

NAKODA GROUP OF INDUSTRIES LIMITED

Plot No. 239, South Old Bagadganj, Small Factory Area, Nagpur 440 008, Maharashtra, INDIA.
CIN Number : L15510MH2013PLC249458

+91 712 2778824
+91 712 2721555

info@nakodas.com
www.nakodas.com



Date: - 03.09.2022

To,

National Stock Exchange of India Ltd. (NSE Ltd)
Exchange Plaza, 05th Floor,
Plot No. C-1, Block G,
Bandra Kurla complex, Bandra (E) Mumbai – 400051

Bombay Stock Exchange Limited (BSE Ltd)
Listing / Compliance Department,
Phiroze jeejeebhoy Towers,
Dalal Street, Mumbai – 400001

NSE Scrip Code: - NGIL

BSE Scrip Code:-541418

Sub: - Submission of Annual Report of the Company including the Notice convening 9th Annual General Meeting of the Company for the Financial Year 2021-2022 and Intimation of Record Date.

Dear Sir/Madam,

Pursuant to Regulation 34 and 30(6) and Part A of Schedule III of Securities Exchange board of India (Listing Obligations and Disclosures requirements) Regulations, 2015, Please find enclosed herewith the Annual Report of the Company including Notice convening 9th Annual General Meeting of the Company for the Financial Year 2021-2022 sent to the members through electronic mode. The Annual General Meeting of the company will be held on Thursday, 29th day of September, 2022 at 10.30 A.M. through Video Conferencing / Other Audio Visual means.

The register of members and share transfer book of the company will remain closed from Wednesday 21st day of September, 2022 to Thursday, 29th day of September, 2022 (both days inclusive) for the purpose of 9th Annual General Meeting of the Company. The Company has fixed Tuesday, 20th September, 2022 as the Record Date for determining entitlement of members to receive final dividend for the financial year ended 31st March, 2022 and to vote for the matters as mentioned in the Notice of AGM.

You are requested to please take the note of same in your record.

Yours truly,

For Nakoda Group of Industries Limited

Jayesh Choudhary
Whole Time Director

Encl: - As Above

ANNUAL REPORT 2021-2022

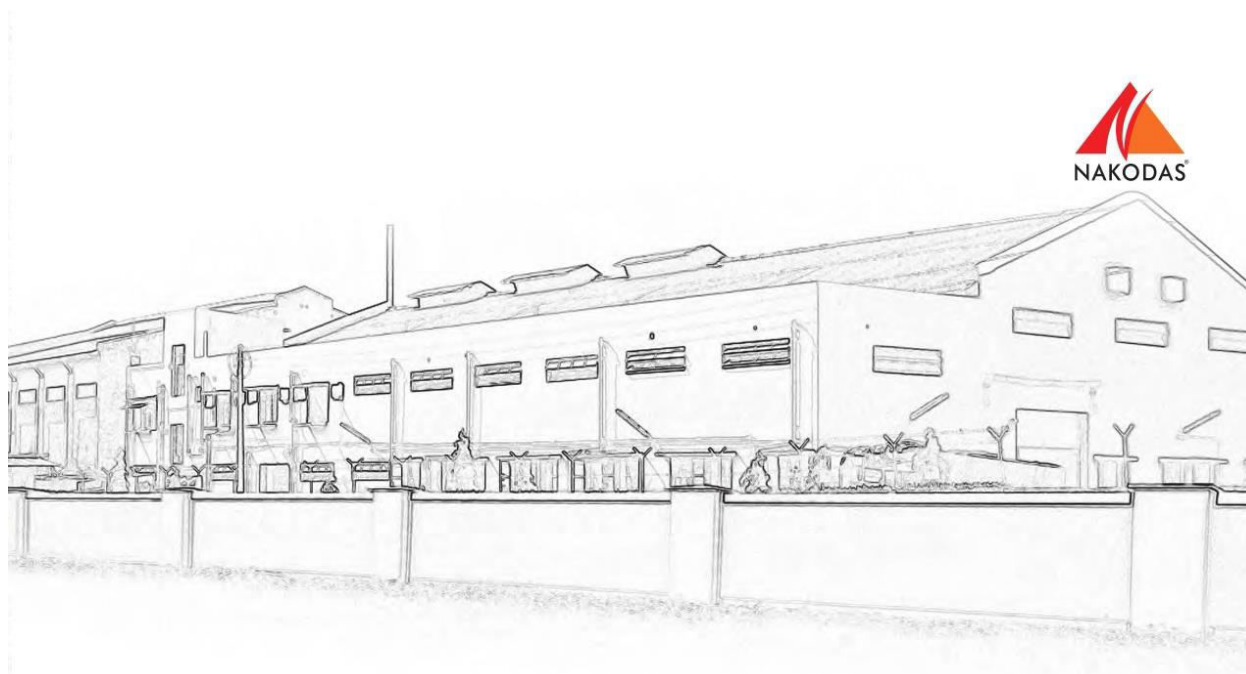


NAKODA GROUP OF
INDUSTRIES LIMITED



NAKODA GROUP OF INDUSTRIES LIMITED

ANNUAL REPORT 2021-2022



Nakodas Group has kept its legacy to make people fall in love with their most delicious, healthy and natural products. Nakodas Group brings you the finest natural ingredients from all around the world to satisfy your heart with its delightful taste.

Nakodas group is a Leading manufacturer of Tutti Fruity (Diced Chelory) also called as “Papaya Preserve”, Karonda Cherries (Indian Cherries), Sweet lime peels, Orange Cut Peels, All Variety of Jams, fruit pulp, Sauces, Canned Vegetables and Frozen Fruits & Vegetables; and also deals in preparation, processing, trading of all types of Dry Fruits, Roasted and Salted Nuts, Popcorns, Sesame Seeds Hulled Auto dry, Spices, Fox Nuts (Makhanas), Cotton and cotton bales, chia seeds, sabja seeds, Amla Candy (Sweet & Chatpata), Gulkand, Amla Powder, Amla Murabba, Inverted Sugar Syrup etc.

Since 1998 we are existing exporter of all above items in Middle East & European Countries. Our Company has around 80% export oriented business and rest is on domestic market of India. Our factory is situated in heart of Nagpur which is also known as the heart of India as it is located centrally to all the conveniences. Hence, we are very conveniently making supplies of the above products very promptly & regularly with less loss of time to the states of India. Our Major Clients are Ice-Cream Factories, Bakeries, Sweets & Namkeens Factories, Airline Companies, Railway Catering & Indian Military, Cotton and cloth Mills, Food factories and Pharmaceutical companies etc.

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CORPORATE INFORMATION

BOARD OF DIRECTORS:

Mr. Pravin Choudhary	Managing Director
Mr. Jayesh Choudhary	Whole Time Director
Mr. Vijay Giradkar	Independent Director
Mr. Dahyalal Prajapati	Independent Director
Mr. Sandeep Jain	Independent Director
Mrs. Kokila Jha	Women Director

AUDIT COMMITTEE:

Mr. Vijay Giradkar	Chairman
Mr. Sandeep Jain	Member
Mr. Dahyalal Prajapati	Member

NOMINATION & REMUNERATION

COMMITTEE:

Mr. Vijay Giradkar	Chairman
Mr. Sandeep Jain	Member
Mr. Dahyalal Prajapati	Member

COMPANY SECRETARY & COMPLIANCE OFFICER:

Mr. Pratul Wate

CHIEF FINANCIAL OFFICER:

Ms. Sakshi Tiwari

STATUTORY AUDITOR:

M/s. Manish N. Jain & Co.

507, 6th Floor, Madhu Madhav Tower,

Laxmi Bhawan Square, Dharampeth,

Nagpur - 440010

SECRETARIAL AUDITOR:

R. A. Daga & Co. Practicing Company Secretaries

Daga Mansion, 17/2, Tikekar Road, Dhantoli
Nagpur - 440012

STAKEHOLDER RELATIONSHIP COMMITTEE:

Mr. Vijay Giradkar	Chairman
Mr. Sandeep Jain	Member
Mr. Dahyalal Prajapati	Member

REGISTERED OFFICE:

Plot. No. 239, South Old Bagadganj,

Small Factory Area, Nagpur - 440008

Tel:- 0712- 2778824

Email:- nakodas@nakodas.com

REGISTRAR & TRANSFER AGENT:

Bigshare Services Pvt. Ltd

S6-2, 6th Floor, Pinnacle,
Business Park, Next to Ahura Centre,
Mahakali Caves Road, Andheri
East, Mumbai, Maharashtra 400093

Note: - Mr. Rahul Mohadikar Independent Director has resigned from the Board Dated 16.08.2022. Board has appointed Mr. Dahyalal Prajapati as Additional Non Executive Independent Director in the company.

Message From Managing Director:-

Dear Shareholders,

It is my pleasure to write to you as Chairman and Managing Director of Nakoda Group of Industries Limited and I feel privileged to accept the responsibility to lead the Leading manufacturer company in India.

With continued cooperation and goodwill from all of you, our union has been able to continue its stride and conquer further heights in overall development, quality and production during the year. It is a matter of pride for all of us.

With your continued support and blessings your company deals in Food, Agro based products and cotton. Nakoda Group deals in Manufacturing of Tutti Fruity (Diced Chelory) also called as "Papaya Preserve", Karonda Cherries (Indian Cherries), Sweet lime peels, Orange Cut Peels, All Variety of Jams, fruit pulp, Sauces, Canned Vegetables and Frozen Fruits & Vegetables; and also deals in preparation, processing, trading of all types of Dry Fruits, Roasted and Salted Nuts, Popcorns, Sesame Seeds Hulled Auto dry, Spices, Fox Nuts (Makhanas), Cotton and cotton bales, chia seeds, sabja seeds, Amla Candy (Sweet & Chatpata), Gulkand, Amla Powder, Amla Murabba, Inverted Sugar Syrup etc. We are in process to come up with other variety of products considering the needs of society.

The Standalone Revenue of the Company is Rs. 59,62,26,757.00/- as compared to Rs. 30,83,64,778.00/- in the previous year. The EBIDTA is Rs. 4,84,55,052/- in the financial year 2021-22 as compared to Rs. 4,56,88,857/- in the previous year.

Change and adaptability are the key to become a meaningful Player in the global Food Industry. We remain committed to stay on our chosen path of operational excellence in the coming financial year in spite of facing huge challenges / issues due to COVID - 19 Pandemic.

Finally, I take this opportunity to thank you, the shareholders of the company, for your continuous support and motivation to the company. I would also like to thank the Government, Customers, Suppliers as well as Lenders for their continued support to the company and finally to all the Employees and the Management Team for their deep level of commitments to the Company.

I look forward to your continued support in the future.

Yours Sincerely,

SD/-

Pravin Choudhary
Managing Director

OUR PRODUCTS RANGE







Tempting Treasure of Taste



IMPROVES HEART
HEALTH



STRENGTHEN
YOUR BONES



PROMOTES
WEIGHT LOSS



GOOD FOR
DIGESTION



ANTI
AGEING



IMPROVE
COGNITIVE FUNCTION



HELPS IN CONTROLLING
BLOOD SUGAR LEVELS



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Tempting Treasure of Taste



RAW



ORGANIC



NON
GMO



GLUTEN
FREE



INCREASE
ENERGY



ANTIOXIDANT
SUPPORT



BOOST
METABOLISM

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PROMOTES
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GOOD FOR
DIGESTION



ANTI
AGEING



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COGNITIVE FUNCTION



HELPS IN CONTROLLING
BLOOD SUGAR LEVELS



**A Whole World of
Appetizing Taste
in Every Bite!**

Buy now on
amazon >







Snacks That
Resonate with Your
Hunger Pangs!

Buy now on
amazon >



Snacks That
Resonate with Your
Hunger Pangs!



GOOD ON QUALITY.
BETTER ON TASTE.



NAKODA GROUP OF INDUSTRIES LIMITED

CIN: - L15510MH2013PLC249458

Registered Office: - 239, South Old Bagadganj, Small Factory Area, Nagpur – 440008, MH

Website:- www.nakodas.com Contact:- 0712-2778824 Email:- cs@nakodas.com

NOTICE OF 9TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the **Ninth Annual General Meeting** of the Members of **Nakoda Group of Industries Limited** will be held on **Thursday, 29th day of September, 2022, at 10.30 A.M.** through Video Conferencing / Other Audio Visual means to transact the following businesses. The venue of the meeting shall be deemed to be the registered office of the company at Plot No. 239, South Old Bagadganj, Small Factory Area, Nagpur – 440008.

ORDINARY BUSINESS:-

Item No. 1:- To receive, consider and adopt the Standalone Audited Financial Statements of the Company for the financial year ended 31st March, 2022 together with the Reports of the Board of Directors and the Auditors thereon and to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT the audited financial statements of the company for financial year ended 31st March, 2022 and the reports of the Board of Directors and Auditors thereon laid before this meeting, be and are hereby considered and adopted.”

Item No. 2:- To declare final dividend Rs. 0.15/- (Rupees Fifteen Paise Only) per Share of Face Value of Rs. 10/- each on 1,11,34,500 Nos. of Fully Paid up Equity Shares for the Financial Year ended 31st March, 2022 and to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT final dividend Rs. 0.15/- (Rupees Fifteen Paise Only) per Share of Face Value of Rs. 10/- each on 1,11,34,500 Nos. of Fully Paid Equity Shares of the company be and is hereby confirmed and declared for the Financial Year ended 31st March, 2022 and the same be paid as recommended by the Board of Directors of the Company.”

Item No. 3:- To Re-Appointment of Mrs. Kokila Ashok Jha (DIN: 09485610) Non Executive Women Director of the company, Who retires by rotation and being eligible offer herself for re-appointment and to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to provisions of the Companies Act, 2013 Mrs. Kokila Ashok Jha (DIN: - 09485610), who retires by rotation at this meeting be and is hereby appointed as Women director of the company.”

SPECIAL BUSINESS:-

Item No. 4:- Appointment of Mr. Dahyalal Prajapati (DIN: 09592327) as Independent Director of the company.

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT in accordance with the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 (the Act), and the Rules made thereunder, read with Schedule IV of the Act and Regulation 16(1)(b) of the SEBI (Listing Annual Report 2021-22

Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) (including any statutory modification(s) or re-enactment thereof for the time being in force), on recommendations of the Nomination and remuneration Committee and approval of the Board of Directors for the appointment of Mr. Dahyalal Prajapati (DIN : 09592327), who was appointed as an Additional Non-Executive Director in the capacity of Independent Director of the Company with effect from 23rd August, 2022 and who has submitted the declaration that he meets the criteria for Independence as provided under the Act and the Listing Regulations and who holds office upto the date of this Annual General Meeting, consent of members be and is hereby accorded to appoint Mr. Dahyalal Prajapati (DIN : 09592327) as an Non Executive Independent Director of the Company to hold the office for a term of upto 5 (five) consecutive years with effect from 23rd August, 2022 to 22nd August, 2027.

“RESOLVED FURTHER THAT Board of Directors of the Company be and are hereby authorized to sign and execute deeds, application and documents that may be required on behalf of the Company and generally to do all acts, deeds, matters and things that may be necessary, proper, expedient or incidental thereto for the purpose of giving effects to these resolution.”

Item No. 5:- Approval of Related Party Transactions for the financial year 2022-2023.

