ADDI INDUSTRIES LIMITED
Regd. Office : A - 104, 3rd Floor, DDA Shed,
Okhla Industrial Area Phase-II, New Delhi-110020
TEL : 011-45025469
E-MAIL : addiind@gmail.com, atul.addi@gmail.com
CIN No. : L51109DL1980PLC256335
GSTIN : 07AAACA7660H1ZQ

**September 02, 2022** **Listing Centre**

**The Listing Department**
**BSE Limited,**
**Phiroze Jeejeebhoy Towers**
**Dalal Street Fort**
**Mumbai - 400001**

**Scrip Code: 507852**

**Subject: Submission of Annual Report 2021-22 and Notice of 40th Annual General Meeting of the Company.**

**Dear Sir/Madam**,

Please find enclosed herewith copy of Annual Report 2021-22 along with the Notice of 40th Annual General Meeting scheduled to be held on Friday, 30th September, 2022 at 9.00 A.M through Video Conferencing ('VC') / Other Audio-visual Means ('OAVM') which is also being sent by electronic mode to the members of the company in due compliance with Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements ) Regulations, 2015.

The Annual report and AGM Notice are also uploaded on the website of the Company.

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration ) Rules, 2014 (as amended), the Company has fixed Friday, September 23 , 2022 as the cut off date to ascertain the eligibility of the Members of the Company entitled to vote electronically on all the resolutions, as per the procedure and other details mentioned in the AGM Notice.

You are requested to take the above information on record and oblige.

Thanking you

Very truly yours
**ADDI INDUSTRIES LIMITED**

TARAN JEET KAUR

Digitally signed by TARAN JEET KAUR
Date: 2022.09.02 11:16:19 +05'30'

**Taranjeet Kaur**
**Company Secretary**
**Membership No. 8991**
Encl. : As above

For any clarifications, please contact:-
Mr. Atul Jain – 09810154238/atul.addi@gmail.com

# NOTICE

## 40th
## ANNUAL GENERAL MEETING
## 2021-22

# ADDI INDUSTRIES LIMITED

CIN: L51109DL1980PLC256335

**Regd. Office:** A-104, Third Floor, Okhla Industrial Area
Phase – II, New Delhi 110020

# NOTICE

**TO ALL MEMBERS:**

**NOTICE IS HEREBY GIVEN THAT** the 40th Annual General Meeting of the Members of Addi Industries Limited will be held on **Friday, September 30, 2022, at 9.00 A.M.** through Video Conferencing (“VC”)/ Other Audio-Visual Means (“OAVM”) to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Financial Statements (including the consolidated financial statements) for the financial year ended March 31,2022, together with the Reports of the Directors’ and the Auditors’ thereon.
2. To appoint a Director in place of Shri Chaman Lal Jain (DIN No. 00022903), who retires by rotation, and being eligible, offers himself for re-appointment.
3. To consider the re-appointment of the current auditors, M/s B.R Gupta & Co., (Firm Registration No. 008352N), Chartered Accountants, as the Statutory Auditors of the Company and to fix their remuneration and to pass the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 [including any statutory modification(s) or re-enactment(s) thereof for the time being in force], M/s B. R Gupta & Co. [Firm Registration No.: 008352N] be and are hereby re-appointed as the Statutory Auditors of the Company for the second term of 5 (five) consecutive years to hold the office from the conclusion of this Annual General Meeting until the conclusion of the forty fifth [45th] Annual General Meeting of the Company on such terms and remuneration as may be mutually agreed upon between the said Auditors and Board of Directors of the Company”.

**FURTHER RESOLVED THAT** any director of the Company be and is hereby authorized to do all such acts, things and deeds as may be deemed necessary to give effect to the above stated resolutions.”

**SPECIAL BUSINESS:**

**4. To approve continuation of holding of office by Smt. Kusum Chopra**

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

**“RESOLVED THAT** pursuant to Regulation 17(1A) and other relevant provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and applicable provisions of the Companies Act, 2013, if any, the consent of the Members of the Company be and is hereby accorded for continuation of holding of office by Smt. Kusum Chopra (DIN-07137842), a non-executive Independent Director who has attained the age of 75 (Seventy Five) years on March 2, 2022 upto the expiry of her present term of office, on the existing terms and conditions as were agreed at the time of her appointment.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

**5. To Approve Alteration of Main Object of the Company**

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

**RESOLVED THAT** pursuant to the provisions of Section 4, 13 and all other applicable provisions, if any, of the Companies Act, 2013 (the ”Act”) read with applicable Rules and Regulations made there under (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and subject to such approvals, permissions and sanctions of Registrar of Companies, appropriate authorities, departments or bodies as and to the extent necessary, consent of the members of the Company be and is hereby accorded for effecting the following alterations in the existing Main Object Clause of the Memorandum of Association (the ”MOA”) of the Company in the following manner:-

I. Clause III (A) of the MOA be altered by adding below mentioned sub-clauses after sub-clause 3 of existing clauses respectively:

4. To carry on the business of builders and contractors and construction of residential flats, colonies office buildings, commercial and Multistoried Complexes, prefabricated and precost houses and to acquire by

purchase, lease, exchange, or otherwise, land, buildings and hereditaments of any tenure or description and any estate or interest therein and any rights over or connected with land, and to turn the same to account as may be expedient, and in particular by preparing building sites, and by constructing, reconstructing, altering, improving, repairing, decorating, furnishing and maintaining, offices flats, houses, factories, warehouses, shops, wharves, buildings, ports and conveniences of all kinds and by consolidating or connecting or subdividing properties and by leasing and disposing of the same.

5. To carry on the business of dealers in real estates and to manage lands, buildings, and other properties whether belonging to the company or not, and to collect rents and income, and to supply to tenants and occupiers, and others, refreshments, attendants, messengers, light, waiting rooms, reading rooms, meeting rooms, lavatories, laundry conveniences, Electric Conveniences and other advantages.

6. To purchase for investment or resale, and to traffic in land and houses and other properties of any tenure and any interest therein, and to create, sell, and deal in freehold and leasehold ground rents, and to make advances upon the security of lands or house, or other property or any interest therein, and generally to deal in, traffic by way of sale, lease, exchange, or otherwise with and house property and any other Property whether real or personal.

7. To promote and set up on its own or through any other venture / SPV, any infrastructure facility, industrial project, tourism project or provide any assistance in relation thereto, and/or to provide all related services and support thereto in any manner as may be necessary and to provide financial assistance in the form of loans, investments and other forms of funding for the same.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall deem to include any of its duly constituted Committee) or any officer/executive/representative and/or any other person so authorized by the Board, be hereby authorized on behalf of the Company to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, to settle any questions, difficulties or doubts that may arise in this regard and accede to such modifications and alterations to the aforesaid resolution as may be suggested by the Registrar of Companies or such other authority arising from or incidental to the said amendment without requiring the Board to secure any further consent or approval of the members of the Company."

For & on behalf of the Board
**Addi Industries Limited**

**Sd/-**
**Chaman Lal Jain**
Managing Director
DIN: 00022903

Dated: August 08, 2022
Place: New Delhi

**Registered Office:** A-104, Third Floor,
Okhla Industrial Area, Phase II, New Delhi 110020
CIN: L51109DL1980PLC256335
Telephone No.: 011-45025459
Website : www.addiindustries.com
E-mail : atul.addi@gmail.com

**Notes:**

a) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PURSUANT TO MCA AND SEBI CIRCULARS, THE FACILITY TO APPOINT PROXY TO ATTEND AND CAST VOTE FOR THE MEMBERS IS NOT AVAILABLE FOR THIS AGM. HOWEVER, IN PURSUANCE OF SECTION 112 AND SECTION 113 OF THE COMPANIES ACT, 2013, REPRESENTATIVES OF THE MEMBERS WHO ARE BODY CORPORATE CAN ATTEND THE AGM THROUGH VC/OAVM AND CAST THEIR VOTES THROUGH E-VOTING.**

b) The Statement, pursuant to Section 102 of the Companies Act, 2013 as amended ("Act") setting out material facts concerning the business with respect to items No. 3, 4 and 5 forms part of this Notice. Additional information, pursuant to Regulation 36 of the Securities and Exchange Board of India (Listing obligations and disclosure Requirements) Regulation, 2015, ("SEBI Listing Regulations") and Secretarial Standard – 2 on General Meetings / issued by the Institute of Company Secretaries of India, in respect of Director retiring by rotation seeking re-appointment at this Annual General Meeting (‘Meeting’ or ‘AGM’) is furnished as an annexure to the Notice.

c) In view of the ongoing COVID-19 pandemic and pursuant to General Circular No. 14/2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020, General Circular No. 20/2020 dated May 5, 2020, General Circular No. 02/2021 dated January 13, 2021, General Circular No. 21/2021 dated December 14, 2021, General Circular 02/2022 dated 5 May, 2022 and all other relevant circulars issued by the Ministry of Corporate Affairs (collectively referred to as ‘MCA Circulars’), and Circular number SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12 May, 2020, SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15th January, 2021 and SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated 13th May, 2021 issued by the Securities and Exchange Board of India (SEBI) (hereinafter collectively referred to as SEBI Circulars)in view of the continuing COVID-19 pandemic, companies are allowed to hold AGM through VC, without the physical presence of members at a common venue. Hence, in compliance with the Circulars, the AGM of the Company is being held through Video Conferencing (VC) or Other Audio Visual Means (OAVM).Hence, Members can attend and participate in the ensuing AGM through VC/OAVM. The deemed venue for the AGM shall be the Registered Office of the Company.The detailed procedure for participating in the Meeting through VC/OAVM is givenherein below

The Securities and Exchange Board of India (SEBI) vide its Circular No.SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 3, 2021 read with clarification issued vide Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/687 dated December 14, 2021 has specified Common and Simplified Norms for processing Investor’s Service. The shareholders holding shares in Physical mode are mandatorily require to record their PAN, KYC i.e. Address, Mobile Number, E-mail, Bank details, Specimen Signatures etc. along with Nomination details with the Company/Registrar & Share Transfer Agents (Beetal) of the Company. The salient features and requirements of the circular are as follows:

i) In case of Non-updation of KYC - Folios wherein any ONE of the cited details/documents, (i.e. PAN, Address with PIN code, Email address, Mobile Number, Bank Account details, Specimen Signature and Nomination) are not available on or after April 01, 2023, shall be frozen as per SEBI circular. The securities in the frozen folios shall be eligible to lodge any grievance or avail service request from the Beetal only after furnishing the complete documents / details as aforesaid and eligible for any payment including dividend only through electronic mode upon complying with the above stated requirements.

ii) Mandatory Linkage of PAN with Aadhaar - As per the Central Board of Direct Taxes (CBDT), it is mandatory to link PAN with Aadhaar number by March 31, 2023. Security holders who are yet to link the PAN with Aadhaar number are requested to get the same done before March 31, 2023. Post March 31, 2023 or any other date as may be specified by the CBDT, Beetal shall accept only valid PANs and the ones which are linked to the Aadhaar number. The folios in which PAN is / are not valid as on the notified cut-off date of March 31, 2023 or any other date as may be specified by the CBDT, shall also be frozen.

The Company has already sent necessary communication in this regard to all the shareholders holding shares in Physical mode on January 14, 2022. The relevant formats for updation of KYC and **Nomination details viz. Forms ISR-1, ISR-2, ISR-3, SH-13, SH-14 are available on Company website** as well as the website of Beetal.

In view of the above, we request you to submit the KYC and Nomination details at the earliest to the Company’s Registrar and Share Transfer Agents, M/s. Beetal Financial & Computer Services (P) Limited.

SEBI vide its Notification dated January 24, 2022 has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialized form as per amended Regulation 40 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. In view of the same and to eliminate all risks associated with physical shares and to avail various benefits of dematerialisation, Members are advised to dematerialise the shares held by them in physical form.

Further, SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the listed companies to issue securities in dematerialized form only while processing service requests viz. issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR – 4, the format of which is available on the Company's website and on the website of the Registrar and Share Transfer Agents (Beetal) of the Company. It may be noted that any service request can be processed only after the folio is KYC Compliant.

**d)** **The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013 ("the Act").**

**e)** In compliance with the MCA Circulars and SEBI Circulars, Notice of the AGM along with the Annual Report 2021-22 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2021-22 will also be available on the website of the Company at www.addiindustries.com, websites of the Stock Exchange, i.e., BSE Limited at www.bseindia.com and on the website of CDSL at www.evotingindia.com.

**f)** The Register of Members and the Share Transfer Books of the Company will remain closed from the 24th September, 2022 to 30th September, 2022 (both days inclusive).

**g)** The Equity Shares of Rs. 10/- each of the Company have been sub-divided/ splitted-up into 2 new Equity Shares of Rs. 5/- each fully paid-up. All those Shareholders, who are still holding the Shares in physical form and have not yet got their Share Certificates of Rs. 10/- each exchanged for new Share Certificates of Rs. 5/- each, are requested to send the same to the Regd. Office of the Company at A-104, Third Floor, Okhla Industrial Area, Phase II, New Delhi 110020 for exchange thereof.

**h)** The Company's Equity Shares continue to remain listed on the BSE Ltd., and the listing fee has been duly paid.

**i)** The Equity Shares of the Company are dematerialised and the trading has to be compulsorily in demat mode. Those Shareholders who have not yet got their equity shares dematerialised may approach the Depository Participant with whom they are maintaining account, for getting their Shares dematerialised.

**j)** A Statement u/s 129 of the Companies Act, 2013, in respect of the Subsidiary Company, AumTexfab Pvt. Ltd., is contained hereinafter with the Consolidated Financial Statements. The Annual Accounts of the Subsidiary Company and the related detailed information will be made available to the Holding and Subsidiary Company Investors seeking such information at any point of time. The Annual Accounts of the Subsidiary Company has been kept open for electronic inspection by any investor upto the date of this Meeting.Investors seeking to inspect such documents can send an email to atul.addi@gmail.com.

**k)** **REGISTRAR & TRANSFER AGENTS:** The Company has appointed M/s. Beetal Financial & Computer Services (P) Ltd., Beetal House, 3rd Floor, 99, Madangir, Behind Local Shopping Centre, Near Dada Harsukh Das Mandir, New Delhi- 110062, as its Registrar & Transfer Agents (hereinafter referred to as **"Beetal"**). Shareholders may write to them also directly, or communicate with the Company at its Regd. Office, as they may like. (e-mail id of RTA - beetalrta@gmail.com)

**l)** Pursuant to the Listing Agreement(s) pertaining to Corporate Governance, the particulars of Directors seeking appointment/ re-appointed are annexed hereto and form part of this Notice.

**m)** Corporate Members are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through remote e-voting or e-voting during the Meeting.

**n)** The relevant documents referred to in the accompanying Notice of Meeting and in the Explanatory Statement are open for electronic inspection by the Members of the Company upto the date of this Meeting.Members seeking to inspect such documents can send an email to atul.addi@gmail.com.

**o)** Since the AGM will be held through VC in accordance with the Circulars, the routemap, proxy form and attendance slip are not attached to this Notice.

**p)** **Voting through electronic means**

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized 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 AGM will be provided by CDSL.

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

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

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

(i) The voting period begins on **Tuesday, September 27, 2022 at 9.00 A.M. and ends on Thursday, September 29, 2022 at 5.00 P.M.** During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of **Friday, September 23, 2022**, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

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

(iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

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

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

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

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

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

| **Type of shareholders** | **Login Method** |
|---|---|
| Individual Shareholders holding securities in Demat mode with **CDSL Depository** | 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi.<br>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/RTA, so that the user can visit the e-Voting service providers' website directly.<br>3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration |

| | |
|---|---|
| | 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers. |
| Individual Shareholders holding securities in demat mode with **NSDL Depository** | 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.<br>2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS “Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp<br>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting |
| Individual Shareholders (holding securities in demat mode) login through their **Depository Participants (DP)** | You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. |

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

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

| **Login type** | **Helpdesk details** |
|---|---|
| Individual Shareholders holding securities in Demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.comor contact at toll free no. 1800 22 55 33 |
| Individual Shareholders holding securities in Demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30 |

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

(v) Login method for e-Voting and joining virtual meetings for **Physical shareholders and shareholders other than individual holding in Demat form.**

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

2) Click on "Shareholders" module.

3) Now enter your User ID

   a. For CDSL: 16 digits beneficiary ID,

   b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

   c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

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

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

6) If you are a first-time user follow the steps given below:

| | **For Physical shareholders and other than individual shareholders holding shares in Demat.** |
|---|---|
| PAN | Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)<br>• Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA. |
| 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 number in the Dividend Bank details field. |

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

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

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

(ix) Click on the EVSN for the relevant Addi Industries Limited on which you choose to vote.

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

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

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

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

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

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

(xvi) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.

(xvii) Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
- It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; atul.addi@gmail.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

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

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

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

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to atul.addi@gmail.com or beetalrta@gmail.com
2. For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

All grievances connected with the facility for voting by electronic means may be addressed to Mr.Rakesh Dalvi, Sr. Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call toll free no. 1800 22 55 33.

**INSTRUCTIONS FOR MEMBERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
2. Member will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Members may access the same at https://www.evotingindia.com under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
3. Members are encouraged to join the Meeting through Laptops / IPads for better experience.
4. Further members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
5. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
6. Members 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 3 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number **atul.addi@gmail.com**. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 3 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number **atul.addi@gmail.com**. These queries will be replied to by the company suitably by email.
7. Those members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

**INSTRUCTIONS FOR MEMBERS FOR E-VOTING DURING THE AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those members, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
3. If any Votes are cast by the members through the e-voting available during the AGM and if the same members have not participated in the meeting through VC/OAVM facility, then the votes cast by such members shall be

considered invalid as the facility of e-voting during the meeting is available only to the members attending the meeting.

4. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

**Other Instructions:**

i) The Company has appointed Ms. Jyoti Sharma, Company Secretary in whole-time practice of JVS & Associates as Scrutinizer to scrutinize the e-Voting process in a fair and transparent manner. The Scrutinizer(s) shall within a period not exceeding 3 (three) days from the conclusion of the e-Voting period unblock the votes in the presence of at least 2 (two) witnesses not in the employment of the Company and make Scrutinizers' Report of the votes cast in favour or against, if any, forthwith to the Managing Director of the Company.

ii) The Result on resolutions shall be declared on or after the AGM of the Company.

The Result declared along with the Scrutinizers' Report shall be communicated to the stock exchange.

iii) **Members are requested:**

(a) To quote their Folio No./DP Id - Client Id ande-mail ID in all correspondence; and

(b) To please note that no gift or gift coupons will be distributed at the meeting.

**Details of Directors seeking Appointment/Re-appointment at the Annual General Meeting**

**(Pursuant to Regulation 36 (3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015) and Under Secretarial Standard 2 on General Meetings (SS-2) :**

| S. No. | Particulars | Mr. Chaman Lal Jain |
|---|---|---|
| 1. | Date of Birth & Age | 08.09.1944 ; 77 years |
| 2. | DIN | 00022903 |
| 3. | Date of First Appointment on the Board of Directors of the Company | 01.10.1988 |
| 4. | Qualifications | B. Com |
| 5. | Expertise in specific functional area | Please refer Corporate Governance Report 2021-22. |
| 6 | Directorship held in other Public Companies* | Nil |
| 7. | Membership/Chairmanship of Committees** | Nil |
| 8. | No. of Equity Shares held in the Company | 1689818 |
| 9. | Relationship with other directors | Related to Shri Hari Bansal (Father-son) and Smt. Urmila Jain(Husband-wife) |
| 10. | Number of Meetings of the Board attended during the year 2021-22 | 4(Four) |
| 11. | Terms and conditions of appointment/re-appointment | Liable to retire by rotation. As per the resolution passed by the Members at the Annual General Meeting held on 23rd December, 2020, Mr. Chaman Lal Jain was Re-appointed as the Managing Director for a period of Three years from1st October, 2020 as per the termsand conditions contained therein. |
| 12. | Remuneration last drawn by such person, if applicable and Remuneration sought to be paid | 4 Lakhs as per existing terms and Conditions. |

*excluding Foreign, Private Limited Companies and Limited Liability Partnership Firm.

**Includes only Audit and Shareholders/Investor Grievance Committee other than Addi Industries Limited

**Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 and Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

**Item No. 3:**

**To re-appoint M/s B. R Gupta & Co. [Firm Registration No.: 008352N], Chartered Accountants as Statutory Auditors of the Company and to fix their remuneration.**

M/s. B. R Gupta & Co., Chartered Accountants, were appointed as Statutory Auditors of the Company at the 35th Annual General Meeting ('AGM') held on September 29, 2017 for a period of 5 years, up to the conclusion of 40th AGM. M/s. B. R Gupta & Co. are eligible for re-appointment for a further period of 5 years. M/s. B. R Gupta & Co. have given their consent for their re-appointment as Statutory Auditors of the Company and has issued certificate confirming that their re-appointment, if made, will be within the limits prescribed under the provisions of Section 139 of the Companies Act, 2013 ('the Act') and the rules made thereunder. M/s. B. R Gupta & Co. have confirmed that they are eligible for the proposed appointment under the Act, the Chartered Accountants Act, 1949 and the rules or regulations made thereunder. As confirmed to Audit Committee and stated in their report on financial statements, the Auditors have reported their independence from the Company according to the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') and the ethical requirements relevant to audit.

Based on the recommendations of the Audit Committee and the Board of Directors and considering the past performance, expertise and experience it is hereby proposed to re-appoint M/s. B. R Gupta & Co., Chartered Accountants, having registration No. 008352N, as the Statutory Auditors of the Company for the second and final term of five consecutive years, who shall hold office from the conclusion of this 40th AGM till the conclusion of the 45th AGM of the Company. The proposed remuneration to be paid to the Statutory Auditors for statutory audit for the financial year 2022-23 is Rs. 5,50,000, plus applicable taxes and reimbursement of out-of-pocket expenses on actuals.For the subsequent years, the Audit Fees would be determined by the Board of Directors from time to time based on the recommendations of the Audit Committee and in consultation with the Statutory Auditors. The remuneration proposed to be paid to the Statutory Auditors during their second and final term would be in line with the existing remuneration and shall be commensurate with the services to be rendered by them during the said tenure. The Board of Directors in consultation with the Audit Committee may alter and vary the terms and conditions of appointment, including remuneration, in such manner and to such extent as may be mutually agreed with the Statutory Auditors.

M/s B R Gupta & Co. is a multi-disciplinary Audit Firm catering to various clients in diverse sectors. The firm holds the 'Peer Review' certificate as issued by 'ICAI'. B. R. Gupta & Co. was founded on 1st January, 1988. Mr. B. R. Gupta is the founding partner of the firm B. R. Gupta & Co.He is a practicing Fellow Chartered Accountant (FCA) of the Institute of Chartered Accountants of India with over 54 years of experience.

The Board recommends the resolution set out at Item No. 3 of the Notice for approval by the Members by way of an Ordinary Resolution.

None of the Directors or Key Managerial Personnel of the Company or their relatives are interested or concerned, financially or otherwise, in the resolution.

**Item No. 4**

The Shareholders of the Company at the 37th Annual General Meeting held on 30th September, 2019 approved re-appointment of Smt. Kusum Chopra as an Non-Executive Independent Women Director of the Company for a period of five years with effect from 31st March, 2020 till 30th March, 2025 through a Special Resolution under the relevant provisions of the Companies Act, 2013 and the rules made thereunder and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Pursuant to the Regulation 17(1A) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as inserted w.e.f. 01.04.2019, every listed entity can appoint or continue the directorship of any non-executive director who has attained the age of 75 years only on passing a special resolution to this effect.

Smt. Kusum Chopra, Non-Executive Independent Director has attained the age of 75 years during March 2022. The Board of Directors, based on the performance evaluation of Independent Director and as per the recommendation of the Nomination & Remuneration Committee, consider that, given her background and rich experience of varied Industries & the contribution made by her during her tenure, the continued association of Smt. Kusum Chopra would be beneficial to the Company and it is desirable to continue to avail her services as Independent Director.

Accordingly, it is proposed to continue her holding of existing office after the age of 75 years during the currency of their term of appointment.

The Board therefore recommends the Resolution as stated at Item No. 4 of the Notice for approval of the Members by way of Special Resolution.

Smt. Kusum Chopra is interested in the resolution set out at Item No. 4 of the Notice. Her relatives may also be deemed to be interested in the said resolution, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors/ Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

**Item No. 5**

The Company proposes to diversify its business and enter into new business i.e. Real Estate and Construction sectors, however the present object clause of the Memorandum of Association (MOA) of the Company does not permit the company to carry out these activities. Therefore, there is need to alter the present Main Object clause of MOA by way of adding new sub-clauses after sub-clause 3 of existing Clause III (A) in the main object clause of the Memorandum of Association of the company as proposed in the resolution contained in this Notice.

Considering the circumstances, the Board is of the opinion that it would be in the interest of the company to alter the main object clause of the MOA.

Further, for Alteration of Object Clause of the MOA as aforesaid, shareholder's approval by a Special Resolution is required under section 13 of the Companies Act, 2013. Accordingly, the proposal is placed before the members for their approval/ consent by way of Special Resolution. A copy of the proposed Memorandum of Association of the company would be available for inspection at the Registered Office of the company during the office hours on all working days, between 11.00 am. and 1.00 pm.

The board recommends your approval for said alteration.

None of the directors and/or their relatives is in any way concerned or interested in the resolutions.

For & on behalf of the Board
**Addi Industries Limited**

**Sd/-**
**Chaman Lal Jain**
Managing Director
DIN: 00022903

Dated: August 08, 2022
Place: New Delhi

**Registered Office:** A-104, Third Floor,
Okhla Industrial Area, Phase II, New Delhi 110020
CIN: L51109DL1980PLC256335
Telephone No.: 011-45025459
Website : www.addiindustries.com
E-mail : atul.addi@gmail.com

# 40th
# ANNUAL REPORT
# 2021-22

# ADDI INDUSTRIES LIMITED

CIN: L51109DL1980PLC256335

**Regd. Office:** A-104, Third Floor, Okhla Industrial Area
Phase – II, New Delhi 110020

| | | | | |
|---|---|---|---|---|
| **BOARD OF DIRECTORS** | : | Shri Chaman Lal Jain<br>DIN 00022903 | - | Managing Director |
| | : | Dr. Bijoya Kumar Behera<br>DIN 01139185 | - | Independent Director |
| | : | Shri Vishnu Bhagwan Aggarwal<br>DIN 00022967 | - | Independent Director |
| | : | Dr. Kusum Chopra<br>DIN 07137842 | - | Independent Director |
| | : | Shri Hari Bansal<br>DIN 00022923 | - | Director |
| | : | Smt. Urmila Jain<br>DIN 02027421 | - | Director |

**CHIEF FINANCIAL OFFICER** : Shri Atul Jain

**COMPANY SECRETARY** : Smt. Taranjeet Kaur

**BANKERS** : Punjab National Bank

**AUDITORS** : **B.R. Gupta & Co.**
Chartered Accountants
K-55, Connaught Circus New Delhi-110 001

**REGISTERED OFFICE** : **ADDI INDUSTIRES LIMITED**
CIN: L51109DL1980PLC256335
A-104, Third Floor, Okhla Industrial Area Phase – II,
New Delhi 110020,
Phone: 011-45025469
Email: addiind@gmail.com, atul.addi@gmail.com

**REGISTRAR & SHARE TRANSFER AGENT** : Beetal Financial & Computer Services (P) Ltd.
CIN: U67120DL1993PTC052486
Regd & Admn. Office: BEETAL HOUSE, 3rd Floor, 99 Madangir,
Behind Local Shopping Centre, Near Data Harsukhdas Mandir,
New Delhi-110062,
Phone: 011-29961281, 29961282, Fax: 011-29961284
Email: beetalrta@gmail.com

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# DIRECTOR'S REPORT

**Dear Members**

The Directors of your Company present their 40th Annual Report & the Audited Financial Statements of the Company for the financial year ended March 31, 2022.

**Financial Results**

The performance of your Company for the financial year ended March 31, 2022 is summarized below:

**(Amount in Rs./Lakhs)**

| Particulars | Standalone | | Consolidated | |
|---|---|---|---|---|
| | Year Ended 31st March, 2022 | Year Ended 31st March, 2021 | Year Ended 31st March, 2022 | Year Ended 31st March, 2021 |
| Turnover & other Income (incl. Exports) | 216.40 | 39.44 | 229.35 | 52.44 |
| Gross Profit before financial exp. & depreciation | (74.4) | (26.45) | (61.61) | (13.66) |
| Less: Financial Expenses | - | - | - | - |
| Depreciation | 12.91 | 20.01 | 12.91 | 20.01 |
| Exceptional Items | 4651.83 | 3.76 | 4,651.83 | 3.76 |
| **Net Profit/(Loss) before Tax** | **4,564.52** | **(42.70)** | **4,577.31** | **(29.91)** |
| Less: Provision for Taxation | 831.14 | - | 832.23 | 1.04 |
| Less: Income Tax adj. for earlier years | - | - | - | 0.12 |
| Less: Adj. for deferred tax | 5.61 | (145.57) | 5.61 | (145.57) |
| Mat credit entitlement | - | - | - | - |
| **Net Profit /(Loss) after tax** | **3,727.78** | **102.87** | **3,739.47** | **114.50** |
| Add: Amount b/f from last year | (66.90) | (170.45) | 43.47 | (71.69) |
| Impact of carrying amount of asset Where remaining useful life is Nil | - | - | - | - |
| Other comprehensive Income | 0.56 | 0.67 | 0.56 | 0.66 |
| **Balance transferred to Balance Sheet** | 3661.44 | (66.91) | 3,783.52 | 43.47 |

**Dividend**

In order to conserve resources for the future, Directors of your Company do not recommend any dividend for the financial year ended 31st March 2022.

**Operations**

The performance of your Company during the financial year under review has been impacted substantially, due to scale-down of operations to negligible, higher input costs, low export orders and subdued cotton & textile markets.

The second wave of COVID-19 outbreak has caused havoc in the economy across the Globe and India as well. The vigorous spread of COVID-19 pandemic including the more lethal second wave continues to affect the businesses across India and the operations of Company. During the extraordinary times of COVID-19 pandemic, the Company has taken all the possible preventive measures as recommended by the present Government. Further, the Company has also made efforts so that the workers and staff members of the Company do not have to face the financial disturbance during this pandemic.

**Future Business Prospects**

The Board of Directors have been exploring and assessing various available business propositions for diversification including, inter-alia, the manufacturing of Woven Garments, for better prospects, and for augmenting the resources & the profitability of the Company. The Directors are hopeful of improved working results in the ensuing period.

The Company will continue to explore various options to strengthen its capital base and balance sheet to augment the long-term resources for meeting funds requirements of its business activities, the future growth opportunities, general corporate purposes and other purposes. Strict monitoring is being done to cut down costs and overheads wherever feasible to make the product more price competitive. The Company is also exploring market to get business in other areas also.

**Technology upgradation, modernisation-cum-diversification**

The Company has not incurred any expenditure on technology upgradation & modernization of machinery and equipment during the year under report and during the preceding year.

**Finances**

Your Company continues to have the support of its Bankers, Punjab National Bank, for the working capital requirements commensurate with its business activities on need basis.

The financial statements of the Company (including of subsidiaries) have been prepared in accordance with the recognition and measurement principles laid down under Ind-AS as presented under Section 133 of the Act read with the relevant rules issued thereunder and the other accounting principles generally accepted in India as applicable.

**Deposits**

The Company has neither invited nor accepted any deposits from the Public during the year under report.

**Particulars of Loans, Guarantees or Investments**

The Company has not given any loans or guarantees covered under the provisions of Section 186 of the Companies Act, 2013.

The details of the investments made by Company are given in the notes to the financial statements.

**Internal Financial Control Systems and their adequacy**

The Company has an internal control system, commensurate with the size, scale and complexity of its operations. The scope and authority of the internal audit function is defined in the Internal Audit Manual. To maintain its objectivity and independence, the internal audit function reports to the Chairman of the Audit Committee of the Board and to the Managing Director.

Rajeev Shagun Gupta & Co were appointed as Internal Auditors for a term of 5 years in terms of Section 138 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2015 monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies of the Company.

Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and recommendations, if any, along with corrective actions thereon are presented to the Audit Committee of the Board.

**Directors and Key Managerial Personnel (KMP)**

During the year under review, there was a change in designation of Smt. Urmila Jain from additional director to director w.e.f. 30th September 2021.

As per the provisions of Section 152 of the Companies Act, 2013, Shri Chaman Lal Jain, Director, retires by rotation at the ensuing Annual General Meeting and is eligible for re-appointment. Board of Directors recommends his re-appointment.

Pursuant to Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, Smt. Kusum Chopra continue her Directorship as Independent, Non Executive Women Director of the Company who attained age of 75 years. Accordingly special Resolution is proposed in the ensuing AGM for the approval of shareholder.

With effect from 8th August 2022, Smt. Urmila Jain ceases to be a Director of the Company as she gives her resignation due to some personal engagement. The board appreciates her period of directorship in the company.

Other than the abovementioned, there was no change in the compositions of Board of directors and KMP during the period under review.

**Declaration by Independent Director**

The Company has received necessary declaration from each Independent Director under Section 149(7) of the Companies Act, 2013, that they meet the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and under Regulation 16(1)(b), 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**Integrity, Expertise and Experience (including the proficiency) of the Independent Directors**

All the independent Directors are person of integrity and have vast experience in the field. They are expert in their fields and their advices have been fruitful to the Company. Some of the independent directors are not required to appear for the online proficiency self-assessment test conducted by the Indian Institute of Corporate Affairs whereas some of them will be appearing soon.

**Board Evaluation**

Pursuant to the provisions of the Companies Act, 2013 and the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 executed under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Board has carried out an evaluation of its own performance, the directors individually as well as the evaluation of the various Committees. The evaluation process focused on various aspects of the Board and Committees functioning such as composition of the Board and Committees, experience and competencies, performance of specific duties and obligations, governance issues etc. Separate exercise was carried out to evaluate the performance of individual Directors on parameters such as attendance, contribution and independent judgment. The Directors expressed their satisfaction with the evaluation process.

**Board Diversity**

The Company recognizes the importance and benefits of having the diverse Board to enhance quality of its performance.

The Company believes that a diverse Board will enhance the quality of the decisions made by the Board by utilizing the different skills, qualification, professional experience, gender, knowledge etc. of the members of the Board, necessary for achieving sustainable and balanced growth of the Company. The Board of Directors on the recommendations of the Nomination and Remuneration Committee has adopted a Policy on Diversity of Board of Directors in terms of Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**Nomination and Remuneration Policy**

The Board on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment including criteria for determining qualifications, positive attributes of Directors, Key Managerial Personnel (KMP), Senior Management and their remuneration. The brief detail of the Policy is stated in the Corporate Governance Report.

