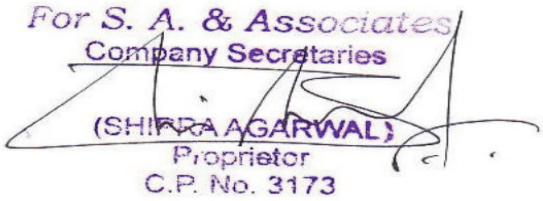
2) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provided a reasonable basis for our opinion.

3) We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4) Where ever required, we have obtained the Management representation about the compliance of the laws, rules and regulations and happening of events, etc.

5) The compliance of provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.

6) The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.




**For S. A. & Associates**

**Company Secretaries**
**Shipra Agarwal**
**CP No.3173**
UDIN No. F004917B000656106

Place: Kolkata
Date: 3rd September, 2020

**S. A. & ASSOCIATES**

*Company Secretaries*

*'SWASTIK', 334 / 157 Jessore Road,*
*SN-8, (Ground Floor), Kolkata-700089*
*Ph: 2534 2445/ 9830591639 /4060 5201*
*Mobile: 98300 16001*
*Email Id: cs.sa.associates@gmail.com*

**COMPLIANCE CERTIFICATE FROM PRACTICING COMPANY SECRETARY REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE.**

**Practicing Company Secretary's Certificate On Corporate Governance**

**To,**
**THE MEMBERS OF**
**AADI INDUSTRIES LIMITED**

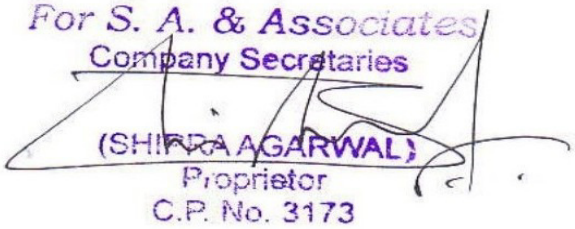
I have examined all the relevant records AADI INDUSTRIES LIMITED ('the Company') CIN L25203MH1994PLC206053 for the purpose of certifying compliance with the conditions of Corporate Governance under Chapter IV to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) for the year ended 31st March, 2020.

The compliance of conditions of Corporate Governance is the responsibility of the management. My examination was limited to procedures and implementation adopted by the Company for ensuring the compliance with the conditions of Corporate Governance.

This certificate is neither an audit nor an expression of opinion on the Financial Statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the said Listing Regulations.

I 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 S. A. & Associates
Company Secretaries
Shipra Agarwal
CP No: 3173

UDIN. **F004917B000659252**

**Place:- Kolkata**
**Date:-03.09.2020**

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

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

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

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

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

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

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

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

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

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

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

Sd/-
**Rushabh Shah**
**Managing Director**
**(DIN: 01944390)**
**Date: December 5, 2020**
**Place: Mumbai**

Sd/-
**Sushil Surve**
**Chief Financial officer**
**(PAN: BAFPS2478N)**
**Date: December 5, 2020**
**Place: Mumbai**

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

I, Rushabh Shah, Managing Director of Aadi Industries Limited hereby declare that all the members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct, as applicable to them, for the year ended 31st March, 2020.

Sd/-

**Rushabh Shah**

**Managing Director**

**(DIN: 01944390)**

**Date: December 5, 2020**

**Place: Mumbai**

**S. A. & ASSOCIATES**

*Company Secretaries*

*'SWASTIK', 334 / 157 Jessore Road,*

*SN-8, (Ground Floor), Kolkata-700089*

*Ph: 2534 2445/ 9830591639 /4060 5201*

*Mobile: 98300 16001*

*Email Id: cs.sa.associates@gmail.com*

Annexure B

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

*(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI*

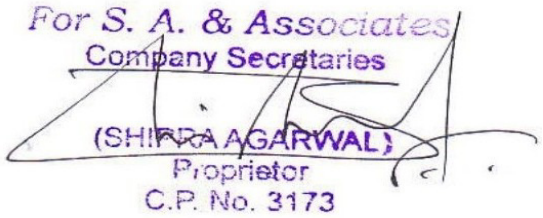
*(Listing Obligations and Disclosure Requirements) Regulations, 2015)*

To,

The Members of
Aadi Industries Limited

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

On the basis of written representation/ declaration received from the directors and taken on recordby the Board of Directors, as on March 31, 2020, none of the directors on the board of theCompany has been debarred or disqualified from being appointed or continuing as director of thecompanies by the SEBI/ Ministry of Corporate Affairs or any such other authority.




For S. A. & Associates
Company Secretaries
Shipra Agarwal
CP No: 3173
UDIN No. **F004917B000659307**
Place:- Kolkata Date:-03.09.2020

**N.H.VYAS & Co.**
Chartered Accountants

N.H. VYAS
B.Com (Hons.) LL.B., F.C.A., F.C.S.

Admin. Office : 63, 6th Floor. Pranik Garden 'E' Bldg.Co. Op. Hsg. Soc. Ltd. Next to HDFC Bank, Mahavir Nagar, Dahanukar Wadi, Kandivali (West),Mumbai - 400 067 • Ema11 - nikh1lcvyas@gmail.com • Mob. : 09930838070 / 07303248666.
Regd. Office : 02128, 5th Floor. Bharat Nagar, Grant Road. (East), Mumbai- 400 007.

Ref. No.

Date :

## Independent Auditor's Report

**To**
**The Members of**
**AADI INDUSTRIES LTD**

### Report on the Audit of Financial Statements

### Opinion

We have audited the accompanying financial statements of **AADI INDUSTRIES LIMITED** ('the Company'), which comprise the Balance Sheet as at 31st March 2020, the statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and statement of cash flows for the year then ended, and notes to financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013("the Act") in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 on 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 31st March, 2020, and its profit, other comprehensive income, the changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

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

**Key Audit Matters**

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

| Key Audit Matter | How the matter was addressed in our audit |
|---|---|
| **Contingent Liabilities**<br>The company is subject to legal, regulatory and tax cases<br><br>The level of judgment required to establish the level of provisioning, increases the risk that provisions and contingent liabilities may not be appropriately provided against or adequately disclosed.<br><br>Accordingly this matter is considered to be a key audit matter<br><br>Management's disclosure with regards to contingent liabilities are presented in note 20 to the financial statements. | **Our audit procedures included :**<br>• We evaluated the design and tested the operating effectiveness of the relevant controls and assessed how the company monitors legal, tax and regulatory developments and their assessment of the potential impact on the company<br>• We read the summary of the litigation matters provided by the company's legal / tax counsel team and discussed each of the material cases noted in the report to determine the company's assessment of the likelihood and magnitude of any liability that may arise.<br>• We read, where applicable, external legal or regulatory advise sought by the company and reviewed related correspondence and minutes of executive meetings<br>• In light of above, we reviewed the level of provisions record and assessed the adequacy contingent liability disclosures in the financial statements |