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

“ RESOLVED THAT pursuant to the Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirement) Regulation, 2015 and provision of Section of 188 the Companies Act 2013 and Rules made there under (including any amendment thereto or re-enactment thereto) and all other applicable provision and sub provisions and all other applicable rules there under, if any, of the Companies Act, 2013 (the 'Act') and subject to such approval, consent, sanction and permission as may be necessary, consent of the member of the Company be and is here by accorded, to the Board of Director of the Company to enter into contracts and / or agreement with related parties as defined under the Act with respect to carry on business of hire purchase & leasing of all kinds of plant & machinery & equipments & dealing in all kinds of movable & immovable properties, Purchase and sale transactions with related parties, party to any office or a place of profit in the Company or its subsidiary or associate Company, giving and taking any advance to related parties for carrying such transaction, Giving and Taking property on Rent or any other transaction of whatever nature with related parties for a period from 1st April ,2022 to 31st March ,2023.

“RESOLVED FURTHER THAT Board of Directors of the Company be and are hereby authorized to sign and execute deeds, application and documents that may be required on behalf of the Company and generally to do all acts, deeds, matters and things that may be necessary, proper, expedient or incidental thereto for the purpose of giving effects to these resolution.”

Item No. 6:- To authorize company / board of directors on behalf of company to borrow money upto INR 50 Crores (Indian Rupees Fifty Crores) :-

To consider and if thought fit, to pass the following resolution as **Special Resolution**:

“RESOLVED THAT in supersession of all the earlier resolution(s) passed by the Members of the Company and pursuant to the provisions of Section 180 and other applicable provisions, if any, of the Companies Act, 2013 and rules made there under (including any statutory amendment(s) or modification(s) or re-enactment(s) thereof for the time being in force) and the relevant provisions of the Memorandum and Articles of Association of the Company, the consent of the Members of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as the “Board” which term shall be deemed to include any Committee thereof or any Annual Report 2021-22

other person(s) for the time being exercising the powers conferred on the Board by this Resolution and as may be authorized by the Board in that behalf) on behalf of the company to borrow fresh funds / money upto Rs. 50 Crores (Rupees Fifty Crores) from banks, financial institutions, NBFCs or any person from whom the company can borrow money / funds within the provisions of the Companies Act, 2013 in any manner, from time to time, upon such terms and conditions as they may think fit. The Board is authorised to borrow fresh funds / money upto Rs. 50 Crores (Rupees Fifty Crores) apart from the existing borrowings of the company.

RESOLVED FURTHER THAT the Board of Director be and is hereby authorized to negotiate limits with the Bankers/ Lenders or any other person for availing the funded and non-funded limits (including guarantees facilities), determine the terms and conditions including fixing the rate of interest, tenor etc. for each borrowing and for such purpose create and place fixed deposits as collateral execute loan agreement, Demand promissory Notes, Pledge/ Hypothecation agreement, and other documents and deeds, receipts, acknowledgements and discharge in connection with the borrowings of the Company within the funded and non-funded borrowing limits as prescribed above.

“RESOLVED FURTHER THAT the Board of Directors, Company Secretary and other designated officers of the company be and are hereby authorized to do all such acts, deeds, matters, filing e forms and things as may be necessary, expedient or desirable for the purpose of giving effect to the aforesaid resolutions.”

Item No. 7:- Approval for creation of charges, mortgages, hypothecation on the immovable and movable assets of the Company as per the provisions of the Companies Act, 2013.

To consider and, if thought fit, to pass the following resolution as **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 180 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications or amendments thereof) and Rules made there under, consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company or its Committee as may be authorised by the Board of Directors, to mortgage, hypothecate, pledge and/or charge in such form and manner and on such terms and at such time(s) as the Board of Directors or such Committee may deem fit, the immovable and movable assets, receivables of the Company, wherever situate, present and future, whether presently belonging to the Company or not, in favour of any person including, but not limited to, qualified institutional buyers, foreign institutional investors, banks, foreign portfolio investors, financial institutions, multilateral financial institutions, regional rural banks, cooperative banks, mutual funds, provident, pension, superannuation and gratuity funds, companies, partnership firms, limited liability partnerships, resident individual investors, Hindu undivided families, trustee(s), agent(s) to secure the debentures, senior notes, bonds, loans, hire purchase and/or lease portfolio management transaction(s) for finance and other credit facilities.

RESOLVED FURTHER THAT the Board of Directors or such Committee or person(s) as authorized by the Board of Directors be and are hereby authorized to finalize the form, extent and manner of, and the documents and deeds, as may be applicable, for creating the appropriate mortgages and/or charges on such immovable and/or movable properties, receivables of the Company on such terms and conditions as may be decided by the Board of Directors or such Committee in consultation with the lenders/ trustees and for reserving the aforesaid right and

for performing all such acts, things and deeds as may be necessary for giving full effect to this resolution.”

Item No.8:- To make Investment, Give Loans, Guarantees and Provide Securities under Section 186 of the Companies Act, 2013.

To consider and, if thought fit, to pass the following resolution as **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 186 of the Companies Act, 2013, read with The Companies (Meetings of Board and its Powers) Rules, 2014 as amended from time to time and other applicable provisions of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof for the time being in force), if any, consent of the shareholders of the Company be and is hereby accorded to (a) give any loan to any person(s) or other body corporate(s) and / or ; (b) give any guarantee or provide security in connection with a loan to any person(s) or other body corporate(s) ; and / or (c) to make investment in shares, debentures, bonds or any other instruments and acquire by way of subscription, purchase or otherwise, securities of any other body corporate from time to time in one or more tranches as the Board of Directors as in their absolute discretion deem beneficial and in the interest of the Company, for an amount not exceeding Rs. 10,00,00,000/- (Rupees Ten Crores Only) i.e. in excess of the limits prescribed under Section 186 of the Companies Act, 2013. Notwithstanding that such investments, outstanding loans given or to be given and guarantees and security provided are in excess of the limits prescribed under Section 186 of the Companies Act, 2013.

“**RESOLVED FURTHER THAT** the Board of Directors, Company Secretary and other designated officers of the company be and are hereby authorized to do all such acts, deeds, matters, filing e forms and things as may be necessary, expedient or desirable for the purpose of giving effect to the aforesaid resolutions.”

Item No. 9:- Expansion and Up- gradation of Manufacturing Facilities and Technologies.

To consider and, if thought fit, to pass the following resolution as **Special Resolution**:

“**RESOLVED THAT** pursuant to the applicable provisions of the Companies Act, 2013 as amended from time to time and other applicable provisions of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof for the time being in force), if any, consent of the shareholders of the Company be and is hereby accorded for the expansion and up gradation of the manufacturing facilities and technologies available with the company.

“**RESOLVED FURTHER THAT** the Board of Directors, Company Secretary and other designated officers of the company be and are hereby authorized to do all such acts, deeds, matters, filing e forms and things as may be necessary, expedient or desirable for the purpose of giving effect to the aforesaid resolutions.”

Registered Office:

Plot No. 239, South Old Bagadganj,
Small Factory Area, Nagpur – 440008
Maharashtra, India

Place: - Nagpur
Date: - 01.09.2022

By Order of the Board

For Nakoda Group of Industries Limited

SD/-

Pravin Choudhary
Managing Director

NOTES

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020, Circular No. 02/2022 dated May 05, 2022. The forthcoming AGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM/EGM through VC/OAVM.
2. 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 dated April 08, 2020, April 13, 2020, May 05, 2020 and May 05, 2022 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM/EGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
3. The Members can join the EGM/AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the 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.
4. 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.
5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.nakodas.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.
7. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020, dated May 05, 2022.

8. In compliance with the applicable provisions of the Companies Act, 2013 (the “Act”) (including any statutory modification or re-enactment thereof for the time being in force) read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (the “Rules”), as amended from time to time, read with the MCA Circulars, SEBI Circular and pursuant to Regulation 44 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) the Annual General Meeting (“AGM”) of the Company is scheduled to be held on Thursday, 29th September 2022 at 10.30 A.M. through VC/OAVM and the voting for items to be transacted in the Notice to this AGM only through remote electronic voting process (“e-Voting”).
9. In continuation of this Ministry’s General Circular No. 20/2020, dated 05th May, 2020, dated 05th May, 2022 and after due examination, it has been decided to allow companies whose AGMs were due to be held in the year 2022, or become due in the year 2022, to conduct their AGMs on or before 31.12.2022, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 as per MCA circular no. 02/2021 dated January,13,2021 and other applicable circulars.
10. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
11. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
12. The relevant Explanatory Statement pursuant to the provisions of section 102 of the Companies Act, 2013 in respect of the items set out in the Notice of AGM is annexed.
13. In case of joint holders attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote.
14. Further in terms of the MCA Circulars and the SEBI Circular, the Company is sending this AGM Notice in electronic form only to those Members whose e-mail addresses are registered with the Company/Depositories.
15. The Register of Members and the Share Transfer books of the Company will remain closed from Wednesday 21st Day of September 2022 to Thursday, 29th September 2022 (both days inclusive) for Annual General Meeting.
16. A person who is not a member as on the record date should treat this Notice for information purpose only.
17. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/mobile numbers, PAN, registering of nomination and power of attorney, Bank Mandate details such as name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DP in case the shares are held in electronic form and to the RTA in case the shares are held in physical form.
18. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised to not leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned DP and holdings should be verified from time to time.

19. Members desiring inspection of statutory registers during the AGM may send their request in writing to the Company at cs@nakodas.com.
20. Members who wish to inspect the relevant documents referred to in the Notice can send an e-mail to cs@nakodas.com up to the date of the AGM.
21. This AGM Notice is being sent by e-mail only to those eligible Members who have already registered their e-mail address with the Depositories/the DP/the Company's RTA/the Company.
22. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the record date i.e. Tuesday, 20th September, 2022.
23. The Cut Off date / record date for the purpose of determining the eligibility of the Members to attend & vote in the 09th Annual General Meeting of the Company is Tuesday, 20th September, 2022. Record date the purpose of determining the eligibility of the Members to receive dividend shall be Tuesday, 20th September, 2022.
24. The Dividend, if declared will be payable to those Equity Shareholders whose names stand on the Register of Members as at the close business on 20th September, 2022 and in respect of shares held in the electronic form, the dividend will be payable to the beneficial owners as at the close of business on 20th September, 2022 as per details furnished by the Depositories for this purpose.

Pursuant to the Finance Act, 2020, dividend income is taxable in the hands of shareholders with effect from 1st April, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates and slab. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with Bigshare Services Private Limited (in case of shares held in physical mode) and DPs (in case of shares held in demat mode).

A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by e-mail to cs@nakodas.com latest by 21st September, 2022. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.

Final Dividend, if approved by the Shareholders at the AGM, will be paid electronically through various online transfer modes to those Shareholders who have updated their bank account details with the Company's Registrar and Share Transfer Agent / Depository Participants. For Shareholders who have not updated their bank account details, Dividend Warrants / Demand Drafts will be sent to their registered addresses through postal facility as per the availability. To avoid delay in receiving dividend and to receive the dividend directly into their bank account on the payout date, Shareholders are requested to update their Bank details (e.g. name of the bank and the branch, bank account number, 9 digits MICR number, 11 digit IFS Code and the nature of account) along with a copy of cancelled cheque with the Shareholder's name, to Bigshare Services Private Limited ("Bigshare"), the Company's Registrar and Share Transfer Agent.

25. M/s R. A. Daga & Co, Company Secretaries, Nagpur has been appointed by the Board of Directors of the Company as Scrutinizer for scrutinizing the voting process through E-Voting for the Annual General Meeting in a fair and transparent manner.

26. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting, by use of remote e-Voting system for all those Members who are present during the AGM through VC/OAVM but have not cast their votes by availing the remote e-Voting facility. The remote e-Voting shall be available by CDSL for voting 15 minutes after the conclusion of the Meeting.
27. The Scrutinizer shall, after the conclusion of voting at the AGM, first count the votes cast during the AGM and, thereafter, unblock the votes cast through remote e-Voting and shall make, not later than 48 hours from the conclusion of the AGM, a Consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
28. The Results declared, along with the Scrutinizer's Report, shall be placed on the Company's website www.nakodas.com immediately after the declaration of the result by the Chairman or a person authorised by him in writing. The results shall also be immediately forwarded to the Stock Exchanges where the Company's Equity Shares are listed viz. BSE and be made available on their respective websites viz. www.bseindia.com.

THE INTRUCTIONS FOR SHAREHOLDRES FOR REMOTE E-VOTING 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 26.09.2022 at 10.00 A.M. and ends on 28.09.2022 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 20.09.2022) of 20.09.2022 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to **SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

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

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

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

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

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

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> 1) Users who have opted for CDSL's 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 URLs for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at 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	<ol style="list-style-type: none"> 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. 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 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	<p>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.</p>

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.com or contact at 022-23058738 and 22-23058542-43 or contact at toll free no. 1800225533
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 Remote e-Voting 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) <ul style="list-style-type: none"> • 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. <ul style="list-style-type: none"> • 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 Nakoda Group of Industries Limited on which you choose to vote. EVSN (Electronic Voting Sequence Number) of Company is **220829045**.
- (x) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xii) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xvi) **Additional Facility for Non – Individual Shareholders and Custodians –Remote Voting**

- 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 should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; cs@nakodas.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/EGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

The procedure for attending meeting & e-Voting on the day of the AGM/EGM is same as the instructions mentioned above for Remote e-voting. **EVSN (Electronic Voting Sequence Number):- 220829045.**

1. 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 Remote e-voting.
2. 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/EGM.
3. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
4. Further shareholders 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. 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 at least 2 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at cs@nakodas.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 2 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.
7. Those shareholders 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. Shareholders are requested to please speak only when the Host will announce the name of speaker.
8. 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.
9. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES:

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company/RTA email id.

2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)

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 022-23058738 and 022-23058542/43 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 on 022-23058542/43 or contact at toll free no. 1800 22 55 33.

Registered Office:

Plot No. 239, South Old Bagadganj,
Small Factory Area, Nagpur – 440008
Maharashtra, India

Place: - Nagpur
Date:-01.09.2022

By Order of the Board

For Nakoda Group of Industries Limited

SD/-

Pravin Choudhary
Managing Director

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013

Item No. 4:-

The Board of Directors, on the recommendation of Audit Committee and Nomination and Remuneration Committee, appointed Mr. Dahyalal Prajapati (DIN : 09592327), who was appointed as an Additional Non-Executive Director in the capacity of Independent Director of the Company with effect from 23rd August, 2022 subject to the approval of members of the company, under Sections 149, 150 and 152 of the Companies Act, 2013 and Articles of Association of the Company as an Non Executive Director of the Company. Mr. Dahyalal Prajapati (DIN : 09592327) shall hold office upto the date of ensuing Annual General Meeting and is eligible to be appointed as an Independent Director.

Mr. Rahul Mohadikar as independent director of the company has resigned from the company and hence the Company has received notice under the provisions of the Companies Act, 2013. Mr. Dahyalal Prajapati (DIN : 09592327) signifying his candidature as an Independent Director of the Company to fill the vacancy. The Company has also received a declaration of independence from Mr. Dahyalal Prajapati (DIN : 09592327). In the opinion of the Board, Mr. Dahyalal Prajapati (DIN : 09592327) fulfils the conditions as set out in Section 149(6) and Schedule IV of the Companies Act, 2013 and Listing Regulations, of being eligible for appointment as Independent Director. Mr. Dahyalal Prajapati (DIN : 09592327) is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as a Director. A copy of the draft Letter of Appointment for Independent Directors is available for inspection at the Registered Office of the Company during Annual Report 2021-22

business hours on any working day. A brief profile of Mr. Dahyalal Prajapati (DIN : 09592327), including nature of his expertise, is provided of this Annual Report.