**Number of Meeting(s) of the Board and Committees**

A Calendar of Meetings is prepared and circulated in advance to the Directors.

During the year four (4) Board Meetings and four (4) Audit Committee Meetings were convened and held. The details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013. During the year under review one of each meetings of Nomination and Remuneration Committee and Stakeholders Relationship Committee have been held, the details of which are given in the Corporate Governance Report.

**Committees of the Board**

The Company has several Committees which have been established in compliance with the requirement of the relevant provisions of applicable laws and statutes. As on 31st March, 2022, the Board has Three (3) committees namely, Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee. A detailed note on the composition of the Committees is provided in the Corporate Governance Report, which forms an integral part of the Board's Report.

**Directors' Responsibility Statement**

In terms of Section 134(5) of the Companies Act, 2013 the directors would like to state that:

i) In the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

ii) The directors have selected such accounting policies and have applied them consistently and made judgments and estimates that were 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 or loss of the Company for the year under review;

iii) The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting any fraud or other irregularities;

iv) The directors have prepared the annual accounts on a going concern basis;

v) The directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

vi) The directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

**Related party transactions**

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of the business. There are no materially significant related party transactions made by the Company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with the Company at large. Accordingly, no transactions are being reported in Form AOC-2 in terms of Section 134 of the Act read with rules made thereunder.

The Board of Directors, on the recommendation of the Audit Committee, has approved a Policy to regulate transactions between the Company and its Related Parties, in compliance with the applicable provisions of the Companies Act, 2013, the Rules made there under and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Policy on Related Party Transactions has been suitably formulated as per the applicable provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

**Amount carried to Reserve**

The Company has not transferred any amount to the reserves during the current financial year.

**Material changes and commitments affecting the financial position of the Company between the end of the financial year and the date of the report**

There are no other material changes and commitments affecting the financial position of the Company between the end of the financial year and the date of this Report except the following;

The company has changed its registered office address from 23 Eastern Avenue, Maharani Bagh New Delhi-110065 to A- 104, Third floor, Okhla Industrial Area Phase – II, New Delhi 110020 for the convenience of the business of the company.

In the ensuing AGM, subject to the approval of the members, the company has decided to inculcate one new line of business to its main objects of the company to explore new opportunity and to grow the company all together.

**Changes in Capital Structure**

During the year under review, there was no change in the Share Capital of the Company. The Company has neither issued any equity shares with differential rights nor the sweat equity shares nor granted any employee stock options nor the Company has created any provisions for purchase of its own shares, during the year under review.

**Code of Conduct**

The Board of Directors has approved a Code of Conduct which is applicable to the Members of the Board and all employees in the course of day to day business operations of the Company. The Company believes in "Zero Tolerance" against bribery, corruption and unethical dealings/behaviors of any form.

The Code lays down the standard procedure of business conduct which is expected to be followed by the Directors and the designated employees in their business dealings and in particular on matters relating to integrity at the work place, in business practices and in dealing with stakeholders. The Code gives guidance through examples on the expected behavior from an employee in a given situation and the reporting structure.

All the Board Members and the Senior Management personnel have confirmed compliance with the Code.

**Vigil Mechanism/Whistle Blower Policy**

In terms of the provisions of Section 177(9) & (10) of the Companies Act, 2013 and pursuant to the provisions of Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, The Company has a vigil mechanism policy to deal with the instance of fraud and mismanagement, if any.

In staying true to our values of strength, performance and passion and in line with our vision of being one of the Companies, having highest standards of Corporate Governance and stakeholder responsibility. The periodic report for any instance is to be reported before the Audit Committee.

**Risk Management Policy**

The Company has a judicious risk management policy, strong systems, constant monitoring of various risk factors and a focus on greater market penetration that continue to guide its business strategy.

**Corporate Social Responsibility (CSR)**

As per the provision of Section 135 of the Companies Act, 2013, every Company having net worth of Rs. 500 Crore or more, or Turnover of Rs. 1000 Crore or more or a Net Profit of Rs. 5 Crore or more during the immediately preceding financial years is required to spent in every financial year, at least two percent (2%) of the average net profits made during the three immediately preceding financial year, in pursuance of the CSR Policy.

The Company's profit exceeds the above limit of Rs. 5 Crore for the financial year ended 31st March 2022. As per provisions of the Section 135, the company is in the process to formulate the CSR policy however the CSR committee is not required to be constituted and the duties of the of CSR committee to be discharged by the Board of Directors of the company.

The Company endeavors to adopt an integrated approach to address the community, societal & environmental concerns by taking one or more of the activities allowed as per Section 135 of the Companies Act, 2013 and the applicable rules and regulations.

**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 Board is responsible for implementation of the Code.

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

**Preservation of Documents & Archival Policy**

In terms of Regulation 9 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors has made a Policy for Preservation of Documents & Archival thereof, and classifying them in two categories as follows:

a) documents whose preservation shall be permanent in nature;

b) documents with preservation period of not less than eight years after completion of the relevant transactions.

**Details of significant & material orders passed by the Regulators or Courts or Tribunals**

During the year under review, there were no material and significant orders passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations in future.

**Secretarial Auditors**

As required under Section 204(1) of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of managerial Personnel) Rules, 2015 the Company had appointed Ms. Jyoti Sharma, Company Secretary in practice of JVS & Associates to undertake the Secretarial Audit of the Company for the financial year 2021-22. The Secretarial Audit Report for the financial year ended March 31, 2022 is annexed as **Annexure-A**.

**Statutory Auditors**

M/s. B.R Gupta & Co., Chartered Accountants had given their consent to be re-appointed as Statutory Auditors of the Company in the ensuing Annual general Meeting of the company to be held on 30th September, 2022 for a period of five consecutive years to hold office from the conclusion of 40th Annual General Meeting until conclusion of the 45th AGM to be held in the Calendar year 2027. The Company has received the consent and the requisite Certificate(s) under the Companies Act, 2013, from them. Board of Directors recommends their re-appointment.

**Auditor's Report/Secretarial Audit Report**

The observation made in the Auditors' Report read together with relevant notes thereon are self-explanatory and hence do not call for any further comments under Section 134 of the Companies Act, 2013.

**Frauds reported by Auditor's under Section 143(12) of the Companies Act, 2013**

During the year under review, no instances of fraud were reported by the statutory auditors of the Company under Section 143(12) of the Companies Act, 2013.

**Annual Return**

The Annual Return (Form MGT-7) is available on the website of the Company having following web link,

https://www.addiindustries.com/

**Subsidiary Company**

During the year under review, Aum Texfab Private Limited continues to be a Subsidiary of the Company and the contribution of the said Subsidiary Company was insignificant. The consolidated financial statements of the Company and its above said subsidiary form part of the Annual Report.

Pursuant to the provisions of Section 129(3) of the Act, a statement containing the salient features of financial statements of the Company's subsidiaries in Form AOC-1 is attached to the financial statements of the Company as **Annexure-B**. The Financial Statements of the Subsidiary Company will be made available upon request by any Member of the Company interested in obtaining the same. The Financial Statements of the Subsidiary Company will also be kept for inspection by any Member of the Company at its Registered Office.

The Board of Directors has approved a Policy for Determining Material Subsidiaries in compliance with the provisions of Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Policy for Determining Material Subsidiary has been suitably formulated as per the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

**Consolidated Financial Statements**

As stipulated by Regulation 33 of the Listing Regulations, the Company has prepared Consolidated Financial Statement in accordance with the applicable accounting standards as prescribed under the Companies (Accounts) Rules, 2014 of the Companies Act, 2013 ("the Act"). The Consolidated Financial Statement reflects the results of the Company and that of its subsidiary and associates. As required under Regulation 34 of the Listing Regulations, the Audited Consolidated Financial Statement together with the Independent Auditors' Report thereon is annexed and forms part of this Report.

The summarized Consolidated Financial Statement is provided above in point No.1 of this Report.

**Management Discussion & Analysis**

The Management Discussion & Analysis Report and the Report on Corporate Governance, as stipulated under the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 executed under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, is given in the **Annexure -C**, forming part of this Report.

**Corporate Governance**

In terms of provision of regulation 15(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, compliance with the Corporate Governance provisions as specified under regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26 , 27 and clause (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V was not applicable to the Company as paid-up share capital of the Company is less than Rs. 10 crore and net-worth of the Company is less than Rs. 25 crore, as on the financial year ended on 31st March, 2021. However, in view of provision of regulation 15(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the Company continued to make compliances with the applicable provisions under the Companies Act, 2013 during financial year 2021-22.

Subsequently, as on end date of FY 2021-22 i.e. 31st March, 2022 upon publication of Audited Financial Results of the Company for the year ended 31st March, 2022, net-worth of the Company exceeds Rs. 25 crore and therefore exemption under regulation 15(2) of SEBI (LODR), Regulations, 2015 stands withdrawn. In terms of proviso of said regulation, Company is required to comply with the exempted regulation within six months from the date of its applicability.

Further the company was voluntarily complying the provisions of Corporate Governance. However, the Company has now strictly implemented applicability of Corporate Governance clauses under the said regulation from quarter starting from 1st July, 2022.

The Corporate Governance Report for the financial year ended March 31, 2022 is annexed as **Annexure-D**.

**Particulars of Employees**

There was no employee who was in receipt of remuneration for the financial year under report in the aggregate of more than Rs. One Crore Two Lakhs per annum, if employed throughout the year or Rs. Eight Lakhs Fifty Thousand per month, if employed for part of the financial year, within the meaning of Section 197 read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The information required pursuant to Section 197(12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, is annexed to this Report as **Annexure-E**.

**Energy Conservation, Technology Absorption and Foreign Exchange Earnings & Outgo**

The relevant information & data required to be disclosed in terms of the provisions of the Companies Act, 2013 and the rules made thereunder is given in the **Annexure- F** and forms part of this Report.

**Disclosures under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

During the year under review, no complaints were received from any employee and hence, no action was required to be taken by the Company in accordance with the provisions of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and rules made thereunder and no complaints are outstanding as at 31st March, 2022.

**Compliances of applicable Secretarial Standards**

The Company has complied with the applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to ‘Meetings of the Board of Directors’ and ‘General Meetings’ respectively

**General**

There is no proceeding pending under the Insolvency and Bankruptcy Code, 2016 against the Company.

There have not been any instances of one-time settlement by the Company with any Bank or financial institution.

**Acknowledgements**

Industrial relations continue to be cordial during the year under report. The Directors appreciate the effort and contribution made by the Workers, Staff Members and Executives at all levels. The Directors would also like to thank the Shareholders, Bankers, Customers, and Suppliers & Vendors for the continuous support given by them to the Company, and their confidence in its management.

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

| | | |
|---|---|---|
| | **Sd/-** | **Sd/-** |
| **Place : New Delhi** | **Chaman Lal Jain** | **Hari Bansal** |
| **Dated : 08-08-2022** | **Managing Director** | **Director** |
| | **(DIN: 00022903)** | **(DIN: 00022923)** |

**Annexure-A**

## Secretarial Audit Report

**(For the Financial Year ended March 31, 2022)**

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

To,
The Members
**ADDI INDUSTRIES LIMITED**
A- 104, Third floor, Okhla Industrial Area
Phase – II, New Delhi 110020

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **ADDI INDUSTRIES LIMITED** (hereinafter called the Company) for the financial year ended 31st March, 2022. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

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

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by **ADDI INDUSTRIES LIMITED** (“**The Company**”) for the financial year ended on 31st March, 2022 according to the provisions of:

   I. The Companies Act, 2013 **(the Act)** and the Rules made thereunder;

   II. The Securities Contracts (Regulation) Act, 1956 **(‘SCRA’)** and the Rules made thereunder;

   III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

   IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **(not applicable to the company during the audit period)**.

   V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 **(‘SEBI Act’)** to the extent applicable to the Company :-

      a. The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015;

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

      c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

      d. *The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

      e. *The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

      f. *The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

      g. *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;

      h. *The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;

      i. *The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

(*No event took place under these regulations during the audit period.)

VI. Other laws applicable specifically to the company.

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India with respect to Board and General Meetings.

During the financial year under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 etc as mentioned above.

**We further report that:**

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

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

All decisions at Board Meetings and Committee Meetings were carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be and no dissenting views have been recorded.

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

We further report that during the audit period there were no specific events/actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards have taken place.

**For JVS & Associates**
**Company Secretaries**

**Jyoti Sharma**
**Proprietorship**
**CP No.: 10196**
**M. No. F8843**
**Firm Registration No.: I2011DE848300**
**UDIN: F008843D000739738**

**Date : 4th August, 2022**
**Place : New Delhi**

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

**Annexure A**

To,
The Members
**ADDI INDUSTRIES LIMITED**
A- 104, Third floor, Okhla Industrial Area
Phase – II, New Delhi 110020

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

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

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

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

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

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

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

**For JVS & Associates**
**Company Secretaries**

**Jyoti Sharma**
**Proprietorship**
**CP No.: 10196**
**M. No. F8843**
**Firm Registration No.: I2011DE848300**
**UDIN: F008843D000739738**

**Date : 4th August, 2022**
**Place : New Delhi**

Annexure-B

# FORM NO. AOC-1

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

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

**Part "A": Subsidiaries**

(Information in respect of each subsidiary to be presented with amounts in INR)

(Rs. In Lakhs)

| **S. No.** | 1 |
|---|---|
| **Name of the subsidiary** | Aum Texfab Private Limited |
| **The date since when subsidiary was acquired** | 2006 |
| **Reporting period for the subsidiary concerned, if different from the holding company's reporting period** | N.A. |
| **Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries** | N.A. |
| **Share capital** | 79 |
| **Reserves & surplus** | 122.09 |
| **Total assets** | 201.23 |
| **Total Liabilities** | 0.14 |
| **Investments** | 86.33 |
| **Total Income** | 12.95 |
| **Profit before taxation** | 12.78 |
| **Provision for taxation** | 1.09 |
| **Profit after taxation** | 11.69 |
| **Proposed Dividend** | 0 |
| **% of shareholding** | 100 |

Notes: The following information shall be furnished at the end of the statement:

1. Names of subsidiaries which are yet to commence operations: **Not Applicable**
2. Names of subsidiaries which have been liquidated or sold during the year: **Not Applicable**

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

**Place : New Delhi**
**Dated : 08-08-2022**

**Sd/-**
**Chaman Lal Jain**
**Managing Director**
**(DIN: 00022903)**

**Sd/-**
**Hari Bansal**
**Director**
**(DIN: 00022923)**

Annexure-C

# MANAGEMENT DISCUSSION & ANALYSIS REPORT

## 1. OPERATING RESULTS

During the year under review, the Company reported Total Income of Rs. 216.40 Lakhs as compared to Rs. 39.44 Lakhs in the previous year. The Company incurred total expenses amounted to Rs. 303.71 Lakhs as compared to Rs. 85.90 Lakhs during the previous year. Profit after tax stood at Rs. 3727.78 Lakhs as against profit of Rs. 102.86 Lakhs in the previous year.

## 2. INDUSTRY STRUCTURE & DEVELOPMENTS

It is a recognized fact that the knitwear sector in the textile industry plays an important role in the Indian Economy. This industry, however, is highly competitive and fragmented. During the year 2021-22, the exports of readymade garments have been reduced substantially and the export growth was severely affected due to several internal and external developments. Stiff Global Competition, Changing Technology & Fashion industry and above all failure to resume production have an adverse impact on business prospects and profitability.

## 3. OPPORTUNITIES & THREATS

The opportunities in the Textile Industry and the increasing growth in export of knitted garments augur well for this vital segment. There is a perceptible change in the outlook and shift for diversified and high value added products.

Textile Companies are always experiencing pricing pressures, lately due to stiff international competition. Besides, lack of modern technology and archaic personnel laws are some of the other areas of significant threats.

Addi Industries is seized of all such factors having adverse effect on its exports. It is always eager and endeavoring to constantly update its plant & equipment for producing the best quality products. A capital expenditure of Nil was incurred during the year on technology upgradation and modernization of machinery & equipment, wherever considered necessary.

Sales in Company’s domestic retail outlets are gradually improving. Keeping in view the market requirements, new and diversified product lines are continuously being added in the domestic market.

## 4. SEGMENT-WISE PERFORMANCE

The Company operates in one segment only i.e. manufacturing of garments. Hence, no segment-wise performance reporting is available.

## 5. FUTURE PROSPECTS AND OUTLOOK

The Company will continue to explore various options to strengthen its capital base and balance sheet to augment the long-term resources for meeting funds requirements of its business activities, the future growth opportunities, general corporate purposes and other purposes including effectively facing challenges of the uncertainties and disruptions caused by COVID-19 pandemic.

The pandemic continues to pose major challenge to the entire world including India.

However, it appears that the countries have now learnt the technique of adapting to the new normal- the new way of life. The duration and severity of spread of second wave of pandemic, roll out of vaccines, the scale and effectiveness of implementation of the ongoing vaccination program and the efficacy of monetary and fiscal policy actions of Indian Government are the important factors to impacting the pace of economic recovery.

## 6. RISKS & CONCERNS

The Company places its thrust on product excellence. Judicious risk management policies, strong systems, constant monitoring of various risk factors and a focus on greater market penetration continue to guide the business strategy of the Company. Strict monitoring is done to cut-down costs and overheads, whatever feasible, to make the product more prices competitive.

## 7. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has instituted a system of internal control and checks, which are supplemented by an on-going programme of internal audits and Management Information System (MIS). An annual planning and budgeting system has been put into practice. The Audit Committee of the Board actively reviews internal control systems as well as financial disclosures normally on every quarterly period.

**8. MATERIAL DEVELOPMENTS IN HR**

Personal relations during the year under report have been cordial. To conform to international standards, the Company conducts different training programs in-house. The Company has also identified and included specific programs on Health, Safety & Environment in every employee/s performance targets. A self-assessment system is in vogue amongst the staff, and a code of conduct amongst the senior management personnel, which is reviewed by the top management from time to time.

**9. DETAILS OF SIGNIFICANT CHANGES (I.E. CHANGE OF 25% OR MORE AS COMPARED TO THE IMMEDIATELY PREVIOUS FINANCIAL YEAR) IN KEY FINANCIAL RATIOS, ALONG WITH DETAILED EXPLANATIONS THEREFOR, INCLUDING:**

| Particluars | FY 2021-22 | FY 2020-21 | % change over previous financial year | Explanation |
|---|---|---|---|---|
| **CURRENT RATIO** | 27.40 | 0.93 | 2835.06% | Mainly due to increase in current assets from Rs. 944.52 Lakh to Rs. 4534.24 Lakh and decrease in current liability from Rs. 1011.80 to Rs. 165.49 |

**10. DETAILS OF ANY CHANGE IN RETURN ON NET WORTH AS COMPARED TO THE IMMEDIATELY PREVIOUS FINANCIAL YEAR ALONG WITH A DETAILED EXPLANATION THEREOF:**

**Return on Net worth for the FY 2021-22: 81.83%**

**Return on Net worth for the FY 2020-21: -2.31%**

**Change in Return on Net worth: 84.14%**

**Explanation:** Increased on account of improvement in the working capital during the year as compared to the previous year.

**11. CAUTIONARY STATEMENT**

The Statements in the Report of the Board of Directors and the Management Discussion & Analysis Report describing the Company’s projections, estimates, expectations or predictions may be forward looking statements within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied since the company’s operations are influenced by many external and internal factors beyond the control of the company.

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

| | | |
|---|---|---|
| | **Sd/-** | **Sd/-** |
| **Place : New Delhi** | **Chaman Lal Jain** | **Hari Bansal** |
| **Dated : 08-08-2022** | **Managing Director** | **Director** |
| | **(DIN: 00022903)** | **(DIN: 00022923)** |

Annexure-D

# REPORT ON CORPORATE GOVERNANCE

(Pursuant to Chapter IV read with Clause C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

**1. Corporate Philosophy**

The Company's philosophy on Corporate Governance envisages adopting the high standards of transparency, accountability and ethics in all transactions and interactions with all stakeholders including but not limited to the shareholders, the Government and other business associates.

**2. Board of Directors and their Core Skills/Expertise/Competencies**

The composition of the Board of Directors, as at 31st March 2022, is Six, three Promoter Directors (out of which one is executive and other two are non-executive) and three Non-executive independent Directors. The Agenda and other documents along with relevant information on the business to be discussed and decided in the Board/Committee Meeting/s are circulated well in advance. The Managing Director is responsible for the conduct of the business as also the day-to-day affairs of the Company. A Certificate of Statutory Compliance of the various rules and regulations, laws & clauses applicable to the Company is placed before the Board at every Meeting on a quarterly basis. The Statutory Auditors are special invitee/s to the Board/ Committee Meeting/s as and when required, and particularly at the time of Annual & Quarterly Financial Statements.

**Brief Profile of the Directors:**

**Shri Chaman Lal Jain**, aged 77 years (D.O.B 08.09.1944)(DIN 00022903) is a promoter director and designated as Managing Director of the Company since 01.10.1988. He is B.Com and has about 54 years of rich experience in Textile Industry. Work experience inter-alia includes the Setting up of the existing textile business and makes it possible for an upward surge in its business activities, turnover / exports and profitability over the years and efficiently manages day-to-day monitoring and exercise effective control over the affairs of the Company, helps to achieve its targets. Shri Jain has taken several initiatives to focus on growth, value addition and cost effectiveness besides overseeing the Company's business. He has successfully and in a sustained way, contributed significantly towards improvement and growth of the Company. He is holding 1689818 Equity Shares of Rs.5/- each which constitute 15.65% of the Equity Share Capital of the Company.

**Shri Hari Bansal**, aged 46 years (D.O.B 14.09.1975) (DIN 00022923) is a promoter director of the Company since 12.11.2002 and presently is holding the position of Director in the Company. He is B.Chem. (Engineering) and has about 21 years of rich experience in Textile Industry. Work experience inter-alia includes the expertise knowledge of domestic and export industry pertaining to textile business. He is holding 996118 Equity Shares of Rs.5/- each which constitute 9.23% of the Equity Share Capital of the Company.

**Smt Urmila Jain**, aged 77 years (D.O.B 17.07.1945) (DIN 00027421) is a promoter director of the Company w.e.f. 05.03.2021 and presently is holding the position of Director in the Company. She is holding a degree of M.A (English) and has rich experience in Textile Industry. Work experience inter-alia includes the expertise knowledge of textile business and production industry. She is holding 3714493 Equity Shares of Rs.5/- each which constitute 34.40% of the Equity Share Capital of the Company. She resigned as director of the Company w.e.f 08.08.2022.

**Shri Vishnu Bhagwan Aggarwal**, aged 85 years (D.O.B 12.05.1937) (DIN 00022967) is an independent non-executive director of the Company since 28.06.2004. He is B.Com (H), FICWA, ACS and has about 51 years of rich experience of varied Industries. He has expertise knowledge in Finance, Cost Accounting and Audit & Management. He does not hold any Equity Share in the Company.

**Dr. Bijoya Kumar Behera**, aged 63 years (D.O.B 17.04.1959) (DIN 01139185) is an independent non-executive director of the Company since 28.06.2004. He is Ph.D, M. Tech. and has about 36 years of rich experience of Textile Industries and latest textile technology. He does not hold any Equity Share in the Company.

**Dr. Kusum Chopra** aged 75 years (D.O.B 02.03.1947) (DIN 07137842) is an independent non-executive women director of the Company since 30.03.2015. She is Ph.D. (Textile Technology) from I.I.T. Delhi and M.Sc.(Clothing & Textiles) from M.S. University, Prof. Chopra has around 48 years of teaching, research and professional experience. She joined National Institute of Fashion Technology (NIFT), New Delhi in 1992 after working in Universities of Delhi and Punjab for several years. During her tenure at NIFT she has held the positions of Chairperson – Fashion Design and co-ordinated the setting up of NIFT Centres at Mumbai, Chennai & Kolkatta. She does not hold any Equity Share of the Company.

The Board met 4 times on June 29, August 13, November 12, 2021, and February 14 2022 during the financial year ended March 31, 2022:

| Name of the Director & Designation | Executive/ Non Executive/ Independent | No. of Board Meetings held during the year | No. of Board Meeting attended | Attendance at the last AGM on 30.09.2021 | Directorships In other public Cos. incorporated In India | Name of the listed entity where the person is Director | Category of Directorship | No. of other Public Cos. Board Committees, of Which Member /Chairman |
|---|---|---|---|---|---|---|---|---|
| Shri Chaman Lal Jain (Managing Director) | Executive (Promoter Grp) | 4 | 4 | Present | Nil | - | - | NIL |
| Shri Vishnu Bhagwan Aggarwal | Non-executive (Independent) | 4 | 4 | Present | NIL | - | - | NIL |
| Dr. Kusum Chopra | Non-executive (Independent) | 4 | 3 | Absent | NIL | - | - | NIL |
| Dr. Bijoya Kumar Behera | Non-executive (Independent) | 4 | 4 | Present | 1 | Seasons Textiles Limited | Independent Director | NIL |

*Resigned w.e.f 08.08.2022

None of the Directors on the Board hold the office of Director in more than 10 Companies as Director or as Member of Committee/s of the Board. Particulars of a Director retiring by rotation and being re-elected are given elsewhere in this Report.

None of the non-executive independent Directors hold any shares in the company, either in their own name or in the name of their relatives/associates, or hold shares in any other company exceeding 2% of the share capital of that company.

In the opinion of the Board, the Independent Directors fulfil the conditions specified in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are independent of the management.

Shri Chaman Lal Jain, Shri Hari Bansal and Smt. Urmila Jain is related to each other, except them none of the other Directors of the Company is related with other.

**Directors resigned during the year.**

There is no director resigned from the Directorship/s of the Company during the year under report.

In terms of the provisions of the Articles of Association of the Company, one-third of the Directors of the Company, who are liable to retire by rotation, shall retire at every Annual General Meeting. Accordingly, Shri Chaman Lal Jain, Director shall retire at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

The information on the Particulars of Director eligible for Appointment / Re-appointment in terms of Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard – 2 issued by the Institute of Company Secretaries of India has been provided in the Notes to the Notice convening the Annual General Meeting.

3. **Committee/s of the Board**

**A. Audit Committee**

An Audit Committee is duly constituted in terms of Section 177 of the Companies Act 2013 and the rules made thereunder and in compliance with the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. However there is reconstitution of Audit Committee on 07.11.2019 through Resolution passed by circulation. Shri Vishnu Bhagwan Aggarwal, a non-Executive Independent Director, is the Chairman of the Audit Committee. Dr. Bijoya Kumar Behera, Non-Executive Independent Director, Shri Chaman Lal Jain, Managing Director, Shri Hari Bansal, Non-Executive Director and Dr. Kusum Chopra, Non-Executive Independent Director are the other members of this Committee. The Company Secretary acts as Secretary to the Committee.

After re-constitution of Audit committee in the Board Meeting held on 8th August, 2022, Shri Hari Bansal is not the member of Audit Committee.

Shri Vishnu Bhagwan Aggarwal is a professionally qualified Cost Accountant & Company Secretary, and has the requisite financial acumen and a rich & varied expertise on financial matters. He attended and was present at the Annual General Meeting of the Members held on September 30, 2021.

The Committee relies on the expertise and knowledge of the management, the Statutory Auditors, and the Professionals in carrying out its oversight responsibilities, and for effectively looking after all the financial and other matters specified in the Act ibid. The Committee discharges such duties and functions indicated in the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 and such other functions as may be specifically delegated to the Committee by the Board from time to time. The Auditors are permanent invitee/s to the meeting/s of the Committee, especially at the time of consideration of Quarterly and Annual Accounts.

Four Meetings of the Audit Committee were held on June 29, August 13, November 12, 2021, and February 14, 2022 during the financial year ended March 31, 2022. All the members of the Audit Committee attended each and every meeting held during the year except the following:

| DATE OF MEETING | NAME OF THE MEMBER |
|---|---|
| June 29, 2021 | Dr. Kusum Chopra |
| November 12, 2021 | Dr. Kusum Chopra |
| February 14, 2022 | Dr. Kusum Chopra |

The Company has a “Whistle Blower Policy”. Every employee has a right of access to the Audit Committee and its Members, without any information to their Superiors. The Company hereby affirms that it has not denied any personnel access to the Audit Committee of the Company and has provided protection to whistle blowers from any unfair termination and other unfair or prejudicial employment practices.

**B. Nomination & Remuneration Committee & The Remuneration Policy**

The Nomination & Remuneration Committee of the Company, after its reconstitution on 07.11.2019 through resolution passed by circulation, comprises of three non-executive independent Directors namely Shri Vishnu Bhagwan Aggarwal, Dr. Kusum Chopra & Dr. Bijoya Kumar Behera and one executive director Shri Chaman Lal Jain, Managing Director, as its members. The Company Secretary of the company has been act as secretary to the Committee. The Remuneration Committee is empowered to review the remuneration of the Managing Director and Executive Directors.

The broad terms of reference of the NRC Includes;

- Setup and composition of the Board, its Committees, and Senior Management/Executive team of the Company including Key Managerial Personnel (“KMP” as defined under the Companies Act, 2013).
- Identifying persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down and recommend to the Board of Directors, their appointment and removal. Senior Management shall have the same meaning as defined in the SEBI (LODR) Regulations.
- Evaluation of performance of the Board, its Committees and individual Directors

- Remuneration to Directors, KMPs, Senior Management/executive team and other employees.
- Oversight of the familiarisation programme of Directors.

One Meeting of the Nomination & Remuneration Committee was held on February 14, 2022 during the financial year ended March 31, 2022. All the members of the Nomination & Remuneration Committee attended the meeting held during the year.

The Company has adopted the Remuneration Policy as required under the provisions of the Act and Regulation 19 read with Part D of Schedule II of SEBI (LODR) Regulations. The policy is available at Company's website at http://www. addiindustries.com.

**C. Stakeholders Relationship Committee**

The Stakeholders Relationship Committee has been constituted under the Chairmanship of Dr. Bijoya Kumar Behera. The other members of the Committee are Shri Vishnu Bhagwan Aggarwal, Shri Chaman Lal Jain and Shri Hari Bansal.

The Company Secretary acts as Secretary to the Committee who has also been designated as the Compliance Officer of the Company.

The terms of reference to the Committee inter-alia includes the redressal of Shareholders/Investors grievances, de-materialisation/ re-materialisation of Shares, to consider the status of Quarterly Complaints received and redressed.

One Meeting of the Investor Grievance cum Share Transfer Committee were held on June 29, 2021 during the financial year ended 31st March, 2022. All the members of the Committee attended the meeting held during the year.

There is no complaints received from the shareholders during the year. No demat request was pending at the close of the last Financial Year. The Company attends the Shareholders'/investors' communications/ grievances expeditiously whenever any complaint received by the company from shareholders.

**D. Meeting of Independent Directors**

During the year under review, the Independent Directors met on 29th June, 2021, inter alia, to discuss and evaluate: .

(i) the performance of Non-Independent Directors and the Board of Directors as a whole;

(ii) the performance of the Chairman of the Company, taking into account the views of Executive and Non-Executive Directors;

(iii) the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Further, the Company gave the presentation to the Independent Directors as a part of the Familiarisation programme to make them aware about their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company etc.

**4. Remuneration to Directors**

The Managing Director has been paid remuneration as decided & approved by the Nomination & Remuneration Committee, the Board and the Shareholders, & thereafter, the approval of the Central Govt. is obtained wherever required. The Company does not have any Stock Option Scheme.

The appointment of the Managing Director & the Whole-time Directors is generally for a period of 5 years or as approved by the Board, and the Shareholders, if required, which can be terminated by giving one month Notice on either side. No severance fee is payable. There are no retirement benefits, but only provision for Leave Encashment and Gratuity to which the Managing Director & other Whole-time Director/s are entitled at the end of their tenure or as per the rules of the Company.

The details of the remuneration paid to the Managing Director and other non – executive directors during the year under report are given below.

Structure of managerial remuneration during the financial year: (Rs./Lakhs)

| Name | Designation | Salary | Perquisites | Commission | Sitting Fees | Total |
|---|---|---|---|---|---|---|
| Sh. C.L. Jain | Mg. Dir. | 4.00 | Nil | Nil | Nil | 4.00 |
| Sh. V.B. Aggarwal | Director | Nil | Nil | Nil | 0.60 | 0.60 |
| Dr. B.K. Behera | Director | Nil | Nil | Nil | 0.60 | 0.60 |
| Sh. Hari Bansal | Director | Nil | Nil | Nil | Nil | Nil |
| Dr. Kusum Chopra | Director | Nil | Nil | Nil | 0.325 | 0.325 |
| Smt. Urmila Jain | Director | Nil | Nil | Nil | Nil | Nil |
| **Total** | | **4.00** | **Nil** | **Nil** | **1.525** | **5.525** |

Perquisites include rent paid. The sitting fees are for attendance of Board/ Committee Meetings.

**5. Listing of Securities**

The shares of the Company are listed on BSE Limited (BSE) The stock code no. 507852. The annual listing fees for the year 2022-23 have been paid in advance to the Stock Exchanges.

**6. Subsidiary Company:**

The Company has a wholly-owned non-listed Subsidiary Company. The Audit Committee reviews the financial statements of the Subsidiary, which are placed before the Audit Committee at its meetings, on quarterly basis. Such Financial Statements are also placed before, and reviewed by the Board of Directors of the Company.

**7. General Body Meeting/s**

The detail of last three Annual General Meetings is as under:

| Date | Time | Location (U.P.) | No. of Special Resolutions Passed |
|---|---|---|---|
| 30.09.2019 | 9.00 a.m. | Community Hall, Block-7, Trilok Puri, New Bal Vikas Vidyalay Delhi-110091 | 2 |
| 23.12.2020 | 9.00 a.m. | held through the mode of video conferencing due to the outbreak of COVID – 19 Pandemic | 1 |
| 30.09.2021 | 9.00 a.m. | held through the mode of video conferencing due to the outbreak of COVID – 19 Pandemic | 1 |

E-voting facility was provided to all members pursuant to the provisions of Section 108 of the Companies Act, 2013, rules made there under and Regulation 44 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

**List of Special Resolutions (SR) passed in the previous three AGMs:**

| S. No. | Subject Matter | AGM Reference and date of Passing SR |
|---|---|---|
| 1. | • Re-appoint Smt. Kusum Chopra as an Independent Director.<br>• Approve continuation of holding of office by Shri. Vishnu Bhagwan Aggarwal. | 30th September, 2019 (37th AGM) |
| 2. | To re-appoint Shri Chaman Lal Jain as Managing Director of the Company. | 23rd December, 2020 (38th AGM) |
| 3. | To regularize the appointment of Smt Urmila Jain as Director of the Company. | 30th September, 2021 (39th AGM) |

**POSTAL BALLOT**

During the financial year 2021-22, no resolution was passed through Postal Ballot.