**Emphasis of Matter**

The company is responding to the Indian regulatory authorities. The scope, duration or outcome of these matters are uncertain

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

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

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

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

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

The Company's management and Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

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

**Report on Other Legal and Regulatory Requirements**

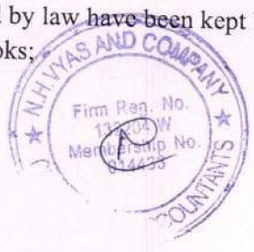
1. As required by Section 197(16) of the Act, we report that the Company has paid remuneration if any to its directors during the year in accordance with the provisions of and limits laid down under Section 197 read with Schedule V to the Act.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in the paragraph 3 and 4 of the order.

3. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;



(c) The balance sheet, the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flow dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act

(e) On the basis of the written representations received from the directors as on 31st March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2020 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company does not have any pending litigations which would impact its financial position;

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

iii. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund.

**For N H VYAS & CO.**
**CHARTERED ACCOUNTANT**
**Firm Registration No. 132204W**

**N H VYAS**
**M. No. 014433**

**UDIN: 20014433AAAACP4747**

**Place : Mumbai**
**Date : 29/06/2020**

## Annexure - A to the Independent Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the Ind AS financial statements for the year ended 31st March 2020, we report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets

(b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such physical verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

(ii) As informed to us, the inventory, has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. No material discrepancies were noticed on such physical verification as compared to the books records.

(iii) According to information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, paragraph 3 (iii) of the Order is not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, compliances with the provisions of Section 185 and 186 of Companies Act 2013 is not applicable to the company since it has not given any loans, made any investment and given any guarantees and securities.

(v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of the directives issued by the Reserve Bank of India, provisions of section 73 to 76 of the Act, any other relevant provisions of the Act and the relevant rules framed thereunder.

(vi) We have broadly reviewed the records maintained by the company pursuant to the rules prescribed by Central Government for maintenance of cost records under section 148(1) of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.

(vii) (a) The Company has been regular in depositing undisputed statutory dues, including Provident fund, Income-tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Cess and any other material statutory dues as applicable to it. There is no undisputed statutory dues applicable to it which is outstanding for the period more than six months from the date they become applicable.

(b) According to the information and explanations given to us and based on the records of the company produced before us and examined by us, there are no disputed dues in respect of Sales Tax, Service Tax, Goods & Service Tax, FEMA or any other material statutory dues as applicable to it

According to the information and explanations given to us and the records of the company examined by us, the disputed dues in respect of Income Tax are as under:

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

(viii) The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause 3(viii) of the Order is not applicable to the Company

(ix) The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) or term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable to the Company.

(x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

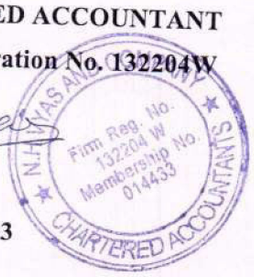
(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable Indian Accounting Standards.

(xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3 (xiv) of the Order is not applicable to the Company.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

**For N H VYAS & CO.**
**CHARTERED ACCOUNTANT**
**Firm Registration No. 132204W**




**N H VYAS**
**M. No. 014433**

**UDIN: 20014433AAAACP4747**

**Place : Mumbai**
**Date : 29/06/2020**

## Annexure - B to the Auditors' Report

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

**Opinion**

We have audited the internal financial controls over financial reporting of AADI Industries Limited ("the Company") as of 31st March 2020 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

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

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We have conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the

Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

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

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

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

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

**For N H VYAS & CO.**
**CHARTERED ACCOUNTANT**
**Firm Registration No. 132204W**

**N H VYAS**
**M. No. 014433**

**UDIN: 20014433AAAACP4747**

**Place : Mumbai**
**Date : 29/06/2020**

**AADI INDUSTRIES LTD.**

**STANDALONE BALANCE SHEET AS AT MARCH 31, 2020**

| Particulars | Note No. | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non - Current Assets** | | | |
| Property, Plant & Equipment | 3 | 1,51,985 | 1,47,675 |
| Capital Work - In - Progress | | | |
| Financial Assets | | | |
| Deferred Tax Assets (Net) | 4 | 16,545 | 16,545 |
| Non - Current Tax Assets | | | |
| Other Non - Current Assets | | | |
| **Total Non - Current Assets** | | **1,68,530** | **1,64,220** |
| **Current Assets** | | | |
| Inventories | 5 | 2,49,775 | 10,45,775 |
| Financial Assets | | | |
| (i) Investments | | | |
| (ii) Trade Receivables | 6 | 23,81,347 | 1,59,74,934 |
| (iii) Cash & Cash Equivalents | 7 | 17,00,180 | 11,92,459 |
| (iv) Bank Balance other than (iii) above | 8 | - | 5,054 |
| (iv) Loans | | - | - |
| (v) Other Financial Assets | | - | - |
| Other Current Assets | 9 | 8,39,735 | 36,20,315 |
| **Total Current Assets** | | **51,71,037** | **2,18,38,536** |
| **TOTAL ASSETS** | | **53,39,567** | **2,20,02,756** |

| Particulars | Note No. | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|---|
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| Equity Share Capital | 10 | 10,00,00,000 | 10,00,00,000 |
| Other Equity | | (15,96,23,037) | (17,19,18,641) |
| **Total Equity** | | **(5,96,23,037)** | **(7,19,18,641)** |
| **Liabilities** | | | |
| **Non - Current Liabilities** | | | |
| Financial Liabilities | | - | - |
| Provisions | | - | - |
| Other Non - Current Liabilities | | - | - |
| **Total Non - Current Liabilities** | | **-** | **-** |
| **Current Liabilities** | | | |
| Financial Liabilities | | | |
| (i) Borrowings | 11 | 35,00,000 | 35,00,000 |
| (ii) Trade Payables | 12 | 7,37,320 | 4,09,05,604 |
| (iii) Other Financial Liabilities | | | |
| Other Current Liabilities | 13 | 6,07,25,284 | 4,95,15,793 |
| Provisions | | - | - |
| Current Tax Liabilities (Net) | | - | - |
| **Total Current Liabilities** | | **6,49,62,604** | **9,39,21,397** |
| **Total Liabilities** | | **6,49,62,604** | **9,39,21,397** |
| **TOTAL EQUITY AND LIABILITIES** | | **53,39,567** | **2,20,02,756** |

| | |
|---|---|
| **CORPORATE INFORMATION** | **1** |
| **SIGNIFICANT ACCOUNTING POLICIES** | **2** |
| **NOTES ON ACCOUNTS** | **3-28** |