The remuneration to Mr. Dahyalal Prajapati (DIN : 09592327) shall be governed by the Remuneration Policy of the Company. The Board considers that his association would be of immense benefit to the Company and it is desirable to avail services of Mr. Dahyalal Prajapati (DIN : 09592327) as an Non Executive Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Dahyalal Prajapati (DIN : 09592327) as an Non Executive Independent Director for period upto 5 (five) years with effect from 23rd August, 2022 for the approval of the members of the company.

Except Mr. Dahyalal Prajapati (DIN : 09592327), being an appointee, none of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No. 4 for the approval of members.

Item No. 5:-

The provisions of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as “Listing Regulations”) requires shareholders’ approval by means of an ordinary resolution for all material related party transactions, even if such transactions are in the ordinary course of business of the concerned company and on an arm’s length basis.

A transaction with a related party shall be considered material under the Listing Regulations, if the transaction(s) in a contract to be entered into individually or taken together with previous transactions during a financial year, exceeds 10% of the annual turnover of the company as per the last audited financial statements of the company. The Board informed that some related party transactions have to perform by the Company in the ordinary course of business but on the arm’s length basis. Hence, it is recommended to the members to allow the Board of Directors to enter into contracts and / or agreement with related parties as defined under the Act for F.Y. 2022-23.

Accordingly, as per Regulation 23 of the Listing Regulations and applicable provisions of Companies Act, 2013, approval of the Members is sought for ratification of the arrangements/transactions under taken whether by way of continuation/extension/renewal/modification of earlier arrangements/ transactions or otherwise so far in the financial year 2022-23.

The Board recommends passing of the ordinary resolution as set out at Item No. 5 of this Notice, for the approval of the Members. None of the other Directors or Key Managerial Personnel of the Company or their relatives, other than to the extent of their shareholding in the Company, if any, are in any way, concerned or interested, financially or otherwise, in the resolution as set out at Item No. 5 of this Notice.

The Members may please note that in terms of the provisions of the Listing Regulations, all related parties as defined there under are prohibited from voting in favour of the resolution as set out at Item No. 5 of this Notice.

Item No. 6 & 7:-

In terms of Section 180 and other applicable sections / provisions of the Companies Act, 2013, if the borrowings by the Company (apart from the deposits accepted in the ordinary course of business by the Company, temporary loans repayable on demand or within six months from the date of the loan, and temporary loans, if any, obtained from the Company's bankers, other than loans raised for the purpose of financing expenditure of a capital nature) is in excess of the paid-up capital of the Company, Securities Premium and free reserves, require the approval of the Members by way of special resolution.

Under Sections of the Act, the aforementioned powers of the Board can be exercised only with the prior consent of the Members by a Special Resolution.

The Company requires borrowing funds from time to time to meet both its short term and long terms business objectives, from various external agencies like banks, financial institutions, bodies corporate or other kind of lenders or any person from whom the company can borrow money / funds as per the provisions of Companies Act, 2013, accordingly, it is proposed to borrow fresh funds by the company up to INR 50 Crores (Rupees Fifty Crores).

The members of the Company are further informed that according to the provisions of Section 180 of Companies Act, 2013, the Board of Directors can exercise its powers to create/renew charges, mortgages, pledges, hypothecations and floating charges on immovable or movable assets of the Company to secure its borrowings only with the consent of the shareholders obtained by way of Special Resolution.

The Board recommends the Special resolution under Item No. 6 & 7 for approval by the members.

None of the Directors, Key Managerial Personnel and their relatives are concerned or interested, financially or otherwise, in the resolutions set forth in Item No. 6 & 7 of this Notice except to the extent of their shareholding in the Company, if any.

Item No. 8:-

In order to make optimum use of funds available with the Company and also to achieve long term strategic and business objectives, the Board of Directors of the Company proposes to make use of the same by making investment in other bodies corporate or granting loans, giving guarantee or providing security to other persons or other body corporate as and when required.

Members may note that pursuant to Section 186 of the Companies Act, 2013 ("Act"), the Company can give loan or give any guarantee or provide security in connection with a loan to any other body corporate or person and acquire securities of any other body corporate, in excess of 60% of its paid up share capital, free reserves and securities premium account or 100% of its free reserves and securities premium account, whichever is more, with approval of Members by special resolution passed at the general meeting.

In view of the aforesaid, it is proposed to take approval under Section 186 of the Companies Act, 2013, by way of special resolution, up to a limit of Rs. 10 Crores, as proposed in the Notice.

The above proposal is in the interest of the Company and the Board recommends the Resolution as set out at Item No.8 for approval by the members of the Company.

None of the Directors, Key Managerial Personnel and their relatives are concerned or interested, financially or otherwise, in the resolutions set forth in Item No. 8 of this Notice except to the extent of their shareholding in the Company, if any.

Item No. 9:-

Expansion and Up gradation of manufacturing and technological facilities are the key factors to face the competitive market and to satisfy the needs of the society by delivering quality products. Your Board of Directors have decided for some expansion of manufacturing facilities as well as some up gradation of technologies in the present technologies available with the company as it needs to upgrade on time to time basis so that the company can stand in a competitive market to deliver the quality products to the society and cater the needs of the society.

The above proposal is in the interest of the Company and the Board recommends the Resolution as set out at Item No.9 for approval by the members of the Company.

None of the Directors, Key Managerial Personnel and their relatives are concerned or interested, financially or otherwise, in the resolutions set forth in Item No. 9 of this Notice except to the extent of their shareholding in the Company, if any.

Registered Office:

Plot No. 239, South Old Bagadganj,
Small Factory Area, Nagpur – 440008
Maharashtra, India

Place: - Nagpur
Date:-01.09.2022

By Order of the Board

For Nakoda Group of Industries Limited

SD/-

Pravin Choudhary
Managing Director

ANNEXURE TO NOTICE

Details of the Director seeking Appointment & Reappointment at the 9th Annual General Meeting:

Name Of Director	Mr. Dahyalal Bansilal Prajapati
Din	09592327
Date Of Birth	26.05.1985
Date Of First Appointment	23.08.2022
Qualification	MBA (Finance)
Expertise In Specific Functional Area And Experience	<p>Mr. Dahyalal Prajapati, aged 37 is a high achieving individual and an enthusiastic learner who has a keen interest in finance. A highly ethical professional with an MBA (Finance). Currently he is associated with one of the leading SAP Services & Implementation Partner company in Ahmedabad, Gujarat. He is also an Independent Director at DMR Hydro engineers & Infrastructure Ltd from May 2022. He is not related with any Director or Relatives of Directors of the company.</p> <p>In career spanning, he has well rounded experience in business management - from managing business strategies to managing operations to providing board-level over sights & governance. He is passionate about helping SME and Start-up mentoring.</p> <p>His area of ability and oversight includes credit analysis, equity research, corporate finance, investment banking and IT industry. Having spent 15 years in corporate organisations like BSE India, CARE Ratings, Marwadi Shares and Finance and CRISIL Limited.</p>
Directorship Held In Other Listed Companies	DMR Hydro engineers & Infrastructure Ltd
Disclosure Of Relationship Between Directors Inter Se	Nil
No. Of Equity Shares Held In The Company As On 31/03/2022	Nil

Name Of Director	Mrs. Kokila Ashok Jha
Din	09485610
Date Of Birth	09.06.1956
Date Of First Appointment	02.02.2022
Qualification	Graduate
Expertise In Specific Functional Area And Experience	Mrs. Kokila Ashok Jha is designated as Women Director (Non-Executive Additional Director) in Nakoda group of industries limited. She has wide experience in the field of Operations Management and Office Administration etc. She is not related with any Director or Relatives of Directors of the company.
Disclosure Of Relationship Between Directors Inter Se	Nil
Names Of Listed Entities In Which He/ She Is A Director And Holds Committee Positions	Nil
No. Of Equity Shares Held In The Company As On 31/03/2022	Nil

DIRECTOR'S REPORT

To,
The Members,
Nakoda Group of Industries Limited,
Nagpur

Your Directors are pleased to present the **09th Annual Report** on the business and operations of the Company and the financial results for the year ended 31st March, 2022.

1. FINANCIAL PERFORMANCE OF THE COMPANY:

Particulars	31.03.2022 In Rs	31.03.2021 In Rs
Income from Operations	59,62,26,757.00	30,83,64,778.00
Other Income	36,18,358.00	4,60,009.00
Total Revenue	59,98,45,115.00	30,88,24,787.00
Total Expenditure	55,13,90,063.00	26,31,35,930.00
Financial Costs	2,06,96,523.00	2,15,31,502.00
Depreciation	96,83,319.00	1,04,79,039.00
Profit Before Tax	1,80,75,210.00	1,36,78,316.00
Tax	6,79,707.00	4,90,650.00
Profit After Tax (Net Tax)	1,73,95,503.00	1,31,87,666.00

Your Company has achieved a turnover of Rs. 59.62 Cr. in F.Y. 2021-22 as against the turnover of Rs. 30.83 Cr. in the previous year. Net profit for the F.Y. 2021-22 stood at Rs. 1.73 Cr. as against Rs. 1.31 Cr. in F.Y. 2020-21.

2. EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS:

There are no significant material changes and commitments affecting financial position of the company between 31st March, 2022 and the date of Board's Report.

3. CHANGE IN NATURE OF BUSINESS:

The company has not changed the nature of business during the financial year under review. The company deals in Food, Agro based products and cotton. The company is a Leading manufacturer of Tutti Fruity (Diced Chelory) also called as "Papaya Preserve", Karonda Cherries (Indian Cherries), Sweet lime peels, Orange Cut Peels, All Variety of Jams, fruit pulp, Sauces, Canned Vegetables and Frozen Fruits & Vegetables; and also deals in preparation, processing, trading of all types of Dry Fruits, Roasted and Salted Nuts, Popcorns, Sesame Seeds Hulled Auto dry, Spices, Fox Nuts (Makhanas), Cotton and cotton bales, chia seeds, sabja seeds, Amla Candy (Sweet & Chatpata), Gulkand, Amla Powder, Amla Murabba, Inverted Sugar Syrup etc.

4. DIVIDEND:

The Board of Directors has approved Final Dividend Rs. 0.15/- (Rupees Fifteen Paise Only) per Share of Face Value of Rs. 10/- each on 1,11,34,500 Nos. of Equity Shares for the Financial Year ended 31st March, 2022. The Final Dividend on 1,11,34,500 Nos. of Equity Shares of Rs. 10/- each Rs. 0.15/- (Rupees Fifteen Paise Only) per Share shall be Rs. 16,70,175/-.

5. RESERVES AND SURPLUS:

Entire profit of Rs. 1,73,95,503.00/-has been transferred to the Balance sheet under the head of Reserves and Surplus in F.Y. 2021-22.

6. MEETINGS:

(i) BOARD MEETINGS:-

During the year, 16 Board Meetings were held the details are as mentioned below:

Sr. No.	Date of Meeting	Total No of Directors as on Meeting	Attendance
1	03.04.2021	6	6
2	01.05.2021	6	6
3	10.05.2021	6	6
4	21.06.2021	6	6
5	29.07.2021	6	6
6	19.08.2021	6	6
7	02.09.2021	6	6
8	02.11.2021	6	6
9	13.11.2021	6	6
10	06.12.2021	6	6
11	15.01.2022	6	6
12	21.01.2022	6	6
13	02.02.2022	6	6
14	04.02.2022	6	6
15	14.02.2022	6	6
16	07.03.2022	6	6

(ii) COMMITTEE MEETINGS:

❖ **AUDIT COMMITTEE MEETINGS**

During the year, Six Audit Committee Meetings were held the details are given as under:

Sr. No.	Date of Meeting	Total No of Directors as on Meeting	Attendance
1	01.05.2021	3	3
2	21.06.2021	3	3
3	19.08.2021	3	3
4	02.11.2021	3	3
5	13.11.2021	3	3
6	21.01.2022	3	3

❖ **NOMINATION & REMUNERATION COMMITTEE MEETINGS**

During the year, Five Nomination & Remuneration Committee Meetings were held the details are given as under:

Sr. No.	Date of Meeting	Total No of Directors as on Meeting	Attendance
1	03.04.2021	3	3
2	21.06.2021	3	3
3	20.09.2021	3	3
4	06.12.2021	3	3
5	02.02.2022	3	2

❖ **STAKEHOLDERS RELATIONSHIP COMMITTEE MEETINGS**

During the year, Five Stakeholders Relationship Committee Meetings were held the details are given as under:

Sr. No.	Date of Meeting	Total No of Directors as on Meeting	Attendance
1	12.04.2021	3	3
2	09.07.2021	3	3

3	27.09.2021	3	3
4	30.12.2021	3	3
5	25.03.2022	3	3

❖ **RIGHT ISSUE COMMITTEE MEETINGS**

During the year, One Right Issue Committee Meetings were held the details are given as under:

Sr. No.	Date of Meeting	Total No of Directors as on Meeting	Attendance
1	25.03.2022	3	3

7. COMPOSITION OF COMMITTEES:

During the year, your directors have constituted following committees of the Board in accordance with the requirements of the Companies Act, 2013. The composition, terms of reference and other details of all Board level committees have been elaborated below:

A. AUDIT COMMITTEE

BRIEF DESCRIPTION AND TERMS OF REFERENCE

The role and terms of reference of the Audit Committee have been updated to be in line with Section 177 of the Companies Act, 2013 besides other terms as may be referred by the Board of Directors. The said Committee reviews reports of the Statutory Auditors and Internal Auditors periodically to discuss their findings and suggestions, internal control system, scope of audit, observations of the auditors and other related matters and reviews major Accounting policies followed by the Company.

COMPOSITION AND MEETING:

Composition of Audit Committee as on 31st March, 2022:

Name of Directors	Status	Nature of Directorship	Number of Meetings held during the Financial Year 2021-22	
			Held	Attended
Mr. Sandeep Jain	Member	Independent Director	6	6
Mr. Rahul Mohadikar	Chairman	Independent Director	6	6
Mr. Vijay Giradkar	Member	Independent Director	6	6

Note: - Mr. Rahul Mohadikar has resigned on 16.08.2022 and Mr. Dahyalal Prajapati was appointed as Additional Non - Executive Independent Director W.e.f. 23.08.2022 in the company.

B. NOMINATION AND REMUNERATION COMMITTEE

BRIEF DESCRIPTION AND TERMS OF REFERENCE

The objective of Nomination and Remuneration Committee is to assess the remuneration payable to the Managing Director/Whole Time Directors; sitting fee payable to the Non-Executive Directors; remuneration policy covering policies on remuneration payable to the senior Executives.

COMPOSITION:

Name of Directors	Status	Nature of Directorship	Number of Meetings held during the Financial Year 2021-22	
			Held	Attended
Mr. Rahul Mohadikar	Chairman	Independent Director	5	5
Mr. Sandeep Jain	Member	Independent Director	5	5
Mr. Vijay Giradkar	Member	Independent Director	5	5

Note: - Mr. Rahul Mohadikar has resigned on 16.08.2022 and Mr. Dahyalal Prajapati was appointed as Additional Non - Executive Independent Director W.e.f. 23.08.2022 in the company.

NOMINATION AND REMUNERATION POLICY

The Board of Directors has framed a policy which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. The policy also lays down criteria for selection and appointment of Board Members. The details of this policy are given below:-

Criteria and Qualification for Nomination & Appointment

The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his/her appointment.

- A person should possess adequate qualification, expertise and experience for the position he/she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient/ satisfactory for the concerned position.
- The Company shall not appoint or continue the employment of any person as Whole time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

Policy on Remuneration

The Company's Remuneration policy considers human resources as its invaluable assets. The Remuneration policy for all the employees are designed in a way to attract talented executives and remunerate them fairly and responsibly, this being a continuous ongoing exercise at each level in the organization. The Remuneration of Directors should be in accordance with the provisions of the Companies Act, 2013 read with Schedule-V of the companies Act, 2013 as amended from time to time.