**8. Disclosures**

There were no transactions of a materially significant nature with the Promoters, the Directors or the Management, their subsidiaries or relatives that may have potential conflict with the interest of the Company at large, other than transactions with related party as disclosed in the Financial Statements.

The Company has complied with the requirements of the Stock Exchange, SEBI and other statutory authorities on all matters related to Capital Markets during last three years. There were no penalties imposed nor any strictures passed on the Company by the Stock Exchange, SEBI or any other Statutory Authority relating to the above.

The Vigil Mechanism for Stakeholders, Employees and Directors of the Company has been established. The Whistle Blower Policy duly approved by the Board of Directors is available on the website of the Company having following web link, http://www. addiindustries.com. No personnel have been denied access to the Audit Committee.

All the mandatory requirements under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 relating to Corporate Governance are being adhered to / complied with.

Shri. Atul Kumar, Chief Financial Officer (CFO) and Shri Chaman Lal Jain, Managing Director has given the Compliance Certificate on the review of Financial Statements, including Cash Flow Statement for the Financial Year ended 31st March, 2022 to the Board of Directors as required under Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Certificate/s of Compliance signed by the Compliance Officer &/or the Authorised Signatory for the provisions of all applicable laws are regularly being placed before the Board of Directors, which are taken on record in the Board Meeting/s on a quarterly basis.

The Company has adopted code of conduct applicable to all Directors and Senior Management Personnel of the Company and the same has been available on the Company's website viz. www.addiindustries.com. For the year under review, all Directors and Senior Management Personnel have confirmed their adherence to the provisions of said code.

Total fees paid by the Company on a consolidated basis, to the Statutory Auditors is given as under:

| | | |
|---|---|---|
| 1. | Statutory Audit Fees including Fees for Consolidation of Accounts | 3,25,000 |
| 2. | 3 Quarterly Limited Reviews of the Company | 2,25,000 |
| 3. | Tax Audit Fees | 0 |
| 4. | Other payments | 0 |
| | **TOTAL** | **5,50,000** |

**9. Means of Communication**

**Financial Results:**

The Quarterly, Half Yearly and Annual Financial Results were uploaded on the portal of the BSE Ltd. in the prescribed format immediately after the conclusion of the Board Meeting at which the results were taken on record. The Results were published in the Pioneer (English) & Pioneer (Hindi), newspapers.

The Management Discussion and Analysis Report for the year ended 31st March, 2022 forms part of this Annual Report.

**Website where displayed**: www.addiindustries.com

**10. General Shareholder Information**

**A. Annual General Meeting :**

Date and Time : Friday, September 30, 2022 at 9.00 A.M.

Mode : Video conference and other audio visual means

The deemed venue shall be the Registered Office of the Company.

Financial Calendar* : a) 1st Quarter Results – By the mid of August'22.
b) 2nd Quarter Results – By the mid of Nov.,'22.
c) 3rd Quarter Results – By the mid of Feb,'23.
d) 4th Quarter Results – By the end of June'23.

*Tentative and subject to change.

Date of Book Closure : 24.09.2022 to 30.09.2022 (both days inclusive)

**B. Listing on Stock Exchange :** BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai– 400 001

**C. (i). Stock Price Data:**

The monthly High, Low price of the Company's Equity Share during each month in the last financial year at BSE are as under:

| Period | High (in Rs.) | Low (in Rs.) | Close (in Rs.) | Total Turnover |
|---|---|---|---|---|
| April 2021 | 4.75 | 4.42 | 4.60 | 8,455 |
| May 2021 | 4.83 | 3.96 | 4.50 | 15,213 |
| June 2021 | 7.03 | 4.28 | 7.03 | 61,757 |
| July 2021 | 11.02 | 7.38 | 9.60 | 2,08,452 |
| August 2021 | 10.08 | 7.84 | 9.30 | 1,11,760 |
| September 2021 | 9.76 | 7.27 | 7.50 | 47,028 |
| October 2021 | 15.46 | 7.48 | 15.46 | 6,17,329 |
| November 2021 | 27.05 | 13.25 | 27.05 | 17,18,010 |
| December 2021 | 37.00 | 23.10 | 37.0 | 44,64,373 |
| January 2022 | 57.10 | 34.40 | 43.90 | 72,91,955 |
| February 2022 | 46.05 | 28.75 | 31.20 | 39,07,211 |
| March 2022 | 37.60 | 27.25 | 29.60 | 24,33,350 |

ii) The Company's scrip code on BSE is 507852 follows with (ISIN: INE757C01021).

**D. Registrar & Transfer Agents**
Beetal Financial & Computer Services (P) Ltd.,
Beetal House, 3rd Floor, 99, Madangir, Behind Local Shopping Centre
Near Dada Harsukh Das Mandir, New Delhi-110 062
Phone : 29961281-82 Fax : 29961284

**E. Investors' queries/requests for transfer,** transmission, issue of duplicate share certificates, etc. may be sent either to the Regd Office of the Company at A-104, Third floor, Okhla Industrial Area, Phase – II, New Delhi 110020 or to the Registrar & Transfer Agents, Beetal Financial & Computer Services (P) Ltd. at the address given above. No Investor queries/ complaints/ grievance was pending for a period of 30 days or more as at 31st March, 2022.

**F. Share Transfer System**

The Shares of the Company are in compulsory demat mode. Hence, all the transfers are executed electronically.

**11. Distribution of Shareholding as on 31st March, 2022**

Distribution of Shareholding as on 31st March, 2022:

| | 2022 | | | | 2021 | | | |
|---|---|---|---|---|---|---|---|---|
| **No. of equity shares held** | **No. of Share holders** | **% of share holders** | **No. of shares held** | **% Share holding** | **No. of Share holders** | **% of share holders** | **No. of shares held** | **% Share holding** |
| Upto 5000 | 3660 | 95.01 | 911041 | 8.44 | 2982 | 93.77 | 8,82,203 | 8.17 |
| 5001 to 10000 | 102 | 2.64 | 150998 | 1.40 | 113 | 3.55 | 1,71,534 | 1.59 |
| 10001 to 20000 | 44 | 1.14 | 123874 | 1.15 | 45 | 1.41 | 1,29,983 | 1.20 |
| 20001 to 30000 | 12 | 0.31 | 58415 | 0.54 | 8 | 0.25 | 37,132 | 0.34 |
| 30001 to 40000 | 8 | 0.20 | 54802 | 0.51 | 6 | 0.18 | 40,522 | 0.36 |
| 40001 to 50000 | 5 | 0.12 | 45937 | 0.42 | 5 | 0.15 | 46,533 | 0.43 |
| 50001 to 100000 | 7 | 0.18 | 102147 | 0.94 | 7 | 0.22 | 1,09,665 | 1.02 |
| Above 100001 | 14 | 0.36 | 9349360 | 86.60 | 14 | 0.44 | 93,79,002 | 86.87 |
| **Total** | **3852** | **100** | **1,07,96,574** | **100.00** | **3180** | **100** | **1,07,96,574** | **100.00** |

**Shareholding Pattern as on 31st March, 2022:**

| | 2022 | | 2021 | |
|---|---|---|---|---|
| **Particulars** | **No. of Shares held** | **% of Shareholding** | **No. of Shares held** | **% of Shareholding** |
| Promoters & Associates | 8018175 | 74.27 | 8018175 | 74.27 |
| Mutual Funds, UTI & Bank | 11600 | 0.11 | 11600 | 0.11 |
| Private Corporate Bodies | 992272 | 9.19 | 990015 | 9.16 |
| Indian Public | 1766312 | 16.36 | 1769472 | 16.39 |
| Clearing Member | 625 | 0.01 | 1520 | 0.01 |
| NRI's | 7590 | 0.07 | 5792 | 0.06 |
| **Total** | **10796574** | **100.00** | **10796574** | **100.00** |

**12. Dematerialisation of Equity Shares**

The Equity Shares of the Company are in compulsory demat mode. Out of the total number of 1,07,96,574 Equity Shares of Rs. 5 each, 94.30% i.e. 10180880 No. of Equity Shares are held in demat form as on 31.03.2022, as against 94.23 % i.e. 10173480 Equity Shares as on 31.03. 2021.

**13.** There are no GDRs/ADRs/Warrants or any convertible instruments in the Company.

**14. Locations of the Plant and address of the Regd. Office/ Corporate Office:**

a. Registered Office : A-104, Third floor, Okhla Industrial Area
Phase – II, New Delhi 110020,.

**15.** The Company has not declared any dividends in the last three financial years and the amounts outstanding as unpaid dividend as on 31st March, 2022 is Nil.

**16. Compliance Officer and Contact Address**

Ms. Taranjeet Kaur
Company Secretary
Addi Industries Limited
Regd. Off.: A-104, Third Floor, Okhla Industrial Area, Phase – II, New Delhi 110020
Tel : 95120-2529336, Fax : 95120-2529334

**DECLARATION BY THE CEO/CFO UNDER THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 REGARDING ADHERENCE TO THE CODE OF CONDUCT**

In accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchange, I hereby confirm that, all the Directors and the Senior Management personnel of the Company have affirmed compliance to their respective codes of conduct, as applicable to them in the company, for the Financial Year ended March 31, 2022.

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

| | | |
|---|---|---|
| | **Sd/-** | **Sd/-** |
| **Place : New Delhi** | **Chaman Lal Jain** | **Hari Bansal** |
| **Dated : 08-08-2022** | **Managing Director** | **Director** |
| | **(DIN: 00022903)** | **(DIN: 00022923)** |

**MANAGING DIRECTOR'S DECLARATION ON CODE OF CONDUCT**

To,
The Members of
Addi Industries Limited
New Delhi

I, Chaman Lal Jain, Managing Director of the Company declare that all the members of the Board of Directors and Senior Management of the Company have affirmed compliance with the Code of Conduct.

**For Addi Industries Limited**

**Sd/-**
**Chaman Lal Jain**
**(Managing Director)**
**DIN: 00022903**

**Place: New Delhi**
**Date: 08.08.2022**

**Annexure-E**

**Particulars of Employees**

A) **Ratio of the remuneration of each director** to the median remuneration of the employees of the Company for the financial year 2021-22, the percentage increase in remuneration of each Director & Company Secretary during the financial year 2021-22 and comparison of the remuneration of each of the Key Managerial Personnel against the performance of the Company.

| Name of the Director/KMP | 2021-22 | | | | |
|---|---|---|---|---|---|
| | **Designation** | **Total Remuneration (Rs. p.a.)** | **Ratio of Remuneration of director to the median remuneration of employees** | **%age increase in remuneration** | **Comparison of the remuneration of the KMP against the performance of the Company** |
| Chaman Lal Jain | Managing Director | 4,00,000 | 1.79 | Not applicable | Remuneration has been paid to the managing director during the financial year 21-22 |
| V.B. Aggarwal | Independent Director | 60,000 | 0.27 | (17.24%) | There has been no change in the sitting fees for attending the meeting of the Board or Committee during the financial year 2021-22. |
| Dr. B.K. Behera | Independent Director | 60,000 | 0.27 | (17.24%) | |
| Dr. Kusum Chopra | Independent Director | 32,500 | 0.15 | 18.18% | |
| Taranjeet Kaur | Company Secretary | 1,69,745 | 0.76 | (1.09%) | |
| Atul Jain | CFO | 6,30,000 | 2.82 | 0% | |

B. **Percentage increase in the median remuneration of all employees in the financial year 2021-22:**

The median remuneration of employees of the Company during the financial year was Rs. 2,23,204. In the financial year, there was a increase of 7.25%.

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

There were 7 permanent employees on the rolls of Company as on March 31, 2022.

**DETAILS OF TOP TEN EMPLOYEES AS PER RULE 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

| S. No. | Name of Employees | Designation | Remuneration received during FY 2021-22# | Nature of Employment (Contracrual or Otherwise) | Qualification | Experience of Employee (Years) | Date of Commencement of Employment | Date of Birth | Last Employment Held | Percentage of Equity shares held by the employee in the Company | Name of any relative director or Relative Manager in the Company |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 1. | Atul Kumar Jain | CFO | 6,30,000/- | Otherwise | B.Com (Pass) | 34 | 15/08/1988 | 26/10/1965 | No | 28 shares | No |
| 2. | Mahender Pal | Sr. Accountant | 3,84,000/- | Otherwise | B.Com (Pass) | 31 | 09/09/1991 | 05/03/1959 | No | No | No |

| | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 3. | Shyam Shreshta | Driver | 2,16,204/- | Otherwise | 7th Pass | 6 | 01/12/2016 | 01/01/1978 | No | No | No |
| 4. | Kuldeep | Driver | 2,16,204/- | Otherwise | 10th Pass | 13 | 01/09/2009 | 04/02/1970 | No | No | No |
| 5. | Gopal Kumar Singh | Field Boy | 1,84,467/- | Otherwise | 12th Pass | 13 | 01/09/2009 | 01/07/1979 | No | No | No |
| 6. | Kharak Singh | Office Boy | 1,84,857/- | Otherwise | 9th Pass | 11 | 01/09/2011 | 04/01/1976 | No | No | No |
| 7. | Taranjeet Kaur | Com-pany Secre-tary | 1,69,745/- | Otherwise | Company Secretary | 1 | 05/03/2021 | 15/07/1968 | No | No | No |

#Figures of remuneration to employees does not include bonus amount.

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

**Place : New Delhi**
**Dated : 08-08-2022**

**Sd/-**
**Chaman Lal Jain**
**Managing Director**
**(DIN: 00022903)**

**Sd/-**
**Hari Bansal**
**Director**
**(DIN: 00022923)**

**ANNEXURE -F**

**Energy Conservation, Technology Absorption and Foreign Exchange earnings & outgo**

**Conservation of Energy**

The Company has been regularly monitoring the process of energy conservation through improved operational and maintenance activities. Various measures namely maximum use of natural day light, arresting leakages of air and steam and proper insulation for preventing loss of heat etc. have been implemented, to minimise losses. These measures have and are resulting in cost savings for the Company.

Total energy consumption & consumption per unit during the year ended 31st March, 2022, is as per Form 'A' below :

**FORM 'A'**

**A. Power and Fuel Consumption:**

| | Current year 31.3.2022 | Previous Year 31.3.2021 |
|---|---|---|
| 1. ELECTRICITY | | |
| (a) Purchased | | |
| Units | 21062 | 22608 |
| Total amount (Rs./Lacs) | 2.15 | 2.20 |
| Rate/unit (Rs.) | 10 | 9.74 |
| (b) Own Generation | | |
| i) Through diesel generator Units | Nil | Nil |
| Unit per ltr. of diesel oil | Nil | Nil |
| Cost/unit (Rs.) | Nil | Nil |
| ii) Through steam turbine/generator | N.A. | N.A. |
| 2. COAL | | |
| Qty. (Kgs.) | N.A. | N.A. |
| Value (Rs./Lacs) | N.A. | N.A. |
| 3. FURNACE OIL/ LDO/HSD | | |
| Qty. (Ltrs.) | Nil | Nil |
| Value (Rs.Lacs) | Nil | Nil |
| Rate/Unit (Rs.) | Nil | Nil |
| 4. OTHERS : INTERNAL GENERATION | | |

**B. Consumption per unit of production:**

| Product | (Unit) | Electricity (Units) | | Furnace Oil(KL) | | Coal (KG.) | |
|---|---|---|---|---|---|---|---|
| | | Curr. Yr. | Prev. Yr. | Curr. Yr. | Prev. Yr. | Curr. Yr. | Prev. Yr. |
| Ready made Garments | 1000 Pcs. | N.A.# | N.A.# | ------ | --- | --- | --- |

# Company has not produced readymade garments, therefore this information is not applicable.

**Technology Absorption**

The requisite particulars are given in Form B below:

**FORM 'B'**

**Research and Development (R&D) :** R&D has always been a crucial factor, being carried out in manufacturing operations. The Company continues to give due attention and stress on R&D activities to achieve maximum benefit for process and product by adapting all round technological development. This is of utmost importance in today's customer-driven market, where both quality and lower cost are dominant factors. Beside development of new designs, high value added specifications/ product and such like measures are imperative in the trade. The cumulative measures taken to update and use the latest technology for improvement in productivity are yielding positive results and are enabling the Company to concentrate upon high value added products. Expenditure on

R&D is booked to respective heads as it is not separately identified.

**Technology Absorption, Adoption and Innovation:** The Company puts proper emphasis on absorption of design and manufacturing technology. Priority is given in using latest technology for improving productivity, product quality and reducing wastage in consumption of raw materials, consumables and fuels. No technology import is required, since the product manufacturing is specific and subjective operation.

**Foreign Exchange Earnings and Outgo :** Total Foreign exchange earned and used :

(Rs./Lacs)

| | | 31.3.2022 | 31.3.2021 |
|---|---|---|---|
| Earnings | : | Nil | Nil |
| Outgoings | : | Nil | Nil |

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

| | Sd/- | Sd/- |
|---|---|---|
| **Place : New Delhi** | **Chaman Lal Jain** | **Hari Bansal** |
| **Dated : 08-08-2022** | **Managing Director** | **Director** |
| | **(DIN: 00022903)** | **(DIN: 00022923)** |

**Independent Auditor's Report on Standalone Financial Results of the Company pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

**To The Board of Directors of Addi Industries Limited**

**Opinion**

We have audited the accompanying standalone financial results of Addi Industries Limited (hereinafter referred to as "the Company") for the year ended March 31, 2022 attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial results:

a. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and

b. gives a true and fair view in conformity with recognition and measurement principles laid down in the Indian Accounting Standards under Section 133 of the Companies Act, 2013 (the "Act") and other accounting principles generally accepted in India, of the net profit (including other comprehensive income and other financial information for the year ended March 31, 2022.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Results 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 standalone financial results under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Material Uncertainty Related to Going Concern**

We draw attention to Note 5 to the standalone financial results, which specify that the Company is in process of exploring the modalities to start new business venture, however the Company has not yet implemented the same. This situation indicates the existence of material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. However, in view of future business opportunities, having significant cash & bank balances with positive net worth and no borrowings, the Management is of the view that going concern basis of accounting is appropriate for preparation of the accompanying standalone financial results. Our opinion is not modified in respect of this matter.

**Management's Responsibility for the Standalone Financial Results**

These standalone financial results have been prepared on the basis of the standalone annual financial statements. The Company's Board of Directors are responsible the preparation and presentation of these standalone financial results that give a true and fair view of the net profit (including other comprehensive income) and other financial information of the Company in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. 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 standalone financial results that give a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the standalone financial results, the 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

**Auditor's Responsibilities for the Audit of the Standalone Financial Results**

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

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 standalone financial results, 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 the Board of Directors.
- Conclude on the appropriateness of Board of Director'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 standalone financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial results, including the disclosures, and whether the standalone financial results 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.

**Other Matter**

The standalone financial results include the results for the quarter ended March 31, 2022 being the balancing figures between audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

**For B.R. Gupta & Co.**
**Chartered Accountants,**
**Firm Registration Number 008352N**

**Sd/-**
**(Deepak Agarwal)**
**Partner**
**Membership Number 073696**
**UDIN: 22073696AJWSPR7211**

**Place of Signature: New Delhi**
**Date: 30.05.2022**

# Independent Auditor's Report

**To The Members of Addi Industries Limited**

## Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the accompanying standalone financial statements of Addi Industries Limited ("the Company"), which comprise the balance sheet as at March 31, 2022, and 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 the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, the profit (financial performance including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone 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 standalone 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 standalone financial statements.

### Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the standalone financial statements, which specify that the Company is in process of exploring the modalities to start new business venture, however the Company has not yet implemented the same. This situation indicates the existence of material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. However, in view of future business opportunities, having significant cash & bank balances with positive net worth and no borrowings, the Management is of the view that going concern basis of accounting is appropriate for preparation of the accompanying standalone financial statement. Our opinion is not modified in respect of this matter.

### Key Audit Matters

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

<table>
<tr><th>S. No.</th><th>Key Audit Matters</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td>1.</td><td>Judgment in valuation of deferred income tax positions<br>(Refer to the accompanying Note 7 forming integral part of the standalone financial statements)<br>The Company’s deferred income tax assets are netted with deferred income tax liabilities as at March 31, 2022. Under Ind AS, the Company is required to annually determine the valuation of deferred tax positions. This area was significant to our audit because of the subjectivity of the components forming part of deferred income tax assets/ liabilities including assumptions that are affected by expected future market or economic conditions and the estimates/ actual position which effects the reversal of deferred taxes.</td><td>Our procedure in relation to the appropriateness of judgements in valuation and accounting of deferred income tax include:<br>a) Substantive testing:<br>• Evaluated computation of deferred income tax and challenged the key estimates such as, tax rates.<br>• Evaluated the assumptions and methodologies used by the Company for the purpose of calculation of deferred taxes;<br>• Assessed the recoverability of deferred tax assets of the Company by reviewing their profitability, management’s forecasts and local fiscal developments;<br>• Projections were assessed using a number of scenarios to cover reasonable changes in the assumptions underlying the projections. These changes mainly relate to variations in revenue growth percentages and operating margin percentages. The deferred tax assets are only recognized to the extent that it is considered probable that future taxable profits will be available, against which these deferred tax assets can be utilized;<br>• Assessed and tested the adequacy of the Company’s disclosures on deferred income tax positions and assumptions used;<br>• Involved our tax professionals with specialized skills to evaluate the correctness and reasonableness of the calculations, judgements and estimates applied in determining deferred income tax;<br>• Assessed Company’s disclosures in respect of deferred income tax.<br>b) Controls testing : Wherever appropriate, our substantive work was supplemented by controls testing work which encompassed understanding, evaluating and testing key controls in respect of judgement, estimates, calculation and presentation of deferred income tax.<br>Our procedures as mentioned above did not identify any findings that are significant for the financial statements as whole in respect of judgement, estimates, calculation and presentation of deferred income tax as per Ind AS 12.</td></tr>
</table>

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

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

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the 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.

**Responsibility of Management and Those Charged with Governance for the Standalone Financial Statements**

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone 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 standalone 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 standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone 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 standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, based on our audit we report that:

   I. 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.

   II. 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.

   III. The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Change in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

   IV. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   V. On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

   VI. With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B"**.

   VII. 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:

(a) The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements- Refer Note No. 26 to the standalone financial statements.

(b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

(c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

(d) i. The Management has represented that, to the best of its knowledge and belief, as disclosed in the Note 33 to the accounts, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

   ii. The Management has represented, that, to the best of its knowledge and belief, as disclosed in the Note 33 to the accounts, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the

Ultimate Beneficiaries; and

iii. Based on such audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) & (ii) above, contain any material misstatement.

(e) The Company has not paid or declared any dividend during the year.

3. With respect to the matter to be included in the Auditors' report under Section 197(16):
In our opinion and according to the information and explanation given to us, the Company has paid remuneration to its directors during the year is in accordance with the provisions of and limit laid down under section 197 read with Schedule V of the Act.

**For B.R. Gupta & Co.**
**Chartered Accountants,**
**Firm's Registration Number 008352N**

**Sd/-**
**(Deepak Agarwal)**
Partner
Membership Number 073696
**UDIN: 22073696AJWYWL3385**

**Place of Signature: New Delhi**
**Date: May 30, 2022**

**Annexure 'A' to the Independent Auditors' Report of even date on the standalone financial statements of Addi Industries Limited**

The Annexure referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended March 31, 2022, we report that:

i) In respect of Property, Plant and Equipment:

a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company does not have any Intangible assets. Accordingly, the provisions of clause 3(i) (a) (B) of the Order are not applicable.

b) The Company has a program of verification to cover all the items of Property, Plant and Equipment in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

c) According to the information and explanations given to us and the records examined by us, the title deeds of all the immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statementsare held in the name of the Company except for the following property:

| Description of property | Gross carrying Value (₹ in Lakh) | Held in the name of | Whether promoter, director or their relative or Employee | Period held | Reason for not being held in name of company |
|---|---|---|---|---|---|
| Building under investment property | 490.90 | International Recreation Parks Pvt. Ltd. | NA | Since 2019 | Title deed is pending to be transferred in the name of the Company |

d) According to the records examined by us, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year. Accordingly, the provisions of clause 3(i)(d) of the Order are not applicable.

e) According to the information and explanations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) and rules made thereunder. Accordingly, the provisions of clause 3(i)(e) of the Order are not applicable.

ii) a) According to the information and explanations given to us, the Company does not have any inventory. Accordingly, the provisions of clause 3(ii) (a) of the Order are not applicable.

b) According to the information and explanations given to us and the records examined by us, the Company has not been sanctioned any working capital limits from banks or financial institutions. Accordingly, the provisions of clause 3(ii) (b) of the Order are not applicable.

iii) According to the information and explanations given to us, the Company has neither made any investments nor provided any guarantee or security nor granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or any other parties. Accordingly, the provisions of clauses 3(iii)(a) to (f) of the Order are not applicable.

iv) In our opinionand according to the information and explanations given to us, the Company has not entered into any transaction covered under Sections 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable.

v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits during the year and had no unclaimed deposits at the beginning of the year within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

vi) On the basis of available information and explanation provided to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Amendment Rules, 2014 dated December 31, 2014 (as amended from time to time) to the current operations carried out by the Company. Accordingly, the provisions of clause 3(vi) Order are not applicable.

vii) In respect of statutory dues:

a) The Company is generally regular in depositing undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees’ State Insurance, Income Tax,Sales-Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other material statutory dues applicable to it with the appropriate authorities. Further there were no undisputed outstanding statutory dues as on the last day of the financial year concerned for a period of more than six months from the date they became payable.

b) According to the records of the Company examined by us and the information and explanations given to us, there were no dues in respect of statutory dues referred to in sub-clause (vii) (a) above that have not been deposited with the appropriate authorities on account of any disputeexcept the following:

| Name of the Statute | Nature of Dues | Amount involved (in ₹ in Lakh) | Amount Deposited (in ₹ in Lakh) | Period | Forum where dispute is pending |
|---|---|---|---|---|---|
| ESI Act | ESI | 77.42 | - | During 1995-1996 to 1998-1999 | Allahabad High Court |

viii) According to the information and explanations given to us and the records examined by us, there are no unrecorded transactions that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961). Accordingly, the provisions of clause 3(viii) of the Order are not applicable.

ix) In respect of loans or other borrowings, according to the information and explanations given to us and audit procedures performed by us:

a) The Company has not taken any loan from any lender. Therefore, the provisions of paragraph 3(ix)(a), (c), (d) and (f) of the Order are not applicable to the Company.

b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

e) The Company has not taken any funds from any entity or person on account of or to meet the obligations of its associates. Accordingly, the provisions of clause 3(ix)(e) of the Order are not applicable.

x) a) During the year, the Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, the provisions of clause 3(x)(a) of the Order are not applicable.

b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible). Accordingly, provisions of clause 3 (x)(b) of the Order are not applicable.

xi) a) As per the information and explanations given to us on our enquiries on this behalf,no fraud of material significance on or by the Company has been noticed or reported during the year.

b) In our opinion and according to the information and explanations given to us, no report under sub-section (12) of section 143 of the Companies Act has been filed during the year and upto the date of this report in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year.

xii) The Company is not a Nidhi company. Accordingly, provisions of clause 3(xii)(a) to (c) of the Order are not applicable.

xiii) In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable accounting standards.

xiv) In respect to internal audit system in the Company:

a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.

b) We have considered the internal audit reports of the Company issued till date, for the year under audit.

xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act. Accordingly, provisions of clause 3 (xv) of the Order are not applicable.

xvi) a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934). Accordingly, provisions of clause 3 (xvi) (a), (b) and (c) of the Order are not applicable.

d) According to the information and explanations given to us, there are no core investment company (CIC) within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016). Accordingly, provisions of clause 3 (xvi) (d) of the Order are not applicable.

xvii) According to the information and explanations given to us, the Company has not incurred any cash losses in the current financial year. However, the Company had incurred cash loss of ` 19.89 Lakh in the immediately preceding financial year.

xviii) There has been no resignation of the statutory auditors of the Company during the year. Accordingly, provisions of clause 3 (xviii) of the Order are not applicable.

xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and Management's plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx) The provisions of **Section 135 are not applicable** to the Company. Accordingly, the provisions of clause (xx) (a) and (b) of the Order are not applicable to the Company.

xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said clause has been included in this report

**For B.R. Gupta & Co.**
**Chartered Accountants,**
**Firm's Registration Number 008352N**

**Sd/-**
**(Deepak Agarwal)**
**Partner**
**Membership Number 073696**
**UDIN: 22073696AJWYWL3385**

**Place of Signature: New Delhi**
**Date: May 30, 2022**

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**Annexure 'B' to the Independent Auditors' Report of even date on the Standalone Financial Statements of Addi Industries Limited**

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

We have audited the internal financial controls with reference to standalone financial statements of Addi Industries Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control 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 Act.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, 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 with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

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

**Meaning of Internal Financial Controls with reference to financial statements**

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

**Inherent Limitations of Internal Financial Controls with reference to financial statements**

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, based on "the internal control 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.

**For B.R. Gupta & Co.**
**Chartered Accountants,**
**Firm's Registration Number 008352N**

**Sd/-**
**(Deepak Agarwal)**
**Partner**
**Membership Number 073696**
**UDIN : 22073696AJWYWL3385**

**Place of Signature: New Delhi**
**Date: May 30, 2022**

## Standalone Balance Sheet As At March 31, 2022

**(All Amount in ₹ lakh, unless otherwise stated)**

| Particulars | Notes | As At March 31, 2022 | As At March 31, 2021 |
|---|---|---|---|
| **ASSETS** | | | |
| **I. Non-Current Assets** | | | |
| (a) Property, Plant and Equipment | 3 | 30.29 | 119.55 |
| (b) Capital Work in Progress | 4 | 150.16 | - |
| (c) Investment Property | 4A | 466.36 | 474.54 |
| (d) Financial Assets | | | |
| (i) Investments | 5 | 314.42 | 264.42 |
| (ii) Other Financial Assets | 6 | 13.73 | 24.25 |
| (e) Deferred Tax Assets (Net) | 7 | 212.92 | 218.72 |
| (f) Other Non-Current Assets | 8 | - | 805.08 |
| (g) Non-Current Tax Assets (Net) | 9 | 36.86 | 24.59 |
| **Total Non-Current Assets** | | **1,224.74** | **1,931.15** |
| **Current Assets** | | | |
| (a) Financial Assets | | | |
| (i) Trade Receivables | 10 | - | - |
| (ii) Cash and Cash Equivalents | 11 | 18.38 | 7.41 |
| (iii) Bank Balances other than Cash and Cash Equivalents | 12 | 4,389.41 | 797.27 |
| (iv) Others Financial Assets | 6 | 124.05 | 22.05 |
| (b) Other Current Assets | 8 | 2.40 | 4.03 |
| **Total Current Assets** | | **4,534.24** | **830.76** |
| **Assets Held for sale** | | **-** | **113.76** |
| **Total Assets** | | **5,758.98** | **2,875.67** |
| **II. Equity And Liabilities** | | | |
| **Equity** | | | |
| (a) Equity Share Capital | 13 | 540.00 | 540.00 |
| (b) Other Equity | 14 | 5,037.94 | 1,309.59 |
| **Total Equity** | | **5,577.94** | **1,849.59** |
| **Liabilities** | | | |
| **Non-Current Liabilities** | | | |
| (a) Provisions | 15 | 15.55 | 14.28 |
| **Total Non-Current Liabilities** | | **15.55** | **14.28** |
| **Current Liabilities** | | | |
| (a) Financial Liabilities | | | |
| (i) Trade Payables | 16 | | |
| a) Total Outstanding Dues to Micro and Small Enterprises | | - | - |
| b) Total Outstanding Dues to Parties Other than Micro and Small Enterprises | | 7.91 | 7.04 |
| (b) Other Current Liabilities | 17 | 153.13 | 1,000.59 |
| (c) Provisions | 15 | 4.45 | 4.17 |
| **Total Current Liabilities** | | **165.49** | **1,011.80** |
| **Total Equity And Liabilities** | | **5,758.98** | **2,875.67** |
| Summary of Significant Accounting Policies | 2A | | |

The accompanying notes are an integral part of the financials statements

As per our Report of even date attached

**For B.R. Gupta & Co.**
**Chartered Accountants**
**Firm's Registration Number 008352N**

**Sd/-**
**(Deepak Agarwal)**
**Partner**
**Membership Number 073696**

**Place of Signature: New Delhi**
**Date: May 30, 2022**

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

| | |
|---|---|
| **Sd/-** | **Sd/-** |
| **(Chaman Lal Jain)** | **(V.B. Aggarwal)** |
| **Managing Director** | **Independent Director** |
| **DIN 00022903** | **DIN 00022967** |
| **Sd/-** | **Sd/-** |
| **(Taranjeet Kaur)** | **(Atul Jain)** |
| **Company Secretary** | **Chief Financial Officer** |
| **ICSI M. No. 008991** | |

## Standalone Statement of Profit & Loss for the year ended March 31, 2022

**(All Amount in ₹ lakh, unless otherwise stated)**

| Particulars | | Notes | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|---|---|---|---|---|
| **I.** | **Revenue From Operations** | | **-** | **-** |
| **II.** | Other Income | 18 | 216.40 | 39.44 |
| **III.** | **Total Income (I + II)** | | **216.40** | **39.44** |
| **IV.** | **Expenses** | | | |
| | (a) Employee Benefits Expense | 19 | 28.52 | 23.40 |
| | (b) Depreciation and Amortisation Expense | 20 | 12.91 | 20.01 |
| | (c) Other Expenses | 21 | 262.28 | 42.49 |
| | **Total Expenses** | | **303.71** | **85.90** |
| **V.** | **Profit/ (Loss) Before Exceptional Items and Tax (III-IV)** | | **(87.31)** | **(46.46)** |
| **VI.** | **Exceptional Items** | 22 | 4,651.83 | 3.76 |
| **VII.** | **Profit/ (Loss) Before Tax (V-VI)** | | **4,564.52** | **(42.70)** |
| **VIII.** | **Tax Expense:** | 23 | | |
| | (a) Current tax | | 831.14 | - |
| | (b) Deferred tax charge/(release) | | 5.61 | (145.57) |
| | **Total Tax Expense** | | **836.74** | **(145.57)** |
| **IX.** | **Profit/(Loss) For The Year (VII-VIII)** | | **3,727.78** | **102.87** |
| **X.** | **Other Comprehensive Income** | | | |
| **(A)** | (i) Items that will not be reclassified to profit or loss | | | |
| | (a) Remeasurement gain/(loss) of defined benefit plans | | 0.75 | 0.90 |
| | (ii) Income tax on items that will not be reclassified to profit or loss | | (0.19) | (0.23) |
| **(B)** | (i) Items that will be reclassified to profit or loss | | - | - |
| | (ii) Income tax on items that will be reclassified to profit or loss | | - | - |
| | **Other comprehensive income for the year, net of tax** | | **0.56** | **0.68** |
| **XI** | **Total comprehensive income for the year, net of tax (IX+X)** | | **3,728.34** | **103.54** |
| **XII** | **Earnings Per Share: (Face Value ₹ 5 Per Share)** | 24 | | |
| | 1) Basic (amount in ₹) | | 34.53 | 0.95 |
| | 2) Diluted (amount in ₹) | | 34.53 | 0.95 |
| Summary of Significant Accounting Policies | | 2A | | |