**For N H VYAS & CO**
**CHARTERED ACCOUNTANTS**
**Firm Registration No. 132204W**

Sd/-
**N H VYAS**
**M. NO: 014433**

**Place : Mumbai**
**Date : 29/06/2020**

**For Aadi Industries Ltd**

Sd/-
**Rushabh Shah**
**Managing Director**
**DIN : 01944390**

Sd/-
**Sadanand Kotnis**
**Director**
**DIN : 05230970**

Sd/-
**Sushil Dattaram Surve**
**CFO**
**PAN: BAFPS2478N**

Sd/-
**Rajendra Purohit**
**Company Secretary**
**M.No.: ACS A61389**

**AADI INDUSTRIES LTD.**

**STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020**

| Particulars | Note. No. | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|---|
| **Income** | | | |
| Revenue from Operations | 14 | 64,78,100 | 25,53,296 |
| Other Income | 15 | 1,41,43,772 | - |
| **Total Income** | | **2,06,21,872** | **25,53,296** |
| **Expenses** | | | |
| Cost of Material Consumed | | - | - |
| Purchase of Stock In Trade | 16 | 56,30,070 | 35,68,832 |
| Changes in Inventories of Finished Goods / Stock in Trade | 17 | 7,96,000 | (10,45,775) |
| Employee Benefit Expenses | 18 | 2,61,900 | 1,15,300 |
| Finance Cost | | - | - |
| Depreciation and Amortization | 3 | 13,100 | 11,997 |
| Other Expenses | 19 | 15,49,847 | 22,61,158 |
| **Total Expenses** | | **82,50,916** | **49,11,512** |
| **Profit Before Tax and Exceptional Item** | | **1,23,70,956** | **(23,58,216)** |
| **Profit Before Tax** | | **1,23,70,956** | **(23,58,216)** |
| **Tax Expenses** | | | |
| Current Tax / Short Excess Provision | | 75,352.00 | |
| Deferred Tax | | | |
| MAT Credit (Entitlement) / Utilization | | | |
| **Profit After Tax** | | **1,22,95,604** | **(23,58,216)** |
| **Other Comprehensive Income** | | | |
| **A. Other Comprehensive Income not to be reclassified to Profit & Loss in subsequent years** | | | |
| Items to be classified to profit or loss | | | |
| Income Tax relating to items that will not be reclassified to profit or loss | | | |
| **B. Other Comprehensive Income to be reclassified to Profit & Loss in subsequent years** | | | |
| Items to be classified to profit or loss | | | |
| Income Tax relating to items that will not be reclassified to profit or loss | | | |
| **Total Other Comprehensive Income for the year** | | **-** | **-** |
| **Total Comprehensive Income for the year** | | **1,22,95,604** | **(23,58,216)** |
| **Earnings Per Share - Basic & Diluted (₹)** | | **1.23** | **(0.24)** |
| **CORPORATE INFORMATION** | **1** | | |
| **SIGNIFICANT ACCOUNTING POLICIES** | **2** | | |
| **NOTES ON ACCOUNTS** | **3-28** | | |

**For N H VYAS & CO**
**CHARTERED ACCOUNTANTS**
**Firm Registration No. 132204W**

Sd/-
**N H VYAS**
**M. NO: 014433**

**Place : Mumbai**
**Date : 29/06/2020**

**For Aadi Industries Ltd**

Sd/-
**Rushabh Shah**
**Managing Director**
**DIN : 01944390**

Sd/-
**Sadanand Kotnis**
**Director**
**DIN : 05230970**

Sd/-
**Sushil Dattaram Surve**
**CFO**
**PAN: BAFPS2478N**

Sd/-
**Rajendra Purohit**
**Company Secretary**
**M.No.: ACS A61389**

**AADI INDUSTRIES LTD.**

**STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2020**

| Particulars | For the year ended March 31, 2020 | | For the year ended March 31, 2019 | |
|---|---|---|---|---|
| **A CASH FLOW FROM OPERATING ACTIVITIES** | | | | |
| **Net Profit / (Loss) Before Tax** | | **1,23,70,956** | | **(23,58,216)** |
| **Add / (Less):- Adjustments for Non-Cash / Non-Operating Items:** | | | | |
| Depreciation & Amortization | 13,100 | 13,100 | 11,997 | 11,997 |
| **Operating Profit Before Changes in Working Capital** | | **1,23,84,056** | | **(23,46,219)** |
| **Adjustment for Changes in Working Capital** | | | | |
| (Increase) / Decrease in Trade Receivables | 1,35,93,587 | | 3,10,725 | |
| (Increase) / Decrease in Inventories | 7,96,000 | | (10,45,775) | |
| (Increase) / Decrease in Other Current Assets | 27,85,634 | | 63,078 | |
| Increase / (Decrease) in Trade Payables | (4,01,68,284) | | 20,79,155 | |
| Increase / (Decrease) in Other Current Liabilities | 1,12,09,491 | (1,17,83,572) | 17,88,417 | 31,95,600 |
| **Cash Generated from Operations** | | **6,00,483** | | **8,49,382** |
| Less: Taxes Paid (Net of refund received) | | (75,352) | | |
| **NET CASH FLOW FROM OPERATING ACTIVITY (A)** | | **5,25,131** | | **8,49,382** |
| **B CASH FLOW FROM INVESTING ACTIVITIES** | | | | |
| Purchase of Fixed assets | **(17,410)** | | | |
| Guarantee Commission | | | | |
| **NET CASH FLOW FROM INVESTING ACTIVITY (B)** | | **(17,410)** | | **-** |
| **C CASH FLOW FROM FINANCING ACTIVITY** | | | | |
| Repayment of Long Term Borrowings | - | | | |
| **NET CASH FLOW FROM FINANCING ACTIVITY (C)** | | **-** | | **-** |
| **NET CASH FLOW FOR THE YEAR (A + B + C)** | | **5,07,721** | | **8,49,382** |
| Add: Opening Balance of Cash & Cash Equivalents | | 11,92,459 | | 3,43,077 |
| **CLOSING BALANCE OF CASH & CASH EQUIVALENTS** | | **17,00,180** | | **11,92,459** |
| **RECONCILATION OF CASH AND CASH EQUIVALENT** | | | | |
| **TOTAL CASH AND BANK BALANCE AS PER BALANCE SHEET** | | | | |
| **CASH AND CASH EQUIVALENT COMPRISES AS UNDER:** | | | | |
| Balance with banks in current accounts | | **1,994** | | **4,372** |
| Cash on Hand | | **16,98,186** | | **11,88,087** |
| **CASH AND CASH EQUIVALENT** | | **17,00,180** | | **11,92,459** |
| Net effect of Unrealised Exchange Difference | | | | |
| **CASH AND CASH EQUIVALENT AT THE END OF THE YEAR** | | **17,00,180** | | **11,92,459** |