- To ensure that the level and components of remuneration is reasonable and sufficient to attract, retain and motivate Directors, KMP and other employees of the quality required to run the Company successfully.
- No director/KMP/other employee are involved in deciding his or her own remuneration.
- The trend prevalent in the similar industry, nature and size of business are kept in view and given due weight age to arrive at a competitive quantum of remuneration.
- It is to be ensured that relationship of remuneration to the performance is clear & meets appropriate performance bench marks which are unambiguously laid down and communicated.
- Improved performance should be rewarded by increase in remuneration and suitable authority for value addition in future.
- Provisions of all applicable laws with regard to making payment of remuneration to the Board of Directors, KMP and Senior Management, as maybe applicable from time to time, shall be complied.
- Whenever, there is any deviation from the Policy, the justification/reasons should also be indicated/ disclosed adequately.

Managing Director and Executive Directors

The Company remunerates its Managing Director and Executive Director's by way of salary, perquisites and allowances, Performance Bonus etc. Remuneration is paid within the limits recommended by the Nomination & Remuneration Committee and the Board and as approved by the shareholders within the stipulated limits of the Companies Act, 2013 and the Rules made there under. The remuneration paid to the Managing Director and the Executive Director's is determined keeping in view the industry benchmark and the relative performance of the Company to the industry performance.

Non-executive Directors

Your Company has paid sitting fees to them for attending the meeting of the Board as per the provisions of the Companies Act, 2013 and the rules made there under. The Company, however, reimburses the expenses incurred by the Non -Executive Directors to attend the meetings.

Key Managerial Personnel and other senior employees

The remuneration of KMP and other employees largely consists of basic salary, perquisites, and allowances. Perquisites and retirement benefits are paid according to the Company policy. The Annual Report 2021-22

components of the total remuneration vary for different grades and are governed by the industry pattern, qualification & experience/merits, performance of each employee. The Company while deciding the remuneration package takes into consideration current employment scenario and remuneration package of the industry and its peer group.

C. STAKEHOLDER'S RELATIONSHIP COMMITTEE

BRIEF DESCRIPTION AND TERMS OF REFERENCE

The Board has delegated the powers to a committee to approve transfer/transmission of shares, considering and resolving the grievances, to oversee the performance of the Registrar & Share Transfer Agent, Oversee the implementation and compliance of the Code of Conduct adopted by the Company for prevention of Insider Trading and to attend all other matters related thereto:

COMPOSITION:

Composition of Stakeholder's Relationship Committee as on 31st March, 2022:

Name of Directors	Status	Nature of Directorship	Number of Meetings held during the Financial Year 2021-22	
			Held	Attended
Mr. Rahul Mohadikar	Chairman	Independent Director	5	5
Mr. Sandeep Jain	Member	Independent Director	5	5
Mr. Vijay Giradkar	Member	Independent Director	5	5

Note: - Mr. Rahul Mohadikar has resigned on 16.08.2022 and Mr. Dahyalal Prajapati was appointed as Additional Non - Executive Independent Director W.e.f. 23.08.2022 in the company.

D. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The company has not crossed the threshold limit as prescribed under section 135 of the Companies Act, 2013, hence has not been constituted the Corporate Social Responsibility Committee for the year.

E. RIGHT ISSUE COMMITTEE

Name of Directors	Status	Nature of Directorship	Number of Meetings held during the Financial Year 2021-22	
			Held	Attended
Mr. Pravin Choudhary	Chairman	Managing Director	1	1
Mr. Jayesh Choudhary	Member	Whole Time Director	1	1
Mr. Vijay Giradkar	Member	Independent Director	1	1

8. DIRECTORS AND KEY MANAGERIAL PERSONS:

A. COMPOSITION OF THE BOARD:

Sr. No.	Name of Director	Designation	Date of Appointment	Date of Resignation
1.	Mr. Pravin N. Choudhary	Managing Director	10.02.2017	N.A.
2.	Mrs. Neeta A. Jain	Woman Director	29.09.2020	02.02.2022
3.	Mrs. Kokila A. Jha	Women Director	02.02.2022	N.A.
4.	Mr. Jayesh P. Choudhary	Whole Time Director	06.06.2017	N.A.
5.	Mr. Vijay K. Giradkar	Independent Director	30.03.2021	N.A.
6.	Mr. Sandeep Jain	Independent Director	06.01.2020	N.A.
7.	Mr. Haresh Kumar Prashad	Additional Director	27.11.2018	14.06.2021
8.	Mr. Rahul Mohadikar	Independent Director	08.03.2019	16.08.2022
9.	Mr. Dhayalal Prajapati	Independent Director	23.08.2022	N.A.

A. COMPOSITION OF KEY MANAGERIAL PERSONNEL:

The details of the Key Managerial personnel of the Company are as tabled below:

Sr. No.	Name of Director	Designation	Date of Appointment	Date of Resignation
1.	Mr. Pratul B. Wate	Company Secretary & Compliance Officer	01.07.2017	N.A.
2.	Ms. Sakshi Tiwari	Chief Financial Officer	10.02.2017	N.A.

9. DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS:

The Company has received declarations from all the Independent Directors of the Company as per the provisions of Section 149 subsection (7) of the Companies Act, 2013, confirming that they meet the criteria of independence as prescribed both under Section 149 sub-section (6) of the Companies Act, 2013 read with the Rule 4 of Companies (Appointment and Qualification of Directors) Rule, 2014 and the SEBI (Listing Obligations and Disclosures Requirement) Regulations, 2015.

10. RELATED PARTY TRANSACTIONS:

All transactions entered into with related parties as defined under the Companies Act, 2013 during the financial year 2021-22 are placed before the Audit Committee for the review and approval. Prior omnibus approval is obtained for related party transactions which are repetitive in nature. All the related party transactions entered into by the company with related parties during the financial year 2021-22 under review were in the ordinary course of business and on an arm's length pricing Basis and the same are disclosed in financial statements and the same

were in compliance with the applicable provisions of the Companies Act, 2013 read with the relevant rules made there under and the Listing regulations. Appropriate approvals have been taken for related party transactions from the Board and Audit Committee. Members may check all the related party transactions done during the financial year 2021-22, which mentioned in the audit report and the same are placed before the members for their confirmation. Form AOC-2 is also attached below. Suitable disclosure as required by the Accounting Standard (AS 18) has been made in the notes to the Financial Statements.

Form No. AOC-2

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

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

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

There were no contracts or arrangements or transactions entered in to during the year ended 31st March 2022, which were not at arm's length basis.

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

Nature of Contract	Name of related party	Nature of relationship	Amount (In Rs.)
Purchase of Goods	Parshv Industries LLP	Common Management	1,06,383.00
Sale of Goods	Parshv Industries LLP	Common Management	70,38,285.00
Director Sitting Fees	Mrs. Neeta Jain	Director	12,500.00
Director Sitting Fees	Mr. Vijay Giradkar	Director	16,250.00
Rent	Pravin Choudhary	Director	6,00,000.00
Software Expenses	BIZERP Solutions Pvt. Ltd.	Common Management	8,23,600.00
Reimbursement of Expenses	Jayesh Choudhary	Director	73,030.00
Reimbursement of Expenses	Parshv Food International	Proprietary Concern of Directors Relative	1,24,862.00
Reimbursement of Expenses	Parshvanath Overseas	Proprietary Concern of Directors	27,732.00
Director's Remuneration	Pravin Choudhary	Director	18,00,000.00

Director's Remuneration	Jayesh Choudhary	Director	18,00,000.00
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11. CHANGES IN SHARE CAPITAL

The Paid up Share Capital as at March 31, 2022 stood at Rs. 11,13,45,000/-. Paid up Share Capital structure of the Company is mentioned below:

Date of Allotment	No. of Equity Shares Allotted	Face Value (Rs.)	Issue Price (Rs.)	Nature of Consideration	Nature of Allotment	Cumulative No. of Eq. Shares	Cumulative Paid up Capital (Rs.)
On Incorporation 22.10.2013	10,000	10	10	Cash	Subscriber's to MOA	10000	1,00,000

Allotment of 22, 53,283 Equity Shares of face value of Rs. 10/- each against acquisition of proprietorship firm namely, M/s. Navkar Processors vide Business Takeover Agreement dated July 18, 2016 as per the details given below:

18.07.2016	22,53,283	10	10	Other Than Cash	Consideration against Purchase of business of M/s. Navkar Processors	22,63,283	2,26,32,830
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Right Issue of 27, 36,717 Equity Shares of face value of Rs. 10/- each fully paid on March 21, 2017 as per the details given below:

21.03.2017	27,36,717	10	10	Cash	Right Issue	50,00,000	5,00,00,000
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The Company has listed its Equity Shares on BSE SME Exchange in Financial Year 2018-19.

04.06.2018	18,52,000	10	35	Cash	Public Issue	68,52,000	6,85,20,000
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Pursuant to the section 32 and other applicable provisions, if any of the Companies Act, 2013 and other applicable rules made there under, the Initial Public Offering ("IPO") of the Company, vide Prospectus filed with the Registrar of Companies, Mumbai on May 15, 2018 and the in-principle approval of BSE Limited (BSE) being the Designated Stock Exchange, vide letter dated February 06, 2018 which opened for subscription on May 23, 2018 and closed on May 29, 2018 for, Retail Individual Investors, Non-Institutional Investor and Market Maker, 18,52,000 Equity Shares of face value of Rs. 10/- each fully paid ("Equity Shares") at an Issue Price of Rs. 35.00/- per Equity Share, including Rs. 25/- each as premium, of distinctive number from 50,00,001-68,52,000 be and are hereby allotted to the respective successful applicants in various categories as detailed in the statement placed before the meeting and initialed by the Managing Director of the Company for the purpose of identification and summarized herein below, where such Allottees shall receive credit for the Equity Shares directly into their depository account.

Date of Allotment	No. of Equity Shares Allotted	Face Value (Rs.)	Issue Price (Rs.)	Nature of Consideration	Nature of Allotment	Cumulative No. of Eq. Shares	Cumulative Paid up Capital (Rs.)
27.02.2021	42,82,500	10	10	Other Than Cash	Bonus Issue	1,11,34,500	11,13,45,000

The Board and members have considered and approved the bonus issue as 5:8 i.e. 5 (Five) new fully paid-up Equity shares for every 8 (Eight) existing equity shares held as on the record date to be determined by the Company. Further, on allotment of bonus shares, the Company's paid up share capital will be increased from Rs. 6,85,20,000/- (Rupees Six Crores Eighty Five Lakhs Twenty Thousand only) divided into 68,52,000 (Sixty Eight Lakhs Fifty Two Thousand) equity shares of Rs. 10/- (Rupees Ten only) each to Rs. 11,13,45,000/- (Rupees Eleven Crores Thirteen Lakhs Forty Five Thousand only) divided into 1,11,34,500 (One Crores Eleven Lakhs Thirty Four Thousand and Five Hundred) equity shares of Rs. 10/- (Rupees Ten only).

12. VIGIL MECHANISM

In order to ensure that the activities of the Company and its employees are conducted in a fair and transparent manner by adoption of highest standards of professionalism, honesty, integrity and ethical behavior, the Company has adopted a Vigil mechanism/Whistle Blower Policy.

The Vigil (Whistle Blower) Mechanism aims to provide a channel to the Directors and employees to report genuine concerns about unethical behavior, actual or suspected fraud or violation of the Code of Conduct policy.

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations and in order to maintain these standards, the Company encourages its employees who have genuine concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment.

The mechanism provides for adequate safe-guards against victimization of Directors and employees to avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases. This neither releases employees from their duty of confidentiality in the course of their work nor can it be used as a route for raising malicious or unfounded allegations about a personal situation.

13. DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 134 (5) of the Companies Act, 2013, the Directors confirm that:

- a. in the preparation of the annual accounts for the year ended 31st March, 2022 the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year 31st March, 2022 and of the profit of the company for that period.

- c. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d. the Directors have prepared the annual accounts for the period ended 31st March, 2022 on a going concern basis.
- e. the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

14. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

Your Company has no subsidiaries, joint ventures and associate companies during the year.

15. EXTRACT OF ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134 (3)(a) of the Act, the Annual Return as on 31.03.2022 is available for inspection at the registered office of the company. Any member interested in obtaining a copy of the same may write to the company at the registered office.

16. PARTICULARS OF EMPLOYEES

Pursuant to Section 197 (12) of the Companies Act, 2013 read with Rule 5 (1) and 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, during the year under review, none of the employees were entitled to receive remuneration exceeding the prescribed limit set under Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

17. REGISTRAR AND TRANSFER AGENT

The Company's Registrar & Share Transfer Agents, M/s. Big Share Services Private Limited is fully equipped to carry out the transfers of shares and redress Investor complaints.

18. AUDITORS

A. STATUTORY AUDITORS:

M/s MANISH N. JAIN AND CO., Chartered Accountants, Nagpur (FRN: - 138430W) is the Statutory Auditor of the company who shall hold the office of Statutory Auditors of the Company from the conclusion of this Annual General Meeting for a term of 5 (Five) consecutive years till the conclusion of the 12th Annual General Meeting of the Company to be held in the Calendar year 2025.

AUDITOR'S REPORT:

The Report given by the Auditors M/s MANISH N. JAIN AND CO., Chartered Accountants, Nagpur on the financial statements of the Company for the Financial Year 2021-22 is self explanatory.

B. SECRETARIAL AUDITOR AND SCRUTINIZER:

The Board has appointed M/s. R. A. Daga & Co., (Mem. No. 5522) Practicing Company Secretaries, Nagpur to conduct Secretarial Audit of the Company for the financial year ended 31st March, 2022 in compliance with the provisions of Section 204 of the Companies Act, 2013. The Board has re-appointed M/s. R. A. Daga & Co. (Mem. No. 5522) Practicing Company Secretaries, Nagpur to conduct Secretarial Audit of the Company for the financial year 2022-23.

The report of the Secretarial Audit Report in Form MR-3 is enclosed as “ANNEXURE I” to this Report.

The Board has also appointed M/s. R. A. Daga & Co., Practicing Company Secretaries, to Scrutinize the voting process in the AGM and provide a fair report accordingly. Mrs. Rachana Daga, Company Secretary has been appointed by the Board of Directors of the Company as Scrutinizer for scrutinizing the voting process through E-Voting at the Meeting, in a fair and transparent manner. The Scrutinizer shall, after the conclusion of voting at the AGM, first count the votes cast during the AGM and, thereafter, unblock the votes cast through remote e-Voting and shall make, not later than 48 hours from the conclusion of the AGM, a Consolidated Scrutinizer’s Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

C. INTERNAL AUDITOR:

The Board has appointed Mr. Pawan Jain, Chartered Accountants, Nagpur Membership No.:- 065299, to conduct Internal Audit of the Company for the financial year ended 31st March, 2022 in compliance with the provisions of Section 138 and other applicable sections of the Companies Act, 2013.

The Board has re-appointed Mr. Pawan Jain, Chartered Accountants, Nagpur Membership No.:- 065299 as the Internal Auditor of the company for the F.Y. 2022-23.

19. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO:

Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo required under the Rule 8 of the Companies (Accounts) Rules, 2014 is annexed and marked “ANNEXURE II” and forms part of this Report.

20. ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS:

The Company has effective ‘internal financial controls’ that ensure an orderly and efficient conduct of its business, including adherence to Company’s policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records, and timely preparation of reliable financial information.