The accompanying notes are an integral part of the financials statements

**As per our Report of even date attached**

**For B.R. Gupta & Co.**
**Chartered Accountants**
**Firm's Registration Number 008352N**

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

**Sd/-**
**(Deepak Agarwal)**
**Partner**
**Membership Number 073696**

**Sd/-**
**(Chaman Lal Jain)**
**Managing Director**
**DIN 00022903**

**Sd/-**
**(V.B. Aggarwal)**
**Independent Director**
**DIN 00022967**

**Place of Signature: New Delhi**
**Date: May 30, 2022**

**Sd/-**
**(Taranjeet Kaur)**
**Company Secretary**
**ICSI M. No. 008991**

**Sd/-**
**(Atul Jain)**
**Chief Financial Officer**

## Standalone Statement of Changes in Equity for the year ended March 31, 2022

**(All amounts in ₹ lakh, unless otherwise stated)**

| **A. Equity Share Capital** | **Amount** |
|---|---|
| Opening Balance as at April 01, 2020 | 540.00 |
| Changes in equity share capital during the current year | - |
| Closing Balance as at March 31, 2021 | **540.00** |
| Changes in equity share capital during the current year | - |
| Closing Balance as at March 31, 2022 | **540.00** |

**B. Other Equity**

| | Reserves and Surplus | | | |
|---|---|---|---|---|
| | **Capital Reserve** | **Securities Premium** | **Retained Earnings** | **Total Equity** |
| **Balance as at April 01, 2020** | **57.99** | **1,318.51** | **(170.45)** | **1,206.05** |
| Net Income / Loss for the year | - | - | 102.87 | 102.87 |
| Add: Other comprehensive income * | - | - | 0.68 | 0.68 |
| **Balance as at March 31, 2021** | **57.99** | **1,318.51** | **(66.90)** | **1,309.60** |
| **As at March 31, 2022:** | | | | |
| **Balance as at April 01, 2021** | **57.99** | **1,318.51** | **(66.90)** | **1,309.60** |
| Net Income / Loss for the year | - | - | 3,727.78 | 3,727.78 |
| Add: Other comprehensive income * | - | - | 0.56 | 0.56 |
| **Balance as at March 31, 2022** | **57.99** | **1,318.51** | **3,661.44** | **5,037.94** |

* Represents Re-measurement of defined benefit plans (net)

Summary of Significant Accounting Policies 2A

The accompanying notes form an integral part of the financials statements

**As per our Report of even date attached**

**For B.R. Gupta & Co.**
**Chartered Accountants**
**Firm's Registration Number 008352N**

**Sd/-**
**(Deepak Agarwal)**
**Partner**
**Membership Number 073696**

**Place of Signature: New Delhi**
**Date: May 30, 2022**

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

**Sd/-**
**(Chaman Lal Jain)**
**Managing Director**
**DIN 00022903**

**Sd/-**
**(V.B. Aggarwal)**
**Independent Director**
**DIN 00022967**

**Sd/-**
**(Taranjeet Kaur)**
**Company Secretary**
**ICSI M. No. 008991**

**Sd/-**
**(Atul Jain)**
**Chief Financial Officer**

## Standalone Statement of Cash Flows for the year ended March 31, 2022

(All amounts in ₹ lakh, unless otherwise stated)

| Particulars | | For the Year Ended March 31, 2022 | For the Year Ended March 31, 2021 |
|---|---|---|---|
| **A. Cash Flow From Operating Activities** | | | |
| Net Profit Before Tax | | 4,564.52 | (42.70) |
| Adjustments for : | | | |
| Depreciation (Net) | | 12.91 | 20.01 |
| Loss/(Profit) on sale of Investment Property | | | (1.18) |
| Loss/(Profit) on sale of property, plant and equipment | | (4,651.83) | (2.58) |
| Provision for Capital advance | | 205.08 | - |
| Amount written off | | 47.90 | 2.03 |
| Gain on invt at FVTPL | | - | - |
| Excess liability written back | | (0.46) | (0.04) |
| Interest Income | | (184.74) | (39.19) |
| **Operation Profit Before Working Capital Changes** | | **(6.63)** | **(63.65)** |
| **Movement In Working Capital:** | | | |
| Increase/(Decrease) in Trade Payables & Other Current Liabilities | | (3.08) | 998.62 |
| Increase/(Decrease) in Provisions | | 2.30 | 1.67 |
| (Increase)/Decrease in Other Current Assets and other bank balances | | (748.27) | 5.83 |
| (Increase)/(Decrease) in Trade Receivables | | - | - |
| (Increase)/Decrease in Other Non-Current Assets | | 815.60 | (1.23) |
| **Net Cash Generated From Operations** | | **59.92** | **941.24** |
| Direct Taxes Paid(Net of Refund Received) | | (843.41) | (6.99) |
| **Net Cash Inflow From/(Used In) Operating Activities** | **( A )** | **(783.49)** | **934.25** |
| **B. Cash Flow From Investing Activities** | | | |
| Purchase of Property, Plant and Equipment | | (150.16) | (5.60) |
| Sale of Property, Plant and Equipment | | 4,007.09 | 3.83 |
| Proceeds From Maturity of Fixed Deposits (net) | | - | - |
| Purchase of Fixed Deposits (Net) | | (3,592.14) | (606.06) |
| Sale of Investment- Gold Coins | | - | 3.98 |
| Purchase of Investment | | (50.00) | - |
| Advance for purchase of property | | 394.92 | (600.00) |
| Interest Received | | 184.74 | 42.10 |
| **Net Cash From/ (Used In) Investing Activities** | **( B )** | **794.46** | **(1,161.75)** |
| **C. Cash Flow From Financing Activities** | | **-** | **-** |
| **Net cash inflow from/(used in) Financing Activities** | **( C )** | **-** | **-** |
| **Net Increase (Decrease) In Cash And Cash Equivalents** | **(A+B+C)** | **10.97** | **(227.50)** |
| Opening Balance of Cash and Cash Equivalents | | 7.41 | 234.91 |
| **Total Cash And Cash Equivalent (Note No. 11)** | | **18.38** | **7.41** |
| **Components Of Cash And Cash Equivalents** | | | |
| Cash on hand | | 1.21 | 0.63 |
| With banks - on current account and deposits with banks | | 17.17 | 6.79 |
| **Total Cash and Cash equivalent (Note No. 11)** | | **18.38** | **7.41** |

Note: The cash flow statement has been prepared under indirect method as set out in Indian Accounting Standard (IND AS-7)

Summary of Significant Accounting Policies 2A

The accompanying notes are an integral part of the financials statements

**As per our Report of even date attached**

**For B.R. Gupta & Co.**
**Chartered Accountants**
**Firm's Registration Number 008352N**
**Sd/-**
**(Deepak Agarwal)**
**Partner**
**Membership Number 073696**

**Place of Signature: New Delhi**
**Date: May 30, 2022**

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

| | |
|---|---|
| **Sd/-** | **Sd/-** |
| **(C.L. Jain)** | **(V.B. Aggarwal)** |
| **Managing Director** | **Independent Director** |
| **DIN 00022903** | **DIN 00022967** |
| **Sd/-** | **Sd/-** |
| **(Taranjeet Kaur)** | **(Atul Jain)** |
| **Company Secretary** | **Chief Financial Officer** |
| **ICSI M. No. 008991** | |

## Notes to standalone financial statements for the year ended March 31, 2022

**Note 1 : Corporate Information**

Addi Industries limited (the company) is a public limited company incorporated in the year 1980 under the provisions of the Companies Act, 1956. Its shares are listed on Bombay Stock Exchange in India. The Company is engaged in the manufacturing and marketing of readymade garments.The Registered office of the company is located at 23, Eastern Avenue, Maharani Bagh, New Delhi-South Delhi-110065

The Financial Statements for the year ended March 31, 2022 were approved by the Board of Directors on May 30, 2022

**Note 2 : Statement of Compliance**

The Financial Statements are prepared on an accrual basis under historical cost Convention except for certain financial instruments which are measured at fair value. These financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Companies Act, 2013, as applicable.

The accounting policies are applied consistently to all the periods presented in the financial statements.

**Basis of preparation and presentation:**

The standalone financial statements have been prepared on the historical cost convention on accrual basis except for certain class of financial assets/liabilities and net liability for defined benefit plans that are measured at fair value, as explained in the relevant accounting policies mentioned. The financial statements are presented in ₹ and all values are rounded to the nearest lakh except otherwise stated.

**Going Concern**

The Board of Directors is in process of exploring the modalities to start new business venture, however the Company has not yet implemented the same. This situation indicates the existence of material uncertainty that may cast significant doubt about the Company’s ability to continue as a going concern. However, in view of future business opportunities, having significant cash & bank balances with positive net worth and no borrowings, these accounts have been prepared on going concern basis.

**Recent Accounting Pronouncement**

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, which are as below. The effective date for adoption of this amendment are from annual periods beginning on or after April 01, 2022:

Ind AS 16 – Property Plant and equipment - The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The Company has evaluated the amendment and there is no impact on its financial statements

Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets – The amendment specifies that the ‘cost of fulfilling’ a contract comprises the ‘costs that relate directly to the contract’. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The Company has evaluated the amendment and there is no impact on its financial statements.

**New Accounting Pronouncements effective from April 1, 2021:**

The following Ind AS pronouncements pursuant to issuance of the Companies (Indian Accounting Standards) Amendment Rules 2021, were issued during the year:

- Amendment to Ind AS 103- Business Combinations

- Amendment to Ind AS 104- Insurance Contracts

- Amendment to Ind AS 116- Leases

None of the changes described above, or any of the other changes to the Ind AS, with the exception of Ind AS 116 (Leases), have a impact on the net worth, financial position, financial performance or on the cash flow of the

Company.

**Note 2A: Significant Accounting Policies**

**a) Significant accounting judgements, estimates and assumptions**

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amount of revenues and expenses for the years presented. Actual results may differ from the estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods affected.

**b) Use of Estimates and Judgements**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur. Also, the company has made certain judgements in applying accounting policies which have an effect on amounts recognized in the financial statements.

**i) Income taxes**

The Company is subject to income tax laws as applicable in India. Significant judgment is required in determining provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. Where tax positions are uncertain, accruals are recorded within income tax liabilities for management's best estimate of the ultimate liability that is expected to arise based on the specific circumstances and the Company's historical experience. Factors that may have an impact on current and deferred taxes include changes in tax laws, regulations or rates, changing interpretations of existing tax laws or regulations, future levels of research and development spending and changes in pre-tax earnings.

**ii) Contingencies**

Contingent Liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal and other claims. By virtue of their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgements and the use of estimates regarding the outcome of future events.

**iii) Recoverability of deferred taxes**

In assessing the recoverability of deferred tax assets, management considers whether it is probable that taxable profit will be available against which the losses can be utilised. The ultimate realisation of deferred tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the projected future taxable income and tax planning strategies in making this assessment.

**iv) Defined benefit plans**

The present value of the gratuity and compensated absences are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the actuary considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

v) Useful lives of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

vi) Leases

Where the Company is the lessee, key judgements include assessing whether arrangements contain a lease and determining the lease term. To assess whether a contract contains a lease requires judgement about whether it depends on a specified asset, whether the Company obtains substantially all the economic benefits from the use of that asset and whether the The Company has a right to direct the use of the asset. In order to determine the lease term judgement is required as extension and termination options have to be assessed along with all facts and circumstances that may create an economic incentive to exercise an extension option, or not exercise a termination option. The Company revises the lease term if there is a change in the non-cancellable period of a lease. Estimates include calculating the discount rate which is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics. Where the The Company is the lessor, the treatment of leasing transactions is mainly determined by whether the lease is considered to be an operating or finance lease. In making this assessment, management looks at the substance of the lease, as well as the legal form, and makes a judgement about whether substantially all of the risks and rewards of ownership are transferred. Arrangements which do not take the legal form of a lease but that nevertheless convey the right to use an asset are also covered by such assessments.

**c) Current versus non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

**Assets:**

An asset is treated as current when it is:

a) Expected to be realised or intended to be sold or consumed in normal operating cycle.

b) Held primarily for the purpose of trading

c) Expected to be realised within twelve months after the reporting period, or

d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

**Liabilities:**

A liability is current when:

(a) It is expected to be settled in normal operating cycle

(b) It is held primarily for the purpose of trading

(c) It is due to be settled within twelve months after the reporting period, or

(d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

**Operating cycle:** The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

**d) Property, Plant and Equipment**

The Company had applied for the one time transition expemtion of considering the carrying cost of the transition date i.e., April 01, 2016 as the deemed cost under Ind AS .

Property, plant and equipment and capital work in progress are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Such cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct services, any other costs directly attributable to bringing the assets to its working condition for their intended use and cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. Glow sign boards, which have no salvage value are charged to Standalone statement of profit and loss.

An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the standalone statement of profit and loss within other income / expense (as applicable).

Subsequent costs: The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item of property, plant and equipment, if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably with the carrying amount of the replaced part getting derecognised. The cost for day-to-day servicing of property, plant and equipment are recognised in standalone statement of profit and loss as and when incurred.

**Decommissioning Costs :** The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

**Capital work in progress:** Capital work in progress comprises the cost of property, plant and equipment that are not ready for their intended use at the reporting date.

**Depreciation:** Depreciation on PPE are provided to the extent of depreciable amount on straight line basis (SLM). Depreciation is provided at the rates and in the manner prescribed in Schedule II to the Companies Act, 2013. Leasehold Land and Leasehold Improvements are amortised over the period of lease or useful life of assets whichever is lower. The residual values, useful lives are reviewed at each financial year end and adjusted appropriately.

Asset costing less than ₹ 5000/- has been depreciated fully in the year of purchase only.

**Intangible Assets**

**Recognition and measurement**

Software, if any, which are not an integral part of related hardware, is treated as intangible asset and amortized over a period of three years or its licensed period, whichever is less. Leasehold Improvements are amortized over period of lease.

Transition to Ind AS: On transition to Ind AS, the Company has elected to continue with the carrying value of all its intangible assets recognized as at April 1, 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such intangible assets.

**e) Borrowing Costs**

Borrowing costs consists of interest and amortization of ancillary costs that an entity incurs in connection with the borrowing of funds. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the interest cost.

**f) Foreign Currency Transactions**

**Functional and presentational currency**

The Company's financial statements are presented in Indian Rupees (₹ in lakhs) which is also the Company's functional currency. Functional currency is the currency of the primary economic environment in which a Company operates and is normally the currency in which the Company primarily generates and expends cash.

**Transactions and balances**

Transactions in foreign currencies are initially recorded by the Company at the functional currency using exchange rates at the date the transaction. Foreign exchange gains and losses from settlement of these transactions are recognised in the Standalone standalone statement of profit and loss. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency using spot rates of exchange at the reporting date, the gain or loss arising from such translations are recognised in the Standalone statement of profit and loss. Differences arising on settlement of Non-monetary items that are measured in terms of historical cost in a foreign currencies are not retranslated.

**g) Revenue recognition & Purchase Recognition**

Revenue is to be recognized upon transfer of control of promised products or services to our customers for an amount that reflects the consideration the Company expects to receive in exchange for those products or services and when there are no longer any unfulfilled obligations. To recognize revenues, the Company apply the following five step approach:

(1) Identify the contract with a customer

(2) Identify the performance obligations in the contract

(3) Determine the transaction price,

(4) Allocate the transaction price to the performance obligations in the contract

(5) Recognize revenues when a performance obligation is satisfied.

At contract inception, the Company assesses its promise to transfer products or services to a customer to identify separate performance obligations. The Company applies judgement to determine whether each product or services promised to a customer are capable of being distinct, and are distinct in the context of the contract, if not, the promised product or services are combined and accounted as a single performance obligation. The Company allocates the arrangement consideration to separately identifiable performance obligation based on their relative stand-alone selling price or residual method. Stand-alone selling prices are determined based on sale prices for the components when it is regularly sold separately, in cases where the Company is unable to determine the stand-alone selling price the Company uses third-party prices for similar deliverables or the company uses expected cost plus margin approach in estimating the stand-alone selling price.

For performance obligations where control is transferred over time, revenues are recognized by measuring progress towards completion of the performance obligation. The selection of the method to measure progress towards completion requires judgment and is based on the nature of the promised products or services to be provided.

The method for recognizing revenues and costs depends on the nature of the goods sold & services rendered:

Interest income is recognized on a time proportion basis using the effective interest rate (EIR) method.

Purchases are recognized upon receipt of such goods by the company. Purchases of imported goods, if any are to be recognised after completion of custom clearance formalities and upon receipt of such goods by the company at the warehouse. All other Purchases are accounted for on accrual basis.

**h) Inventories**

Items of inventories are to be measured at lower of cost and net realizable value after providing for obsolescence, wherever considered necessary. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads incurred in bringing them to their respective present location and condition. The cost of various components of inventory is determined as follows;-

| | |
|---|---|
| **Raw Materials, Stores, Spares and Packing Material** | Cost includes purchase price, non refundable duties, taxes and all other costs incurred in bringing the inventories to their present location. Cost is determined on First In First Out (FIFO) basis. |
| **Stocks-in-process and Finished Goods** | Cost includes material cost and also includes an appropriate portion of allocable overheads. Cost is determined on First In First Out basis. |
| **Traded Goods** | Cost includes purchase cost, duties, taxes and all other costs incurred in bringing the inventory to their present location. Cost is determined on First In First Out (FIFO) basis. |

**i) Employee's Benefits**

Short Term Employee Benefits: All employees' benefits falling due wholly within twelve months of rendering the services are classified as short term employee benefits. The benefits like salaries, wages, short term compensated absences etc. and the expected cost of bonus are recognized in the period in which the employee renders the related services at undiscounted amount.

**Defined contribution plans**

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions to a statutory authority and will have no legal or constructive obligation to pay further amounts. Provident Fund and Employee State Insurance Schemes are defined contribution scheme and contributions paid / payable are recognised as an expense in the Standalone statement of profit and loss during the year in which the employee renders the related service. For Defined Contribution Retirements Benefit Schemes, payments are charged as an expense as they fall due.

**Defined Benefit Plan**

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount based on the respective employee's salary and the tenure of employment. The Company accounts for the liability for gratuity benefits payable in future based on an independent actuarial valuation report using the projected unit credit method as at the year end.

The obligations are measured at the present value of the estimated future cash flows. The discount rate is generally based upon the market yields available on Government bonds at the reporting date with a term that matches that of the liabilities.

Re-measurements, comprising actuarial gains and losses including, the effect of the changes to the asset ceiling (if applicable), is reflected immediately in Other Comprehensive Income in the Standalone statement of profit and loss. All other expenses related to defined benefit plans are recognised in Standalone standalone statement of profit and loss as employee benefit expenses. Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs.

**Other Long Term Employee Benefits**

Long term compensated absences are provided for on the basis of actuarial valuation, using the projected unit credit method, at the end of each financial year. Actuarial gains / loss are recognised in Standalone statement of Profit & Loss.

**j) Leases**

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

**Company as a lessee**

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the Standalone statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and standalone statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in standalone statement of profit and loss.

The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

**Company as Lessor**

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease. Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term.

**k) Provisions, Contingent Liabilities and Contingent Assets**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liability is disclosed in the case of ;

i) a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle obligation;

ii) a present obligation arising from past events, when no reliable estimate is possible.

Contingent assets are neither recognised nor disclosed. However,when realisation of income is virtually certain, related asset is recognised.

Provision, contingent liabilities and contingent assets are reviewed at each balance sheet date and adjusted where necessary to reflect the current best estimate of obligation or asset.

**l) Financial instruments**

A financial instrument is a contract that gives rise to a financial asset for one entity and a financial liability or equity instrument for another entity. Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

**(i) Initial recognition and measurement**

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the company becomes a party to the contractual provisions of the instrument.

A financial asset is initially recognised at fair value. In case of financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction cost are recognised in the Standalone statement of profit and loss. In other cases, the transaction cost are attributed to the acquisition value of the financial asset

**(ii) Classification and subsequent measurement**

**a) Financial assets**

For purposes of subsequent measurement, financial assets are classified in following categories:

-Financial Asset carried at amortised cost

-Financial Asset at fair value through other comprehensive income (FVTOCI)

-Financial Asset at fair value through profit and loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

- **Financial Asset carried at amortised cost**

  A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

- **Financial Asset at fair value through other comprehensive income (FVTOCI)**

  A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

- **Financial Asset at fair value through profit and loss (FVTPL)**

  A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

- **Equity investment in Subsidiary**

  Investments in subsidiary are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiary, the difference between net disposal proceeds and the carrying amounts are recognized in the standalone statement of profit and loss.

  The Company had elected for one time Ind AS 101 exemption and adopted carrying cost of its investment in equity shares of its wholly owned subsidiary as its deemed cost as at the date of transition.

**De-recognition**

A financial asset (or, where applicable, a part of a financial asset) is primarily derecognised (i.e. removed from the Company's Balance Sheet) when:

(i) The contractual rights to receive cash flows from the asset has expired, or

(ii) The Company has transferred its contractual rights to receive cash flows from the financial asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

**(b) Financial Liabilities**

A Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit and loss. In case of trade payables, they are initially recognised at fair value and subsequently, these liabilities are held at amortised cost, using the effective interest rate method.

For purposes of subsequent measurement, financial liabilities are classified in two categories:

-Financial liabilities at amortised cost

-Financial liabilities at fair value through profit and loss (FVTPL)

**Financial liabilities at Amortized cost**

**Loans and borrowings**

Borrowings are initially recognised at fair value, net of transaction costs incurred. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in the Standalone statement of profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Standalone statement of profit and loss. This category generally applies to borrowings.

**De-recognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference (if any) in the respective carrying amounts is recognised in the Standalone statement of profit and loss.

**(c) Offsetting of Financial Instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

**m) Impairment of Financial Assets**

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgments in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

**n) Impairment of Non-Financial Assets**

The carrying amounts of the Company's non-financial assets, are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit ('CGU') is the greater of its value in use or its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets ('CGU').

An impairment loss is recognized, if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount and is recognised in Standalone statement of profit and loss.

Impairment losses recognised in prior periods are assessed at end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

**o) Fair Value Measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:\

(i) In the principal market for the asset or liability, or

(ii) In the absence of a principal market, in the most advantageous market for the asset or liability.

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

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

**p) Taxes on Income : Tax expense comprises current and deferred tax.**

**Current Income Tax**

Current tax is the expected tax payable/receivable on the taxable income/loss for the year using applicable tax rates for the relevant period. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income (OCI) or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax assets are offset against current tax liabilities if, and only if, a legally enforceable right exists to set off the recognised amounts and there is an intention either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

**Deferred Tax**

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses (if any). Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and is adjusted to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

**q) Investment Property**

Investment property are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment Properties are measured intially at cost, including transaction costs. Subsequent to intial recognition, investment properties are measured in accordance with Ind AS 16 requirements for cost model.

As investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the porperty (calculated as the difference between the net disposal proceeds and the carrying amount of the assets) is included in profit or loss in the period in which the property is derecognised.

Depreciation on property are provided to the extent of depreciable amount on straight line basis (SLM). Depreciation is provided at the rates and in the manner prescribed in Schedule II to the Companies Act, 2013.

**r) Assets Held for Sale:**

Non-current assets are classified as 'held for sale' when all the following criteria are met: (i) decision has been made to sell, (ii) the assets are available for immediate sale in its present condition, (iii) the assets are being actively marketed and (iv) sale has been agreed or is expected to be concluded within 12 months of the Balance Sheet date.

**s) Cash and Cash Equivalents**

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

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash balance on hand, cash balance at banks and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

**t) Earning per share (EPS)**

In determining earnings per share, the Company considers the net profit after tax and includes the post tax effect of any extra ordinary items.

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

- For the purpose of calculating Diluted Earning per share, the number of shares comprises of weighted average shares considered for deriving basic earning per share and also the weighted average number of equity share which could have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. A transaction is considered to be antidilutive if its effect is to increase the amount of EPS, either by lowering the share count or increasing the earnings.

**u) Segment Reporting**

The Company has the policy of reporting the segments in a manner consistent with the internal reporting provided to the chief decision maker. The chief decision maker is considered to be the Board of Directors who makes strategic decisions and is responsible for allocating resources and assessing performance of the operating segments.

## Notes to standalone financial statements for the year ended March 31, 2022

(All amounts in ₹ lakh, unless otherwise stated)

### Notes 3 : Property, Plant and Equipment

| Particulars | Leasehold Land | Buildings (Factory) | Building (Office) | Plant & Equipment | Furniture & fixtures | Vehicles | Computer System | Office equipment | Total |
|---|---|---|---|---|---|---|---|---|---|
| **Gross Carrying Amount :** | | | | | | | | | |
| **As At April 01, 2020** | **111.98** | **106.90** | **59.56** | **43.02** | **1.91** | **4.34** | **0.11** | **3.86** | **331.68** |
| Add: Additions made during the year | - | - | - | - | - | 5.60 | - | - | 5.60 |
| Less: Disposals/adjustments during the year | 98.24 | 37.40 | - | 0.87 | 0.15 | 4.34 | - | 0.31 | 141.31 |
| **As At March 31, 2021** | **13.74** | **69.50** | **59.56** | **42.15** | **1.76** | **5.60** | **0.11** | **3.55** | **195.97** |
| Add: Additions made during the year | - | - | - | - | - | - | - | - | - |
| Less: Disposals/adjustments during the year | 6.87 | 34.75 | 59.56 | 42.15 | 1.73 | - | 0.11 | 1.69 | 146.86 |
| **As At March 31, 2022** | **6.87** | **35.00** | **-** | **-** | **0.03** | **5.60** | **-** | **1.86** | **49.11** |
| **Accumulated Depreciation:** | | | | | | | | | |
| **As At April 01, 2020** | **6.88** | **36.08** | **4.91** | **36.91** | **0.07** | **2.98** | **-** | **1.62** | **89.45** |
| Add: Depreciation charge for the year | 1.61 | 7.36 | 1.23 | 1.04 | - | 0.33 | - | 0.27 | 11.84 |
| Less: Disposals/adjustments during the year | 5.97 | 15.92 | - | - | - | 2.98 | - | - | 24.87 |
| **As At March 31, 2021** | **2.52** | **27.52** | **6.14** | **37.95** | **0.07** | **0.33** | **-** | **1.89** | **76.42** |
| Add: Depreciation charge for the year | 0.17 | 2.28 | 0.87 | 0.44 | - | 0.76 | - | 0.20 | 4.73 |
| Less: Disposals/adjustments during the year | 1.34 | 14.44 | 7.01 | 38.39 | 0.07 | - | - | 0.83 | 62.08 |
| **As At March 31, 2022** | **1.36** | **15.36** | **-** | **-** | **-** | **1.09** | **-** | **1.26** | **19.05** |
| **Net Carrying Amount :** | | | | | | | | | |
| **Net block as at 31 March 31, 2022** | **5.51** | **19.64** | **-** | **-** | **0.03** | **4.51** | **-** | **0.60** | **30.29** |
| **Net block as at 31 March 31, 2021** | **11.22** | **41.98** | **53.42** | **4.20** | **1.69** | **5.27** | **0.11** | **1.66** | **119.54** |

Note: During the year, the Company has entered into an agreement for transfer its leasehold land and building in the financial year 2022-23

## Notes to standalone financial statements for the year ended March 31, 2022

**(All amounts in ₹ lakh, unless otherwise stated)**

**Note 4 : Capital work-in-progress**

| Particulars | Total |
|---|---|
| **As at March 31, 2020** | **-** |
| Additions | - |
| Written off during the year | - |
| Capitalised during the year | - |
| **Balance as at March 31, 2021** | **-** |
| Additions | 150.16 |
| Written off during the year | - |
| Capitalised during the year | |
| **Balance as at March 31, 2022** | **150.16** |

* Refer foot note of Note 3

**Notes 4 A : Investment Property (Cost)**

| **Particulars** | **Building*** |
|---|---|
| **Gross Amount :** | |
| Balance as at April 1, 2020 | 490.90 |
| Addition during the year | - |
| Balance as at March 31, 2021 | 490.90 |
| Addition during the year | - |
| Balance as at March 31, 2022 | 490.90 |
| Accumulated Depreciation | |
| Balance as at April 1, 2020 | 8.18 |
| Depreciation charge for the year | 8.18 |
| Balance as at March 31, 2021 | 16.36 |
| Depreciation charge for the year | 8.18 |
| Balance as at March.31, 2022 | 24.54 |
| Net carrying amount | |
| Balance as at March 31, 2022 | 466.36 |
| Balance as at March 31, 2021 | 474.54 |

* Title deed is pending to be transferred in the name of the Company.

**Investment Property disclosures under Ind AS 40**

**(a) Amount recognized in Statement of Profit and Loss on account of Investment property**

| Particulars | 2021-22 | 2020-21 |
|---|---|---|
| Rental Income | 30.68 | - |
| Direct operating expenses from property that generated rental income | - | - |
| Income from investment properties before depreciation | 30.68 | - |
| Depreciation | 8.18 | 8.18 |
| Income from investment properties after depreciation | 22.49 | (8.18) |

**(b) Fair value**

The fair value of the Company's investment properties as at March 31, 2022 and March 31, 2021 are required to be arrived at on the basis of circle rate of the property.

**Information about the fair value of the Company's investment properties and fair value hierarchy are as follows:**

| Particulars | 2021-22 | 2020-21 |
|---|---|---|
| Fair value of Building | 491.55 | 491.55 |
| Fair valuation Hierarchy | Level 3 | Level 3 |

**(c) Company as a Lessor**

The Company has given its building space on cancellable operating lease through operating lease arrangements. Income from operating leases is recognised as revenue on a straight-line basis over the lease term.

Lease income of ₹ 30.68 Lakh (March 31, 2021: ₹ Nil Lakh) has been recognised and included under revenue from operations.

**(All amounts in ₹ lakh, unless otherwise stated)**

| **Note 5 : Non Current Investments** | **As At March 31, 2022** | **As At March 31, 2021** |
|---|---|---|
| **Investment At Cost** | | |
| **Unquoted Investment** | | |
| **Investment in Equity Instruments of wholly owned subsidiary** | | |
| 790,007 ( March 31, 2021: 790,007) Equity Shares of ₹ 10 each fully paid up in Aum Texfab Private Limited | 75.24 | 75.24 |
| | **75.24** | **75.24** |
| **Investment At Amortised Cost** | | |
| **Quoted Investments** | | |
| **Investment in Tax Free Bonds** | | |
| Investment in Infrastructure 7.51% Bonds of HUDCO 15,000 (March 31, 2021: 15,000) Bonds of ₹ 1,000 each | 150.00 | 150.00 |
| Investment in infrastructure 7.28% bonds of NTPC 1,510 (March 31, 2021: 1,510) Bonds of ₹ 1,000 each | 6.25 | 6.25 |
| Investment in infrastructure 7.35% Bonds of NHAI 1,428 (March 31, 2021: 1,428) Bonds of ₹ 1,000 each | 14.28 | 14.28 |
| Investment in infrastructure 7.28% Bonds of IRFC 625 (March 31, 2021: 625) Bonds of ₹ 1,000 each | 15.10 | 15.10 |
| Investment in infrastructure 7.28% Bonds of PFC 257 (March 31, 2021: 257) Bonds of ₹ 1,000 each | 2.57 | 2.57 |
| Investment in infrastructure 5.00% Bonds of NHAI 500 (March 31, 2021: Nil) Bonds of ₹ 10,000 each | 50.00 | - |
| | **238.20** | **188.20** |
| **Investment as Fair Value through Profit & Loss** | | |
| **Unquoted Investments *** | | |
| 63,100 (March 31,2021: 63,100) Equity Shares of ₹ 10/- each fully paid of PNR Capital Sevices Ltd.) | 0.98 | 0.98 |
| | **0.98** | **0.98** |
| | **314.42** | **264.42** |
| Aggregate amount of Quoted investments | 238.20 | 222.34 |
| Aggregate market value of Quoted investments | 268.50 | 259.20 |
| Aggregate amount of Unquoted investments | 76.22 | 76.22 |
| Aggregate amount of impairment in Value of investments | - | - |

*The Company had made investment in PNR Capital Services Ltd, which was a listed entity at the time of transition to Ind AS. At that point, the Company had adopted the policy of accounting this transaction at FVTPL. Subsequently PNR Capital Services Limited had been delisted. Accordingly now these are classified as unquoted investment in the financial statements. During the year, the Company has received the offer letter for buy back of these shares, which the Company has accepted. These shares have been bought back subsequent to the balance sheet date.