**For N H VYAS & CO**
**CHARTERED ACCOUNTANTS**
**Firm Registration No. 132204W**

Sd/-
**N H VYAS**
**M. NO: 014433**

**Place : Mumbai**
**Date : 29/06/2020**

**For Aadi Industries Ltd**

Sd/-
**Rushabh Shah**
**Managing Director**
**DIN : 01944390**

Sd/-
**Sadanand Kotnis**
**Director**
**DIN : 05230970**

Sd/-
**Sushil Dattaram Surve**
**CFO**
**PAN: BAFPS2478N**

Sd/-
**Rajendra Purohit**
**Company Secretary**
**M.No.: ACS A61389**

**AADI INDUSTRIES LTD.**
**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020**

**A. Equity Share Capital**

| Particulars | As at 31st March, 2020 | |
|---|---|---|
| | No. of Shares | Amount |
| **Balance as the beginning of the reporting period** | **1,00,00,000** | **10,00,00,000** |
| Add: Changes in Equity Capital during the year | - | - |
| **Balance at the end of the reporting period** | **1,00,00,000** | **10,00,00,000** |
| | | |
| | **As at 31st March, 2019** | |
| | **-** | **Amount** |
| **Balance as the beginning of the reporting period** | **1,00,00,000** | **10,00,00,000** |
| Add: Changes in Equity Capital during the year | - | - |
| **Balance at the end of the reporting period** | **1,00,00,000** | **10,00,00,000** |

**B. Other Equity**

**₹ in lakhs**

| Particulars | Retained Earnings | Total |
|---|---|---|
| **Balance as on April 01, 2019** | (17,19,18,642) | (17,19,18,642) |
| Profit for the period | 1,22,95,604 | 1,22,95,604 |
| **As at March 31, 20120** | **(15,96,23,038)** | **(15,96,23,038)** |
| **Balance as on April 01, 2018** | (16,95,60,426) | (16,95,60,426) |
| Profit for the period | (23,58,216) | (23,58,216) |
| **As at March 31, 2019** | **(17,19,18,642)** | **(17,19,18,642)** |

**NOTE 3: PROPERTY, PLANT & EQUIPMENT, INTANGIBLE ASSETS AND INTANGIBLE ASSETS UNDER DEVELOPMENT**

| DESCRIPTION | GROSS BLOCK (AT COST) | | | | DEPRECIATION / AMORTIZATION | | | | NET BLOCK | |
|---|---|---|---|---|---|---|---|---|---|---|
| | As At April 01, 2019 | Additions / Transfers | Deductions | As At March 31, 2020 | As At April 01, 2019 | For The Year | On Deductions | As At March 31, 2020 | As At March 31, 2020 | As At March 31, 2019 |
| **(A) TANGIBLE ASSETS** | | | | | | | | | | |
| Other Equipments | 13,500 | | | 13,500 | 13,500 | | | 13,500 | - | - |
| Mobile | | 17,410 | | 17,410 | | 1,102.63 | | 1,103 | **16,307** | |
| Furniture & Fixture | 1,05,914 | | | 1,05,914 | 37,190 | 3,537 | | 40,727 | **65,187** | 68,724 |
| Office Equipments | 1,60,206 | | | 1,60,206 | 81,255 | 8,460 | | 89,715 | **70,491** | 78,951 |
| **Total - Tangible Assets** | **2,79,620** | **17,410** | **-** | **2,97,030** | **1,31,945** | **13,100** | **-** | **1,45,045** | **1,51,985** | **1,47,675** |
| Previous Year's Total | | | | - | | | | | | |

**NOTE 3: PROPERTY, PLANT & EQUIPMENT, INTANGIBLE ASSETS AND INTANGIBLE ASSETS UNDER DEVELOPMENT**

| DESCRIPTION | GROSS BLOCK (AT COST) | | | | DEPRECIATION / AMORTIZATION | | | | NET BLOCK | |
|---|---|---|---|---|---|---|---|---|---|---|
| | As At April 01, 2018 | Additions / Transfers | Deductions | As At March 31, 2019 | As At April 01, 2018 | For The Year | On Deductions | As At March 31, 2019 | As At March 31, 2019 | As At March 31, 2018 |
| **(A) TANGIBLE ASSETS** | | | | | | | | | | |
| Other Equipments | 13,500 | | | **13,500** | 13,500 | | | **13,500** | - | - |
| Furniture & Fixture | 1,05,914 | | | **1,05,914** | 33,653 | 3,537 | | **37,190** | **68,724.00** | 72,261.00 |
| Office Equipments | 1,60,206 | | | **1,60,206** | 72,795 | 8,460 | | **81,255** | **78,951.00** | 87,411.00 |
| **Total - Tangible Assets** | **2,79,620** | **-** | **-** | **2,79,620** | **1,19,948** | **11,997** | **-** | **1,31,945** | **1,47,675.00** | **1,59,672.00** |
| Previous Year's Total | | | | - | | | | | | |

**NOTE 4 (i): DEFERRED TAX ASSETS**

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| **Deferred Tax Assets** | | |
| Other items giving rise to temporary differences | | |
| MAT Credit Entitlement | | |
| | - | - |
| **Deferred Tax Liabilities** | | |
| Accelerated depreciation for tax purposes | 16,545 | 16,545 |
| Other items giving rise to temporary differences | | |
| | **16,545** | **16,545** |
| **NET DEFERRED TAX ASSETS** | **16,545** | **16,545** |
| | - | - |