21. THE DETAILS OF SIGNIFICANT MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY’S OPERATIONS IN FUTURE

No significant or material orders were passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future during the year under review.

22. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There were no material changes and commitments in the business operations of the Company from the Financial Year ended 31st March, 2022 to the date of signing of the Director's Report.

23. PARTICULARS OF LOANS GIVEN, INVESTMENT MADE, GUARANTEES GIVEN AND SECURITIES PROVIDED:

Your Company has not given any guarantee or Security pursuant to Section 186 of Companies Act, 2013.

24. RISK MANAGEMENT

The Board has formally adopted steps for framing, implementing and monitoring the risk management plan for the Company by way of Risk Management Policy. The Board is very vigilant in working and also has proper internal control systems to minimize the operational and business risk. Company also encourages Whistle Blower system in the company.

25. FORMAL ANNUAL EVALUATION

Your Company has devised a Policy for selection of Directors, determining independence of Directors and for performance evaluation of Independent Directors, Board, Committees and other individual Directors which include criteria for performance evaluation of the non-executive directors and executive directors.

26. DECLARATION WITH THE COMPLIANCE WITH THE CODE OF CONDUCT BY MEMBERS OF THE BOARD AND SENIOR MANAGEMENT PERSONNEL

The Company has complied with the requirements about code of conduct for Board members and Sr. Management Personnel.

27. MECHANISM FOR BOARD EVALUATION

SEBI (LODR) Regulations, 2015 states that the board shall monitor and review the board evaluation framework. The Companies Act, 2013 states that a formal annual evaluation needs to be made by the Board of its own performance and that of its committees and individual directors.

The Schedule IV of the Companies act, 2013 states that the performance evaluation of the independent directors shall be done by the entire Board of Directors, excluding the Director being evaluated.

The Directors evaluation was broadly based on the parameters such as understanding of the Company's vision and objective, skills, knowledge and experience, participation and attendance in Board/ Committee meetings; governance and contribution to strategy; interpersonal skills etc. The Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as evaluation of the working of its Board Committees. A meeting of the Independent Directors was also held which reviewed the performance of Non Independent Directors, Chairman and the quality, quantity and time lines of flow of information between the Company management and Board.

28. CORPORATE GOVERNANCE

Your Company is in compliance of applicable provisions of Corporate Governance of SEBI (LODR) Regulation, 2015.

29. SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013 (SHWWA):

Your Company is committed to providing a work environment that is professional and mature, free from animosity and one that reinforces the value of integrity that includes respect for the individual. The Company has always believed in providing a safe and harassment free workplace for every individual working in the Company's premises through various interventions and practices. The Company always endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment. All employees are treated with dignity with a view to maintain a work environment free of sexual harassment whether physical, verbal or psychological. The Policy aims to develop a harmonious and productive working environment free from sexual harassment. The Company also ensures all allegations of sexual harassment are investigated and dealt with effectively and appropriately.

30. SECRETARIAL STANDARDS

Your company has complied with the Secretarial Standards issued by the Institute of Company Secretaries of India.

31. COMPANY AFFIRMATION OF READINESS TOWARDS COVID-19

India is going through a tough phase of a global pandemic–Novel Corona virus disease (COVID-19). The Indian government is taking all possible measures to keep a check on the spread of this disease within the country.

Accordingly, as a responsible establishment, your Company also took part in the mission of social distancing by:

- Putting in place Work from Home Policy (WFH) for the employees of the Company;
- Conducting less meetings in order to minimize the physical interaction with customers, vendors etc.
- Strictly adhering to the "Do's and Don'ts" advised by the Public Health Authorities;
- Only essential staff are being called on duty with staggered timings to be followed in order to minimize physical interaction in all the Offices, Factory and at various locations; and
- To follow other preventive measures prescribed by the local authorities from time to time.

Your Company has filed the web based form – Company Affirmation of Readiness towards COVID-19 (CAR) and affirmed to its requirements.

GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Details relating to deposits covered under Chapter V of the Act.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and except ESOS referred to in this Report.

4. Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries as the company has no subsidiaries.

5. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

ACKNOWLEDGMENT

The Board of Directors are pleased to place on record their appreciation of the co-operation and support extended by Banks , various State and Central Government agencies, Stock Exchange and other Agencies. The Board would like to thank the Company's shareholders, Customers, Service providers for the support and the confidence, which they have reposed in its management. The Board also wishes to place on record its highest appreciation of the valuable services rendered by all the employees of the Company.

For and on behalf of the Board of Directors

Nakoda Group of Industries Limited

SD/-

SD/-

Pravin Choudhary

Jayesh Choudhary

(Managing Director)

(Whole Time Director)

Place: - Nagpur

Date: - 01.09.2022

(Din: - 01918804)

(Din: - 02426233)

ANNEXURE I - SECRETARIAL AUDIT REPORT

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2022

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
NAKODA GROUP OF INDUSTRIES LIMITED
CIN: L15510MH2013PLC249458
239, BAGAD GANJ, NAGPUR MH 440008 IN

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **NAKODA GROUP OF INDUSTRIES LIMITED having CIN- L15510MH2013PLC249458** (hereinafter called “the Company”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the **NAKODA GROUP OF INDUSTRIES LIMITED's** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information, representation and reports provided by the Company, its Board of Directors, its designated officers, and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2022 generally complied with the statutory provisions listed hereunder and also that the Company has Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

- A. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 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. **There were no such transactions in the Company during the period under audit.**
 - (v) **The following Regulations and Guidelines prescribed under Securities and Exchange Board of India Act, 1992 (SEBI Act):**
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

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

(vi) **Though the following laws are prescribed in the format of Secretarial Audit Report by the Government, the same were not applicable to the Company during the audit period for the financial year ended 31st March, 2022:**

- (a) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014
- (b) The Securities and Exchange Board of India (Issue and listing of Debt securities) Regulations, 2008;
- (c) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (d) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

(vii) For the other applicable laws:

We have examined the framework, processes and procedures of compliance of laws applicable on the Company. We have examined reports, compliances with respect to applicable laws on test basis.

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

- i) Secretarial Standards issued by The Institute of Company Secretaries of India;
- ii) The Listing Agreements entered into by the Company with Stock Exchange(s);
- iii) The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, if Applicable;

We report that, during the period under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned following:

1. The Company had been Migrated from SME Platform of BSE Limited to Capital Market Segment (Main Board) of Bombay Stock Exchange of India Limited and National Stock Exchange of India Limited in terms of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2018;
2. During the Audit Period for the Right Issue of Equity Shares, outcome letter issued Dated on 25th March 2022, to extend the last date for making an application for the Rights Equity Shares of the Company by fourteen (14) day's i.e. from Monday, May 02, 2022 to Monday, May 16, 2022, in order to provide a better opportunity to shareholders to execute their rights in the Right Issue; the said Rights issue had withdrawn due to not meeting of Minimum Subscription Criteria and Poor Market condition and volatility.
3. The Company has appointed Internal Auditor w.e.f. 02/11/2021 of Mr. Pawan Kumar Jain, Chartered Accountants, Nagpur (Membership No.:- 065299) in place of Mr. Rajesh S. Rathi, Chartered Accountants, Nagpur (Membership No.:- 402833) in compliance with Section 138 of the Companies Act, 2013;

4. The Composition of Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors including Independent Directors. The changes in the composition of the Board of Directors that took place during the period as on 02/02/2022 was according to the provisions of the Companies Act, 2013 and the Listing Regulations;
5. Pursuant to the approval of the Members of the Company, accorded at resolution passed through postal ballot on 07/01/2022 to consider alteration of the object clause of Memorandum of Association(MOA) of the Company;
6. Members of the Company at their Extraordinary General Meeting held on February 14, 2022 accorded approval for:
 - a) Increase in the Authorized Share Capital of the Company;
 - b) Alteration of Capital Clause in the Memorandum of Association(MOA) of the Company;
 - c) Authorize Company/ Board of Directors on behalf of company to borrow money upto INR 50 Crores (India Rupees Fifty Crore);
 - d) Approval for creation of Charges, Mortgages, Hypothecation on the immovable and movable assets of the company as per the provisions of the Companies Act, 2013;
7. The Company has obtained all necessary approvals under various provisions of the Act as and where necessary;
8. The Directors have complied with the requirements as to disclosure of interests and concerns in contracts and arrangements, shareholdings and directorships in other Companies and interest in other entities;
9. The Company has complied with the requirements under the Equity Listing Agreements entered into with the National Stock Exchange of India Limited And BSE Limited;
10. There was no prosecution initiated against or show cause notice received by the Company during the financial year under review under the Companies Act, SEBI Act, Depositories Act, Listing Agreement and rules, regulations and guidelines under these Acts;

We further report that, we rely on statutory auditor's reports in relation to the financial statements and accuracy of financial figures for Related Party Transactions, etc. as disclosed under financial statements, Accounting Standard 18 and note on foreign currency transactions during our audit period.

We further report that, the Compliance by the Company of applicable financial laws like direct and indirect tax laws has not been reviewed in this audit since the same has been subject to review by statutory financial audit and other designated professionals.

B. We further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Director, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- As per the information provided the company has prima facie given adequate notice to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining

further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

- Majority decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be and while the dissenting members' views if any are captured and recorded as part of the minutes.
- The Company has obtained all necessary approvals under the various provisions of the Act; and

C. We further report that, there are prima facie 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.

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

Place: Nagpur
Date: 01.09.2022

R.A. DAGA & Co
Company Secretaries

Encl. ANNEXURE I

SD/-
Rachana Daga
Proprietor
Membership No: 5522
C.P.No:5073
UDIN:F005522D000893970

Note: This report is to be read with our letter of even date which is annexed as 'ANNEXURE I' forms an integral part of this report.

ANNEXURE I

**To,
The Members,
NAKODA GROUP OF INDUSTRIES LIMITED
CIN: L15510MH2013PLC249458**

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

1. Maintenance of secretarial record is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever 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 efficiency or effectiveness with which the management has conducted the affairs of the Company.
7. Due to prevailing circumstance of COVID-19 pandemic, the audit was conducted based on the verification of the Company's books, papers, minutes books, forms and returns filed, documents and other records furnished by / obtained from the Company electronically and also the information provided by the Company and its officers by audio and visual means.

**Place: Nagpur
Date: 01.09.2022**

**R.A. DAGA & Co
Company Secretaries**

**SD/-
Rachana Daga
Proprietor
Membership No: 5522
C.P.No:5073
UDIN:F005522D000893970**

ANNEXURE II
CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO
A. Conservation of Energy

Conservation of energy, research and development, Technology absorption, foreign exchange earnings and outgo (Particulars pursuant to the Companies (Accounts) Rules, 2014)

Particulars required by the Section 134(3) (m) of the companies act 2013 (“the act”) read with the rule 8(3) of the companies (Accounts) Rules 2014 and forming part of directors report for the year ended March 31st, 2022.

The Company has always been a forerunner in conservation of energy and natural resources. All manufacturing processes and products are designed for minimizing carbon footprints and are being continuously upgraded to consistently achieve this goal. Measures are taken additional investments and impact on reduction of energy consumption. The pioneering effort of the Company in rainwater harvesting has started giving good results.

The steps have resulted not only in saving the energy and conserving natural resources but also in reducing our running costs of the operations. The Company has spent Rs. 83,36,643/- on energy, Power and Fuel consumption during the financial year 2021-22.

B. TECHNOLOGY ABSORPTION:

The Company has almost fully Automated manufacturing, Processing and sorting unit at its factory. The company is in process to convert it into fully automatic plant. The company has adopted upgraded technology at each and every step of progress which helps in optimization of process parameters to improve the product quality, safety, cost saving in existing manufacturing process.

C.FOREGIN EXCHANGE EARNING/OUTGO:

The company has not done any foreign expenditure during the year.

The company has Recorded Foreign income Rs. 399.97 Lakhs CIF Basis INR (1,20,992.26 USD) during the year. The amount includes deemed export also.

For and on behalf of the Board of Directors

Nakoda Group of Industries Limited

SD/-

SD/-

Pravin Choudhary

Jayesh Choudhary

Place: - Nagpur

(Managing Director)

(Whole Time Director)

Date: -01.09.2022

(Din: - 01918804)

(Din: - 02426233)

INDEPENDENT AUDITORS' REPORT

**TO THE MEMBERS OF,
NAKODA GROUP OF INDUSTRIES LIMITED
Report on the Audit of Financial Statements**

Opinion

We have audited the accompanying financial statements of **NAKODA GROUP OF INDUSTRIES LIMITED**(the “Company”), which comprises the Balance Sheet as at **March 31, 2022**, the Statement of Profit and Loss (including the Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows and for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as “the financial statements”).

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

Basis of Opinion

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

Key Audit Matters

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

The Key Audit Matters	How was the matter addressed in our
Revenue Recognition	
Revenue is one of the key profit drivers and is therefore susceptible to misstatements. Cut-off is the key assertion in so far as revenue recognition is concerned, since an inappropriate cut-off can results in material misstatements of results for the years.	Our audit procedures with regards to revenue recognition included testing controls, automated and manual, around dispatches/deliveries, inventory reconciliations and circularization of receivable balances, substantive testing for

	cut-off and analytical review procedures.
Recoverability of Indirect Tax Receivables	
As at March 31, 2022, Balances with Revenue Authorities under the head of “Other Current Assets” in respect of GST Refund Receivables, Excise Duty Receivables and Coal Cess Receivable amounting to Rs. 36,01,413, Rs. 32,44,514 and Rs. 7,32,033 respectively, which are pending to be received.	We have involved our internal experts to review the nature of the amount recoverable, the sustainability and the likelihood of recoverability upon the final resolution.
Appropriateness of Current and Non - Current Classifications	
<p>For the purpose of current / non - current classification of the assets and liabilities, the Company has ascertained its normal operating cycle as twelve months. This is based on the nature of services and the time between the acquisition of assets or inventories for processing and their presentation in cash and cash equivalents.</p> <p>The classification of assets and liabilities has been done on the basis of documentary evidences. Where conclusive evidences are not available, the classification has been done on the basis of management’s best estimates of the period in which the assets would be realized or the liabilities would be settled. We have evaluated the reasonability of the management’s estimates.</p>	

Information Other than the Financial Statements and Auditor’s Report thereon

The Company’s Management and the Board of Directors are responsible for the preparation of the other information. The other information comprises the Management Discussion and Analysis, Board’s Report including the Annexure to the Board’s Report, Report on Corporate Governance, Business Responsibility Report and Shareholder’s information, but does not include the consolidated financial statements, standalone financial statements and our auditor’s report thereon.

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

Management’s Responsibility for the Financial Statements

The Company’s Management and the Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation of these financial statements that give a true and fair view of the financial position, the financial performance including the other comprehensive income (loss), cash flows and changes in equity of the Company in accordance with the accounting principle generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 presentations of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility for the Financial Statements

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

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

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

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c. The Balance Sheet, the Statement of Profit and Loss including the Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows the dealt with by this Report are in agreement with the books of account;
- d. In our opinion, the Balance Sheet, the Statement of Profit and Loss including the Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows comply with the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;
- e. On the basis of the written representation received from the directors as on March 31, 2022 taken on the record by the Board of Directors, none of directors is disqualified as on March 31, 2022 from being appointed as a director in term of Section 164(2) of the Act.
- f. With respect to adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such control, refer to our separate report in **Annexure "B"**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over the financial reporting.

- g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended;

In our opinion and to the best of our information and explanations given to us, the remunerations paid by the Company to its directors during the reporting period is in accordance with the provision of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under section 197 of the Act. The Ministry of Corporate Affairs ("MCA") has not prescribed other details under section 197(16) of the Act which are required to be commented upon by us.