**(All amounts in ₹ lakh, unless otherwise stated)**

| **Note 6 : Other Financial Assets** | **Non-Current** | | **Current** | |
|---|---|---|---|---|
| | **As At March 31, 2022** | **As At March 31, 2021** | **As At March 31, 2022** | **As At March 31, 2021** |
| (Unsecured, considered good, unless otherwise stated) | | | | |
| Security Deposits | 13.73 | 13.44 | 2.86 | 6.89 |
| Balance with Government Authorities | - | 10.81 | - | - |
| Export Incentive Receivable | - | 24.46 | - | - |
| Less: Allowance for doubtful advances | - | (24.46) | - | - |
| Rent Receivable | - | - | 4.21 | - |
| Interest Accrued on FDR | - | - | 111.75 | 11.95 |
| Interest Accrued on Tax Free Bonds | - | - | 5.23 | 3.21 |
| Interest Accrued Capital Advances (Refer Note below) | - | - | 95.86 | 95.86 |
| Less: Allowance for Doubtful Advance | - | - | (95.86) | (95.86) |
| | **13.73** | **24.25** | **124.05** | **22.05** |

**Note**

a) The Company has not recognised interest income of ₹ 176.72 Lakh for the period April 01, 2017 to March 31, 2019 on capital advance of ₹ 490.90 Lakh, as there is uncertainty of its recoverability.

| **Note 7: Deferred Tax Assets (Net)** | **As At March 31, 2022** | **As At March 31, 2021** |
|---|---|---|
| Gross Deferred Tax Assets | 212.92 | 222.07 |
| Gross Deferred Tax Liabilities | - | 3.35 |
| | **212.92** | **218.72** |

| **Movement in Deferred Tax Liabilities (Net)** | **As At March 31, 2020** | **Recognised in Statement of Profit and Loss** | **Recognised in Statement of Other Comprehensive Income** | **As At March 31, 2021** |
|---|---|---|---|---|
| **Deferred tax assets relates to the following:** | | | | |
| Provision for employee benefits | 4.52 | 0.44 | (0.23) | 4.73 |
| Provision for Bad and Doubtful Debts | 2.16 | - | - | 2.16 |
| Provision for doubtful Export Incentive | 6.16 | - | - | 6.16 |
| Loss on Fair valuation of Investment | 58.88 | 8.59 | - | 67.47 |
| Land | - | 117.41 | - | 117.42 |
| Provision for doubtful advances | 24.13 | - | - | 24.13 |
| | **95.85** | **126.44** | **(0.23)** | **222.07** |
| **Deferred tax liability relates to the following:** | | | | |
| Property, plant and equipment | 12.18 | (5.09) | - | 7.09 |
| Investment Property | 10.30 | (14.04) | - | (3.74) |
| | **22.48** | **(19.13)** | **-** | **3.35** |
| **Total deferred tax assets/(liabiities) (Net)** | **73.37** | **145.57** | **(0.23)** | **218.72** |

(All amounts in ₹ lakh, unless otherwise stated)

| | As At March 31, 2021 | Recognised in Statement of Profit and Loss | Recognised in Statement of Other Comprehen-sive Income | As At March 31, 2022 |
|---|---|---|---|---|
| **Deferred tax assets relates to the following:** | | | | |
| Provision for employee benefits | 4.73 | 0.49 | (0.19) | 5.03 |
| Provision for Bad and Doubtful Debts | 2.16 | (2.16) | - | - |
| Provision for doubtful Export Incentive | 6.16 | (6.16) | - | - |
| Loss on Fair valuation of Investment | 67.47 | (31.94) | - | 35.53 |
| Land | 117.42 | (20.81) | - | 96.61 |
| Provision for doubtful advances | 24.13 | 51.61 | | 75.74 |
| Investment Property | 3.74 | (3.74) | - | - |
| | **225.80** | **(12.70)** | **(0.19)** | **212.92** |
| Deferred tax liability relates to the following: | | | | |
| Property, plant and equipment | 7.09 | (7.09) | - | - |
| | **7.09** | **(7.09)** | **-** | **-** |
| **Total deferred tax assets/(liabiities) (Net)** | **218.71** | **(5.61)** | **(0.19)** | **212.92** |

| **Note 8 : Other Assets** | Non-Current | | Current | |
|---|---|---|---|---|
| | **As At March 31, 2022** | **As At March 31, 2021** | **As At March 31, 2022** | **As At March 31, 2021** |
| (Unsecured, considered good, unless otherwise stated) | | | | |
| Capital Advances | 205.08 | 805.08 | - | - |
| Less: Allowance for doubtful advance | (205.08) | - | - | - |
| Balance with government authorities | - | - | 1.77 | 3.52 |
| Advance to Employee | - | - | 0.51 | 0.39 |
| Advance to Supplier | - | - | - | 0.03 |
| Prepaid Expenses | - | - | 0.12 | 0.09 |
| | **-** | **805.08** | **2.40** | **4.03** |

| **Note 9 : Non-Current Tax Assets** | **As At March 31, 2022** | **As At March 31, 2021** |
|---|---|---|
| Advance Tax (including TDS) {net of provision of ₹ 831.60 lakh (March 31, 2021 ₹ 839.46 lakh)} | 36.86 | 24.59 |
| | **36.86** | **24.59** |

| **Note 10 : Trade Receivables** | **As At March 31, 2022** | **As At March 31, 2021** |
|---|---|---|
| (unsecured, considered good unless otherwise stated) | | |
| - Credit Impaired | - | 8.60 |
| Less: Allowance for Expected Credit Loss | - | 8.60 |
| | **-** | **-** |

(a) Trade Receivables ageing schedule as on March 31, 2022

| Particulars | Outstanding for following periods from due date of payment | | | | Total |
|---|---|---|---|---|---|
| | Not due | Less than 6 months | 6 months -1 year | 1-2 years | |
| (i) Undisputed Trade receivables - considered good | - | - | - | - | - |
| (ii) Undisputed Trade Receivables – which have significant increase in credit risk | - | - | - | - | - |
| (iii) Undisputed Trade Receivables – credit impaired | - | - | - | - | - |
| (iv) Dispute Trade Receivables considered good | - | - | - | - | - |
| (v) Disputed Trade Receivables which have significant increase in credit risk | - | - | - | - | - |
| (vi) Disputed Trade Receivables – credit impaired | - | - | - | - | - |
| Less: Allowances for expected credit loss | | | | | - |
| **Net Trade receivables** | | | | | - |

Trade Receivables ageing schedule as on March 31, 2021

| Particulars | Outstanding for following periods from due date of payment | | | | Total |
|---|---|---|---|---|---|
| | Not due | Less than 6 months | 6 months -1 year | More than 3 years | |
| (i) Undisputed Trade receivables – considered good | - | | - | | - |
| (ii) Undisputed Trade Receivables – which have significant increase in credit risk | - | - | - | - | - |
| (iii) Undisputed Trade Receivables – credit impaired | - | - | - | 8.60 | 8.60 |
| (iv) Dispute Trade Receivables considered good | - | - | - | - | - |
| (v) Disputed Trade Receivables which have significant increase in credit risk | - | - | - | - | - |
| (vi) Disputed Trade Receivables – credit impaired | - | - | - | - | - |
| Less: Allowances for expected credit loss | | | | | 8.60 |
| **Net Trade receivables** | | | | | 8.60) |

(b) The Company has no trade receivables which have significant increase in credit risk.
(c) Refer note 30 for information about credit risk and market risk of trade receivables.

| **Note 11 : Cash and Cash Equivalents** | **As At March 31, 2022** | **As At March 31, 2021** |
|---|---|---|
| Balances With Scheduled Banks : | | |
| - Current Accounts | 17.17 | 6.79 |
| Cash on hand | 1.21 | 0.63 |
| | **18.38** | **7.41** |

(All amounts in ₹ lakh, unless otherwise stated)

| Note 12 : Bank Balances other than Cash and Cash Equivalents | As At March 31, 2022 | As At March 31, 2021 |
|---|---|---|
| Deposit accounts with original maturity of more than 3 months but less than 12 months | 4,389.41 | 797.27 |
| | **4,389.41** | **797.27** |

| Note 13 : Equity Share Capital | As At March 31, 2022 | As At March 31, 2021 |
|---|---|---|
| **Authorised:** | | |
| 15000000 (March 31, 2021: 15000000) equity shares of ₹ 5 each* | 750.00 | 750.00 |
| | **750.00** | **750.00** |
| **Issued, Subscribed & fully paid up:** | | |
| 10796574 (March 31, 2021: 10796574) equity shares of ₹ 5 each* | 539.83 | 539.83 |
| **Add: Amount paid up on shares forfeited** | | |
| 3400 (March 31, 2021: 3400) equity shares of ₹ 5 each* | 0.17 | 0.17 |
| | **540.00** | **540.00** |

**a) Reconciliation of Issued and Subscribed Share Capital:**

| | No. of Shares | Amount |
|---|---|---|
| **Balance as at April 1, 2020** | 10796574 | 539.83 |
| Add: Increase/(Decrease) During The Year | - | - |
| **Balance as at March 31, 2021** | 10796574 | 539.83 |
| Add: Increase/(Decrease) During The Year | - | - |
| **Balance as at March 31, 2022** | **10796574** | **539.83** |

**b) Terms/rights Attached to Equity Shares**

The company has only one class of equity shares having a par value of ` 5 per share. Each holder of Equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. No dividend is proposed by Board of Directors of the Company.

**c) Details of shareholders holding more than 5% shares in the company**

| | As At March 31, 2022 | | As At March 31, 2021 | |
|---|---|---|---|---|
| | No. of Shares | % holding | No. of Shares | % holding |
| a. Mr. Hari B.Bansal | 996118 | 9.23% | 996118 | 9.23% |
| b. Mr.Abhishek Bansal | 1000666 | 9.27% | 1000666 | 9.27% |
| c. Mr. Chaman Lal Jain | 1689818 | 15.65% | 1689818 | 15.65% |
| d. Mrs. Urmila Jain | 3714493 | 34.40% | 3714493 | 34.40% |

d) The Company has not issued any shares pursuant to any contract without payment being received in cash or as fully paid up by way of bonus shares. The Company has not bought back any shares.

* Number of Shares are given in absolute numbers.

e) **Details of Promoter's Shareholding:**

| Promoter Name | As at March 31, 2022 | | As at March 31, 2021 | | % Change during the year |
|---|---|---|---|---|---|
| | No. of Shares | %of total shares | No. of Shares | %of total shares | |
| Abhishek Bansal | 1000666 | 9.27% | 10,00,666 | 9.27% | 0% |
| Anju Bhaskar | 59100 | 0.55% | 59,100 | 0.55% | 0% |
| Anu Lance | 56000 | 0.52% | 56,000 | 0.52% | 0% |
| Chaman Lal Jain | 1689818 | 15.65% | 16,89,818 | 15.65% | 0% |
| Hari Bansal | 996118 | 9.23% | 9,96,118 | 9.23% | 0% |
| Urmila Jain | 3714493 | 34.40% | 37,14,493 | 34.40% | 0% |
| Ultimate Investments LLP | 501980 | 4.65% | 5,01,980 | 4.65% | 0% |

| Promoter Name | As at March 31, 2021 | | As at March 31, 2020 | | % Change during the year |
|---|---|---|---|---|---|
| | No. of Shares | %of total shares | No. of Shares | %of total shares | |
| Abhishek Bansal | 10,00,666 | 9.27% | 10,00,666 | 9.27% | 0% |
| Anju Bhaskar | 59,100 | 0.55% | 59,100 | 0.55% | 0% |
| Anu Lance | 56,000 | 0.52% | 56,000 | 0.52% | 0% |
| Chaman Lal Jain | 16,89,818 | 15.65% | 16,89,818 | 15.65% | 0% |
| Hari Bansal | 9,96,118 | 9.23% | 9,96,118 | 9.23% | 0% |
| Urmila Jain | 37,14,493 | 34.40% | 37,14,493 | 34.40% | 0% |
| Ultimate Investments LLP | 5,01,980 | 4.65% | 5,01,980 | 4.65% | 0% |

| **Note 14 : Other Equity** | **As At March 31, 2022** | **As At March 31, 2021** |
|---|---|---|
| Capital Reserve | 57.99 | 57.99 |
| Securities Premium | 1,318.51 | 1,318.51 |
| Retained Earnings | 3,661.44 | (66.90) |
| **Total** | **5,037.94** | **1,309.60** |

**Note:**

i) For Movement during the period in Other Equity, refer "Statement of Change in Equity".

ii) **Nature and purpose of reserves**

**a) Capital Reserve:**

During 2000-01, specific reserves such as investment allowance reserve, investment allowance utilization reserve, generator subsidy and capital subsidy were transferred into capital reserve.

**b) Securities Premium:**

The amount received in excess of face value of the equity shares is recognised in securities premium. The reserve will utilised in accordance with provisions of the companies Act 2013.

**c) Retained Earnings:**

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

(All amounts in ₹ lakh, unless otherwise stated)

| Note 15 : Provisions | Non-Current | | Current | |
|---|---|---|---|---|
| | As At March 31, 2022 | As At March 31, 2021 | As At March 31, 2022 | As At March 31, 2021 |
| Provision for Compensated Absences (Refer Note No. 25) | 6.07 | 5.50 | 0.91 | 0.76 |
| Provision for Gratuity (Refer Note No. 25) | 9.48 | 8.78 | 3.54 | 3.41 |
| | **15.55** | **14.28** | **4.45** | **4.17** |

| Note 16 : Trade Payables | As At March 31, 2022 | As At March 31, 2021 |
|---|---|---|
| - Outstanding Dues to Micro and Small Enterprises | - | - |
| - Total Outstanding Dues to Parties Other than Micro and Small Enterprises | 7.91 | 7.04 |
| | **7.91** | **7.04** |

**Trade Payables ageing schedule as on March 31, 2022**

| | Outstanding for following periods from due date of payment | | | | | |
|---|---|---|---|---|---|---|
| | Not Due | Less than 1 year | 1-2 years | 2-3 years | Unbilled Dues | Total |
| (i) MSME | | - | - | - | - | - |
| (ii) Others | 6.47 | - | - | - | 1.44 | **7.91** |
| (iii) Disputed dues — MSME | | - | - | - | - | - |
| (iv) Disputed dues — Others | | - | - | - | - | - |

**Trade Payables ageing schedule as on March 31, 2021**

| | Outstanding for following periods from due date of payment | | | | | |
|---|---|---|---|---|---|---|
| | Not Due | Less than 1 year | 1-2 years | 2-3 years | Unbilled Dues | Total |
| (i) MSME | | - | - | - | - | - |
| (ii) Others | 5.60 | - | - | - | 1.44 | **7.04** |
| (iii) Disputed dues — MSME | | - | - | - | - | - |
| (iv) Disputed dues — Others | - | - | - | - | - | - |

(a) As per Schedule III of the Companies Act, 2013 and as certified by the management, the amount due to Micro, & small enterprises as defined in Micro, Small and Medium Enterprises Development Act, 2006 is as under:

| | As At March 31, 2022 | As At March 31, 2021 |
|---|---|---|
| - The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year. | - | - |
| - The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year. | - | - |
| - The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006. | - | - |
| - The amount of interest accrued and remaining unpaid at the end of each accounting year. | - | - |
| - The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006. | - | - |

(b) 'Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act and as per the intimation received from them on requests made by the Company. There are no overdue principal amounts / interest payable amounts for delayed payments to such vendors at the Balance Sheet date except disclosed above.

(c) The amount does not include any amount due to be transferred to Investor Protection and Education fund.

| **Note 17 : Other Current Liabilities** | **As At March 31, 2022** | **As At March 31, 2021** |
|---|---|---|
| Advance Agst Property (Refer foot note of Note 3) | 150.00 | 993.05 |
| Statutory dues payable | 3.13 | 7.55 |
| | **153.13** | **1,000.60** |

(All amounts in ₹ lakh, unless otherwise stated)

| Note 18: Other Income | | For The Year Ended March 31, 2022 | For The Year Ended March 31, 2021 |
|---|---|---|---|
| Interest on | | | |
| - Fixed Deposits | | 168.66 | 25.14 |
| - Tax Free Bonds | | 16.08 | 14.05 |
| - Others | | - | 0.18 |
| Rental Income | | 30.68 | - |
| Excess liability written back | | 0.46 | 0.04 |
| Miscelleneous Income | | 0.53 | 0.03 |
| | | **216.40** | **39.44** |

| Note 19 : Employee Benefits Expense | | For The Year Ended March 31, 2022 | For The Year Ended March 31, 2021 |
|---|---|---|---|
| Salary, Wages & Bonus | | 24.20 | 19.80 |
| Contribution to Provident & Other Funds | | 1.70 | 1.64 |
| Gratuity (Refer Note No. 25) | | 1.58 | 1.40 |
| Compensated Absences (Refer Note No. 25) | | 0.71 | 0.39 |
| Staff Welfare Expenses | | 0.33 | 0.17 |
| | | **28.52** | **23.40** |

| Note 20 : Depreciation and Amortisation Expense | | For The Year Ended March 31, 2022 | For The Year Ended March 31, 2021 |
|---|---|---|---|
| Depreciation on Tangible Assets (Refer Note 3) | | 4.73 | 11.83 |
| Depreciation on Investment Property (Refer Note 4A) | | 8.18 | 8.18 |
| | | **12.91** | **20.01** |

| Note 21 : Other Expenses | | For The Year Ended March 31, 2022 | For The Year Ended March 31, 2021 |
|---|---|---|---|
| Electricity & Water Expenses | | 9.22 | 11.39 |
| Repairs & Maintenance - Others | | 1.69 | 0.59 |
| Insurance | | 0.05 | 0.21 |
| Legal & Professional Charges | | 9.89 | 7.67 |
| Commission and brokerage | | | - |
| Rates and taxes | | 3.00 | 3.00 |
| Payment to Auditors (Refer Note below) | | 2.50 | 2.75 |
| Travelling & conveyance expenses | | 2.17 | 0.22 |
| Vehicle Running Expenses | | 2.08 | 1.29 |
| Security Service | | 5.63 | 6.58 |
| Allowance for Capital Advance | | 205.08 | - |
| Amount written off | 47.90 | | 2.84 |
| Less: Allowances for doubtful advances written back | (33.06) | 14.84 | - |
| Miscellaneous Expenses | | 6.13 | 5.95 |
| | | **262.28** | **42.49** |

(All amounts in ₹ lakh, unless otherwise stated)

| a) Details of payment made to auditors is as follows: | For The Year Ended March 31, 2022 | For The Year Ended March 31, 2021 |
|---|---|---|
| **As Auditor:** | | |
| - For Audit | 1.60 | 1.60 |
| - For Taxation Matters | - | 0.25 |
| - For Other Services | 0.90 | 0.90 |
| | **2.50** | **2.75** |

| Note 22 : Exceptional Item | For The Year Ended March 31, 2022 | For The Year Ended March 31, 2021 |
|---|---|---|
| Profit/(Loss) on Sale of Property, Plant and Equipment (net of expenses ₹ 213.86 lakh) | 4,651.83 | 1.18 |
| Profit/(Loss) on Sale of Investment | - | 2.58 |
| | **4,651.83** | **3.76** |

**Note 23: Income tax**

**The major components of income tax expense for the years ended March 31, 2022 and March 31, 2021 are:**

**23.1 Income tax recognised in profit or loss**

| | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|
| **Tax Expense:** | | |
| a) Current tax | 831.14 | - |
| b) Deferred tax | (5.61) | (145.57) |
| **Income tax expense reported in the statement of profit or loss** | **825.53** | **(145.57)** |

**23.2 Income tax recognised in other comprehensive income**

| | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|
| Income-tax on Re-measuresemnt of Defined Benefit Plans | (0.19) | 0.23 |
| | **(0.19)** | **0.23** |

**Reconciliation of tax expense and the accounting profit multiplied by India’s domestic tax rate for March 31, 2022 and March 31, 2021**

(All amounts in ₹ lakh, unless otherwise stated)

| | As At March 31, 2022 | As At March 31, 2021 |
|---|---|---|
| Accounting profit before tax from continuing operations | 4,564.52 | (42.70) |
| **Accounting profit before income tax** | **4,564.52** | **(42.70)** |
| At India's statutory income tax rate of 25.168% (March 31, 2021: 25.168%) | 1,148.80 | (10.75) |
| Adjustments in respect of current income tax of previous years | - | - |
| Mat Credit Entitlement written off | - | - |
| Exempt income | 4.05 | (3.54) |
| **Non-deductible/Taxable expenses for tax purposes:** | | |
| Expenses not allowed for tax purpose | 0.59 | - |
| Deferred tax expense on Investment Property | (3.74) | (12.93) |
| Deferred tax asset charged on Investment in shares | (31.94) | 8.59 |
| Deferred tax asset created on Assets held for sale | (20.82) | (117.42) |
| Impact of lower tax rate on capital gain | (271.32) | - |
| Tax impact on losses of current year | - | (9.53) |
| At the effective income tax rate | 825.62 | (145.57) |
| Income tax expense reported in the statement of profit and loss | 825.53 | (145.57) |
| Variance | - | - |

The tax rate used for the current year reconciliation above is the corporate tax rate of 25.168% (March 31, 2021: 25.168%) payable by corporate entities in India on taxable profits under the Indian tax law.

**Note 24 : Earnings per share (EPS)**

Earning per share (EPS) is determined based on the net profit attributable to the shareholder before other comprehensive Income. Basic earning per share is computed using the weighted average number of equity shares outstanding during the year whereas Diluted Earning per share is computed using the weighted average number of common and dilutive equivalent shares except for the case where the result becomes anti- dilutive.

| | For The Year Ended March 31, 2022 | For The Year Ended March 31, 2021 |
|---|---|---|
| Profit attributable to the equity holders | 3,727.78 | 102.87 |
| Weighted average number of equity shares for basic and diluted EPS (in absolute numbers) | 1,07,96,574 | 1,07,96,574 |
| **Basic and diluted earnings per share (in ₹) (face value ₹ 5 per share)** | **34.53** | **0.95** |

**Note 25 : Gratuity and Other Post-Employment Benefit Plans**

**a) Defined Contribution Plans**

The company makes contribution towards provident fund/ pension fund. Under the scheme, the company is required to contribute a specified percentage of payroll cost, as specified in the rules of the schemes, to the defined contribution scheme.The company during the year recognised the following amount in the Standalone Statement of profit and loss account under company's contribution to defined contribution plan.

| | For The Year Ended March 31, 2022 | For The Year Ended March 31, 2021 |
|---|---|---|
| Provident Fund | 1.44 | 1.40 |
| Other funds | 0.26 | 0.24 |
| **Total** | **1.70** | **1.64** |

**b) Defined benefit plans**

In accordance with Ind AS 19 "Employee benefits", an actuarial valuation on the basis of "Projected Unit Credit Method" was carried out, through which the company is able to determine the present value of obligations. "Projected Unit Credit Method" recognizes each period of service as giving rise to additional unit of employees benefit entitlement and measures each unit separately to built up the final obligation.

**i) Gratuity scheme**

The company operates gratuity plan wherein every employee is entitled to the benefit equivalent to 15 days salary last drawn for each completed year of service. The same is payable on termination of service, or retirement, or death, whichever is earlier. The benefit vests after five years of continuous service.

**(ii) Compensated Absences**

The Company operates compensated absences plan wherein every employee is entitled to the benefit equivalent to 26 days leave salary for every completed year of service subject to maximum 90 accumulations of leaves. The salary for calculation of earned leave is last drawn salary. The same is payable during the service, early retirement, withdrawal of scheme, resignation by employee and upon death of employee.

**c)** The following tables summarize the components of net benefit expense recognised in the Statement of profit and loss and the funded status and amounts recognised in the balance sheet for the defined benefit plan (viz. gratuity and compensated absences).Compensated Absences include earned leaves and sick leaves. These have been provided on accrual basis, based on year end actuarial valuation.

| | As At March 31, 2022 | As At March 31, 2021 |
|---|---|---|
| | **Gratuity** | **Gratuity** |
| | **(Unfunded)** | **(Unfunded)** |
| **Change in benefit obligation** | | |
| 1 Opening defined benefit obligation | 12.20 | 11.71 |
| 2 Acquisition Adjustment | - | - |
| 3 Add: Interest cost | 0.82 | 0.79 |
| 4 Add: Current service cost | 0.76 | 0.61 |
| 5 Add: Past service cost | - | - |
| 6 Less: Benefits paid | - | - |
| 7 Add: Actuarial (gain) / loss | (0.75) | (0.90) |
| **Present value of obligation as at the end of the year** | **13.02** | **12.20** |

**d) The following tables summarise the components of net benefit expense recognised in the Statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plans:**

| | As At March 31, 2022 | As At March 31, 2021 |
|---|---|---|
| | **Gratuity** | **Gratuity** |
| | **(Unfunded)** | **(Unfunded)** |
| **Cost for the year included under employee benefit** | | |
| Add: Current service cost | 0.76 | 0.61 |
| Add: Past service cost | - | - |
| Add: Interest cost | 0.82 | 0.79 |
| Less: Return on plan assets | - | - |
| Add: Actuarial (gain) / loss | (0.75) | (0.90) |
| **Net cost** | **0.83** | **0.50** |

(All amounts in ₹ lakh, unless otherwise stated)

**e) Detail of actuarial gain/loss recognised in OCI is as follows:**

| | | As At March 31, 2022 Gratuity (Unfunded) | As At March 31, 2021 Gratuity (Unfunded) |
|---|---|---|---|
| 1 | Actuarial gain / (loss) for the year – obligation | (0.75) | (0.90) |
| 2 | Actuarial gain / (loss) for the year - plan assets | - | - |
| 3 | **Total gain / (loss) for the year** | **(0.75)** | **(0.90)** |
| 4 | Actuarial gain / (loss) recognised in the year | (0.75) | (0.90) |
| 5 | Unrecognised actuarial gains / (losses) at the end of year | - | - |

**f) Principal actuarial assumptions at the balance sheet date are as follows:**

| | | As At March 31, 2022 Gratuity (Unfunded) | As At March 31, 2021 Gratuity (Unfunded) |
|---|---|---|---|
| **Economic assumptions** | | | |
| 1 | Discount rate | 6.86% | 6.70% |
| 2 | Rate of increase in compensation levels | 8.00% | 8.00% |
| **Demographic assumptions** | | | |
| 1 | Expected average remaining working lives of employees (years) | 9.18 | 13.72 |
| 2 | Retirement Age (years) | 60 | 60 |
| 3 | Mortality Rate | | |
| | | **Indian Assured Lives Mortality (2012-2014)** | |
| **Withdrawal Rate** | | | |
| 1 | Ages up to 30 Years | 3.00% | 3.00% |
| 2 | Ages from 31-44 Years | 2.00% | 2.00% |
| 3 | Above 44 years | 1.00% | 1.00% |

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

**g) Net (assets) / liabilities recognized in the Balance Sheet and experience adjustments on actuarial gain / (loss) for benefit obligation and plan assets.**

| | As At March 31, 2022 Gratuity (Unfunded) | As At March 31, 2021 Gratuity (Unfunded) |
|---|---|---|
| Present value of obligation | (13.02) | (12.20) |
| Less: Fair value of plan assets | - | - |
| Net (assets) / liability | **(13.02)** | **(12.20)** |

(All amounts in ₹ lakh, unless otherwise stated)

**h) A quantitative sensitivity analysis for significant assumption as is as shown below:**

| | As At March 31, 2022 | As At March 31, 2021 |
|---|---|---|
| | Gratuity | Gratuity |
| | (Unfunded) | (Unfunded) |
| **A. Discount rate** | | |
| Effect on DBO due to 0.5% increase in Discount Rate | (0.28) | (0.28) |
| Effect on DBO due to 0.5% decrease in Discount Rate | 0.29 | 0.29 |
| **B. Salary escalation rate** | | |
| Effect on DBO due to 0.5% increase in Salary Escalation Rate | 0.29 | 0.29 |
| Effect on DBO due to 0.5% decrease in Salary Escalation Rate | (0.28) | (0.28) |

**i) The expected contributions to the defined benefit plan for the next financial year is ₹ Nil ( March 31, 2021: ₹ 1.61 lakh)**

**j) Maturity profile of defined benefit obligation is as follows:**

| | As At March 31, 2022 | As At March 31, 2021 |
|---|---|---|
| | Gratuity | Gratuity |
| **Years** | **(Unfunded)** | **(Unfunded)** |
| 0 to 1 years | 3,54,376 | 3,41,476 |
| 1 to 2 years | 17,813 | 16,309 |
| 2 to 3 years | 17,175 | 16,542 |
| 3 to 4 years | 6,02,365 | 16,026 |
| 4 to 5 years | 4,974 | 5,82,437 |
| 5 to 6 years | 5,064 | 3,944 |
| 6 year onwards | 3,00,635 | 2,42,816 |

**Note 26 : Contingent Liabilities (to the extent not provided for) and Commitments**

**I) Commitments**

a) Estimated amount of contracts remaining to be executed on capital account (net of advances) and which have not been provided for in the financial statements, amounts to ₹ 45.23 Lakh (March 31, 2021: ₹ 3,245.23 Lakh). The Company does not have any other long term commitments or material non-cancellable Contractual Commitments, which may have a material impact on the standalone financial statements.

**II) Contingent Liabilities**

The Company has reviewed all its pending claims, litigations and other proceedings and has adequately provided for wherever required. However, wherever it is difficult for the Company to estimate the timings of cash outflows, if any, in respect of the below as it is determinable only on receipt of judgement/decisions pending with various forums/authorities, the Company has disclosed the same as Contingent Liabilities (pending resolution of the respective proceedings).

The Company does not expect the outcome of these proceedings to have a material or adverse effect on financial position of the Company. Also, the Company does not expect any reimbursements in respect of the below contingent liabilities.

| | As At March 31, 2022 | As At March 31, 2021 |
|---|---|---|
| (i) Claims against the Company, not accepted and not provided | 77.42 | 77.42 |

(All amounts in ₹ lakh, unless otherwise stated)

**Note 29 : Related Party Disclosures**

**a) Name of the Related Parties and Description of Relationship:**

| Name of Related Party | Nature of relationship |
|---|---|
| Wholly Owned Subsidary Company | Aum Texfab Private Limited |
| Key Management Personnel | Mr. C.L.Jain,Chairman and Managing Director |
| | Mrs.Urmila Jain - Director |
| | Mr. Atul Jain, Chief Financial Officer |
| | Mr. Hari Bansal - Director |
| | Mrs. Twinkle Bhardwaj, Company Secretary (w.e.f November 02, 2019 and upto March 04, 2021) |
| | Mrs. Taranjeet Kaur, Company Secretary (w.e.f March 5,2021) |

**b) Transactions with related parties (Including bifurcation of material transaction)**

| Name of Related Party | Relationship | Nature of Transaction | For the Year ended March 31, 2022 | For the Year ended March 31, 2021 |
|---|---|---|---|---|
| Sh.Chaman Lal Jain | Managing Director | Salary | 4.00 | Nil |
| Mr. Hari Bansal | Director | Reimburesement of Expenses Incurred on our behalf | NIL | 1.72 |
| Mrs. Urmila Jain | Director | Reimburesement of Expenses Incurred on our behalf | NIL | 0.56 |
| Mr. Atul Jain | Chief Financial Officer | Salary | 6.30 | 6.30 |
| | | Reimburesement of Expenses Incurred on our behalf | Nil | 0.51 |
| Mrs. Twinkle Bhardwaj | Company Secretary | Salary | Nil | 2.65 |
| Mrs. Taranjeet Kaur | Company Secretary | Salary | 1.70 | 0.12 |
| Aum Texfab Private Limited | Subsidiary | Reimburesement of Expenses Incurred on their behalf | 0.80 | 0.77 |

**c) Year end balances of related parties**

| Name of Related Party | Nature of Balance | For the Year ended March 31, 2022 | For the Year ended March 31, 2021 |
|---|---|---|---|
| Mr. Atul Jain | Salary payable | 0.49 | 0.49 |
| Mrs. Taranjeet Kaur | Salary payable | 0.14 | 0.12 |
| Sh.Chaman Lal Jain | Director Remunaration payable | 2.00 | NIL |

**d) Terms and conditions of transactions with related parties**

All the transaction with the related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and carried no interest. No expenses has been recognized in the current year in respect of bad or doubtful debts/advances and further no specific provision for doubtful debts/advances has been made in respect of outstanding balances.

**(All amounts in ₹ lakh, unless otherwise stated)**

**Note 27 : Segment Information**

The company is engaged in the business of Export of Garments and operates within India. The company has determined single reporting segments based on the information reviewed by the Group’s Chief Operating Decision Maker (‘CODM’) and hence there is no other reportable segment as per Ind AS 108 "Operating Segment".

Major Customer: No single customers contributed 10% or more to the company's revenue for both March 31, 2022 and March 31, 2021.

**Note 28: Capital Management**

The company's objective for managing capital is to

- Ensure ability to continue as a going concern, so that the company can continue to provide returns to shareholders and benefits for other stakeholders, and
- maintain optimal capital structure to reduce the cost of capital.

The company manages its capital structure and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The company monitors capital structure using Gearing Ratio, which is calculated as under:

| | As At March 31, 2022 | As At March 31, 2021 |
|---|---|---|
| Borrowings | - | - |
| Less: Cash and Bank Balance | - | - |
| **Adjusted Net debt (A)** | **-** | **-** |
| Equity Share Capital | 540.00 | 540.00 |
| Other Equity | 5,037.94 | 1,309.59 |
| **Total Capital (B)** | **5,577.94** | **1,849.59** |
| **Net Debt and Capital (C= A+B)** | **5,577.94** | **1,849.59** |
| **Gearing ratio** | **0.00** | **0.00** |

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2022 and March 31, 2021.

For the purpose of capital management, capital includes issued equity capital and all other reserves attributable to the equity holders of the company.

**Note 30 : Fair Values Disclosure**

**a) Financial Instruments by category**

Set out below, is a comparison by class of the carrying amounts and fair value of the company’s financial instruments. Here the disclosure is made for non-current financial assets and non-current financial liabilities, carrying value of current financial assets and current financial liabilities including trade receivable, cash and cash equivalent, other bank balances, other financial assets, trade payables, current borrowing, other current financial liabilities etc. which represent the best estimate of fair value.

The Management assessed that fair value of these short term financial assets and liabilities significantly approximate their carrying amount largely due to short term maturities of these instruments and are measured at amortised cost.

**b) Fair value of Financial Assets:**

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the standalone financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels prescribed under the accounting standard.

**(All amounts in ₹ lakh, unless otherwise stated)**

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: Valuation techniques for which the lowest level input that has a significant effect on the fair value measurement are observable, either directly or indirectly.

Level 3: Valuation techniques for which the lowest level input which has a significant effect on the fair value measurement is not based on observable market data.