**NOTE 4(ii) :RECONCILATION OF DEFERRED TAX ASSEST/ (LIABILITY) FOR THE YEAR**

| Particulars | Deferred Tax Assets | | Deferred Tax Liabilities |
|---|---|---|---|
| | MAT Credit Entitlement | Items giving rise to temporary differences | Accelerated Depreciation for Tax Purpose |
| **Balance as on 1st April 2019** | - | - | **16,545** |
| MAT Credit Entitlement / (Utilization) during F.Y. 2019-20 | | | |
| DTA on Items giving rise to temporary differences | | | |
| DTA on Accelerated Depreciation for tax purpose | | | |
| DTL on Items giving rise to temporary differences | | | |
| **Closing Balance as on 31st March 2020** | - | - | **16,545** |

**Note 5 - Inventory**

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| **Stock** | 2,49,775 | 10,45,775 |
| **TOTAL** | **2,49,775** | **10,45,775** |

**NOTE 6: FINANCIAL ASSETS - TRADE RECEIVABLES**

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| **Trade Receivables at Amortized Cost** | | |
| **Debts due for more than six months** | | |
| Secured - Considered Good | | |
| Unsecured - Considered Good | 23,81,347 | 1,59,74,934 |
| **TOTAL** | **23,81,347** | **1,59,74,934** |

Notes -

i. The Company has called for balance confirmation of Trade Receivables on random basis. Out of which the Company has received response from some of the parties, which are subject to reconciliation with Company's account. The other balances of Trade Receivables are subject to confirmation

ii. Refer Note - 23 for information about Credit Risk and Market Risk of Trade Receivables.

**NOTE 7: FINANCIAL ASSETS - CASH & CASH EQUIVALENTS**

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| Balances with Banks in Current Accounts | 1,994 | 4,372 |
| Cash on Hand | 16,98,186 | 11,88,087 |
| **TOTAL** | **17,00,180** | **11,92,459** |

**NOTE 8: FINANCIAL ASSETS - BANK BALANCES OTHER THAN CASH & CASH EQUIVALENTS**

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| Unpaid Dividend Account | - | 5,054 |
| **TOTAL** | **-** | **5,054** |

i. The Current Account balance includes unpaid dividend of Rs. 5,054 as at 31st March 2020 (Previous Year as at 31 st March 2019 Rs. 5,054 ) which have been kept in separate earmarked accounts and no transactions except for stated purpose are done through such accounts.

**NOTE 9: OTHER CURRENT ASSETS**

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| Other Loans | 6,85,000 | 8,35,000 |
| Security Deposits | 50,000 | 50,000 |
| Advances to Suppliers | | 24,73,041 |
| Balances with Excise / Vat and Income Tax Authorities | - | 75,352 |
| Balance with Revenue Authorities-GST | 1,04,735 | 1,86,922 |
| **TOTAL** | **8,39,735** | **36,20,315** |

**NOTE 10: EQUITY SHARE CAPITAL**

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| **Authorised** | | |
| 2,50,00,000 (PY:2,50,00,000) Equity Shares of Rs.10/- each | 25,00,00,000 | 25,00,00,000 |
| **TOTAL AUTHORIZED SHARE CAPITAL** | **25,00,00,000** | **25,00,00,000** |
| **Issued, Subscribed & Paid Up** | | |
| **EQUITY SHARE CAPITAL** | | |
| 1,00,00,000 (PY:1,00,00,000) Equity Shares of Rs.10/- each | 10,00,00,000 | 10,00,00,000 |
| **TOTAL ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL** | **10,00,00,000** | **10,00,00,000** |

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

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| | **No. of Shares** | **No. of Shares** |
| Shares at the beginning | 1,00,00,000 | 1,00,00,000 |
| Add: Rights Issue of Equity Share made during the year | - | - |
| Add : Calls in arrears received during the year | - | - |
| **Shares at the end** | **1,00,00,000** | **1,00,00,000** |

**b) Equity shares are entitled to one vote per share.**

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

| Name of the Shareholder | As At March 31,2020 | |
|---|---|---|
| | **No. of Shares** | **%** |
| MR.RUSHABH JITENDRA SHAH | 24,86,429 | 24.86% |
| **Name of the Shareholder** | **As At March 31,2019** | |
| | **No. of Shares** | **%** |
| MR.RUSHABH JITENDRA SHAH | 24,86,429 | 24.86% |

**NOTE 10 ( i) : OTHER EQUITY**

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| **Surplus** | | |
| Balance brought forward | (17,19,18,641) | (16,95,60,425) |
| Add: Profit after Tax for the year | 1,22,95,604 | (23,58,216) |
| Add: Gain on FVOCI Investments | | |
| Less : Depreciation Adjusted for earlier Years | | |
| Amount available for appropriation | (15,96,23,037) | (17,19,18,641) |
| Less Appropriations: | | |
| Transfer to General Reserve | | |
| Dividend on Shares | | |
| Dividend Distribution Tax | | |
| Balance carried forward | (15,96,23,037) | (17,19,18,641) |
| **Other Comprehensive Income** | | |
| Opening Balance | | |
| Add: Additions during the year | | |
| Changes in Revaluation Surplus | | |
| Gain on FVOCI Investment | | |
| Acturial Loss on Gratuity | | |
| Gain arising on translating of financial statement of foreign operation | | |
| Closing Balance | - | - |
| **TOTAL** | **(15,96,23,037)** | **(17,19,18,641)** |

**NOTE 11: FINANCIAL LIABILITIES - SHORT TERM BORROWINGS**

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| **At Amortized Cost (Secured)** | | |
| Working Capital Loans from Banks (Secured by first pari passu charge, by way of hypothecation of Company's current assets and other movable assets and second pari passu charge on the fixed assets both present and future, inter se the Term Lenders) | 35,00,000 | 35,00,000 |
| **TOTAL** | **35,00,000** | **35,00,000** |

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

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| **At Amortized Cost** | | |
| Micro, Small and Medium Enterprises | | |
| Others (Refer Notes Below) | 7,37,320 | 4,09,05,604 |
| **TOTAL** | **7,37,320** | **4,09,05,604** |

i. Based on the information in possession with the Company, no supplier has been identified as being covered under Micro, Small and Medium Enterprise Development Act, 2006 ("the Act"). Accordingly, no amount of dues outstanding as at 31st March 2020 have been identified as relating to Micro and Small Enterprises referred to in the said Act.