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

(i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements - "Refer Note No. 41".

(ii) The provision has been made in the financial statements, as required under the applicable law or Indian Accounting Standards, for material foreseeable losses, if any, on long - term contracts including the derivative contracts.

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

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

b) The Management has represented, that, to the best of its knowledge and belief, 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, whether, 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 from or on behalf of the Ultimate Beneficiaries;

c) Based on the audit procedures that have 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 iv(a) and iv(b) above, contain any material misstatement.

(v) As stated in Note No. 47 to the financial statements;

a) The final dividend in the previous year, declared and paid by the Company during the year is in accordance with the Section 123 of the Act, as applicable.

b) During the reporting period and until the date of this report, the Company has not declared and paid any interim dividend in accordance with the Section 123 of the Act, as applicable.

c) The Board of Directors of the Company have proposed the final dividend for the year, which is subject to the approval of the shareholders at their ensuing Annual General Meeting (AGM). The amount of dividend proposed is in accordance with the section 123 of the Act, as applicable.

For **MANISH N JAIN & CO.**
Chartered Accountants
FRN No. 138430W

Place: Nagpur

Dated: **May 25, 2022**

UDIN No.: **22118548AKIYM8528**

SD/-

MANISH JAIN

Partner

Membership No. 118548

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in Paragraph 1 under "Report on the Other Legal and Regulatory Requirements" Section of our report of Even Date)

Report on Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Companies Act, 2013 ('the Act') of NAKODA GROUP OF INDUSTRIES LIMITED ("the Company");

1. In respect of the Company's Property, Plants and Equipments and Intangible Assets;

a) i) The Company has maintained proper records in the electronic mode showing the full particulars, including the quantitative details and situation of property, plants and equipments and the relevant details of right-of-use of assets.

ii) The Company has maintained the proper records showing the full particulars of intangible assets.

b) The Company has a regular program at reasonable interval for physical verification of property, plants and equipments and right-of-use of assets so as to cover all the assets, the periodicity of physical verification, in our opinion, is reasonable having regard to the size of the Company and nature of its assets. According to the information and explanation given to us, no material discrepancies were noticed on such physical verification.

c) Based on our examination of the property tax receipts and lease agreement for land on which building is constructed, registered sale deed/ transfer deed/ conveyance deed provided to us, we report that, the title deeds in respect of self-constructed buildings and title deeds of all other immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company), disclosed in the financial statements and included under property, plants and equipments are held in the name of the Company as at

the Balance Sheet date. In respect of the immovable properties taken on lease by the Company, the lease agreements are in the name of the Company as at the Balance Sheet date.

d) The Company has not revalued any of its property, plants and equipments (including right-of-use assets) and intangible assets during the reporting period.

e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, no proceeding have been initiated during the reporting period or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and Rules made there under.

2. In respect of Company's inventories;

i) As explained to us, inventories except goods-in-transits and the stock lying with third parties were physically verified during the year by the management at reasonable intervals. In our opinion, in respect of stock lying with the third parties at the end of the year, written confirmations have been obtained. In our opinion, the frequency of such verification is reasonable. In our opinion, the coverage and the procedure adopted by the management for the physical verification is appropriate looking to the size and the nature of the products dealt in by the Company. As explained to us, there was no discrepancies of 10% or more in the aggregate of each class of inventory were noticed on such physical verification of inventories. However, the other discrepancies if any, noticed on such physical verification have been properly dealt with in the books of accounts.

ii) During the reporting period, the Company has been sanctioned working capital limit in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. The quarterly returns and the statements filed by the Company with such banks or financial institutions are in agreement with the books of accounts of the Company.

3. The Company has not made any investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnerships or other parties, during the year, in respect of which;

a) According to information and explanations given to us and on the basis of our examination of the record, the Company has not provided any loans or advances in the nature of loans or stood guarantee, or provided security to any subsidiaries, associates, joint ventures and other entities during the reporting period, hence the reporting under clause 3(iii)(a)(A) and 3(iii)(a)(B) of the said Order is not applicable.

b) The Company has not made any investment in, nor granted any loans and advances in the nature of loans, hence reporting under clause 3(iii)(b) in respect of the terms and conditions of grants of loans are not applicable to the Company.

c) The Company has not granted any loans and advances in the nature of loans, to any other entities including subsidiaries, associates and joint ventures, hence the reporting under clause 3(iii)(c), in respect of the schedule of repayment of principal and payment of interest is not applicable.

d) The Company has not granted any loans and advances in the nature of loans, to any other entities including subsidiaries, associates and joint ventures, hence the reporting under clause 3(iii)(d) in respect of overdue amount remaining outstanding for more than ninety days is not applicable.

e) The Company has not granted any loans or advances in the nature of loans, to any other entities including subsidiaries, associates and joint ventures, hence the reporting under clause 3(iii)(e), in respect of the details of loans which has fallen due during the year, that has been renewed or extended or fresh loans granted to settle the overdues of the existing loans given to the same parties is not applicable.

f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment during the year. Hence, the reporting under clause 3(iii)(f) of the said Order is not applicable.

During the reporting period, the Company has neither provided guarantee nor security to any entities including subsidiaries, associates and joint ventures, as applicable.

4. In our opinion and according to information and explanations given to us and on the basis of our examination of the records, the Company has complied with the provisions of Section 185 and Section 186 of the Act, in respect to grant of loans, making investments and providing guarantees and securities, as applicable.

5. The Company has not accepted any deposits from public or amounts which are deemed to be the deposits of the Company, within the meaning of the Reserve Bank of India, provision of Section 73 to Section 76 of the Act or any other relevant provisions and Rules made thereunder, during the year, therefore, the reporting under clause 3(v) of the Order is not applicable to the Company.

6. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under section 148(1) of the Companies Act, in respect of the Company's products / services to which the said Rules are made applicable, and we are of the opinion that, prima facie, the prescribed cost record been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

7. According to the information and explanations given to us and on the basis of our examination of the records of the Company, in respect of statutory dues, we report that;

a) The Company has generally been regular in depositing undisputed statutory dues, including goods and service tax, provident fund, employees' state insurance, income tax, duties of custom, cess and other material statutory dues applicable to it with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of goods and service tax, provident fund, employees' state insurance, income tax, duties of custom, cess and other material statutory dues were in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.

b) According to the information and explanation given to us, there are no material statutory dues referred to in sub-clause (a) above which have not been deposited with the appropriate authority on account of any dispute.

8. According to the information and explanation given to us and on the basis of our examination of the record of the Company, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

9. a) In our opinion and according to the information and explanation given to us by the Company, the Company has not defaulted in repayment of any loans or other borrowings or in the payment of interest thereon to any lender.

b) The Company has not been declared as willful defaulter by banks or financial institutions or government or any government authority.

c) The term loan taken by the Company during the year were applied for the purpose for which the loans were obtain except the funds deployed temporarily elsewhere.

d) According to the information and explanation given to us and on the basis of our examination of the record of the Company, the funds raised on short - term basis have, prima facie, not been used during the year for long - term purposes by the Company.

e) According to the information and explanation given to us and on the basis of our examination of the record of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures as defined under the Companies Act, 2013. Hence, the reporting under the clause 3(ix)(e) of the said Order is not applicable to the Company.

f) According to the information and explanation given to us and on the basis of our examination on the record of the Company, we report that the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associates companies as defined under the Companies Act, 2013. Hence, the reporting under the clause 3(ix)(f) of the said Order is not applicable to the Company.

10. a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the said Order is not applicable to the Company.

b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence, the reporting under clause 3(x)(b) of the said Order is not applicable to the Company.

11. a) According to the information and explanation given to us and on the basis of examinations of records of the Company, considering the principles of materiality outlined in Standards of Auditing, we report that no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

b) According to the information and explanation given to us and on the basis of examinations of records of the Company, we report that, no report under sub-section (12) of Section 143 of the Companies Act has been filled in Form ADT-4 as prescribed under Rule 13 of the Companies

(Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

c) In our opinion and according to the information and explanation given to us, the Company has not received any complaints from whistle-blower, hence the reporting under clause 3(xi)(c) of the said Order is not applicable to the Company.

12. The Company is not a Nidhi Company as prescribed under Section 406 of the Companies Act and hence reporting under clause 3(xii) of the Order is not applicable to the Company.

13. According to information and explanations given to us and based on our examination of the records of the Company, all transactions with related parties are in compliance with Section 177 and Section 188 of the Companies Act and details of related party transactions have been disclosed in the financial statements, under *"Note No. 38 - the transactions with Related Parties"* as required under Indian Accounting Standards (Ind AS) - 24, "Related Party Disclosure" specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rule, 2014.

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

b) We have considered, the internal audit report for the year under audit, issued to the Company during the year and till the date of this report, in determining the nature, timing and extent of our audit procedures.

15. In our opinion and according to the information and explanation given to us, during the year, the Company has not entered into any non-cash transactions with its directors or the person connected with him and hence provisions of Section 192 of the Act are not applicable. Thus, reporting under clause 3(xv) of the said Order is not applicable to the Company.

16. a) In our opinion, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934, therefore, the reporting under clause 3(xvi)(a) and (b) of the said Order is not applicable to the Company.

b) In our opinion, the Company is not a core investment company (CIC) also there is no CIC within the Group, as defined in the regulation made by the Reserve Bank of India in Core Investment Companies (Reserve Bank) Directions, 2016 and accordingly the reporting under clause 3(xvi)(c) and (d) of the said Order are not applicable.

17. The Company has not incurred any cash losses during the financial year covered by our audit and in the immediately preceding financial year, hence the reporting under clause 3(xvii) of the said Order is not applicable to the Company.

18. There has been no resignation of the Statutory Auditor of the Company during the year, hence reporting under clause 3(xviii) of the Order is not applicable to the Company.

19. On the basis of financial ratios, aging and expected due dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and the Management plans and based on our examination of evidence supporting the assumptions, nothing has come to our attention, which cause us to believe that any material uncertainty exists as on the date of the audit report

indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not as 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 date of balance sheet, will get discharged by the Company as and when they fall due.

20. As per Section 135 of the Companies Act, 2013, a company meeting its applicability threshold, needs to spend at least 2% of its average net profits for the immediately preceding three financial year on Corporate Social Responsibilities (CSR) Activities. The Company does not meet the eligibility criteria as specified under section 135 of the Companies Act, 2013, hence the reporting under clause 3(xx)(a) towards spending on other than ongoing projects and clause 3(xx)(b) towards spending on ongoing projects on Corporate Social Responsibilities (CSR) of the said Order is not applicable to the Company.

For **MANISH N JAIN & CO.**
Chartered Accountants
FRN No. 138430W

Place: Nagpur
Dated: **May 25, 2022**
UDIN No.: **22118548AKIYMX8528**

SD/-
MANISH JAIN
Partner
Membership No. 118548

ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2(f) under "Report on the Other Regulatory Requirements" section of our report of even date)

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

Opinion

We have audited the internal financial controls over the financial reporting of "**NAKODA GROUP OF INDUSTRIES LIMITED**" ("the Company") as of **March 31, 2022** in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, to the best of our information and according to the explanation given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at **March 31, 2022**, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("the ICAI").

Management's Responsibility for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting Annual Report 2021-22

with reference to the 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 (“the ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to the 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 with reference to the financial statements (the “Guidance Note”) and Standard of Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both, issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to the 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 over financial reporting with reference to the financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting with reference to the financial statements included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors’ judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting with reference to the financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting with reference to the 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 over the Financial Reporting

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

For **MANISH N JAIN & CO.**
Chartered Accountants
FRN No. 138430W

Place: Nagpur
Dated: **May 25, 2022**
UDIN No.:**22118548AKIYMX8528**

Sd/-
MANISH JAIN
Partner
Membership No. 118548

NAKODA GROUP OF INDUSTRIES LIMITED

Balance Sheet as at March 31, 2022

S. No.	Particulars	Note	31.03.2022	31.03.2021
			Rs.	Rs.
A	<u>ASSETS</u>			
1	<u>Non - Current Assets</u>			
	Property, Plants and Equipments	2	125,319,618	134,548,593
	Other Intangible Assets	3	57,129	66,819
	<u>Financial Assets</u>			
	Other Financial Assets	4	1,075,204	1,182,348
	Other Non - Current Assets	5	-	-
	Total Non - Current Assets		126,451,951	135,797,760
2	<u>Current Assets</u>			
	Inventories	6	174,068,607	157,519,111
	<u>Financial Assets</u>			
	Trade Receivables	7	60,421,733	73,058,296
	Cash and Cash Equivalents	8A	6,175,908	943,971
	Other Balances with Banks	8B	53	-
	Other Financial Assets	9	24,397,666	22,233,742
	Other Current Assets	10	23,381,024	14,596,284
	Current Tax Assets (Net)	11	592,867	-
	Total Current Assets		289,037,858	268,351,405
	Total Assets		415,489,808	404,149,165
B	<u>EQUITY AND LIABILITIES</u>			
a)	<u>EQUITY</u>			
	Equity Share Capital	12	111,345,000	111,345,000
	Other Equity	13	49,757,911	33,589,850
			161,102,911	144,934,850
b)	<u>LIABILITIES</u>			
1	<u>Non - Current Liabilities</u>			
	<u>Financial Liabilities</u>			
	Borrowings	14	90,349,313	113,523,294
	Long - Term Financial Liabilities	15	-	120,242
	Long - Term Provisions	16	529,671	222,198
	Deferred Tax Liabilities (Net)	17	2,817,862	2,198,595
	Other Non - Current Liabilities	18	106,554	-
	Total Non - Current Liabilities		93,803,400	116,064,330

2	<u>Current Liabilities</u>			
	<u>Financial Liabilities</u>			
	Borrowings	19	138,061,775	130,837,794
	<u>Trade Payables</u>	20		
	Total Outstanding dues to Micro Enterprises and Small Enterprises		1,571,529	871,716
	Total Outstanding dues of Creditors Other than to Micro Enterprises and Small Enterprises		13,084,315	5,829,481
	Other Financial Liabilities	21	3,803,665	3,161,415
	Other Current Liabilities	22	3,997,606	1,900,215
	Short - Term Provisions	23	64,607	116,986
	Current Tax Liabilities (Net)	24	-	432,380
	Total Current Liabilities		160,583,497	143,149,986
	Total Equity and Liabilities		415,489,808	404,149,165

SIGNIFICANT ACCOUNTING POLICIES
1
THE ACCOMPANYING NOTES ARE FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS
AS PER OUR REPORT OF EVEN DATE ATTACHED
FOR AND ON BEHALF OF THE BOARD
For MANISH N JAIN & CO.
Chartered Accountants