**As at March 31, 2022:**

| **Particulars** | **Carrying amount** | | | **Fair value** | | | |
|---|---|---|---|---|---|---|---|
| | **Other financial assets - amortised cost** | **Other financial liabilities- amortised cost** | **Total carrying amount** | **Level 1** | **Level 2** | **Level 3** | **Total** |
| **Financial assets Measured At Amortised Cost** | | | | | | | |
| Investment in Equity Share | 76.22 | - | 76.22 | - | - | - | - |
| Investment Others | 238.20 | - | 238.20 | - | - | - | - |
| Security Deposits | 16.59 | - | 16.59 | - | - | - | - |
| Others | 121.18 | - | 121.18 | - | - | - | - |
| Cash and Cash Equivalents | 18.38 | - | 18.38 | - | - | - | - |
| Bank balance other than Cash and cash equivalent | 4,389.41 | - | 4,389.41 | - | - | - | - |
| | **4,859.98** | **-** | **4,859.98** | **-** | | | |
| **Financial Liabilities Measured At Amortised Cost** | | | | | | | |
| Trade payables | - | 7.91 | 7.91 | - | - | - | - |
| | **-** | **7.91** | **7.91** | **-** | **-** | **-** | **-** |

**As at March 31, 2021:**

| **Particulars** | **Carrying amount** | | | **Fair value** | | | |
|---|---|---|---|---|---|---|---|
| | **Other financial assets - amortised cost** | **Other financial liabilities- amortised cost** | **Total carrying amount** | **Level 1** | **Level 2** | **Level 3** | **Total** |
| **Financial assets Measured At Amortised Cost** | | | | | | | |
| Investment in Equity Share | 76.22 | - | 76.22 | - | - | - | - |
| Investment Others | 188.20 | - | 188.20 | - | - | - | - |
| Security Deposits | 13.44 | - | 13.44 | - | - | - | - |
| Others | 32.86 | - | 32.86 | - | - | - | - |
| Cash and Cash Equivalents | 7.41 | - | 7.41 | - | - | - | - |
| Bank balance other than Cash and cash equivalent | 797.27 | - | 797.27 | - | - | - | - |
| | **1,115.40** | **-** | **1,115.40** | **-** | **-** | **-** | **-** |
| **Financial Liabilities Measured At Amortised Cost** | | | | | | | |
| Trade payables | - | 7.04 | 7.04 | - | - | - | - |
| | **-** | **7.04** | **7.04** | **-** | **-** | **-** | **-** |

**(All amounts in ₹ lakh, unless otherwise stated)**

**c) Discount Rate Used in Determining Fair Value**

The interest rate used to discount estimated future cash flows, where applicable, are based on the incremental borrowing rate of borrower which in case of financial liabilities is average market cost of borrowings of the company and in case of financial asset is the average market rate of similar credit rated instrument. The company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available.

The company has an established control framework with respect to the measurement of fair values. The finance and accounts team that has overall responsibility for overseeing all significant fair value measurements and reports directly to the board of directors. The team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified. Significant valuation issues are reported to the company's board of directors

**The following methods and assumptions were used to estimate the fair values:**

a) Fair value for security deposits (other than perpetual security deposits) has been presented based on the discounting factor as at the reporting date. Fair value for all other non-current assets and liabilities is equivalent to the amortised cost, interest rate on them is equivalent to the market rate of interest.

b) For other financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

**Note 31: Financial risk management objectives and policies**

The company's principal financial liabilities comprise trade and other payables. The main purpose of these financial liabilities is to finance the company's operations and to provide guarantees to support its operations.

The company's principal financial assets includes loans, security deposits, trade receivables, cash and cash equivalents, deposits with bank, interest accrued in deposits, receivables from related and other parties and interest accrued thereon.

The company is exposed to credit risk, liquidity risk and market risk.

**A. Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk borrowings, short term deposits and derivative financial instruments.

The sensitivity analyses in the following sections relate to the position as at March 31, 2022 and March 31, 2021.

**i) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. However, the company doesn't have any interest rate risk.

**ii) Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The company's exposure to the risk of changes in foreign exchange rates relates primarily to the company's operating activities (when revenue or expense is denominated in a foreign currency)

The company is not exposed to foreign currency sensitivity because company does not have any outstanding foreign currency exposure as on March 31, 2022 and March 31, 2021.

**B. Credit risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and other financial instruments.

(All amounts in ₹ lakh, unless otherwise stated)

i) **Trade receivables**

Customer credit risk is managed by each business unit subject to the company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating. Outstanding customer receivables are regularly monitored.

ii) **Financial instruments and cash deposits**

Credit risk from balances with banks and financial instruments is managed by the company's treasury department in accordance with the company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the company's finance committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

## C. Liquidity risk

Liquidity risk is the risk that the company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses.

The company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including loans from banks at an optimised cost.

**The table below summarises the maturity profile of the company's financial liabilities based on contractual undiscounted payments.**

| As at March 31, 2022 | On demand | Less than 3 months | 3 to 12 months | 1 to 5 years | > 5 years | Total |
|---|---|---|---|---|---|---|
| Trade Payables | - | 7.91 | - | - | - | 7.91 |
| **Total** | **-** | **7.91** | **-** | **-** | **-** | **7.91** |

| As at March 31, 2021 | On demand | Less than 3 months | 3 to 12 months | 1 to 5 years | > 5 years | Total |
|---|---|---|---|---|---|---|
| Trade payables | - | 7.04 | - | - | - | 7.04 |
| **Total** | **-** | **7.04** | **-** | **-** | **-** | **7.04** |

**Note 32: Ratio Analysis**

| Description | Numerator | Denominator | March 31, 2022 | March 31, 2021 | % change | Reason for variance |
|---|---|---|---|---|---|---|
| Current ratio | Current Assets | Current Liabilities | 27.40 | 0.93 | 2835.06% | Improved due to investment of surplus fund. |
| Return on Equity ratio | Net Profits after taxes – Preference Dividend | Average Shareholder's Equity | 25.09% | 1.43% | 23.66% | |
| Return on Capital Employed | Earnings before interest and taxes | Capital Employed * | 81.83% | -2.31% | 84.14% | Improved on account of improvement in the working capital |
| Return on investment | Earnings from investment | Average Investment | 1.54% | 0.47% | 1.07% | |

(All amounts in ₹ lakh, unless otherwise stated)

* Tangible Net Worth + Total Debt + Deferred Tax Liability

**Note 33:**

No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries).

The Company has not received any fund from any party (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entity identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

**Note 34:**

Details of disclosure pursuant to Regulation 34 of the SEBI (Listing, Obligations & Disclosure Requirements) Regulations, 2015 and disclosure under section 186(4) of the Act:

| | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| **Particulars** | **Aum Texfab Private Limited** | |
| **Investments:** | | |
| Investments at the beginning of the year | 75.24 | 75.24 |
| **Investments at the end of the year** | **75.24** | **75.24** |

There are no guarantees and loans and advances which are given to the aforementioned subsidiary.

**Note 35 :**

In view of the Management, the current assets have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the balance sheet as at March 31, 2022.

**Note 36 :**

The Standalone Financial Statements of the company for the year ended 31st March, 2022 were approved by the Board of Directors and authorised for issue on May 30, 2022.

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

**Sd/-**
**(Chaman Lal Jain)**
**Managing Director**
**DIN 00022903**

**Sd/-**
**(V.B. Aggarwal)**
**Independent Director**
**DIN 00022967**

**Place of Signature: New Delhi**
**Date: May 30, 2022**

**Sd/-**
**(Taranjeet Kaur)**
**Company Secretary**
**ICSI M. No. 008991**

**Sd/-**
**(Atul Jain)**
**Chief Financial Officer**

**Independent Auditor's Report on Consolidated Financial Results of The Company Pursuant to The Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

**To The Board of Directors of Addi Industries Limited**

**Opinion**

We have audited the accompanying consolidated financial results of Addi Industries Limited (hereinafter referred to as "Holding Company") and its subsidiary (the holding company and its subsidiary collectively referred as the Group) for the year ended March 31, 2022, attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate audited financial statements of the subsidiary, the aforesaid consolidated financial results:

a. include the annual financial information of one subsidiary company namely Aum Texfab Private Limited.

b. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and

c. gives a true and fair view in conformity with recognition and measurement principles laid down in the Indian Accounting Standards under Section 133 of the Companies Act, 2013 (the "Act") and other accounting principles generally accepted in India, of the net profit (including other comprehensive income) and other financial information for the year ended March 31, 2022.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Results section of our report. We are independent of the Group 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 consolidated financial results under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in "Other Matter" paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated annual financial results.

**Material Uncertainty Related to Going Concern**

We draw attention to Note 5 to the financial results, which specify that the Holding Company is in process of exploring the modalities to start new business venture, however the Holding Company has not yet implemented the same. This situation indicates the existence of material uncertainty that may cast significant doubt about the Holding Company's ability to continue as a going concern. However, in view of future business opportunities, having significant cash & bank balances with positive net worth and no borrowings, the Management is of the view that going concern basis of accounting is appropriate for preparation of the accompanying consolidated financial results. Our opinion is not modified in respect of this matter.

**Management's Responsibility for the Consolidated Financial Results**

These Consolidated financial results have been prepared on the basis of the consolidated annual financial statements. The Holding Company's Board of Directors are responsible the preparation and presentation of these consolidated financial results that give a true and fair view of the net profit (including other comprehensive income) and other financial information of the Group in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Board of Directors of the Companies of the Holding Company and its subsidiary are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial results that give a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial results, the respective Board of Directors of the Holding Company and its subsidiary are responsible for assessing the ability of the Group, to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Holding Company and its subsidiary are also responsible for overseeing the financial reporting process of the Group.

**Auditor's Responsibilities for the Audit of the Consolidated Financial Results**

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

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 consolidated financial results, 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 Group 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 in the consolidated financial results made by the Management and board of directors.
- Conclude on the appropriateness of Board of Director'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 ability of the Group 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 consolidated financial results 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial results, including the disclosures, and whether the consolidated financial results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results of the entities or business activities within the Group to express an opinion on the consolidated financial results. We are responsible for the direction, supervision and performance of the audit of the financial results of such entities included in the consolidated financial results of which we are the independent auditors. For the other entities included in the consolidated financial results, which have been audited by other auditors, such other auditors are responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company of which we are the independent auditors 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.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.

**Other Matters**

(a) We did not audit the financial results of one subsidiary included in the consolidated financial results, whose financial results reflect total assets (before eliminating of inter-company transaction of ₹ Nil) of ₹ 124.91 lakh as at March 31, 2022, total revenues (before eliminating of inter-company transaction of ₹ Nil & ₹ Nil) of ₹ 3.21 lakh & ₹ 12.95 lakh, total net profit after tax (before eliminating of inter-company transaction of ₹ Nil & ₹ Nil) of ₹ 2.85 lakh & ₹ 11.69 lakh and total comprehensive income (before eliminating of inter-company transaction of ₹ Nil & ₹ Nil) of ₹ 2.85 lakh & ₹ 11.69 lakh for the quarter & year ended March 31, 2022 respectively, as considered in the consolidated financial results. These financial results has been audited by other auditor whose report has been furnished to us by the Management and our opinion on the consolidated financial results, in so far as it relates to the amounts and disclosures included in respect of such subsidiary, and our report in terms of sub section (3) of the Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the report of other auditor.

Our opinion on the consolidated financial results is not modified in respect of the above matter with respect to our reliance on the work done and the report of the other auditor

(b) The consolidated financial results include the results for the quarter ended March 31, 2022 being the balancing figures between audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

**For B.R. Gupta & Co.**
**Chartered Accountants,**
**Firm's Registration Number 008352N**

**Sd/-**
**(Deepak Agarwal)**
**Partner**
**Membership Number 073696**
**UDIN: 22073696AJWYNU5545**

**Place of Signature: New Delhi**
**Date: May 30, 2022**

# Independent Auditor's Report

**To The Members of Addi Industries Limited**

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

**Opinion**

We have audited the accompanying consolidated financial statements of Addi Industries Limited ("the Holding Company") and its Subsidiary (Holding Company and its subsidiary together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2022, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and notes to the consolidated financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2022, of the consolidated profit (consolidated financial performance including other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the consolidated financial statements section of our report. We are independent of the Group 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 consolidated 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 consolidated financial statements.

**Material Uncertainty Related to Going Concern**

We draw attention to Note 2 in the Consolidated financial statements, which specify that the Holding Company is in process of exploring the modalities to start new business venture, however the Holding Company has not yet implemented the same. This situation indicate the existence of material uncertainty that may cast significant doubt about the Holding Company's ability to continue as a going concern. However, in view of future business opportunities, having significant cash & bank balances with positive net worth and no borrowings, the Management is of the view that going concern basis of accounting is appropriate for preparation of the accompanying consolidated financial statement. Our opinion is not modified in respect of this matter.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended March 31, 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each key audit matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the 'Auditor's responsibilities for the audit of the consolidated financial statements' section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

<table>
<tr><th>S. No.</th><th>Key Audit Matters</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td>1.</td><td>Judgment in valuation of deferred income tax positions<br><br>(Refer to the accompanying Note 7 forming integral part of the consolidated financial statements)<br><br>The Company's deferred income tax assets are netted with deferred income tax liabilities as at March 31, 2022. Under Ind AS, the Company is required to annually determine the valuation of deferred tax positions. This area was significant to our audit because of the subjectivity of the components forming part of deferred income tax assets/liabilities including assumptions that are affected by expected future market or economic conditions and the estimates/actual position which effects the reversal of deferred taxes.</td><td>Our procedure in relation to the appropriateness of judgements in valuation and accounting of deferred income tax include:<br><br>a) Substantive testing:<br>o Evaluated computation of deferred income tax and challenged the key estimates such as, tax rates.<br>o Evaluated the assumptions and methodologies used by the Company for the purpose of calculation of deferred taxes;<br>o Assessed the recoverability of deferred tax assets of the Company by reviewing their profitability, management's forecasts and local fiscal developments;<br>o Projections were assessed using a number of scenarios to cover reasonable changes in the assumptions underlying the projections. These changes mainly relate to variations in revenue growth percentages and operating margin percentages. The deferred tax assets are only recognized to the extent that it is considered probable that future taxable profits will be available, against which these deferred tax assets can be utilized;<br>o Assessed and tested the adequacy of the Company's disclosures on deferred income tax positions and assumptions used;<br>o Involved our tax professionals with specialized skills to evaluate the correctness and reasonableness of the calculations, judgements and estimates applied in determining deferred income tax;<br>o Assessed Company's disclosures in respect of deferred income tax.<br><br>b) Controls testing: Wherever appropriate, our substantive work was supplemented by controls testing work which encompassed understanding, evaluating and testing key controls in respect of judgement, estimates, calculation and presentation of deferred income tax.<br><br>Our procedures as mentioned above did not identify any findings that are significant for the consolidated financial statements as whole in respect of judgement, estimates, calculation and presentation of deferred income tax as per Ind AS 12.</td></tr>
</table>

**Information other than Consolidated Financial Statements and Auditor's Reports thereon**

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the 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.

**Responsibility of Management and Those Charged with Governance for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India, including the Ind AS specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the Companies included in the group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing their financial reporting process of the Group.

**Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

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

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 consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Companies included in the Group has adequate internal financial controls with reference to the consolidated 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 ability of the Group 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 consolidated 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 Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors are responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

**Other Matters**

We did not audit the financial statements of one subsidiary, whose financial statement reflects total assets (before eliminating inter-company balances ₹ Nil) of ₹ 124.91 lakh as at March 31, 2022, total revenue (before eliminating inter-company transaction ₹ Nil) of ₹ 12.95 lakh and net cash flow amounting (before eliminating inter-company balances ₹ Nil) to ₹ 0.96 lakh for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose report has been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditor.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the report of the other auditor.

**Report on Other Legal and Regulatory Requirements**

1. With respect to the matters specified in the paragraph 3(xxi) and 4 of the Companies (Auditor’s Report) Order, 2020 (“the Order”/”CARO”), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, to be included in the Auditor’s report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Holding Company and CARO report issued by the statutory auditors of the subsidiary which have been included in the consolidated financial statements of the Company & to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports
2. As required by Section 143(3) of the Act, based on our audit we report that:
   I. 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 of the aforesaid consolidated financial statements.
   II. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors.
   III. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including (including

Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

IV. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

V. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2022 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group Companies incorporated in India is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

VI. With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Group incorporated in India and the operating effectiveness of such controls, refer to our separate Report in **"Annexure A"**.

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

a) The consolidated financial statements disclose impact of pending litigations on the consolidated financial position of the Group - Refer Note No. 26 to the consolidated financial statements.

b) The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary company incorporated in India.

d) i. The respective Managements of the Holding Company and its Subsidiary which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditor of such subsidiary have reported that, to the best of their knowledge and belief, as disclosed in the Note 33 to the accounts, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or such subsidiary to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or such subsidiary ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

ii. The respective Managements of the Holding Company and its subsidiary which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditor of such subsidiary have reported that, to the best of their knowledge and belief, as disclosed in the Note 33 to accounts, no funds (which are material either individually or in the aggregate) have been received by the Holding Company or such subsidiary from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or such subsidiary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

iii. Based on audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditor of the subsidiary which is a company incorporated in India, whose financial statements has been audited under the Act, nothing has come to our or other auditor notice that has caused us or the other auditor to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) & (ii) above, contain any material misstatement.

e) No dividend has been declared or paid by the Holding Company during the year. In respect of a subsidiary which is a company incorporated in India, whose financial statements have been audited under the Act, no dividend has been paid or declared by them.

3. With respect to the matter to be included in the Auditors' report under Section 197(16):

   In our opinion and according to the information and explanation given to us and based on the consideration of reports of other statutory auditors of the subsidiaries incorporated in India, the managerial remuneration for the year ended March 31, 2022 has been paid by the Holding Company to their directors in accordance with the provisions of section 197 read with Schedule V to the Act. However, the subsidiary company which is incorporated in India has not paid or provided any managerial remuneration to any director during the year.

**For B.R. Gupta & Co.**
**Chartered Accountants,**
**Firm Registration Number 008352N**

**Sd/-**
**(Deepak Agarwal)**
**Partner**
**Membership Number 073696**
**UDIN: 22073696AJWZSV4814**

**Place of Signature: New Delhi**
**Date: May 30, 2022**

**Annexure 'A' to the Independent Auditors' Report of even date on the Consolidated Financial Statement of Addi Industries Limited**

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

In conjunction with our audit of the consolidated financial statements of Addi Industries Limited (hereinafter referred to as "the Holding Company") as of and for the year ended March 31, 2022, we have audited the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company, which are companies incorporated in India, as of that date.

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

The respective Board of Directors of the Holding Company, its subsidiary company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("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 respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to financial statements of based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both 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 with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's 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 and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls with reference to financial statements.

**Meaning of Internal Financial Controls with reference to financial statements**

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

**Inherent Limitations of Internal Financial Controls With reference to financial statements**

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

**Opinion**

In our opinion, the Holding Company and its subsidiary company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, based on the internal control with reference to financial statements criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**Other Matters**

Our aforesaid report under Section 143 (3) (i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements of the Holding Company, in so far as it relates to one subsidiary company, which is a company incorporated in India, is based on the corresponding report of the auditor of such subsidiary company, incorporated in India.

**For B.R. Gupta & Co.**
**Chartered Accountants,**
**Firm's Registration Number 008352N**

**Sd/-**
**(Deepak Agarwal)**
**Partner**
**Membership Number 073696**
**UDIN: 22073696AJWZSV4814**

**Place of Signature: New Delhi**
**Date: May 30, 2022**

## Consolidated Balance Sheet As At March 31, 2022

**(All amounts in ₹ lakh, unless otherwise stated)**

| Particulars | Notes | As At March 31, 2022 | As At March 31, 2021 |
|---|---|---|---|
| **ASSETS** | | | |
| **I. Non-Current Assets** | | | |
| (a) Property, Plant and Equipment | 3 | 30.29 | 119.55 |
| (b) Capital Work in Progress | 4 | 150.16 | - |
| (c) Investment Property | 4A | 466.36 | 474.54 |
| (d) Financial Assets | | | |
| (i) Investments | 5 | 325.51 | 297.61 |
| (ii) Other Financial Assets | 6 | 13.73 | 24.25 |
| (e) Deferred Tax Assets (Net) | 7 | 212.90 | 218.72 |
| (f) Other Non-Current Assets | 8 | - | 805.08 |
| (g) Non-Current Tax Assets (Net) | 9 | 37.06 | 24.69 |
| **Total Non-Current Assets** | | **1,236.01** | **1,964.44** |
| **Current Assets** | | | |
| (a) Financial Assets | | | |
| (i) Trade Receivables | 10 | - | - |
| (ii) Cash and Cash Equivalents | 11 | 21.04 | 9.11 |
| (iii) Bank Balances other than Cash and Cash Equivalents | 12 | 4,501.45 | 876.56 |
| (iv) Others Financial Assets | 6 | 124.05 | 22.05 |
| (b) Other Current Assets | 8 | 2.40 | 4.03 |
| **Total Current Assets** | | **4,648.94** | **911.75** |
| **Assets Held for sale** | | - | 113.76 |
| **Total Assets** | | **5,884.95** | **2,989.95** |
| **II. Equity And Liabilities** | | | |
| **Equity** | | | |
| (a) Equity Share Capital | 13 | 540.00 | 540.00 |
| (b) Other Equity | 14 | 5,163.78 | 1,423.72 |
| **Total Equity** | | **5,703.78** | **1,963.72** |
| **Liabilities** | | | |
| **Non-Current Liabilities** | | | |
| (a) Provisions | 15 | 15.55 | 14.28 |
| **Total Non-Current Liabilities** | | **15.55** | **14.28** |
| **Current Liabilities** | | | |
| (a) Financial Liabilities | | | |
| (i) Trade Payables | 16 | | |
| a) Total Outstanding Dues to Micro and Small Enterprises | - | - | |
| b) Total Outstanding Dues to Parties Other than Micro and Small Enterprises | | 8.04 | 7.19 |
| (b) Other Current Liabilities | 17 | 153.13 | 1,000.59 |
| (c) Provisions | 15 | 4.45 | 4.17 |
| **Total Current Liabilities** | | **165.62** | **1,011.95** |
| **Total Equity And Liabilities** | | **5,884.95** | **2,989.95** |
| Summary of Significant Accounting Policies | 2A | | |

The accompanying notes are an integral part of the financials statements

**As per our Report of even date attached**

**For B.R. Gupta & Co.**
**Chartered Accountants**
**Firm's Registration Number 008352N**
**Sd/-**
**(Deepak Agarwal)**
**Partner**
**Membership Number 073696**

**Place of Signature: New Delhi**
**Date: May 30, 2022**

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

**Sd/-**
**(Chaman Lal Jain)**
**Managing Director**
**DIN 00022903**

**Sd/-**
**(V.B. Aggarwal)**
**Independent Director**
**DIN 00022967**

**Sd/-**
**(Taranjeet Kaur)**
**Company Secretary**
**ICSI M. No. 008991**

**Sd/-**
**(Atul Jain)**
**Chief Financial Officer**

## Consolidated Statement of Profit & Loss for the Period ended March, 31 2022

(All amounts in ₹ lakh, unless otherwise stated)

| Particulars | | Notes | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|---|---|---|---|---|
| I. | Revenue From Operations | | - | - |
| II. | Other Income | 18 | 229.35 | 52.44 |
| III. | **Total Income (I + II)** | | **229.35** | **52.44** |
| IV. | **Expenses** | | | |
| | (a) Employee Benefits Expense | 19 | 28.52 | 23.40 |
| | (b) Depreciation and Amortisation Expense | 20 | 12.91 | 20.01 |
| | (c) Other Expenses | 21 | 262.44 | 42.70 |
| | **Total Expenses** | | **303.87** | **86.11** |
| V. | **Profit/ (Loss) Before Exceptional Items and Tax (III-IV)** | | **(74.52)** | **(33.67)** |
| VI. | **Exceptional Items** | 22 | 4,651.83 | 3.76 |
| VII. | **Profit/ (Loss) Before Tax (V-VI)** | | **4,577.31** | **(29.91)** |
| VIII. | **Tax Expense:** | 23 | | |
| | (a) Current tax | | 832.23 | 1.04 |
| | (b) Adjustment of tax relating to earlier Years | | - | 0.12 |
| | (c) Deferred tax charge/(release) | | 5.61 | (145.57) |
| | **Total Tax Expense** | | **837.84** | **(144.41)** |
| IX. | **Profit/(Loss) For The Year (VII-VIII)** | | **3,739.47** | **114.50** |
| X. | **Other Comprehensive Income** | | | |
| **(A)** | (i) Items that will not be reclassified to profit or loss | | | |
| | (a) Remeasurement gain/(loss) of defined benefit plans | | 0.75 | 0.90 |
| | (ii) Income tax on items that will not be reclassified to profit or loss | | (0.19) | (0.23) |
| **(B)** | (i) Items that will be reclassified to profit or loss | | - | - |
| | (ii) Income tax on items that will be reclassified to profit or loss | | - | - |
| | **Other comprehensive income for the year, net of tax** | | **0.56** | **0.67** |
| XI | **Total comprehensive income for the year, net of tax (IX+X)** | | **3,740.04** | **115.17** |
| XII | **Earnings Per Share: (Face Value ₹ 5 Per Share)** | 24 | | |
| | 1) Basic (amount in ₹) | | **34.64** | **1.06** |
| | 2) Diluted (amount in ₹) | | **34.64** | **1.06** |
| Summary of Significant Accounting Policies | | 2A | | |

The accompanying notes are an integral part of the financials statements

**As per our Report of even date attached**

**For B.R. Gupta & Co.**
**Chartered Accountants**
**Firm's Registration Number 008352N**

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

**Sd/-**
**(Deepak Agarwal)**
**Partner**
**Membership Number 073696**

**Sd/-**
**(Chaman Lal Jain)**
**Managing Director**
**DIN 00022903**

**Sd/-**
**(V.B. Aggarwal)**
**Independent Director**
**DIN 00022967**

**Place of Signature: New Delhi**
**Date: May 30, 2022**

**Sd/-**
**(Taranjeet Kaur)**
**Company Secretary**
**ICSI M. No. 008991**

**Sd/-**
**(Atul Jain)**
**Chief Financial Officer**

## Consolidated Statement of Cash Flows for the year ended March 31, 2022

**(All amounts in ₹ lakhs, unless otherwise stated)**

| Particulars | | For the Year Ended March 31, 2022 | For the Year Ended March 31, 2021 |
|---|---|---|---|
| **A. Cash Flow From Operating Activities** | | | |
| Net Profit Before Tax | | 4,577.31 | (29.91) |
| Adjustments for : | | | |
| Depreciation (Net) | | 12.91 | 20.01 |
| Loss/(Profit) on sale of Investment Property | | | (1.18) |
| Loss/(Profit) on sale of property, plant and equipment | | (4,651.83) | (2.58) |
| Provision for Capital advance | | 205.08 | - |
| Amount written off | | 47.90 | 2.03 |
| Gain on invt at FVTPL | | - | - |
| Excess liability written back | | (0.46) | (0.04) |
| Interest Income | | (197.66) | (52.18) |
| **Operation Profit Before Working Capital Changes** | | **(6.75)** | **(63.85)** |
| **Movement In Working Capital:** | | | |
| Increase/(Decrease) in Trade Payables & Other Current Liabilities | | (3.05) | 998.66 |
| Increase/(Decrease) in Provisions | | 2.30 | 1.65 |
| (Increase)/Decrease in Other Current Assets and other bank balances | | (748.27) | 5.83 |
| (Increase)/(Decrease) in Trade Receivables | | - | - |
| (Increase)/Decrease in Other Non-Current Assets | | 815.60 | (1.23) |
| **Net Cash Generated From Operations** | | **59.83** | **941.06** |
| Direct Taxes Paid(Net of Refund Received) | | (844.60) | (8.08) |
| **Net Cash Inflow From/(Used In) Operating Activities** | **( A )** | **(784.77)** | **932.98** |
| **B. Cash Flow From Investing Activities** | | | |
| Purchase of Property, Plant and Equipment | | (150.16) | (5.60) |
| Sale of Property, Plant and Equipment | | 4,007.07 | 3.83 |
| Proceeds From Maturity of Fixed Deposits (net) | | - | - |
| Purchase of Fixed Deposits (Net) | | (3,624.89) | (617.02) |
| Sale of Investment- Gold Coins | | - | 3.98 |
| Purchase of Investment | | (27.90) | - |
| Advance for purchase of property | | 394.92 | (600.00) |
| Interest Received | | 197.66 | 55.10 |
| **Net Cash From/ (Used In) Investing Activities** | **( B )** | **796.70** | **(1,159.71)** |
| **C. Cash Flow From Financing Activities** | | **-** | **-** |
| **Net cash inflow from/(used in) Financing Activities** | **( C )** | **-** | **-** |
| **Net Increase (Decrease) In Cash And Cash Equivalents** | **(A+B+C)** | **11.93** | **(226.73)** |
| Opening Balance of Cash and Cash Equivalents | | 9.11 | 235.85 |
| **Total Cash And Cash Equivalent (Note No. 11)** | | **21.04** | **9.12** |
| Components Of Cash And Cash Equivalents | | | |
| Cash on hand | | 1.31 | 0.73 |
| With banks - on current account and deposits with banks | | 19.73 | 8.39 |
| **Total Cash and Cash equivalent (Note No. 11)** | | **21.04** | **9.12** |

**Note:** The cash flow statement has been prepared under indirect method as set out in Indian Accounting Standard (IND AS-7)

Summary of Significant Accounting Policies 2A

The accompanying notes are an integral part of the financials statements

**As per our Report of even date attached**

**For B.R. Gupta & Co.**
**Chartered Accountants**
**Firm's Registration Number 008352N**
**Sd/-**
**(Deepak Agarwal)**
**Partner**
**Membership Number 073696**

**Place of Signature: New Delhi**
**Date: May 30, 2022**

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

| | |
|---|---|
| **Sd/-** | **Sd/-** |
| **(Chaman Lal Jain)** | **(V.B. Aggarwal)** |
| **Managing Director** | **Independent Director** |
| **DIN 00022903** | **DIN 00022967** |
| **Sd/-** | **Sd/-** |
| **(Taranjeet Kaur)** | **(Atul Jain)** |
| **Company Secretary** | **Chief Financial Officer** |
| **ICSI M. No. 008991** | |

## Consolidated Statement of Changes in Equity for the year ended March 31, 2022

**(All amounts in ₹ lakh, unless otherwise stated)**

| **A. Equity Share Capital** | **Amount** |
|---|---|
| Opening Balance as at April 01, 2020 | 540.00 |
| Changes in equity share capital during the current year | - |
| Closing Balance as at March 31, 2021 | **540.00** |
| Changes in equity share capital during the current year | - |
| Closing Balance as at March 31, 2022 | **540.00** |

**B. Other Equity**

| | Reserves and Surplus | | | |
|---|---|---|---|---|
| | **Capital Reserve** | **Securities Premium** | **Retained Earnings** | **Total Equity** |
| **Balance as at April 01, 2020** | **61.75** | **1,318.51** | **(71.69)** | **1,308.57** |
| Net Income / Loss for the year | - | - | 114.50 | 114.50 |
| Add: Other comprehensive income * | - | - | 0.66 | 0.67 |
| **Balance as at March 31, 2021** | **61.75** | **1,318.51** | **43.47** | **1,423.74** |
| **As at March 31, 2022:** | | | | |
| **Balance as at April 01, 2021** | **61.75** | **1,318.51** | **43.47** | **1,423.74** |
| Net Income / Loss for the year | - | - | 3,739.47 | 3,739.47 |
| Add: Other comprehensive income * | - | - | 0.56 | 0.56 |
| **Balance as at March 31, 2022** | **61.75** | **1,318.51** | **3,783.52** | **5,163.78** |

* Represents Re-measurement of defined benefit plans (net)

Summary of Significant Accounting Policies 2A

The accompanying notes form an integral part of the financials statements

**As per our Report of even date attached**

**For B.R. Gupta & Co.**
**Chartered Accountants**
**Firm's Registration Number 008352N**

**Sd/-**
**(Deepak Agarwal)**
**Partner**
**Membership Number 073696**

**Place of Signature: New Delhi**
**Date: May 30, 2022**

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

**Sd/-**
**(Chaman Lal Jain)**
**Managing Director**
**DIN 00022903**

**Sd/-**
**(V.B. Aggarwal)**
**Independent Director**
**DIN 00022967**

**Sd/-**
**(Taranjeet Kaur)**
**Company Secretary**
**ICSI M. No. 008991**

**Sd/-**
**(Atul Jain)**
**Chief Financial Officer**

## Notes to Consolidated Financial Statements for the year ended March 31, 2022

**Note 1 : Corporate Information**

The Consolidated Financial Statements relate to Addi Industries Limited (the holding company) and Aum Texfab Private Limited (its subsidiary Company). The holding company and its subsidiary constitute the group. The holding company is a public limited company incorporated in the year 1980 under the provisions of the Companies Act, 1956. The Registered office of the holding company is located at 23, Eastern Avenue, Maharani Bagh, New Delhi-South Delhi-110065. Its shares are listed on Bombay Stock Exchange in India. The holding company is engaged in the manufacturing and marketing of readymade garments.

The Consolidated Financial Statements for the year ended March 31, 2022 were approved by the Board of Directors on May 30, 2022

**Note 2 : Statement of Compliance**

The Consolidated Financial Statements are prepared on an accrual basis under historical cost Convention except for certain financial instruments which are measured at fair value. These consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Companies Act, 2013, as applicable.

The accounting policies are applied consistently to all the Years presented in the consolidated financial statements.

**Basis of preparation and presentation:**

The consolidated financial statements have been prepared on the historical cost convention on accrual basis except for certain class of financial assets/liabilities and net liability for defined benefit plans that are measured at fair value, as explained in the relevant accounting policies mentioned. The consolidated financial statements are presented in ₹ and all values are rounded to the nearest lakh except otherwise stated.

The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances. The accounting policies adopted in the preparation of consolidated financial statements are consistent with those of previous year. The financial statements of the holding company and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and the unrealised profits/ losses, unless cost/revenue cannot be recovered.

Subsidiaries are entities where the group exercise or controls more than one-half of its total share capital. The net assets and results of acquired businesses are included in the consolidated financial statements from their respective dates of acquisition, being the date on which the group obtains control

**Basis of consolidation:**

The holding company consolidate the entities which are controlled by it.

The holding company establishes control when; it has power over the entity, is exposed, or has rights, to variable return from its involvment with the entity and has the ability to effect the entity's returns by using its power over relevant activities of the entity.

Entities controlled by the company are consolidated from the date of control commences until the date of control ceases.

Consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances. The accounting policies adopted in the preparation of consolidated financial statements are consistent with those of previous year. The consolidated financial statements of the holding company and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating all inter- company transactions, balances, income and expenses.

The consolidated financial statements are presented in ₹ and all values are rounded to the nearest lakh upto two decimal places except otherwise stated.

**Going Concern**

The Board of Directors is in process of exploring the modalities to start new business venture, however the Company has not yet implemented the same. This situation indicates the existence of material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. However, in view of future business opportunities, having significant cash & bank balances with positive net worth and no borrowings, these accounts have been prepared on going concern basis.

**Recent Accounting Pronouncement**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, which are as below. The effective date for adoption of this amendment are from annual Years beginning on or after April 01, 2022:

Ind AS 16 – Property Plant and equipment - The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The Company has evaluated the amendment and there is no impact on its financial statements

Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets – The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The Group has evaluated the amendment and there is no impact on its financial statements.

**New Accounting Pronouncements effective from April 1, 2021:**

The following Ind AS pronouncements pursuant to issuance of the Companies (Indian Accounting Standards) Amendment Rules 2021, were issued during the year:

- Amendment to Ind AS 103- Business Combinations
- Amendment to Ind AS 104- Insurance Contracts
- Amendment to Ind AS 116- Leases

None of the changes described above, or any of the other changes to the Ind AS have a impact on the net worth, financial position, financial performance or on the cash flow of the Group.