ii. The Company has called for balance confirmation of Trade Payables on random basis. Out of which the Company has received response from some of the parties, which are subject to reconciliation with Company's account. The other balances of Trade Payables are subject to confirmation

**NOTE 13: OTHER CURRENT LIABILITIES**

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| Loans and Advances from Related Parties | 6,06,99,791 | 4,89,86,101 |
| TDS Payable | 25,493 | 5,29,692 |
| **TOTAL** | **6,07,25,284** | **4,95,15,793** |

**NOTE 14: REVENUE FROM OPERATIONS**

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| Sale of Goods | 64,78,100 | 25,53,296 |
| | **64,78,100** | **25,53,296** |

**NOTE 15: OTHER INCOME**

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| Sundry Balances w/off | 1,41,43,772 | |
| | **1,41,43,772** | **-** |

**NOTE 16: PURCHASE OF STOCK IN TRADE**

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| Stock-in-Trade | 56,30,070 | 35,68,832 |
| | **56,30,070** | **35,68,832** |

**NOTE 17: CHANGE IN INVENTORIES**

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| **Opening Stocks:** | | |
| Finished Goods | - | |
| Stock In Trade | 10,45,775 | |
| **Sub - Total** | **10,45,775** | |
| **Less: Closing Stocks:** | | |
| Finished Goods | - | |
| Stock In Trade | 2,49,775 | 10,45,775 |
| **Sub - Total** | | - |
| | **2,49,775** | **10,45,775** |
| | **7,96,000** | **(10,45,775)** |

**NOTE 18: EMPLOYEE BENEFIT EXPENSE**

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| Salaries, Wages and Bonus | 2,61,900 | 1,15,300 |
| **Total** | **2,61,900** | **1,15,300** |

**NOTE 19: OTHER EXPENSES**

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| Listing Fee | 3,64,900 | 15,66,036 |
| Advertisement | 42,543 | 29,064 |
| Power, Fuel and Utilities | 16,180 | 35,250 |
| Repairs to Plant and Machinery | 26,280 | 13,152 |
| Legal and Professional Fees | 2,77,525 | 4,09,951 |
| General Office Expenses | 2,01,153 | 1,66,056 |
| Printing & Stationary | 5,643 | 24,359 |
| **Payment to Auditors** | - | - |
| - Audit Fees | 15,000 | - |
| Telephone Charges | 5,308 | 15,572 |
| Bank Charges | - | 118 |
| Internet Charges | 5,350 | 1,600 |
| ROC Fees Filing Fees | 3,690 | - |
| Interest & Penalty (TDS) | 16,536 | - |
| SEBI Penalty | 4,96,000 | - |
| Sundry Expenses | 73,738 | - |
| **TOTAL** | **15,49,847** | **22,61,158** |

**NOTE 20: CONTINGENT LIABILITIES AND COMMITMENTS**

As informed to me by the Management, there are no contingent liabilities in the under consideration.

**NOTE 21: EARNINGS PER SHARE**

***₹ in lakhs***

| **Particulars** | **Year ended March 31, 2020** | **Year ended March 31, 2019** |
|---|---|---|
| Profit for the year as per Statement of Profit & Loss | 1,23,70,955.99 | (23,58,215.61) |
| Weighted Average No. of Equity Shares for of Face Value ₹ 10 each | 1,00,00,000 | 1,00,00,000 |
| **Earnings Per Share - Basic & Diluted** | **1.24** | **(0.24)** |

**NOTE 22: CAPITAL MANAGEMENT**

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

**NOTE 23: FINANCIAL INSTRUMENTS - CLASSIFICATION AND FAIR VALUE MEASUREMENT**

**(a) Financial Assets and Liabilities**

The carrying value of financial instruments by categories as at March 31, 2020 is as follows:

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| **Financial Assets** | | |
| Fair Value through Profit & Loss | | |
| Investments (Other than in Subsidiary) | - | - |
| Fair Value through Other Comprehensive Income | | |
| Investments (Other than in Subsidiary) | - | - |
| Derivative Instruments not in Hedging Relationship | | |
| Forward Contract Receivable | - | - |
| Amortised Cost | | |
| Loans | - | - |
| Trade Receivables | 23,81,347 | 1,59,74,934 |
| Cash & Cash Equivalents | 17,00,180 | 11,92,459 |
| Other Bank Balances | - | 5,054 |
| Other Financial Assets | - | - |
| **Total** | **40,81,527** | **1,71,72,446** |
| **Financial Liabilities** | | |
| Fair Value through Profit & Loss | | |
| Financial Guarantee Obligation | - | - |
| Derivative Instruments not in Hedging Relationship | | |
| Forward Contract Payable | - | - |
| Amortised Cost | | |
| Borrowings | 35,00,000.00 | 35,00,000.00 |
| Trade Payable | 7,37,320.00 | 4,09,05,604.00 |
| Other Financial Liabilities | - | - |
| **Total** | **42,37,320.00** | **4,44,05,604.00** |

Carrying amounts of Loans, Trade Receivables, Cash and Cash Equivalents, Other Bank Balances, Other Financial Assets, Borrowings, Trade Payables and Other Financial Liabilities as at March 31, 2020 and March 31, 2019 approximate the fair value because of the short term nature.

**(b) Fair Value Hierarchy**

The Fair Value Hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consist of the following three levels:

**Level 1** - Inputs are quoted prices (unadjusted) in active markets for indentical assets or

**Level 2** - Inputs are other than quoted prices included in Level 1 that are observable for the assets or liabilities, either directly or indirectly.

**Level 3** - Inputs are not based on observable market data (unobservable inputs).

The Financial Instruments included in Level 2 of fair value hierarchy have been valued using quotes available for similar assets and liabilities in the active market.

The financial instruments included in Level 3 of Fair Value Hierarchy have been valued using whole or in part using a valuation model based on assumptions as described below:

Fair Value of the Financial Guarantee Obligation is determined through a Discounted Cash Flow Model using weighted average borrowing rate as the discount rate.