FRN No.: 138430W

PRAVIN CHOUDHARY

Director

DIN No.: 01918804

**JAYESH
CHOUDHARY**

Director

DIN No.: 02426233

MANISH JAIN

Partner

Membership No. 118548

Place: Nagpur

Dated: **May 25, 2022**

UDIN No.: **22118548AKIYMX8528**
SAKSHI TIWARI

Chief Financial Officer

Place: Nagpur

Dated: **May 25, 2022**
PRATUL WATE

Company Secretary

Place: Nagpur

Dated: **May 25, 2022**

NAKODA GROUP OF INDUSTRIES LIMITED

Statement of Profit and Loss for the year ended on March 31, 2022

S. No.	Particulars	Note	2021 - 2022	2020 - 2021
			Rs.	Rs.
I	INCOME			
1	Revenue from Operations	25	596,226,757	308,364,778
2	Other Income	26	3,618,358	460,009
II	Total Income (Total of 1 to 2)		599,845,115	308,824,787
III	EXPENSES			
1	Cost of Materials Consumed	27	125,139,654	153,777,045
2	Purchase of Stock-in-Trade		401,342,561	105,538,603
3	Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	28	(17,166,579)	(41,051,087)
4	Employee Benefits Expense	29	14,520,818	12,720,737
5	Finance Costs	30	20,696,523	21,531,502
6	Depreciation and Amortization Expenses	31	9,683,319	10,479,039
7	Other Expenses	32	27,553,609	32,150,631
IV	Total Expenses (Total of 1 to 7)		581,769,905	295,146,471
V	Profit Before Exceptional Item and Tax		18,075,210	13,678,316
	Exceptional Items		-	-
VI	Profit Before Tax (PBT)		18,075,210	13,678,316
VII	Tax Expenses			
1	Current Tax	17	22,103	580,000
2	Deferred Tax	17	657,604	(89,350)
VII I	Total Tax Expenses (Total of 1 to 2)		679,707	490,650
IX	Profit After Tax (PAT) (VI - VIII)		17,395,503	13,187,666
X	Other Comprehensive Income			
	A) Items that will not be reclassified to Statement of Profit and Loss			
	a)i) Remeasurement of Defined Benefits Plan		(152,324)	33,964

	ii) Income Tax Expenses on the above		38,337	(9,449)
	b) i) Net Fair Value Gain on Investments in Equity Instruments through Other Comprehensive Income		-	-
	ii) Income Tax Expenses on the above		-	-
	B) Items that will be reclassified subsequently Statement of Profit and Loss			
	a) Net Fair Value Gain on Investments in Debt Instruments through Other Comprehensive Income		-	-
	b) Income Tax Expenses on the above		-	-
XI	Total Other Comprehensive Income		(113,987)	24,515
XII	Total Comprehensive Income for the year (IX + XI)		17,281,516	13,212,181
XII	Earnings per Equity Share			
I	Basic (In `)	48	1.56	1.18
	Diluted (In `)		1.56	1.18

SIGNIFICANT ACCOUNTING POLICIES

1

THE ACCOMPANYING NOTES ARE FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR AND ON BEHALF OF THE BOARD

For **MANISH N JAIN & CO.**

Chartered Accountants

FRN No.: 138430W

MANISH JAIN

Partner

Membership No. 118548

Place: Nagpur

Dated: **May 25, 2022**

UDIN No.: **22118548AKIYMX8528**

PRAVIN CHOUDHARY

Director

DIN No.: 01918804

SAKSHI TIWARI

Chief Financial Officer

Place:
Nagpur

Dated: **May 25, 2022**

**JAYESH
CHOUDHARY**

Director

DIN No.: 02426233

PRATUL WATE

Company Secretary

Place: Nagpur

Dated: **May 25, 2022**

NAKODA GROUP OF INDUSTRIES LIMITED

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

S. No .	Particulars	31.03.2022	31.03.2021
		(Rs.)	(Rs.)
A)	Cash Flow from Operating Activities		
	Net Profit / (Loss) Before Tax for the year as per the Statement of Profit and Loss	18,075,210	13,678,316
	<u>Adjustments For:</u>		
	Depreciation and Amortization Expenses	9,683,319	10,479,039
	Interest Income	(10,623)	(212,754)
	Finance Costs	20,696,523	21,531,502
	Provision for Unsecured Doubtful Debts and Advance	373,322	-
	Operating Profit before Working Capital Changes	48,817,750	45,476,103
	<u>Adjustments For:</u>		
	(Increase) / Decrease in Inventories	(16,549,496)	(33,376,919)
	(Increase) / Decrease in Trade Receivables	12,263,242	(21,449,565)
	(Increase) / Decrease in Other Financial Assets	(2,056,780)	10,058,246
	(Increase) / Decrease in Other Current Assets	(8,784,740)	(1,230,225)
	Increase / (Decrease) in Short - Term Borrowings	7,223,982	3,082,514
	Increase / (Decrease) in Trade Payables	7,954,648	(5,034,202)
	Increase / (Decrease) in Financial Liabilities	642,250	(2,216,296)
	Increase / (Decrease) in Other Current Liabilities	2,203,944	198,951
	Increase / (Decrease) in Provisions	102,770	120,197
	Cash Generated from Operating Activities	51,817,570	(4,371,195)
	Income Tax Paid (Net of Refund)	(1,047,350)	(147,619)
	Net Cash Generated / (Used) from Operating Activities	50,770,220	(4,518,814)
B)	Cash Flow from Investing Activities		
	Investment in Property, Plants and Equipments (Net of Disposal)	(444,654)	(544,108)
	Capital Advances	-	154,872
	Liabilities towards Capital Expenditures	(120,242)	(7,959)
	Interest Income	10,623	212,754
	Net Cash Generated / (Used) from Investing	(554,273)	(184,441)

	Activities		
(C)	Cash Flow from Financing Activities		
	Proceeds from Fresh Issue of Equity Shares	-	-
	Proceeds / (Repayments) from Non - Current Borrowings	(23,173,981)	23,805,138
	Finance Costs	(20,696,523)	(21,531,502)
	Dividend and Dividend Distribution Tax Paid	(1,113,507)	-
	Net Cash Received / (Used) from Financing Activities	(44,984,011)	2,273,636
(D)	Net Increase / (Decrease) in Cash and Cash Equivalents (A + B + C)	5,231,937	(2,429,620)
(E)	Cash and Cash Equivalents at the beginning of the period	943,971	3,373,591
(F)	Cash and Cash Equivalents at the end of the period	6,175,908	943,971
(G)	Increase / (Decrease) in Cash and Cash Equivalents (G = F - E)	5,231,937	(2,429,620)

Note:

a) Cash and Cash Equivalents Comprises of:

S. No	Particulars	31.03.2022	31.03.2021
		Rs.	Rs.
1	<u>Balances with Banks</u>		
	i) Current Accounts	95,712	15,365
	<u>Less: Unpaid / Unclaimed Dividend</u>	(53)	-
		95,659	15,365
2	<u>Cash-in-Hand</u>	6,080,249	928,607
3	Cash and Cash Equivalents (Total of 1 to 2)	6,175,908	943,971

SIGNIFICANT ACCOUNTING POLICIES

1

THE ACCOMPANYING NOTES ARE FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR AND ON BEHALF OF THE BOARD

For **MANISH N JAIN & CO.**

PRAVIN CHOUDHARY

JAYESH CHOUDHARY

Chartered Accountants

Director

Director

FRN No.: 138430W

DIN No.: 01918804

DIN No.: 02426233

MANISH JAIN

SAKSHI TIWARI

PRATUL WATE

Partner

Chief Financial Officer

Company Secretary

Membership No. 118548

Place: Nagpur

Place: Nagpur

Place: Nagpur

Dated: **May 25, 2022**

Dated: **May 25, 2022**

Dated: **May 25, 2022**

UDIN No.: 22118548AKIYMX8528

Notes to the Financial Statements for the year ended on March 31, 2022

1. Corporate Information

NAKODA GROUP OF INDUSTRIES is a Public Limited Company, domiciled and incorporated in India, under the provisions of Companies Act, 2013. The Registered office of the Company is situated at 239, Bagadganj, Nagpur, (M.H.) - 440008.

The Company is mainly engaged in the business of manufacturing, selling and distribution and trading of Tutty Fruity and Other Agriculture Commodities. The Company's share are listed on Bombay Stock Exchange (BSE) and National Stock Exchange Limited (NSE).

The Board of Directors approved the financial statements for the year ended March 31, 2022 and authorized for issue on May 25, 2022.

1.1 BASIS OF PREPARATION

a) Accounting Convention

These financial statements are the separate financial statements of the Company (also called as financial statements) prepared in accordance with Indian Accounting Standard ("Ind AS") notified under the Companies Act, 2013 ("the Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standard) Rule, 2016, as amended. These financial statements are the Company's first Ind AS financial statements. The Company has adopted all the Indian Accounting Standards and the adoption was carried out in accordance with the *Ind AS - 101, "First Time Adoption of Indian Accounting Standards"*.

For all period upto and including the financial year March 31, 2020, the Company had prepared its financial statements in accordance with the Accounting Standards notified under the section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rule, 2014, ("Previous GAPP"). Detailed explanations on how the transition from Previous GAAP to Ind AS has affected the Company's Balance Sheet, financial performance and its cash flows are given under the "Note No. 36".

The financial statements have been prepared and presented under the Historical Cost Convention, on accrual basis of the accounting except for certain financial assets and financial liabilities including derivative instruments, if any, that are measured at fair value at the end of each reporting period, defined benefits plans - plan assets are measured at fair value, as stated in the accounting policies set out below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair Value is the price that would be received to sell an assets or paid to transfer a liabilities in an orderly transactions between the market participants at the measurement date.

The Statement of Cash Flows have been prepared under indirect method, whereby the profit and loss is adjusted for the effect of transactions of a non-cash nature, any deferrals and accruals or future operating cash receipts or payments and items of income and expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated. The Company considers all highly liquid instruments that are readily convertible to know amounts of cash and are subject to an insignificant risk of changes in value to be cash equivalents. These accounting policies have been applied consistently over all the period presented in these financial statements.

The Company's financial statements are prepared and presented in Indian Rupee (₹), which is also the functional currency for the Company. All amounts have been rounded off to nearest rupee, unless otherwise indicated.

b) Use of Estimates

The preparation of the financial statements is in conformity with the Ind AS requires managements to make certain judgments, estimates and assumptions that affect the application of the accounting policies and the reported amounts of the assets, liabilities, income and expenses (including contingent liabilities) and the accompanying disclosures. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revision to accounting estimates are recognized in the period which the estimates are revised and in any future periods affected.

The key assumptions concerning the future and other key resources of estimation uncertainty at the reporting date, have a significant risk of causing a material adjustment to the carrying amount of the assets and liabilities within the next financial year. Are described as follow:

- a) **Income Tax:** The Company's tax jurisdiction is in India. Significant judgments are involved in estimating budgeted profits for the purpose of paying advance tax, determining the income tax provisions, including the amount expected to be paid / recovered for uncertain. (Refer Note No. 17)
- b) **Property, Plants and Equipments:** Property, Plants and Equipments represent a significant proportion of the assets base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful lives and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by the management at the time the assets are acquired and reviewed periodically, including at each financial year end. Useful lives of each these assets are based on the life prescribed in Schedule II to the Companies Act, 2013 or based on the technical estimates, taking into account the nature of the assets, estimated usage, expected residual values and operating conditions of the assets. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence arising from changes or improvements in production or from a change in market demand of the product or service output of the assets.
- c) **Defined Benefits Obligations:** The costs of providing Gratuity and other post-employment benefits are charged to the Statement of Profit and Loss in accordance with *Ind AS - 19, "Employee Benefits"* over the period during which benefit is derived from the employees' services. It is determined by using the Actuarial Valuation and assessed on the basis of assumptions selected by the management. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These assumptions include salary escalation rate, discount rates, expected rate of return on assets and mortality rates. The same is disclosed in *Note No. 37, "Employee Benefits"*. Due to complexities involved in the valuation and its long - term in nature, a defined benefit obligation is highly sensitive to change in these assumptions. All assumptions are reviewed at each balance sheet date.
- d) **Fair Value measurements of Financial Instruments:** When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, including the discounted cash flow model, which involve various judgments and assumptions. The inputs to these models are taken from observable markets where possible, where this is not feasible, a degree of judgements is required in establishing fair value. Judgements include considerations of inputs such as liquidity risk, credit risk and

volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

- e) **Recoverability of Trade Receivables:** Judgment are required in assessing the recoverability of overdue trade receivables and determining whether a provision is against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non - payments.
- f) **Provisions:** The timing of recognition and quantification of the liability requires which can be subject to change. The carrying amounts of provision and liabilities are reviewed regularly and revised to take the amount of changing the facts and circumstances.
- g) **Impairment of Financial and Non - Financial Assets:** The impairment provision of financial are based on the assumptions about the risk of default and expected cash loss rates. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of the reporting period.

In case of Non - Financial Assets, the Company estimates asset's recoverable amount, this is higher of an assets or Cash Generating Units (CGU) fair value less the cost of disposal and the value in use.

In assessing the value in use, the estimated future cash flows are discounted using the pre - tax discount rate that reflects current market assessments of the time value of money and the risk specific to the assets. In determining the fair value less cost of disposal, recent market transactions are taken into accounts, if no such transactions can be identified, an appropriate valuation model is used.

- h) **Recognition of Deferred Tax Assets and Liabilities:** Deferred tax assets and liabilities are recognized for deductible temporary differences and unused tax losses for which there is probability of utilization against the future taxable profits. The Company uses judgments to determine the amount of deferred tax that can be recognized, based upon the likely timing and the level of future taxable profits and business developments.
- i) **Inventory Management:** Measurement of bulk inventory quantities of stock available at factory site is material, complex and involves significant judgements and estimates resulting from measuring the surface area. The Company performs physical counts of the above inventory on a periodic basis using internal / external experts to perform volumetric surveys and assessments, basis which estimates of quantity for these inventories is determined. The variation noted between book records and physical counts of the above inventories are evaluated and approximately accounted in the books of accounts.

c) Current and Non- Current Classification

An asset or a liability is classified as Current when it satisfies any of the following criteria:

- i) It is expected to be realized / settled, or is intended for sales or consumptions, in the Company's Normal Operating Cycle;
- ii) It is held primarily for the purpose of sale or consumption.
- iii) It is held primarily for the purpose trading.
- iv) It is expected to be realized / due to be settled within twelve months after the end of reporting date;

v) The asset is cash or cash equivalents unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

vi) The Company does not have an unconditional right to defer the settlement of the liabilities for at least twelve months after the reporting date.

All other assets and liabilities are classified as non-current.

For the purpose of Current / Non - Current classification of assets and liabilities, the Company has ascertained its operating cycle as twelve months. This is based on the nature of services and the time between the acquisition of the assets or liabilities for processing and their realization in Cash and Cash Equivalents.

1.2 Summary of Significant Accounting Policies

a) **Property, Plants and Equipments** **Measurement at Recognition**

An item of Property, Plants and Equipments that qualifies as an assets is measured on the initial recognition at cost, net of recoverable taxes, if any. Following the initial recognition, item of property, plants and equipments are carries at its cost less accumulated depreciation / amortization and accumulated impairment losses, if any.

The Company identifies and determines cost of each part of an item of Property, Plants and Equipments separately. If the part has a cost which is significant to the total costs of that item of Property, Plants and Equipments and has a useful life that is materially different from that of remaining items.

The cost of an item of property, plants and equipments comprises of its purchase price including import duties and other non - refundable purchase taxes or levies, directly attributable to the cost of bringing the assets to its present location and working condition for its intended use and the initial estimate of decommissioning, restoration and similar liabilities, if any. Any trade discount and rebates are deducted in arriving at the purchase price of such Property, Plants and Equipments.

Such cost also includes the cost of replacing a part of the plants and equipments and the borrowing cost of the long - term construction projects, if the recognition criteria are met. Expenses directly attributable to new manufacturing facility during its construction period are capitalized if the recognition criteria are met. Expenditure related to plans, designs and drawings of buildings or plant and machinery is capitalized under relevant heads of property, plants and equipments if the recognition criteria are met.

When the significant parts of Property, Plants and Equipments are required to be replaced at periodical intervals, the Company recognizes such part as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plants and equipments as a replacement, if the recognition criteria are satisfied, all other repair and maintenance costs are recognized in the Statement of Profit and Loss as when incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective assets, if the recognition criteria for a provision are met.