**Note 2A: Significant Accounting Policies**

**a) Significant accounting judgements, estimates and assumptions**

The preparation of the group's financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amount of revenues and expenses for the years presented. Actual results may differ from the estimates. Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the Year in which the estimates are revised and future Years affected.

**b) Use of Estimates and Judgements**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the group. Such changes are reflected in the assumptions when they occur. Also, the group has made certain judgements in applying accounting policies which have an effect on amounts recognized in the financial statements.

**i) Income taxes**

The group is subject to income tax laws as applicable in India. Significant judgment is required in determining provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The group recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the Year in which such determination is made. Where tax positions are uncertain, accruals are recorded within income tax liabilities for management's best estimate of the ultimate liability that is expected to arise based on the specific circumstances and the group's historical experience. Factors that may have an impact on current and deferred taxes include changes in tax laws, regulations or rates, changing interpretations of existing tax laws or regulations, future levels of research and development spending and changes in pre-tax earnings.

ii) **Contingencies**

Contingent Liabilities may arise from the ordinary course of business in relation to claims against the group, including legal and other claims. By virtue of their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgements and the use of estimates regarding the outcome of future events.

iii) **Recoverability of deferred taxes**

In assessing the recoverability of deferred tax assets, management considers whether it is probable that taxable profit will be available against which the losses can be utilised. The ultimate realisation of deferred tax assets is dependent upon the generation of future taxable income during the Years in which the temporary differences become deductible. Management considers the projected future taxable income and tax planning strategies in making this assessment.

iv) **Defined benefit plans**

The present value of the gratuity and compensated absences are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the actuary considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

v) **Useful lives of property, plant and equipment**

The group reviews the useful life of property, plant and equipment at the end of each reporting Year. This reassessment may result in change in depreciation expense in future Years.

vi) **Leases**

Where the group is the lessee, key judgements include assessing whether arrangements contain a lease and determining the lease term. To assess whether a contract contains a lease requires judgement about whether it depends on a specified asset, whether the group obtains substantially all the economic benefits from the use of that asset and whether the The group has a right to direct the use of the asset. In order to determine the lease term judgement is required as extension and termination options have to be assessed along with all facts and circumstances that may create an economic incentive to exercise an extension option, or not exercise a termination option. The group revises the lease term if there is a change in the non-cancellable Year of a lease.Estimates include calculating the discount rate which is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics. Where the The group is the lessor, the treatment of leasing transactions is mainly determined by whether the lease is considered to be an operating or finance lease. In making this assessment, management looks at the substance of the lease, as well as the legal form, and makes a judgement about whether substantially all of the risks and rewards of ownership are transferred. Arrangements which do not take the legal form of a lease but that nevertheless convey the right to use an asset are also covered by such assessments.

c) **Current versus non-current classification**

The group presents assets and liabilities in the balance sheet based on current/ non-current classification.

**Assets:**

An asset is treated as current when it is:

a) Expected to be realised or intended to be sold or consumed in normal operating cycle.

b) Held primarily for the purpose of trading

c) Expected to be realised within twelve months after the reporting Year, or

d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting Year.

All other assets are classified as non-current.

**Liabilities:**

A liability is current when:

(a) It is expected to be settled in normal operating cycle

(b) It is held primarily for the purpose of trading

(c) It is due to be settled within twelve months after the reporting Year, or

(d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting Year

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

**Operating cycle:** The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

**d) Property, Plant and Equipment**

The Group had applied for the one time transition expemtion of considering the carrying cost of the transition date i.e., April 01, 2016 as the deemed cosg under Ind AS .

Property, plant and equipment and capital work in progress are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Such cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct services, any other costs directly attributable to bringing the assets to its working condition for their intended use and cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. Glow sign boards, which have no salvage value are charged to consolidated statement of profit and loss.

An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit and loss within other income / expense (as applicable).

**Subsequent costs:** The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item of property, plant and equipment, if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably with the carrying amount of the replaced part getting derecognised. The cost for day-to-day servicing of property, plant and equipment are recognised in consolidated statement of profit and loss as and when incurred.

**Decommissioning Costs :** The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

**Capital work in progress:** Capital work in progress comprises the cost of property, plant and equipment that are not ready for their intended use at the reporting date.

**Depreciation :** Depreciation on PPE are provided to the extent of depreciable amount on straight line basis (SLM). Depreciation is provided at the rates and in the manner prescribed in Schedule II to the Companies Act, 2013. Leasehold Land and Leasehold Improvements are amortised over the Year of lease or useful life of assets whichever is lower. The residual values, useful lives are reviewed at each financial year end and adjusted appropriately.

Asset costing less than ₹ 5000/- has been depreciated fully in the year of purchase only.

**Intangible Assets**

**Recognition and measurement**

Software, if any, which are not an integral part of related hardware, is treated as intangible asset and amortized over a Year of three years or its licensed Year, whichever is less. Leasehold Improvements are amortized over Year of lease.

**Transition to Ind AS:** On transition to Ind AS, the Group has elected to continue with the carrying value of all its intangible assets recognized as at April 1, 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such intangible assets.

**e) Borrowing Costs**

Borrowing costs consists of interest and amortization of ancillary costs that an entity incurs in connection with the borrowing of funds. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial Year of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the Year in which they occur. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the interest cost.

**f) Foreign Currency Transactions**

Functional and presentational currency

The Group's financial statements are presented in Indian Rupees (₹ in lakhs) which is also the Company's functional currency. Functional currency is the currency of the primary economic environment in which a Company operates and is normally the currency in which the Company primarily generates and expends cash.

**Transactions and balances**

Transactions in foreign currencies are initially recorded by the Group at the functional currency using exchange rates at the date the transaction. Foreign exchange gains and losses from settlement of these transactions are recognised in the consolidated consolidated statement of profit and loss. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency using spot rates of exchange at the reporting date, the gain or loss arising from such translations are recognised in the consolidated statement of profit and loss. Differences arising on settlement of Non-monetary items that are measured in terms of historical cost in a foreign currencies are not retranslated.

**g) Revenue recognition & Purchase Recognition**

Revenue is to be recognized upon transfer of control of promised products or services to our customers for an amount that reflects the consideration the Group expects to receive in exchange for those products or services and when there are no longer any unfulfilled obligations. To recognize revenues, the Group apply the following five step approach:

(1) Identify the contract with a customer

(2) Identify the performance obligations in the contract

(3) Determine the transaction price,

(4) Allocate the transaction price to the performance obligations in the contract

(5) Recognize revenues when a performance obligation is satisfied.

At contract inception, the Group assesses its promise to transfer products or services to a customer to identify separate performance obligations. The Group applies judgement to determine whether each product or services promised to a customer are capable of being distinct, and are distinct in the context of the contract, if not, the promised product or services are combined and accounted as a single performance obligation. The Group allocates the arrangement consideration to separately identifiable performance obligation based on their relative stand-alone selling price or residual method. Stand-alone selling prices are determined based on sale prices for the components when it is regularly sold separately, in cases where the Group is unable to determine the stand-alone selling price the Group uses third-party prices for similar deliverables or the company uses expected cost plus margin approach in estimating the stand-alone selling price.

For performance obligations where control is transferred over time, revenues are recognized by measuring progress towards completion of the performance obligation. The selection of the method to measure progress towards completion requires judgment and is based on the nature of the promised products or services to be provided.

The method for recognizing revenues and costs depends on the nature of the goods sold & services rendered:

Interest income is recognized on a time proportion basis using the effective interest rate (EIR) method.

Purchases are recognized upon receipt of such goods by the Group. Purchases of imported goods, if any are to be recognised after completion of custom clearance formalities and upon receipt of such goods by the company at the warehouse. All other Purchases are accounted for on accrual basis.

**h) Inventories**

Items of inventories are to be measured at lower of cost and net realizable value after providing for obsolescence, wherever considered necessary. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads incurred in bringing them to their respective present location and condition. The cost of various components of inventory is determined as follows;-

| | |
|---|---|
| **Raw Materials, Stores, Spares and Packing Material** | Cost includes purchase price, non refundable duties, taxes and all other costs incurred in bringing the inventories to their present location. Cost is determined on First In First Out (FIFO) basis. |
| **Stocks-in-process and Finished Goods** | Cost includes material cost and also includes an appropriate portion of allocable overheads. Cost is determined on First In First Out basis. |
| **Traded Goods** | Cost includes purchase cost, duties, taxes and all other costs incurred in bringing the inventory to their present location. Cost is determined on First In First Out (FIFO) basis. |

**i) Employee's Benefits**

**Short Term Employee Benefits:** All employees' benefits falling due wholly within twelve months of rendering the services are classified as short term employee benefits. The benefits like salaries, wages, short term compensated absences etc. and the expected cost of bonus are recognized in the Year in which the employee renders the related services at undiscounted amount.

**Defined contribution plans**

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions to a statutory authority and will have no legal or constructive obligation to pay further amounts. Provident Fund and Employee State Insurance Schemes are defined contribution scheme and contributions paid / payable are recognised as an expense in the consolidated statement of profit and loss during the year in which the employee renders the related service. For Defined Contribution Retirements Benefit Schemes, payments are charged as an expense as they fall due.

**Defined Benefit Plan**

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

The Group has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount based on the respective employee's salary and the tenure of employment. The Group accounts for the liability for gratuity benefits payable in future based on an independent actuarial valuation report using the projected unit credit method as at the year end.

The obligations are measured at the present value of the estimated future cash flows. The discount rate is generally based upon the market yields available on Government bonds at the reporting date with a term that matches that of the liabilities.

Re-measurements, comprising actuarial gains and losses including, the effect of the changes to the asset ceiling (if applicable), is reflected immediately in Other Comprehensive Income in the consolidated statement of profit and loss. All other expenses related to defined benefit plans are recognised in consolidated consolidated statement of profit and loss as employee benefit expenses. Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs.

**Other Long Term Employee Benefits**

Long term compensated absences are provided for on the basis of actuarial valuation, using the projected unit credit method, at the end of each financial year. Actuarial gains / loss are recognised in consolidated statement of Profit & Loss.

**j) Leases**

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a Year of time in exchange for consideration.

**Group as a lessee**

The Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the consolidated statement of profit and loss.

The Group measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses incremental borrowing rate. For leases with reasonably similar characteristics, the Group, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Group is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Group recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and consolidated statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognises any remaining amount of the re-measurement in consolidated statement of profit and loss.

The Group has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

**Group as Lessor**

At the inception of the lease the Group classifies each of its leases as either an operating lease or a finance lease. Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term.

**k) Provisions, Contingent Liabilities and Contingent Assets**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liability is disclosed in the case of ;

i) a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle obligation;

ii) a present obligation arising from past events, when no reliable estimate is possible.

Contingent assets are neither recognised nor disclosed. However,when realisation of income is virtually certain, related asset is recognised.

Provision, contingent liabilities and contingent assets are reviewed at each balance sheet date and adjusted where necessary to reflect the current best estimate of obligation or asset.

**l) Financial instruments**

A financial instrument is a contract that gives rise to a financial asset for one entity and a financial liability or equity instrument for another entity. Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments.

**(i) Initial recognition and measurement**

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset is initially recognised at fair value. In case of financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction cost are recognised in the consolidated statement of profit and loss. In other cases, the transaction cost are attributed to the acquisition value of the financial asset.

**(ii) Classification and subsequent measurement**

**a) Financial assets**

For purposes of subsequent measurement, financial assets are classified in following categories:
-Financial Asset carried at amortised cost
-Financial Asset at fair value through other comprehensive income (FVTOCI)
-Financial Asset at fair value through profit and loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the Year the Group changes its business model for managing financial assets.

- **Financial Asset carried at amortised cost**

  A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

- **Financial Asset at fair value through other comprehensive income (FVTOCI)**

  A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

- **Financial Asset at fair value through profit and loss (FVTPL)**

  A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

- **Equity investment in Subsidiary**

  Investments in subsidiary are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiary, the difference between net disposal proceeds and the carrying amounts are recognized in the consolidated statement of profit and loss.

  The Group had elected for one time Ind AS 101 exemption and adopted carrying cost of its investment in equity shares of its wholly owned subsidiary as its deemed cost as at the date of transition.

**De-recognition**

A financial asset (or, where applicable, a part of a financial asset) is primarily derecognised (i.e. removed from the Company's Balance Sheet) when:

(i) The contractual rights to receive cash flows from the asset has expired, or

(ii) The Company has transferred its contractual rights to receive cash flows from the financial asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

**b) Financial Liabilities**

A Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit and loss. In case of trade payables, they are initially recognised at fair value and subsequently, these liabilities are held at amortised cost, using the effective interest rate method.

For purposes of subsequent measurement, financial liabilities are classified in two categories:

-Financial liabilities at amortised cost

-Financial liabilities at fair value through profit and loss (FVTPL)

**Financial liabilities at Amortized cost**

**Loans and borrowings**

Borrowings are initially recognised at fair value, net of transaction costs incurred. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in the consolidated statement of profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the consolidated statement of profit and loss. This category generally applies to borrowings.

**De-recognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference (if any) in the respective carrying amounts is recognised in the consolidated statement of profit and loss.

**(c) Offsetting of Financial Instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

**m) Impairment of Financial Assets**

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Group uses judgments in making these assumptions and selecting the inputs to the impairment calculation, based on Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting Year.

**n) Impairment of Non-Financial Assets**

The carrying amounts of the Group's non-financial assets, are reviewed at the end of each reporting Year to determine whether there is any indication of impairment.

If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit ('CGU') is the greater of its value in use or its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets ('CGU').

An impairment loss is recognized, if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount and is recognised in consolidated statement of profit and loss. Impairment losses recognised in prior Years are assessed at end of each reporting Year for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

**o) Fair Value Measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

(i) In the principal market for the asset or liability, or

(ii) In the absence of a principal market, in the most advantageous market for the asset or liability.

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

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting Year. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

**p) Taxes on Income :** Tax expense comprises current and deferred tax.

**Current Income Tax**

Current tax is the expected tax payable/receivable on the taxable income/loss for the year using applicable tax rates for the relevant Year. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income (OCI) or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management Yearically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax assets are offset against current tax liabilities if, and only if, a legally enforceable right exists to set off the recognised amounts and there is an intention either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

**Deferred Tax**

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses (if any). Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and is adjusted to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

**q) Investment Property**

Investment property are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment Properties are measured intially at cost, including transaction costs. Subsequent to intial recognition, investment properties are measured in accordance with Ind AS 16 requirements for cost model.

As investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the porperty (calculated as the difference between the net disposal proceeds and the carrying amount of the assets) is included in profit or loss in the Year in which the property is derecognised.

Depreciation on property are provided to the extent of depreciable amount on straight line basis (SLM). Depreciation is provided at the rates and in the manner prescribed in Schedule II to the Companies Act, 2013.

**r) Assets Held for Sale:**

Non-current assets are classified as ‘held for sale’ when all the following criteria are met: (i) decision has been made to sell, (ii) the assets are available for immediate sale in its present condition, (iii) the assets are being actively marketed and (iv) sale has been agreed or is expected to be concluded within 12 months of the Balance Sheet date.

**s) Cash and Cash Equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash balance on hand, cash balance at banks and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group’s cash management.

**t) Earning per share (EPS)**

In determining earnings per share, the Group considers the net profit after tax and includes the post tax effect of any extra ordinary items.

- Basic earning per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.
- For the purpose of calculating Diluted Earning per share, the number of shares comprises of weighted average shares considered for deriving basic earning per share and also the weighted average number of equity share which could have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the Year, unless they have been issued at a later date. A transaction is considered to be antidilutive if its effect is to increase the amount of EPS, either by lowering the share count or increasing the earnings.

**u) Segment Reporting**

The Group has the policy of reporting the segments in a manner consistent with the internal reporting provided to the chief decision maker. The chief decision maker is considered to be the Board of Directors who makes strategic decisions and is responsible for allocating resources and assessing performance of the operating segments.

## Notes to consolidated financial statements for the year ended March 31, 2022

(All amounts in ₹ lakh, unless otherwise stated)

**Note 3 : Property, Plant and Equipment**

| Particulars | Leasehold Land | Buildings (Factory) | Building (Office) | Plant & Equipment | Furniture & fixtures | Vehicles | Computer System | Office equipment | Total |
|---|---|---|---|---|---|---|---|---|---|
| **Gross Carrying Amount :** | | | | | | | | | |
| **As At April 01, 2020** | 111.98 | 106.90 | 59.56 | 43.02 | 1.91 | 4.34 | 0.11 | 3.86 | 331.68 |
| Add: Additions made during the year | - | - | - | - | - | 5.60 | - | - | 5.60 |
| Less: Disposals/adjustments during the year | 98.24 | 37.40 | - | 0.87 | 0.15 | 4.34 | - | 0.31 | 141.31 |
| **As At March 31, 2021** | **13.74** | **69.50** | **59.56** | **42.15** | **1.76** | **5.60** | **0.11** | **3.55** | **195.97** |
| Add: Additions made during the year | - | - | - | - | - | - | - | - | - |
| Less: Disposals/adjustments during the year | 6.87 | 34.75 | 59.56 | 42.15 | 1.73 | - | 0.11 | 1.69 | 146.86 |
| **As At March31, 2022** | **6.87** | **35.00** | **-** | **-** | **0.03** | **5.60** | **-** | **1.86** | **49.11** |
| **Accumulated Depreciation:** | | | | | | | | | |
| **As At April 01, 2020** | 6.88 | 36.08 | 4.91 | 36.91 | 0.07 | 2.98 | - | 1.62 | 89.45 |
| Add: Depreciation charge for the year | 1.61 | 7.36 | 1.23 | 1.04 | - | 0.33 | - | 0.27 | 11.84 |
| Less: Disposals/adjustments during the year | 5.97 | 15.92 | - | - | - | 2.98 | - | - | 24.87 |
| **As At March 31, 2021** | **2.52** | **27.52** | **6.14** | **37.95** | **0.07** | **0.33** | **-** | **1.89** | **76.42** |
| Add: Depreciation charge for the year | 0.17 | 2.28 | 0.87 | 0.44 | - | 0.76 | - | 0.20 | 4.73 |
| Less: Disposals/adjustments during the year | 1.34 | 14.44 | 7.01 | 38.39 | 0.07 | - | - | 0.83 | 62.08 |
| **As At March31, 2022** | **1.36** | **15.36** | **-** | **-** | **-** | **1.09** | **-** | **1.26** | **19.05** |
| **Net Carrying Amount :** | | | | | | | | | |
| **Net block as at 31 March 31, 2022** | **5.51** | **19.64** | **-** | **-** | **0.03** | **4.51** | **-** | **0.60** | **30.29** |
| **Net block as at 31 March 31, 2021** | **11.22** | **41.98** | **53.42** | **4.20** | **1.69** | **5.27** | **0.11** | **1.66** | **119.54** |

## Notes to consolidated financial statements for the year ended March 31, 2022

**(All amounts in ₹ lakh, unless otherwise stated)**

**Note 4 : Capital work-in-progress**

| Particulars | Total |
|---|---|
| **As at March 31, 2020** | **-** |
| Additions | - |
| Written off during the year | - |
| Capitalised during the year | - |
| **Balance as at March 31, 2021** | **-** |
| Additions | 150.16 |
| Written off during the year | - |
| Capitalised during the year | |
| **Balance as at March 31, 2022** | **150.16** |

* Refer foot note of Note 3

**Note 4A : Investment Property (Cost)**

| **Particulars** | **Building*** |
|---|---|
| **Gross Amount :** | |
| Balance as at April 1, 2020 | 490.90 |
| Addition during the year | - |
| Balance as at March 31, 2021 | 490.90 |
| Addition during the year | - |
| Balance as at March 31, 2022 | 490.90 |
| **Accumulated Depreciation** | |
| Balance as at April 1, 2020 | 8.18 |
| Depreciation charge for the year | 8.18 |
| Balance as at March 31, 2021 | 16.36 |
| Depreciation charge for the year | 8.18 |
| Balance as at March.31, 2022 | 24.54 |
| **Net carrying amount** | |
| Balance as at March 31, 2022 | 466.36 |
| Balance as at March 31, 2021 | 474.54 |

* Title deed is pending to be transferred in the name of the Holding Company.

**Investment Property disclosures under Ind AS 40**

(a) Amount recognized in Statement of Profit and Loss on account of Investment property.

| Particulars | 2021-22 | 2020-21 |
|---|---|---|
| Rental Income | 30.68 | - |
| Direct operating expenses from property that generated rental income | - | - |
| Income from investment properties before depreciation | 30.68 | - |
| Depreciation | 8.18 | 8.18 |
| Income from investment properties after depreciation | 22.49 | (8.18) |

**(b) Fair value**

The fair value of the Holding Company's investment properties as at March 31, 2022 and March 31, 2021 are required to be arrived at on the basis of circle rate of the property.

**Information about the fair value of the Company's investment properties and fair value hierarchy are as follows:**

| Particulars | 2021-22 | 2020-21 |
|---|---|---|
| Fair value of Building | 490.90 | 490.90 |
| Fair valuation Hierarchy | Level 3 | Level 3 |

**(c) Company as a Lessor**

The Company has given its building space on cancellable operating lease through operating lease arrangements. Income from operating leases is recognised as revenue on a straight-line basis over the lease term.

Lease income of ₹ 30.68 Lakh (March 31, 2021: ₹ Nil Lakh) has been recognised and included under revenue from operations.

**(All amounts in ₹ lakh, unless otherwise stated)**

| **Note 5 : Non Current Investments** | **As At March 31, 2022** | **As At March 31, 2021** |
|---|---|---|
| **Investment At Amortised Cost** | | |
| **Quoted Investments** | | |
| **Investment in Tax Free Bonds** | | |
| Investment in Infrastructure 7.51% Bonds of HUDCO | 150.00 | 150.00 |
| 15,000 (March 31, 2021: 15,000) Bonds of ₹ 1,000 each | | |
| Investment in infrastructure 7.28% bonds of NTPC | 6.25 | 6.25 |
| 1,510 (March 31, 2021: 1,510) Bonds of ₹ 1,000 each | | |
| Investment in infrastructure 7.35% Bonds of NHAI | 14.28 | 14.28 |
| 1,428 (March 31, 2021: 1,428) Bonds of ₹ 1,000 each | | |
| Investment in infrastructure 7.28% Bonds of IRFC | 15.10 | 15.10 |
| 625 (March 31, 2021: 625) Bonds of ₹ 1,000 each | | |
| Investment in infrastructure 7.28% Bonds of PFC | 2.57 | 2.57 |
| 257 (March 31, 2021: 257) Bonds of ₹ 1,000 each | | |
| Investment in infrastructure 5.00% Bonds of NHAI | 50.00 | - |
| 500 (March 31, 2021: NIL) Bonds of ₹ 10,000 each | | |
| Investment in Government or Trust securities | 86.33 | 108.43 |
| | **324.53** | **296.63** |
| **Investment as Fair Value through Profit & Loss Unquoted Investments *** | | |
| 63,100 (March 31,2021: 63,100) Equity Shares of ₹ 10/- each fully paid of PNR Capital Sevices Ltd.) | **0.98** | **0.98** |
| | **0.98** | **0.98** |
| | **325.51** | **297.61** |
| Aggregate amount of Quoted investments | 324.53 | 222.34 |
| Aggregate market value of Quoted investments | 268.50 | 259.20 |
| Aggregate amount of Unquoted investments | 76.22 | 76.22 |
| Aggregate amount of impairment in Value of investments | - | - |

*The Holding Company had made investment in PNR Capital Sevices Ltd, which was a listed entity at the time of transition to Ind AS. At that point, the Company had adopted the policy of accouting this transaction at FVTPL. Subsequently PNR Capital sercies Limited had been delisted. Accordingly now these are classified as unquoted investment in the financial statements. During the year, the Company has received the offer letter for buy back of these shares, which the Company has accepted. These shares have been bought back subsequent to the balance sheet date.

(All amounts in ₹ lakh, unless otherwise stated)

| Note 6 : Other Financial Assets | Non-Current As At March 31, 2022 | Non-Current As At March 31, 2021 | Current As At March 31, 2022 | Current As At March 31, 2021 |
|---|---|---|---|---|
| **(Unsecured, considered good, unless otherwise stated)** | | | | |
| Security Deposits | 13.73 | 13.44 | 2.86 | 6.89 |
| Balance with Government Authorities | - | 10.81 | - | - |
| Export Incentive Receivable | - | 24.46 | - | - |
| Less: Allowance for doubtful advances | - | (24.46) | - | - |
| Rent Receivable | - | - | 4.21 | - |
| Interest Accrued on FDR | - | - | 111.75 | 11.95 |
| Interest Accrued on Tax Free Bonds | - | - | 5.23 | 3.21 |
| Interest Accrued Capital Advances (Refer Note below) | - | - | 95.86 | 95.86 |
| Less: Allowance for Expected Credit Loss | - | - | (95.86) | (95.86) |
| | **13.73** | **24.25** | **124.05** | **22.05** |

**Note**

a) The Company has not recognised interest income of ₹ 176.72 Lakh for the period April 01, 2017 to March 31, 2019 on capital advance of ₹ 490.90 Lakh, as there is uncertainty of its recoverability.

| Note 7: Deferred Tax Assets (Net) | As At March 31, 2022 | As At March 31, 2021 |
|---|---|---|
| Gross Deferred Tax Assets | 212.91 | 222.07 |
| Gross Deferred Tax Liabilities | - | 3.35 |
| | **212.90** | **218.72** |

**Movement in Deferred Tax Liabilities (Net)**

| | As At March 31, 2020 | Recognised in Statement of Profit and Loss | Recognised in Statement of Other Comprehensive Income | As At March 31, 2021 |
|---|---|---|---|---|
| **Deferred tax assets relates to the following:** | | | | |
| Provision for employee benefits | 4.52 | 0.44 | (0.23) | 4.73 |
| Provision for Bad and Doubtful Debts | 2.16 | - | - | 2.16 |
| Provision for doubtful Export Incentive | 6.16 | - | - | 6.16 |
| Loss on Fair valuation of Investment | 58.88 | 8.59 | - | 67.47 |
| Land | - | 117.41 | - | 117.42 |
| Provision for doubtful advances | 24.13 | - | - | 24.13 |
| | **95.85** | **126.44** | **(0.23)** | **222.07** |
| **Deferred tax liability relates to the following:** | | | | |
| Property, plant and equipment | 12.18 | (5.09) | - | 7.09 |
| Investment Property | 10.30 | (14.04) | - | (3.74) |
| | **22.48** | **(19.13)** | **-** | **3.35** |
| **Total deferred tax assets/(liabiities) (Net)** | **73.37** | **145.57** | **(0.23)** | **218.72** |

(All amounts in ₹ lakh, unless otherwise stated)

| | As At March 31, 2021 | Recognised in Statement of Profit and Loss | Recognised in Statement of Other Comprehensive Income | As At March 31, 2022 |
|---|---|---|---|---|
| **Deferred tax assets relates to the following:** | | | | |
| Provision for employee benefits | 4.73 | 0.49 | (0.19) | 5.03 |
| Provision for Bad and Doubtful Debts | 2.16 | (2.16) | - | - |
| Provision for doubtful Export Incentive | 6.16 | (6.16) | - | - |
| Loss on Fair valuation of Investment | 67.47 | (31.94) | - | 35.53 |
| Land | 117.42 | (20.81) | - | 96.61 |
| Provision for doubtful advances | 24.13 | 51.61 | | 75.74 |
| Investment Property | 3.74 | (3.74) | - | - |
| | **225.80** | **(12.70)** | **(0.19)** | **212.91** |
| **Deferred tax liability relates to the following:** | | | | |
| Property, plant and equipment | 7.09 | (7.09) | - | - |
| Investment Property | | | | |
| | **7.09** | **(7.09)** | **-** | **-** |
| Total deferred tax assets/(liabiities) (Net) | **218.71** | **(5.61)** | **(0.19)** | **212.92** |

| **Note 8 : Other Assets** | Non-Current | | Current | |
|---|---|---|---|---|
| | **As At March 31, 2022** | **As At March 31, 2021** | **As At March 31, 2022** | **As At March 31, 2021** |
| (Unsecured, considered good, unless otherwise stated) | | | | |
| Capital Advances | 205.08 | 805.08 | - | - |
| Less: Allowance for doubtful advances | (205.08) | - | - | - |
| Balance with government authorities | - | - | 1.77 | 3.52 |
| Advance to Employee | - | - | 0.51 | 0.39 |
| Advance to Supplier | - | - | - | 0.03 |
| Prepaid Expenses | - | - | 0.12 | 0.09 |
| | **-** | **805.08** | **2.40** | **4.03** |

| **Note 9 : Non-Current Tax Assets** | **As At March 31, 2022** | **As At March 31, 2021** |
|---|---|---|
| Advance Tax (including TDS) {net of provision of ₹ 831.60 lakh (March 31, 2021 ₹ 839.46 lakh)} | 37.06 | 24.69 |
| | **37.06** | **24.69** |

| **Note 10 : Trade Receivables** | **As At March 31, 2022** | **As At March 31, 2021** |
|---|---|---|
| (unsecured, considered good unless otherwise stated) | | |
| - Credit Impaired | - | 8.60 |
| Less: Allowance for Expected Credit Loss | - | 8.60 |
| | **-** | **-** |

(All amounts in ₹ lakh, unless otherwise stated)

(a) Trade Receivables ageing schedule as on March 31, 2022

| Particulars | Outstanding for following Years from due date of payment | | | | Total |
|---|---|---|---|---|---|
| | Not due | Less than 6 months | 6 months -1 year | 1-2 years | |
| (i) Undisputed Trade receivables - considered good | - | - | - | - | - |
| (ii) Undisputed Trade Receivables - which have significant increase in credit risk | - | - | - | - | - |
| (iii) Undisputed Trade Receivables - credit impaired | - | - | - | - | - |
| (iv) Dispute Trade Receivables considered good | - | - | - | - | - |
| (v) Disputed Trade Receivables which have significant increase in credit risk | - | - | - | - | - |
| (vi) Disputed Trade Receivables - credit impaired | - | - | - | - | - |
| Less: Allowances for expected credit loss | | | | | - |
| **Net Trade receivables** | | | | | - |

Trade Receivables ageing schedule as on March 31, 2021

| Particulars | Outstanding for following Years from due date of payment | | | | Total |
|---|---|---|---|---|---|
| | Not due | Less than 6 months | 6 months -1 year | 1-2 years | |
| (i) Undisputed Trade receivables – considered good | - | | - | - | - |
| (ii) Undisputed Trade Receivables – which have significant increase in credit risk | - | - | - | - | - |
| (iii) Undisputed Trade Receivables – credit impaired | - | - | - | 8.60 | 8.60 |
| (iv) Dispute Trade Receivables considered good | - | - | - | - | - |
| (v) Disputed Trade Receivables which have significant increase in credit risk | - | - | - | - | - |
| (vi) Disputed Trade Receivables – credit impaired | - | - | - | - | - |
| Less: Allowances for expected credit loss | | | | | 8.60 |
| **Net Trade receivables** | | | | | (8.60) |

(b) The Group has no trade receivables which have significant increase in credit risk.

(c) Refer note 30 for information about credit risk and market risk of trade receivables.

| **Note 11 : Cash and Cash Equivalents** | **As At March 31, 2022** | **As At March 31, 2021** |
|---|---|---|
| Balances With Scheduled Banks : | | |
| - Current Accounts | 19.73 | 8.39 |
| Cash on hand | 1.31 | 0.73 |
| | **21.04** | **9.11** |

| **Note 12 : Bank Balances other than Cash and Cash Equivalents** | **As At March 31, 2022** | **As At March 31, 2021** |
|---|---|---|
| Deposit accounts with original maturity of more than 3 months but less than 12 months | 4,501.45 | 876.56 |
| | **4,501.45** | **876.56** |

(All amounts in ₹ lakh, unless otherwise stated)

| Note 13 : Equity Share Capital | As At March 31, 2022 | As At March 31, 2021 |
|---|---|---|
| **Authorised:** | | |
| 15000000 (March 31, 2021: 15000000) equity shares of ₹ 5 each* | 750.00 | 750.00 |
| | **750.00** | **750.00** |
| **Issued, Subscribed & fully paid up:** | | |
| 10796574 (March 31, 2021: 10796574) equity shares of ₹ 5 each* | 539.83 | 539.83 |
| **Add: Amount paid up on shares forfeited** | | |
| 3400 (March 31, 2021: 3400) equity shares of ₹ 5 each* | 0.17 | 0.17 |
| | **540.00** | **540.00** |

**a) Reconciliation of Issued and Subscribed Share Capital:**

| | No. of Shares | Amount |
|---|---|---|
| **Balance as at April 1, 2020** | 10796574 | 539.83 |
| Add: Increase/(Decrease) During The Year | - | - |
| **Balance as at March 31, 2021** | 10796574 | 539.83 |
| Add: Increase/(Decrease) During The Year | - | - |
| **Balance as at March 31, 2022** | **10796574** | **539.83** |

**b) Terms/rights Attached to Equity Shares**

The holding company has only one class of equity shares having a par value of ₹ 5 per share. Each holder of Equity shares is entitled to one vote per share. In the event of liquidation of the holding company, the holders of equity shares will be entitled to receive remaining assets of the holding company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. No dividend is proposed by Board of Directors of the holding Company.

**c) Details of shareholders holding more than 5% shares in the company**

| | | As At March 31, 2022 | | As At March 31, 2021 | |
|---|---|---|---|---|---|
| | | No. of Shares | % holding | No. of Shares | % holding |
| a. | Mr. Hari B.Bansal | 996118 | 9.23% | 996118 | 9.23% |
| b. | Mr. Abhishek Bansal | 1000666 | 9.27% | 1000666 | 9.27% |
| c. | Mr. Chaman Lal Jain | 1689818 | 15.65% | 1689818 | 15.65% |
| d. | Mrs. Urmila Jain | 3714493 | 34.40% | 3714493 | 34.40% |

**d)** The Holding Company has not issued any shares pursuant to any contract without payment being received in cash or as fully paid up by way of bonus shares. The Holding Company has not bought back any shares.

* Number of Shares are given in absolute numbers.