For Assets and Liabilities which are measured at Fair Values as at the Balance Sheet date, the classification of fair value calculations by category is summarized below:

| **Particulars** | **Year ended March 31, 2020** | **Year ended March 31, 2019** |
|---|---|---|
| **Financial Assets** | | |
| Level 1 | | |
| Investment in Quoted Equity Shares | - | - |
| Mutual Fund Units | - | - |
| Level 2 | | |
| Derivative Financial Assets | - | - |
| Level 3 | | |
| Investment in Unquoted Equity Shares | - | - |
| **Total** | **-** | **-** |
| **Financial Liability** | | |
| Level 2 | | |
| Derivative Financial Liability | - | - |
| Level 3 | | |
| Financial Guarantee Obligation | - | - |
| **Total** | **-** | **-** |

**NOTE 24: RELATED PARTY**

| LIST OF RELATED PARTIES | PARTICULARS |
|---|---|
| Subsidiaries / Associates | NIL |
| Key Management Personnel | 1] Rushabh Shah<br>2] Sadanand Kotnis<br>3] Kavita Jamsutkar<br>4] Rajendra Purohit<br>5] Bharat Tulsani |
| Enterprise in which key management personnel, and their relatives have significant influence | 1] Aadi Polyflex Pvt. Ltd. |
| Relative of Key Management Personnel | 1] Mansi Shah |

**Transaction for the year ended 31st March 2020**

| | Particulars | Subsidiaries/Associates | Enterprise in which management | Key Management Personnel & their Relatives | Total |
|---|---|---|---|---|---|
| **1** | Loan Received | -<br>- | -<br>- | 1,29,49,990<br>(85,34,800) | 1,29,49,990<br>(85,34,800) |
| **2** | Loan Repayment | -<br>- | -<br>- | 12,36,300<br>(67,83,000) | 12,36,300<br>(67,83,000) |
| **3** | Loan Outstanding | -<br>- | -<br>- | 6,06,99,791<br>(4,89,86,101) | 6,06,99,791<br>(4,89,86,101) |
| **4** | Salary | -<br>- | -<br>- | 50,000<br>(80,000) | 50,000<br>(80,000) |

**Note:** Related Parties Relationship is as identified by the company and relied upon by the auditors.
Figures in the brackets represent previous year figures.

**NOTE 25: DETAILS OF LOANS FOREIGN EXCHANGE LOSS**

Foreign exchange loss (net) of Rs. NIL/- (Previous year Rs. NIL/-) has been included in respective heads of the Statement of Profit

**NOTE 26: SEGMENT REPORTING**

There are no segments in the year under consideration; hence there is nothing to report under this clause.

**NOTE 27: LEASES**

There are no leases in the year under consideration.

**NOTE 28: DETAILS OF LOANS GIVEN, INVESTMENT MADE AND GUARANTEE GIVEN U/S 186(4) OF THE COMPANIES ACT, 2013**

The Balances of Sundry Debtors, Creditors, Deposits and Loans & Advances are accepted as appearing in the Ledger Accounts and subject to confirmation from individual parties concerned, due adjustments, if any will be made there on. The provisions for all known liabilities and for depreciation is adequate and not in excess of the amounts reasonably necessary.

**CORPORATE INFORMATION** **1**
**SIGNIFICANT ACCOUNTING POLICIES** **2**
**NOTES ON ACCOUNTS** **3-28**

**For Aadi Industries Ltd**

**Sd/-**
**Rushabh Shah**
**Managing Director**

**Sd/-**
**Sadanand Kotnis**
**Director**

**Sd/-**
**Sushil Dattaram Surve**
**CFO**
**PAN: BAFPS2478N**

**Sd/-**
**Rajendra Purohit**
**Company Secretary**
**M.No.: ACS A61389**

**For N H VYAS & CO**
**CHARTERED ACCOUNTANTS**
**Firm Registration No. 132204W**

**Sd/-**
**N H VYAS**
**M. NO: 014433**
**Place : Mumbai**
**Date : 29/06/2020**

Notice is hereby given that the 26th Annual General Meeting of the Members of Aadi Industries Limited will be held on Wednesday, December 30, 2020 at 12 noon through electronic mode [video conference or other audio visual means ("OAVM")] to transact the following business:

**Ordinary Business:**

(1) To receive, consider and adopt the Audited Balance Sheet as at March 31, 2020 and the Profit and Loss Account for the year ended on that date and Cash Flow Statement together with the Report of the Directors and the Auditors thereon

(2) To appoint Mr. Rushabh Shah, who retires by rotation and being eligible, offers himself for re- appointment as a Director.

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

**Sd/-**

**Rushabh Shah**
**Managing Director**

(DIN:01944390)

Registered Office:

421, 4th Floor,
Kailash Plaza Building,
Vallabhbaug Lane,
Ghatkopar (East),
Mumbai - 400075

Date: December 05, 2020
Place: Mumbai

Notes :

a) In the view of continuing Coivd-19 Pandemic, The Ministry of Corporate Affairs("MCA") has vide its Circular dated May 05,2020 read with the Circulars dated April 13, 2020 and April 08,2020 (collectively referred to as "MCA Circulars")permitted the holding of the Annual General Meeting("AGM")through VC/OAVM, without the physical presence at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations,2015("SEBI Listing Regulations")and MCA Circulars, the AGM is being held through VC/OAVM. For this purpose, necessary arrangements have been made by the Company with CDSL and instructions for the process to be followed for attending and participating in the ensuing AGM through VC/OAVM is forming part of this Notice

b) Pursuant to the Provisions of the Act, a member entitled to attend and Vote at AGM is entitled to appoint a proxy to attend and vote on his/her behalf and proxy need not to be a member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of Proxy by the members will not be available for the AGM and hence Proxy form, Attendance Slip are not annexed to this Notice.

c) Participation of Members through VC will be reckoned for the purpose of Quorum for the AGM as per Section 103 of Companies Act, 2013.

d) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote E-Voting. The said resolution/Authorization shall be sent to the Scrutinizer through e-mail to krupa@krupajoisar.com and to Company at aadi.industries@hotmail.com

e) The explanatory statements pursuant to Section 102 of the Companies Act, 2013 in respect of Item No. 2, are appended to this Notice

f) Pursuant to SEBI circular SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20th April, 2018, shareholders holding shares in physical form whose folio do not have / have incomplete details with respect to PAN and bank particulars are mandatorily required to furnish the PAN and bank details to the Company /Registrar & Transfer Agent (RTA) . SEBI Gazette Notification dated June 08, 2018, shares in physical form will not be transferred after December 05, 2018. Hence, in your interest, it is advised to get your shares dematerialised at the earliest.

g) Shareholders are requested to intimate immediately any change in their addresses registered with the Company, their PAN, KYC details immediately to the RTAs.

h) The Register of Members and Share Transfer Books of the Company will remain closed from 24th December, 2020 to 30th December, 2020 (both days inclusive) for the purpose of AGM of the Company. Cutoff date is 23rd December, 2020.