(All amounts in ₹ lakh, unless otherwise stated)

**e) Details of Promoter's Shareholding:**

| Promoter Name | As at March 31, 2022 | | As at March 31, 2021 | | % Change during the year |
|---|---|---|---|---|---|
| | No. of Shares | %of total shares | No. of Shares | %of total shares | |
| Abhishek Bansal | 1000666 | 9.27% | 10,00,666 | 9.27% | 0% |
| Anju Bhaskar | 59100 | 0.55% | 59,100 | 0.55% | 0% |
| Anu Lance | 56000 | 0.52% | 56,000 | 0.52% | 0% |
| Chaman Lal Jain | 1689818 | 15.65% | 16,89,818 | 15.65% | 0% |
| Hari Bansal | 996118 | 9.23% | 9,96,118 | 9.23% | 0% |
| Urmila Jain | 3714493 | 34.40% | 37,14,493 | 34.40% | 0% |
| Ultimate Investments LLP | 501980 | 4.65% | 5,01,980 | 4.65% | 0% |

| Promoter Name | As at March 31, 2022 | | As at March 31, 2021 | | % Change during the year |
|---|---|---|---|---|---|
| | No. of Shares | %of total shares | No. of Shares | %of total shares | |
| Abhishek Bansal | 10,00,666 | 9.27% | 10,00,666 | 9.27% | 0% |
| Anju Bhaskar | 59,100 | 0.55% | 59,100 | 0.55% | 0% |
| Anu Lance | 56,000 | 0.52% | 56,000 | 0.52% | 0% |
| Chaman Lal Jain | 16,89,818 | 15.65% | 16,89,818 | 15.65% | 0% |
| Hari Bansal | 9,96,118 | 9.23% | 9,96,118 | 9.23% | 0% |
| Urmila Jain | 37,14,493 | 34.40% | 37,14,493 | 34.40% | 0% |
| Ultimate Investments LLP | 5,01,980 | 4.65% | 5,01,980 | 4.65% | 0% |

| Note 14 : Other Equity | As At March 31, 2022 | As At March 31, 2021 |
|---|---|---|
| Capital Reserve | 61.75 | 61.75 |
| Securities Premium | 1,318.51 | 1,318.51 |
| Retained Earnings | 3,783.52 | 43.47 |
| **Total** | **5,163.78** | **1,423.73** |

**Note:**

i) For Movement during the Year in Other Equity, refer "Statement of Change in Equity".

**ii) Nature and purpose of reserves**

**a) Capital Reserve:**

During 2000-01, specific reserves such as investment allowance reserve, investment allowance utilization reserve, generator subsidy and capital subsidy were transferred into capital reserve.

**b) Securities Premium:**

The amount received in excess of face value of the equity shares is recognised in securities premium. The reserve will utilised in accordance with provisions of the companies Act 2013.

**c) Retained Earnings:**

Retained earnings are the profits that the Group has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

**(All amounts in ₹ lakh, unless otherwise stated)**

| | Non-Current | | Current | |
|---|---|---|---|---|
| | **As At March 31, 2022** | **As At March 31, 2021** | **As At March 31, 2022** | **As At March 31, 2021** |
| Provision for Compensated Absences (Refer Note No. 25) | 6.07 | 5.50 | 0.91 | 0.76 |
| Provision for Gratuity (Refer Note No. 25) | 9.48 | 8.78 | 3.54 | 3.41 |
| | **15.55** | **14.28** | **4.45** | **4.17** |

**Note 16 : Trade Payables**

| | **As At March 31, 2022** | **As At March 31, 2021** |
|---|---|---|
| - Outstanding Dues to Micro and Small Enterprises | - | - |
| - Total Outstanding Dues to Parties Other than Micro and Small Enterprises | 8.04 | 7.19 |
| | **8.04** | **7.19** |

**Trade Payables ageing schedule as on March 31, 2022**

| **Particulars** | **Outstanding for following Years from due date of payment** | | | | | **Total** |
|---|---|---|---|---|---|---|
| | **Not Due** | **Less than 1 year** | **1-2 years** | **2-3 years** | **Unbilled Dues** | |
| (i) MSME | | - | - | - | - | - |
| (ii) Others | 7.44 | - | - | - | 0.60 | 8.04 |
| (iii) Disputed dues — MSME | | - | - | - | - | - |
| (iv) Disputed dues — Others | | - | - | - | - | - |

**Trade Payables ageing schedule as on March 31, 2021**

| **Particulars** | **Outstanding for following Years from due date of payment** | | | | | **Total** |
|---|---|---|---|---|---|---|
| | **Not Due** | **Less than 1 year** | **1-2 years** | **2-3 years** | **Unbilled Dues** | |
| (i) MSME | | - | - | - | - | - |
| (ii) Others | 7.19 | - | - | - | - | 7.19 |
| (iii) Disputed dues — MSME | | - | - | - | - | - |
| (iv) Disputed dues — Others | - | - | - | - | - | - |

(a) As per Schedule III of the Companies Act, 2013 and as certified by the management, the amount due to Micro, & small enterprises as defined in Micro, Small and Medium Enterprises Development Act, 2006 is as under:

| | **As At March 31, 2022** | **As At March 31, 2021** |
|---|---|---|
| - The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year. | - | - |
| - The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year. | - | - |
| - The amount of interest due and payable for the Year of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006. | - | - |

**(All amounts in ₹ lakh, unless otherwise stated)**

| | | |
|---|---|---|
| - The amount of interest accrued and remaining unpaid at the end of each accounting year. | - | - |
| - The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006. | - | - |

(b) 'Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act and as per the intimation received from them on requests made by the Company. There are no overdue principal amounts / interest payable amounts for delayed payments to such vendors at the Balance Sheet date except disclosed above.

(c) The amount does not include any amount due to be transferred to Investor Protection and Education fund.

| **Note 17 : Other Current Liabilities** | **As At March 31, 2022** | **As At March 31, 2021** |
|---|---|---|
| Advance Agst Property (Refer foot note of Note 3) | 150.00 | 993.05 |
| Statutory dues payable | 3.13 | 7.55 |
| | **153.13** | **1,000.60** |

| **Note 18: Other Income** | **For The Year Ended March 31, 2022** | **For The Year Ended March 31, 2021** |
|---|---|---|
| Interest on | | |
| - Fixed Deposits | 172.98 | 29.37 |
| - Tax Free Bonds | 24.67 | 22.82 |
| - Others | 0.03 | 0.18 |
| Rental Income | 30.68 | - |
| Excess liability written back | 0.46 | 0.04 |
| Miscelleneous Income | 0.53 | 0.03 |
| | **229.35** | **52.44** |

**(a) Company as a Lessor**

The Holding Company has given its building space on cancellable operating lease through operating lease arrangements. Income from operating leases is recognised as revenue on a straight-line basis over the lease term.

Lease income of ₹ 30.68 Lakh (March 31, 2021: ₹ Nil Lakh) has been recognised and included under revenue from operations.

| **Note 19 : Employee Benefits Expense** | **For The Year Ended March 31, 2022** | **For The Year Ended March 31, 2021** |
|---|---|---|
| Salary, Wages & Bonus | 24.20 | 19.80 |
| Contribution to Provident & Other Funds | 1.70 | 1.64 |
| Gratuity (Refer Note No. 25) | 1.58 | 1.40 |
| Compensated Absences (Refer Note No. 25) | 0.71 | 0.39 |
| Staff Welfare Expenses | 0.33 | 0.17 |
| | **28.52** | **23.40** |

(All amounts in ₹ lakh, unless otherwise stated)

| Note 20 : Depreciation and Amortisation Expense | For The Year Ended March 31, 2022 | For The Year Ended March 31, 2021 |
|---|---|---|
| Depreciation on Tangible Assets (Refer Note 3) | 4.73 | 11.83 |
| Depreciation on Investment Property (Refer Note 4A) | 8.18 | 8.18 |
| | **12.91** | **20.01** |

| Note 21 : Other Expenses | For The Year Ended March 31, 2022 | For The Year Ended March 31, 2021 |
|---|---|---|
| Electricity & Water Expenses | 9.22 | 11.39 |
| Repairs & Maintenance - Others | 1.69 | 0.59 |
| Insurance | 0.05 | 0.21 |
| Legal & Professional Charges | 9.89 | 7.69 |
| Rates and taxes | 3.02 | 3.03 |
| Payment to Auditors **(Refer Note below)** | 2.64 | 2.93 |
| Travelling & conveyance expenses | 2.17 | 0.22 |
| Vehicle Running Expenses | 2.08 | 1.29 |
| Security Service | 5.63 | 6.58 |
| Allowance for Capital Advance | 205.08 | - |
| Amount written off | 47.90 | 2.84 |
| Less: Allowances for doubtful advances written back | (33.06) | 14.84 |
| Miscellaneous Expenses | 6.13 | 5.93 |
| | **262.44** | **42.70** |

| a) Details of payment made to auditors is as follows: | For The Year Ended March 31, 2022 | For The Year Ended March 31, 2021 |
|---|---|---|
| **As Auditor:** | | |
| - For Audit | 1.74 | 1.78 |
| - For Taxation Matters | - | 0.25 |
| - For Other Services | 0.90 | 0.90 |
| | **2.64** | **2.93** |

| Note 22 : Exceptional Item | For The Year Ended March 31, 2022 | For The Year Ended March 31, 2021 |
|---|---|---|
| Profit/(Loss) on Sale of Property, Plant and Equipment (net of expenses ₹ 213.86 lakh) | 4,651.83 | 1.18 |
| Profit/(Loss) on Sale of Investment | - | 2.58 |
| | **4,651.83** | **3.76** |

**Note 23: Income tax**

The major components of income tax expense for the years ended March 31, 2022 and March 31, 2021 are:

(All amounts in ₹ lakh, unless otherwise stated)

| 23.1 Income tax recognised in profit or loss | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|
| **Tax Expense:** | | |
| a) Current tax | 832.23 | 1.04 |
| b) Adjustments in respect of current income tax of previous year | - | 0.12 |
| c) Deferred tax | (5.61) | (145.57) |
| **Income tax expense reported in the statement of profit or loss** | **826.62** | **(144.41)** |

**23.2 Income tax recognised in other comprehensive income**

| | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|
| Income-tax on Re-measuresemnt of Defined Benefit Plans | (0.19) | 0.23 |
| | **(0.19)** | **0.23** |

**Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2022 and March 31, 2021**

| | As At March 31, 2022 | As At March 31, 2021 |
|---|---|---|
| Accounting profit before tax from continuing operations | 4,577.31 | (29.91) |
| **Accounting profit before income tax** | **4,577.31** | **(29.91)** |
| At India's statutory income tax rate of 25.168% for Normal Income, 22.88% for LTCG (March 31, 2021: 25.168%) | 1,152.02 | (7.53) |
| Adjustments in respect of current income tax of previous years | - | 0.12 |
| Mat Credit Entitlement written off | | - |
| Exempt income | 4.05 | (5.82) |
| Non-deductible/Taxable expenses for tax purposes: | | |
| Expenses not allowed for tax purpose | 0.59 | - |
| Deferred tax expense on Investment Property | 1.87 | (12.93) |
| Deferred tax asset charged on Investment in shares | (31.94) | 8.59 |
| Deferred tax asset created on Assets held for sale | (20.82) | (117.42) |
| On account of lower tax rate on capital gain | (279.16) | 0.10 |
| Tax impact on losses of current year | - | (9.53) |
| At the effective income tax rate | 826.62 | (144.41) |
| Income tax expense reported in the statement of profit and loss | 826.62 | (144.41) |
| Variance | - | - |

The tax rate used for the current year reconciliation above is the corporate tax rate of 25.168% (March 31, 2021: 25.168%) payable by corporate entities in India on taxable profits under the Indian tax law.

**Note 24 : Earnings per share (EPS)**

Earning per share (EPS) is determined based on the net profit attributable to the shareholder before other comprehensive Income. Basic earning per share is computed using the weighted average number of equity shares outstanding during the year whereas Diluted Earning per share is computed using the weighted average number of common and dilutive equivalent shares except for the case where the result becomes anti- dilutive.

(All amounts in ₹ lakh, unless otherwise stated)

| | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|
| Profit attributable to the equity holders | 3,739.47 | 114.50 |
| Weighted average number of equity shares for basic and diluted EPS (in absolute numbers) | 1,07,96,574 | 1,07,96,574 |
| **Basic and diluted earnings per share (in ₹) (face value ₹ 5 per share)** | **34.64** | **1.06** |

**Note 25 : Gratuity And Other Post-Employment Benefit Plans**

**a) Defined Contribution Plans**

The Group makes contribution towards provident fund/ pension fund. Under the scheme, the company is required to contribute a specified percentage of payroll cost, as specified in the rules of the schemes, to the defined contribution scheme.The company during the year recognised the following amount in the Consolidated Statement of profit and loss account under company's contribution to defined contribution plan.

| | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|
| Provident Fund | 1.44 | 1.40 |
| Other funds | 0.26 | 0.24 |
| **Total** | **1.70** | **1.64** |

**b) Defined benefit plans**

In accordance with Ind AS 19 "Employee benefits", an actuarial valuation on the basis of "Projected Unit Credit Method" was carried out, through which the Group is able to determine the present value of obligations. "Projected Unit Credit Method" recognizes each Year of service as giving rise to additional unit of employees benefit entitlement and measures each unit separately to built up the final obligation.

**i) Gratuity scheme**

The Group operates gratuity plan wherein every employee is entitled to the benefit equivalent to 15 days salary last drawn for each completed year of service. The same is payable on termination of service, or retirement, or death, whichever is earlier. The benefit vests after five years of continuous service.

**(ii) Compensated Absences**

The Group operates compensated absences plan wherein every employee is entitled to the benefit equivalent to 26 days leave salary for every completed year of service subject to maximum 90 accumulations of leaves. The salary for calculation of earned leave is last drawn salary. The same is payable during the service, early retirement, withdrawal of scheme, resignation by employee and upon death of employee.

**c)** The following tables summarize the components of net benefit expense recognised in the Statement of profit and loss and the funded status and amounts recognised in the balance sheet for the defined benefit plan (viz. gratuity and compensated absences).Compensated Absences include earned leaves and sick leaves. These have been provided on accrual basis, based on year end actuarial valuation.

(All amounts in ₹ lakh, unless otherwise stated)

| | | As At March 31, 2022 | As At March 31, 2021 |
|---|---|---|---|
| | | Gratuity | Gratuity |
| | | (Unfunded) | (Unfunded) |
| **Change in benefit obligation** | | | |
| 1 | Opening defined benefit obligation | 12.20 | 11.71 |
| 2 | Acquisition Adjustment | - | - |
| 3 | Add: Interest cost | 0.82 | 0.79 |
| 4 | Add: Current service cost | 0.76 | 0.61 |
| 5 | Add: Past service cost | - | - |
| 6 | Less: Benefits paid | - | - |
| 7 | Add: Actuarial (gain) / loss | (0.75) | (0.90) |
| **Present value of obligation as at the end of the year** | | **13.02** | **12.20** |

**d) The following tables summarise the components of net benefit expense recognised in the Statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plans:**

| | | As At March 31, 2022 | As At March 31, 2021 |
|---|---|---|---|
| | | Gratuity | Gratuity |
| | | (Unfunded) | (Unfunded) |
| **Cost for the year included under employee benefit** | | | |
| Add: | Current service cost | 0.76 | 0.61 |
| Add: | Past service cost | - | - |
| Add: | Interest cost | 0.82 | 0.79 |
| Less: | Return on plan assets | - | - |
| Add: | Actuarial (gain) / loss | (0.75) | (0.90) |
| **Net cost** | | **0.83** | **0.50** |

**e) Detail of actuarial gain/loss recognised in OCI is as follows:**

| | | As At March 31, 2022 | As At March 31, 2021 |
|---|---|---|---|
| | | Gratuity | Gratuity |
| | | (Unfunded) | (Unfunded) |
| 1 | Actuarial gain / (loss) for the year – obligation | (0.75) | (0.90) |
| 2 | Actuarial gain / (loss) for the year - plan assets | - | - |
| 3 | **Total gain / (loss) for the year** | **(0.75)** | **(0.90)** |
| 4 | Actuarial gain / (loss) recognised in the year | (0.75) | (0.90) |
| 5 | Unrecognised actuarial gains / (losses) at the end of year | - | - |

(All amounts in ₹ lakh, unless otherwise stated)

**f) Principal actuarial assumptions at the balance sheet date are as follows:**

| | | As At March 31, 2022 | As At March 31, 2021 |
|---|---|---|---|
| | | Gratuity | Gratuity |
| | | (Unfunded) | (Unfunded) |
| **Economic assumptions** | | | |
| 1 | Discount rate | 6.86% | 6.70% |
| 2 | Rate of increase in compensation levels | 8.00% | 8.00% |
| **Demographic assumptions** | | | |
| 1 | Expected average remaining working lives of employees (years) | 9.18 | 13.72 |
| 2 | Retirement Age (years) | 60 | 60 |
| 3 | Mortality Rate | | |
| | | **Indian Assured Lives Mortality (2012-2014)** | |
| **Withdrawal Rate** | | | |
| 1 | Ages up to 30 Years | 3.00% | 3.00% |
| 2 | Ages from 31-44 Years | 2.00% | 2.00% |
| 3 | Above 44 years | 1.00% | 1.00% |

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

**g) Net (assets) / liabilities recognized in the Balance Sheet and experience adjustments on actuarial gain / (loss) for benefit obligation and plan assets.**

| | As At March 31, 2022 | As At March 31, 2021 |
|---|---|---|
| | Gratuity | Gratuity |
| | (Unfunded) | (Unfunded) |
| Present value of obligation | (13.02) | (12.20) |
| Less: Fair value of plan assets | - | - |
| Net (assets) / liability | **(13.02)** | **(12.20)** |

**h) A quantitative sensitivity analysis for significant assumption as is as shown below:**

| | | As At March 31, 2022 | As At March 31, 2021 |
|---|---|---|---|
| | | Gratuity | Gratuity |
| | | (Unfunded) | (Unfunded) |
| **A.** | **Discount rate** | | |
| | Effect on DBO due to 0.5% increase in Discount Rate | (0.28) | (0.28) |
| | Effect on DBO due to 0.5% decrease in Discount Rate | 0.29 | 0.29 |
| **B.** | **Salary escalation rate** | | |
| | Effect on DBO due to 0.5% increase in Salary Escalation Rate | 0.29 | 0.29 |
| | Effect on DBO due to 0.5% decrease in Salary Escalation Rate | (0.28) | (0.28) |

i) The expected contributions to the defined benefit plan for the next financial year is ₹ Nil ( March 31, 2021: ₹ 1.61 lakh)

(All amounts in ₹ lakh, unless otherwise stated)

j) Maturity profile of defined benefit obligation is as follows:

| Years | As At March 31, 2022 Gratuity (Unfunded) | As At March 31, 2021 Gratuity (Unfunded) |
|---|---|---|
| 0 to 1 years | 3,54,376 | 3,41,476 |
| 1 to 2 years | 17,813 | 16,309 |
| 2 to 3 years | 17,175 | 16,542 |
| 3 to 4 years | 6,02,365 | 16,026 |
| 4 to 5 years | 4,974 | 5,82,437 |
| 5 to 6 years | 5,064 | 3,944 |
| 6 year onwards | 3,00,635 | 2,42,816 |

**Note 26 : Contingent Liabilities (to the extent not provided for) and Commitments**

**I) Commitments**

**a)** Estimated amount of contracts remaining to be executed on capital account (net of advances) and which have not been provided for in the financial statements, amounts to ₹ 45.23 Lakh (March 31, 2021: ₹ 3,245.23 Lakh). The Group does not have any other long term commitments or material non-cancellable Contractual Commitments, which may have a material impact on the Consolidated financial statements.

**II) Contingent Liabilities**

The Group has reviewed all its pending claims, litigations and other proceedings and has adequately provided for wherever required. However, wherever it is difficult for the Group to estimate the timings of cash outflows, if any, in respect of the below as it is determinable only on receipt of judgement/decisions pending with various forums/authorities, the Group has disclosed the same as Contingent Liabilities (pending resolution of the respective proceedings).

The Group does not expect the outcome of these proceedings to have a material or adverse effect on financial position of the Group. Also, the Group does not expect any reimbursements in respect of the below contingent liabilities.

| | As At March 31, 2022 | As At March 31, 2021 |
|---|---|---|
| (i) Claims against the Company, not accepted and not provided | 77.42 | 77.42 |

**Note 29 : Related Party Disclosures**

**a) Name of the Related Parties and Description of Relationship:**

| Name of Related Party | Nature of relationship |
|---|---|
| Key Management Personnel | Mr. C.L.Jain,Chairman and Managing Director |
| | Mrs. Urmila Jain - Director |
| | Mr. Atul Jain, Chief Financial Officer |
| | Mr. Hari Bansal - Director |
| | Mrs. Twinkle Bhardwaj, Company Secretary (w.e.f November 02, 2019 and upto March 04, 2021) |
| | Mrs. Taranjeet Kaur, Company Secretary (w.e.f March 5,2021) |

(All amounts in ₹ lakh, unless otherwise stated)

**b) Transactions with related parties (Including bifurcation of material transaction)**

| Name of Related Party | Relationship | Nature of Transaction | For the Year ended March 31, 2022 | For the Year ended March 31, 2021 |
|---|---|---|---|---|
| Sh.Chaman Lal Jain | Managing Director | Salary | 4.00 | Nil |
| Mr. Hari Bansal | Director | Reimburesement of Expenses Incurred on our behalf | NIL | 1.72 |
| Mrs. Urmila Jain | Director | Reimburesement of Expenses Incurred on our behalf | NIL | 0.56 |
| Mr. Atul Jain | Chief Financial Officer | Salary | 6.30 | 6.30 |
| | | Reimburesement of Expenses Incurred on our behalf | Nil | 0.51 |
| Mrs. Twinkle Bhardwaj | Company Secretary | Salary | Nil | 2.65 |
| Mrs. Taranjeet Kaur | Company Secretary | Salary | 1.70 | 0.12 |

**c) Year end balances of related parties**

| Name of Related Party | Nature of Balance | For the Year ended March 31, 2022 | For the Year ended March 31, 2021 |
|---|---|---|---|
| Mr. Atul Jain | Salary payable | 0.49 | 0.49 |
| Mrs. Taranjeet Kaur | Salary payable | 0.14 | 0.12 |
| Sh.Chaman Lal Jain | Director Remunaration payable | 2.00 | NIL |

**d) Terms and conditions of transactions with related parties**

All the transaction with the related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and carried no interest. No expenses has been recognized in the current year in respect of bad or doubtful debts/advances and further no specific provision for doubtful debts/advances has been made in respect of outstanding balances.

**Note 27 : Segment Information**

The holding company is engaged in the business of Export of Garments and operates within India. The holding company has determined single reporting segments based on the information reviewed by the Group's Chief Operating Decision Maker ('CODM') and hence there is no other reportable segment as per Ind AS 108 "Operating Segment".

Major Customer: No single customers contributed 10% or more to the Group's revenue for both March 31, 2022 and March 31, 2021.

**Note 28: Capital Management**

The Group's objective for managing capital is to

- Ensure ability to continue as a going concern, so that the company can continue to provide returns to shareholders and benefits for other stakeholders, and

- maintain optimal capital structure to reduce the cost of capital.

The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

**(All amounts in ₹ lakh, unless otherwise stated)**

The Group monitors capital structure using Gearing Ratio, which is calculated as under:

| | As At March 31, 2022 | As At March 31, 2021 |
|---|---|---|
| Borrowings | - | - |
| Less: Cash and Bank Balance | - | - |
| **Adjusted Net debt (A)** | - | - |
| Equity Share Capital | 540.00 | 540.00 |
| Other Equity | 5,163.78 | 1,423.72 |
| **Total Capital (B)** | **5,703.78** | **1,963.72** |
| **Net Debt and Capital (C= A+B)** | **5,703.78** | **1,963.72** |
| **Gearing ratio** | **0.00** | **0.00** |

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2022 and March 31, 2021.

For the purpose of capital management, capital includes issued equity capital and all other reserves attributable to the equity holders of the holding company.

**Note 29 : Fair Values Disclosure**

**a) Financial Instruments by category**

Set out below, is a comparison by class of the carrying amounts and fair value of the group’s financial instruments. Here the disclosure is made for non-current financial assets and non-current financial liabilities, carrying value of current financial assets and current financial liabilities including trade receivable, cash and cash equivalent, other bank balances, other financial assets, trade payables, current borrowing, other current financial liabilities etc. which represent the best estimate of fair value.

The Management assessed that fair value of these short term financial assets and liabilities significantly approximate their carrying amount largely due to short term maturities of these instruments and are measured at amortised cost.

**b) Fair value of Financial Assets:**

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the consolidated financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standard.

Level 1 : Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2 : Valuation techniques for which the lowest level input that has a significant effect on the fair value measurement are observable, either directly or indirectly.

Level 3 : Valuation techniques for which the lowest level input which has a significant effect on the fair value measurement is not based on observable market data.

**(All amounts in ₹ lakh, unless otherwise stated)**

**As at March 31, 2022:**

| **Particulars** | **Carrying amount** | | | **Fair value** | | | |
|---|---|---|---|---|---|---|---|
| | **Other financial assets - amortised cost** | **Other financial liabilities- amortised cost** | **Total carrying amount** | **Level 1** | **Level 2** | **Level 3** | **Total** |
| **Financial assets Measured At Amortised Cost** | | | | | | | |
| Investment in Equity Share | 0.98 | - | 0.98 | - | - | - | - |
| Investment Others | 324.53 | - | 324.53 | - | - | - | - |
| Security Deposits | 16.59 | - | 16.59 | - | - | - | - |
| Others | 121.18 | - | 121.18 | - | - | - | - |
| Cash and Cash Equivalents | 21.04 | - | 21.04 | - | - | - | - |
| Bank balance other than Cash and cash equivalent | 4,501.45 | - | 4,501.45 | - | - | - | - |
| | **4,985.77** | **-** | **4,985.77** | **-** | | | |
| **Financial Liabilities Measured At Amortised Cost** | | | | | | | |
| Trade payables | - | 8.04 | 8.04 | - | - | - | - |
| | **-** | **8.04** | **8.04** | **-** | **-** | **-** | **-** |

**As at March 31, 2021:**

| **Particulars** | **Carrying amount** | | | **Fair value** | | | |
|---|---|---|---|---|---|---|---|
| | **Other financial assets - amortised cost** | **Other financial liabilities- amortised cost** | **Total carrying amount** | **Level 1** | **Level 2** | **Level 3** | **Total** |
| **Financial assets Measured At Amortised Cost** | | | | | | | |
| Investment in Equity Share | 0.98 | - | 0.98 | - | - | - | - |
| Investment Others | 296.63 | - | 296.63 | - | - | - | - |
| Security Deposits | 13.44 | - | 13.44 | - | - | - | - |
| Others | 32.86 | - | 32.86 | - | - | - | - |
| Cash and Cash Equivalents | 9.12 | - | 9.12 | - | - | - | - |
| Bank balance other than Cash and cash equivalent | 876.56 | - | 876.56 | - | - | - | - |
| | **1,229.59** | **-** | **1,229.59** | **-** | **-** | **-** | **-** |
| **Financial Liabilities Measured At Amortised Cost** | | | | | | | |
| Trade payables | - | 7.18 | 7.18 | - | - | - | - |
| | **-** | **7.18** | **7.18** | **-** | **-** | **-** | **-** |

**c) Discount Rate Used in Determining Fair Value**

The interest rate used to discount estimated future cash flows, where applicable, are based on the incremental borrowing rate of borrower which in case of financial liabilities is average market cost of borrowings of the group and in case of financial asset is the average market rate of similar credit rated instrument. The group maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available.

**(All amounts in ₹ lakh, unless otherwise stated)**

The group has an established control framework with respect to the measurement of fair values. The finance and accounts team that has overall responsibility for overseeing all significant fair value measurements and reports directly to the board of directors. The team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified. Significant valuation issues are reported to the group's board of directors.

The following methods and assumptions were used to estimate the fair values:

a) Fair value for security deposits (other than perpetual security deposits) has been presented based on the discounting factor as at the reporting date. Fair value for all other non-current assets and liabilities is equivalent to the amortised cost, interest rate on them is equivalent to the market rate of interest.

b) For other financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

**Note 30: Financial risk management objectives and policies**

The group's principal financial liabilities comprise trade and other payables. The main purpose of these financial liabilities is to finance the group's operations and to provide guarantees to support its operations.

The group's principal financial assets includes loans, security deposits, trade receivables, cash and cash equivalents, deposits with bank, interest accrued in deposits, receivables from related and other parties and interest accrued thereon.

The group is exposed to credit risk, liquidity risk and market risk.

**A. Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk borrowings, short term deposits and derivative financial instruments.

The sensitivity analyses in the following sections relate to the position as at March 31, 2022 and March 31, 2021.

**i) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. However, the group doesn't have any interest rate risk.

**ii) Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The group's exposure to the risk of changes in foreign exchange rates relates primarily to the group's operating activities (when revenue or expense is denominated in a foreign currency)

The group is not exposed to foreign currency sensitivity because group does not have any outstanding foreign currency exposure as on March 31, 2022 and March 31, 2021.

**B. Credit risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and other financial instruments.

**i) Trade receivables**

Customer credit risk is managed by each business unit subject to the group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating. Outstanding customer receivables are regularly monitored.

(All amounts in ₹ lakh, unless otherwise stated)

ii) **Financial instruments and cash deposits**

Credit risk from balances with banks and financial instruments is managed by the group's treasury department in accordance with the group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the group's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the group's finance committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

**C. Liquidity risk**

Liquidity risk is the risk that the group may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses.

The group's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The group closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including loans from banks at an optimised cost.

**The table below summarises the maturity profile of the group's financial liabilities based on contractual undiscounted payments.**

| As at March 31, 2022 | On demand | Less than 3 months | 3 to 12 months | 1 to 5 years | > 5 years | Total |
|---|---|---|---|---|---|---|
| Trade Payables | - | 8.04 | - | - | - | 8.04 |
| **Total** | **-** | **8.04** | **-** | **-** | **-** | **8.04** |

| As at March 31, 2021 | On demand | Less than 3 months | 3 to 12 months | 1 to 5 years | > 5 years | Total |
|---|---|---|---|---|---|---|
| Trade payables | - | 7.04 | - | - | - | 7.04 |
| **Total** | **-** | **7.04** | **-** | **-** | **-** | **7.04** |

**Note 31: Ratio Analysis**

| Description | Numerator | Denominator | March 31, 2022 | March 31, 2021 | % change | Reason for variance |
|---|---|---|---|---|---|---|
| Current ratio | Current Assets | Current Liabilities | 28.07 | 1.01 | 2669.88% | Improved due to investment of surplus fund. |
| Return on Equity ratio | Net Profits after taxes – Preference Dividend | Average Shareholder's Equity | 24.39% | 1.54% | 22.84% | |
| Return on Capital Employed | Earnings before interest and taxes | Capital Employed * | 80.25% | -1.52% | 81.77% | Improved on account of improvement in the working capital |
| Return on investment | Earnings from investment | Average Investment | 1.77% | 0.75% | 1.02% | |

(All amounts in ₹ lakh, unless otherwise stated)

* Tangible Net Worth + Total Debt + Deferred Tax Liability

**Note 32 : Disclosure of the Additional Information As Required by the Schedule III**

The holding company has investment in the following private limited companies that are not listed on any public stock exchange.

| Name of the Company | Country of Incorporation | Principal Activities | Proportion (%) of Equity Interest | |
|---|---|---|---|---|
| | | | As At March 31, 2022 | As At March 31, 2021 |
| Aum Texfab Private Limited | India | Manufacturing & Marketing of Readymade Garments | 100% | 100% |

a) As at and for the year ended March 31, 2022

| Name of entity | Net Assets (i.e. Total Assets - Total Liabilities) | | Share in Profit or Loss Share | | Share in Other Comprehensive Income (OCI) | | Share in Total Comprehensive Income | |
|---|---|---|---|---|---|---|---|---|
| | As % of consoli-dated net assets | Amount | As % of consoli-dated profit or loss" | Amount | As % of consoli-dated OCI | Amount | As % of consoli-dated total comprehen-sive income | Amount |
| **Parent Company** | | | | | | | | |
| Addi Industries Limited | 96.88% | 5,526.00 | 99.69% | 3,727.78 | 100.00% | 0.56 | 99.69% | 3,728.34 |
| | | | | | | | | |
| **Subsidiary-Indian** | | | | | | | | |
| Aum Texfab Private Limited | 3.12% | 177.78 | 0.31% | 11.69 | 0.00% | - | 0.31% | 11.69 |
| **Total** | **100.00%** | **5,703.78** | **100.00%** | **3,739.47** | **100.00%** | **0.56** | **100.00%** | **3,740.04** |

**(All amounts in ₹ lakh, unless otherwise stated)**

a) As at and for the year ended March 31, 2021

| Name of entity | Net Assets (i.e. Total Assets - Total Liabilities) | | Share in Profit or Loss Share | | Share in Other Comprehensive Income (OCI) | | Share in Total Comprehensive Income | |
|---|---|---|---|---|---|---|---|---|
| | As % of consolidated net assets | Amount | As % of consolidated profit or loss | Amount | As % of consolidated OCI | Amount | As % of consolidated total comprehensive income | Amount |
| **Parent Company** | | | | | | | | |
| Addi Industries Limited | 93.59% | 1,837.89 | 89.78% | 102.79 | 100.00% | 0.67 | 89.84% | 103.46 |
| | | | | | | | | |
| **Subsidiary-Indian** | | | | | | | | |
| Aum Texfab Private Limited | 10.24% | 201.09 | 10.22% | 11.71 | 0.00% | - | 10.16% | 11.71 |
| Inter- Company Elimination | -3.83% | (75.24) | 0.00% | - | 0.00% | - | | - |
| **Total** | **100.00%** | **1,963.74** | **100.00%** | **114.50** | **100.00%** | **0.67** | **100.00%** | **115.17** |

**Note 33:**

No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group to or in any other person or entity, including foreign entity (“Intermediaries”) with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Group (Ultimate Beneficiaries).

The Group has not received any fund from any party (Funding Party) with the understanding that the Group shall whether, directly or indirectly lend or invest in other persons or entity identified by or on behalf of the Group (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

**Note 34 :**

In view of the Management, the current assets have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the balance sheet as at March 31, 2022.

**Note 35 :**

The Consolidated Financial Statements of the group for the year ended 31st March, 2022 were approved by the Board of Directors and authorised for issue on May 30, 2022.

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

| | |
|---|---|
| **Sd/-**<br>**(Chaman Lal Jain)**<br>**Managing Director**<br>**DIN 00022903** | **Sd/-**<br>**(V.B. Aggarwal)**<br>**Independent Director**<br>**DIN 00022967** |
| **Sd/-**<br>**(Taranjeet Kaur)**<br>**Company Secretary**<br>**ICSI M. No. 008991** | **Sd/-**<br>**(Atul Jain)**<br>**Chief Financial Officer** |

**Place of Signature: New Delhi**
**Date: May 30, 2022**