i) The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM, i.e. 30-12-2020 (Date of AGM). Members seeking to inspect such documents can send an email to: aadi.industries@hotmail.com

j) In compliance with Section 108 of the Act, read with the corresponding rules, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations"), the Company has provided a facility to

its members to exercise their votes electronically through the electronic voting ("e-voting") facility provided by the Central Depository Services Limited (CDSL). Members who have cast their votes by remote e-voting prior to the AGM may participate in the AGM but shall not be entitled to cast their votes again. The manner of voting remotely by members holding shares in dematerialized mode, physical mode and for members who have not registered their email addresses is provided in the instructions for e-voting section which forms part of this Notice. The Board has appointed M/s. Krupa Joisar & Associates (Membership No. A41023), Practicing Company Secretaries, as the Scrutinizer to scrutinize the e-voting in a fair and transparent manner.

k) The e-voting period commences on 27th December, 2020 from 9.00am (IST) onwards and ends on 29th December, 2020 at 5.00 pm (IST). During this period, members holding shares either in physical or dematerialized form, as on cut-off date, i.e. as on 23rd December, 2020 (Date) may cast their votes electronically. The e-voting module will be disabled by CDSL for voting thereafter. A member will not be allowed to vote again on any resolution on which vote has already been cast. The voting rights of members shall be proportionate to their share of the paid up equity share capital of the Company as on the cut-off date, i.e. as on 23rd December, 2020 (Cut-Off Date)

l) The facility for voting during the AGM will also be made available. Members present in the AGM through VC and who have not cast their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through the e-voting system during the AGM.

m) Any person who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, should follow the same procedure of e-Voting as mentioned below.

n) In compliance with the Circulars, the Annual Report 2019-20, the Notice of the 26th AGM, and instructions for e-voting are being sent only through electronic mode to those members whose email addresses are registered with the Company / depository participant(s).

o) We urge members to support our commitment to environmental protection by choosing to receive the Companys' communication through email. Members holding shares in demat mode, who have not registered their email addresses are requested to register their email addresses with their respective depository participants, and members holding shares in physical mode are requested to update their email addresses with the Company's RTA, Link Intime India Pvt Ltd* at rnt.helpdesk@linkintime.co.in to receive the copies of the Annual Report 2019-20 in electronic mode.

*Merger of Sharex Dynamic (India) Pvt Ltd. into Link Intime India Pvt Ltd. with effect from 31st August, 2020 was intimated to BSE as on October 10, 2020. As The Company's RTA was Sharex Dynamic (India) Pvt Ltd. but due to aforesaid merger, Link Intime India Pvt Ltd. is now the RTA of Aadi Industries Limited.

p) Members may also note that the Notice of the 26th AGM and the Annual Report 2019-20 will also be available on the Company's website, www.aadiindustries.com and on the websites of the Stock Exchange, i.e. BSE Limited, at www.bseindia.com and on the website of CDSL at www.evotingindia.com

q) As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, Link Intime India Pvt Ltd. for assistance in this regard.

r) SEBI has mandated the submission of the Permanent Account Number (PAN) by

every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their depository participant(s). Members holding shares in physical form are required to submit their PAN details to the RTA i.e. Link Intime India Pvt Ltd.

s) Since the AGM will be held through VC/OAVM, The Route Map is not annexed in this Notice.

t) The relevant details, pursuant to Regulations 26(4) and36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking re-appointment at this AGM are annexed.

u) Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast seven days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at aadi.industries@hotmail.com . The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance seven days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at aadi.industries@hotmail.com . These queries will be replied to by the company suitably by email.

v) Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

**Instructions for remote e-voting:**

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM/EGM will thus be held through Video Conferencing (VC) or Other Audio-Visual Means (OAVM). Hence, Members can attend and participate in the ensuing AGM/ EGM through VC/OAVM

2. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, Secretarial Standard 2 on General Meetings ("SS-2") and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM/EGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's 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 EGM/AGM will be provided by CDSL

3. The Members can join the EGM/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 EGM/AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the EGM/AGM without restriction on account of first come first served basis.

4. The attendance of the Members attending the AGM/EGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.

5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM/EGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM/EGM through VC/ OAVM and cast their votes through e-voting.

6. The AGM/EGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.

The instructions for Shareholders for remote e-voting are as under:

The voting period begins on Sunday, 27th December, 2020 from 9.00am (IST) onwards and ends on Tuesday, 29th December, 2020, at 5.00pm (IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 23rd December, 2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(i) Shareholders who have already voted prior to the meeting date would not been entitled to vote at the meeting venue.

(ii) The shareholders should log on to the e-voting website www.evotingindia.com.

(iii) Click on Shareholders /Members

(iv) Now Enter your User ID

a. For CDSL: 16 digits beneficiary ID,
b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(v) Next enter the Image Verification as displayed and Click on Login.

(vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(vii) If you are a first time user follow the steps given below:

| | **For Members holding shares in Demat Form and Physical Form** |
|---|---|

| | |
|---|---|
| PAN | Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)<br>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.<br>• Incase the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field. |
| Dividend Bank Details **OR** Date of Birth (DOB | Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.<br>• If both the details are not recorded with the depository or company please enter the member id / folio numberin the Dividend Bank details field as mentioned in instruction (v). |

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

(ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xvii) If a demat account holder has forgotten the changed login password then Enter the User ID and the image verification code and click on Forgot Password& enter the details as prompted by the system.

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

**(xix) Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.comand register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed tohelpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

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

Brief resume of the persons proposed to be re-appointed as the Directors of the Company at the 26th Annual General Meeting in accordance with Secretarial Standards ['SS - 2']:

| | |
|---|---|
| Name of the Director | Mr. Rushabh Shah |
| Age | 38 |
| Date of Appointment on the Board | 07/11/2007 |
| Qualifications | B.Com |
| Shareholding in the Company | 2,486,429 |
| Nature of Expertise & Experience | Has over 15 years of experience in the field of Plastic Industries and expertise and knowledge in Finance and Accounts. |
| Terms and Conditions of Appointment/re- appointment | 3 Years |
| Details of Remuneration sought to be paid | Nil |
| Remuneration last drawn | Nil |
| Number of Meetings attended during the year | 6 Meetings of the Board |
| Relationship with other Director, Manager and other Key Managerial Personnel of the Company | Not related to any other Board Member of Key Managerial Personnel of the Company |
| Name of the other Companies in which also holds Directorship | Aadi Polyflex Private Limited |