All the costs, including administrative, financing and general overhead expenses, as are specifically attributable to construction of a project or to the acquisition of a Property, Plants and Equipments or bringing it to its present location and working condition, is include as a part of the cost of construction of the project or as a part of the cost of Property, Plants and Equipments, till the commencement of commercial production. Any adjustments arising from exchange rate variations attributable to the Property, Plants and Equipments are capitalized as aforementioned.

Borrowing costs relating to the acquisition / construction of Property, Plants and Equipments which takes the substantial period of time to get ready for its intended use are also included in the cost of Property, Plants and Equipments / cost of constructions to the extent they relate to the period till such Property, Plants and Equipments are ready to be put to use.

Any subsequent expenditure related to an item of Property, Plants and Equipments is added to its book value only and only if it increases the future economic benefits from the existing asset beyond its previously assessed standard of performance.

Any items such as spare parts, stand by equipment and servicing equipment that meet the definitions of the Property, Plants and Equipments are capitalized at cost and depreciated over the useful life of the respective Property, Plants and Equipments. Cost is in the nature of repair and maintenances are recognized in the Statement of Profit and Loss as and when incurred.

The Company has elected to consider the carrying amount of all its property, plants and equipments appearing in the financial statements prepared in accordance with the Accounting Standards notified under the Section 133 of the Companies Act, 2013 read together with Rule 7 of the Companies (Accounts) Rule, 2014 as amended and used the same as deemed costs in the opening Ind AS Balance Sheet as prepared under April 01, 2020.

Capital Work-in-Progress and Capital Advances

Cost of Property, Plants and Equipments not ready for intended use, as on the balance sheet date, is shown as a "Capital Work-in-Progress". The Capital Work-in-Progress is stated at cost. Any expenditure in relation to survey and investigation of the properties is carried as Capital Work-in-Progress. Such expenditure is either capitalized as cost of the projects on completion of construction project or the same is expensed in the period in which it is decided to abandon such project.

Any advances given towards acquisition of Property, Plants and Equipments outstanding at each balance sheet date are disclosed as "*Other Non - Current Assets*".

Depreciation

Depreciation on each part of Property, Plants and Equipments is provided to the extent of the depreciable amount of the assets on the basis of "*Straight Line Method (SLM)*" on the useful life of the tangible property, plants and equipment as estimated by the management and is charged to the Statement of Profit and Loss, as per the requirement of *Schedule - II to the Companies Act, 2013*. The estimated useful life of the Property, Plants and Equipments has been assessed based on the technical advice which is considered in the nature of the Property, Plants and Equipments, the usage of the Property, Plants and Equipments, expected physical wear and tear of the such Property, Plants and Equipments, the operating conditions, anticipated technological changes, manufacturer warranties and maintenance support of the Property, Plants and Equipments etc.

When the parts of an item of the Property, Plants and Equipments have different useful life, they are accounted for as a separate item (major components) and are depreciated over their useful life or over the remaining useful life of the principal Property, Plants and Equipments, whichever is less.

The useful life of the items of Property, Plants and Equipments as estimated by the management is mentioned below:

S. No.	Name of Property, Plants and Equipments	Useful Life (In Years)
1.	Factory Building	30 Years
2.	Building (Other than Factory Building)	60 Years
3.	Plant and Machinerics (Including Continuous Process Plant)	25 Years
4.	Furniture and Fixtures	10 Years
5.	Office Equipments	10 Years
6.	Computer and Other Data Processing units	3 Years
7.	Motor Vehicles	8Years

The Company based on technical assessment made by the technical expert and management estimate, depreciate certain items of property, plants and equipments (as mentioned below) over the estimated useful lives which are different from the useful lives as prescribed under Schedule - II of the Companies Act, 2013. The management believes that the useful life as given above is best to represent the period over which management expects to use these Property, Plants and Equipments.

Freehold land is not depreciated. Leasehold land and their improvement costs are amortized over the period of the lease.

The useful lives, residual value of each part of an item of Property, Plants and Equipments and the method of depreciation are reviewed at the end of each reporting period, if any, of these expectations differ from the previous estimates, such change is accounted for as a change in accounting estimate and adjusted prospectively, if appropriate.

Derecognition

The carrying amount of an item of Property, Plants and Equipments and Intangible Assets is recognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from derecognition of the Property, Plants and Equipments is measured as the difference between the net disposal proceeds and the carrying amount of the assets and is recognized in the Statement of Profit and Loss, as and when the assets are derecognized.

b) Intangible Assets **Measurement at Recognition**

Intangible assets acquired separately measured on the initial recognition at Cost. Intangible assets arising on the acquisition of business are measured at fair value as at the date of acquisition. Internally generated intangible assets including research cost are not capitalized and the related expenditure is recognized in the Statement of Profit and Loss in the period in

which the expenditure is incurred. Following the initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment loss, if any.

The Company has elected to consider the carrying amount of all its property, plants and equipments appearing in the financial statements prepared in accordance with the Accounting Standards notified under the Section 133 of the Companies Act, 2013 read together with Rule 7 of the Companies (Accounts) Rule, 2014 as amended and used the same as deemed costs in the opening Ind AS Balance Sheet as prepared under April 01, 2020.

Amortization

Intangible assets with the finite lives are amortized on a “Straight Line Basis” over the estimated useful economics life of such Intangible assets. The amortization expenses on Intangible assets with the finite lives are recognized in the Statement of Profit and Loss.

The amortization period and the amortization method for an intangible asset with the finite useful life are reviewed at the end of each financial year. If any of these expectations differ from the previous estimates, such changes are accounted for as a change in an accounting estimate.

S. No.	Particulars	Useful Life (In Years)
1.	Software	5 Years

Derecognition

The carrying amount of an Intangible assets are recognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an Intangible assets is measured as the difference between the net disposal proceeds and the carrying amount of the intangible assets and is recognized in the Statement of Profit and Loss, as and when such asset is derecognized.

c) Impairment

Assets that have an indefinite useful life, for example goodwill, are not subject to amortization and are tested for impairment annually and whenever there is an indication that the asset may be impaired.

Assets that are subject to depreciation and amortization and assets representing investments in subsidiary and associate companies are reviewed for impairment, whenever events or changes in circumstances indicate that carrying amount may not be recoverable. Such circumstances include, though are not limited to, significant or sustained decline in revenues or earnings and material adverse changes in the economic environment.

The Company assesses at each reporting date whether there is an indication that assets may be impaired. If any indication exists based on internal or external factors, or when annual impairment testing for assets is required, the Company estimates the asset’s recoverable amount. Where the carrying amount of the assets or its cash generating unit (CGU) exceeds its recoverable amount, the assets are considered impaired and is written down to its recoverable amount. The recoverable amount is the greater of the fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre - tax rate that reflects current market rates and the risk specific to the assets. For and assets that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the assets belong. Fair value less cost to sell is the best estimate of the amount obtainable from the sale of an asset in an arm’s length transactions between knowledgeable, willing parties, less cost of disposal. After the impairment,

depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

Reversal of impairment losses recognized in prior years is recorded when there is an indication that the impairment losses recognized for the assets no longer exists or has decreased. However, the increase in the carrying amount of assets due to the reversal of an impairment loss is recognized to the extent it does exceed the carrying amount that would have been determined (net of depreciation) had no Impairment Loss been recognized for the assets in the prior years.

Impairment losses, if any, are recognized in the Statement of Profit and Loss and included in depreciation and amortization expense. Impairment losses are reversed in the Statement of Profit and Loss only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognized.

d) Lease

A lease is classified at the inception date as finance lease or an operating lease. A lease that transfers substantially all the risk and rewards incidental to the ownership to the Company is classified as a finance lease. All other lease is classified as operating lease.

The Company as a Lessee

a) Operating Lease: Rental payable under the operating lease are charged to the Statement of Profit and Loss on a Straight - line basis over the term of the relevant lease except where another systematic basis is more representative of time pattern in which economic benefits from the leased assets are consumed.

b) Finance Lease: Finance lease are capitalized at the commencement of the lease, at the lower of the fair value of the property or the present value of the minimum lease payments. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation. Lease payments are apportioned between finance expenses and the reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are charged directly against the income over the period of the lease unless they are directly attributable to qualifying assets, in which case they are capitalized. Contingent rental is recognized as an expense in the period in which they are incurred.

A leased asset is depreciated over the useful lives of the assets, however, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the assets are depreciated over the shorter of the estimated useful lives of the assets and the lease terms.

The Company as a Lessor:

Lease payments under operating leases are recognized as an income on a straight - line basis in the statement of profit and loss over the lease term except where the lease payments are structured to increase in line with expected general inflation. The respective leased assets are included in the Balance Sheet based on their nature.

e) Investments

Investments are classified into Current or Non - Current Investments. Investments that are readily realizable and intended to be held for not more than a year from the date of acquisition are classified as Current Investments. All other Investments are classified as Non - Current

Investments. However, that part of Non - Current Investments which are expected to be realized within twelve months from the Balance Sheet date is also presented under “Current Investments” under “Current portion of Non - Current Investments” in consonance classification of Current / Non – Current classification of Schedule - III of the Act.

All the equity investments which covered under the scope of Ind AS 109, “Financial Instruments” is measured at the fair value. Investment in Mutual Fund is measured at fair value through profit and loss (FVTPL). Trading Instruments are trading at fair value through profit and loss (FVTPL).

The cost of investments comprises the purchase price and directly attributable acquisition charges such as brokerage, fess and duties.

f) Investments Properties

The properties those are held for capital appreciation or for earning rentals or both or whose future use is undetermined is classified as Investment Properties. Items of investment properties are measured at cost less accumulated depreciation / amortization and accumulated impairment losses. Cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for its intended use. Investment properties are depreciated on straight line method on pro-rata basis at the rates specified therein. Subsequent expenditure including cost of major overhaul and inspection is recognized as an increase in the carrying amount of the as set when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

g) Inventories

Inventories of the raw material, work-in-progress, finished goods, packing material, stores and spares, components, consumables and stock-in-trade are carried at lower of cost and net realizable value. However, raw material and other items held for use in production of inventories are not written down below cost, if the finished goods in which they will be incorporated are expected to be sold at or above cost. The comparison of cost and net realizable value is made on an item by item basis.

In determining the cost of raw materials, work-in-progress, finished goods, packing materials, stores and spares, components and stock-in-trade, “*First in First Out (FIFO)*” method is used. Cost of inventories included the cost incurred in bringing each product to its present location and conditions are accounted as follows:

a) Raw Material: Cost included the purchase price net of all direct and indirect taxes, duties (other than those which is recoverable from tax authorities) and other direct or indirect costs incurred to bring the inventories into their present location and conditions.

b) Finished Goods and Work-in-Progress: Cost included cost of direct materials and packing material and the labor cost and an appropriate proportion of fixed and variable overhead based on the normal operating capacity of the Company, but excluding the borrowing costs but include the other costs incurred in bringing the inventories to their present location and condition. Fixed production overheads are allocated based of normal capacity of production facilities. Cost is determined on “*First in First out basis(FIFO)*”.

c) Stock-in-Trade: Cost included the purchase price and other direct or indirect costs incurred in bringing the inventories to their present location and conditions. Cost is determined on “*First in First Out Basis*”.

All other inventories of stores and spares, consumables, project material at site are valued at cost. The stock of waste or scrap is valued at net realizable value. Excise Duty wherever applicable is provided on the finished goods lying within the factory and bonded warehouse at the end of the reporting period.

“*Net Realizable Value*” is the estimated selling price of inventories in the ordinary course of business, less estimated costs of completion and estimated cost necessary to make the sales of the products.

h) Borrowing Costs

Borrowing Costs include the interest, commitments charges on bank borrowings, amortization of ancillary costs incurred in connection with the arrangement of borrowings.

Borrowing costs that are directly attributable to the acquisition or construction of qualifying property, plants and equipment are capitalized as a part of cost of that property, plants and equipments until such time that the assets are substantially ready for their intended use. Qualifying assets are assets which take the substantial period of time to get ready for the intended use or sale.

When the Company borrows the funds specially for the purpose of obtaining the qualifying assets, the borrowing costs incurred are capitalized with qualifying assets. When the Company borrows fund generally and use them for obtaining a qualifying assets, the capitalization of borrowing costs is computed on weighted average cost of general costs that are outstanding during the reporting period and used for acquisition of the qualifying assets.

Capitalization of the borrowing costs ceases when substantially all the activities necessary to prepare the qualifying assets for intended use are complete.

Other Borrowing Costs are recognized as expenses in the period in which they are incurred. Any interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Any exchange differences arising from foreign currency borrowings to the extent that they are regarded as adjustments to interest costs are recognized as Borrowing Costs, and are capitalized as a part of cost of such property, plants and equipment if they are directly attributable to their acquisition or charged to the Statement or Profit and Loss.

i) Employee Benefits

Short - Term Employee Benefits

All the employee benefits payable wholly within twelve months of rendering the services are classified as short - term employee benefits and they are recognized in the period in which the employee renders the related services. The Company recognizes the undiscounted amount of short - term employee benefits expected to be paid in the exchange for services are rendered as a liabilities (accrued expense) after deducting any amount already paid.

Post - Employment Benefits

a) Defined Contribution Plans

Defined contribution plans are employee state insurance scheme and Government administrated pension fund scheme for all the applicable employees and superannuation

scheme for all eligible employees. The Company's contribution to defined contribution plans is recognized in the Statement of Profit and Loss in the reporting period to which they relate.

i) Recognition and Measurement of Defined Contribution Plans

The Company recognizes contribution payable to a defined contribution plan as an expense in the Statement of Profit and Loss when the employees render services to the Company during the reporting period. If the contributions payable for services received from employees before the reporting date exceed the contributions already paid, the deficit payable is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the reporting date, the excess is recognized as an asset to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund.

b) Defined Benefits Plans

i) Provident Fund Scheme

The Company makes specified monthly contribution towards Employee Provident Fund scheme to a separate trust administrated by the Company. The minimum interest rate payable by the trust to the beneficiaries is being notified by the Government every year. The Company has an obligation to make good the shortfall, if any, between the return on investments of the trusts and the notified interest rate.

ii) Gratuity

The Company operates a defined benefits plan for employees. The Company pays the Gratuity to employee whoever has completed its five year of services with the Company at the time of resignation or superannuation. The Gratuity is paid @ 15 Days salary for every completed year of service as per the Payment of Gratuity Act, 1972.

The Company contributes to a separate entity (a fund), towards meeting its gratuity obligations. This fund has been approved by the respective income tax authorities.

The liabilities in respect of Gratuity and other post – employment benefits is calculated using the “Project Unit Credit Method” and spread over the period during which the benefits is expected to be derive from employee services.

The remeasurement of defined benefits plan in respect of post employments are charged to the Other Comprehensive Income.

iii) Pension Scheme

The Company operates a defined benefit pension plans for certain specified employee satisfying certain conditions, as approved by the Board of Directors.

iv) Post - Retirement Medical Benefit Plan

The Company operates a defined post - retirement medical benefit plan for certain specified employees and payable upon the employee satisfying certain conditions.

Recognition and Measurement of Defined Contribution Plans

The cost of providing defined benefits is determined using the Projected Unit Cash Credit method with actuarial valuations being carried out at each Balance Sheet date. The defined benefit obligations recognized in the Balance Sheet represent the present value of the defined benefit obligations as reduced by the fair value of plan assets, if applicable. Any defined benefit assets (negative defined benefit obligations resulting from this calculation) is recognized representing the present value of available refunds and reductions in future contributions to the plan.

All expenses represented by current service cost, past service cost, if any, and net interest on the defined benefit liability / (asset) are recognized in the Statement of Profit and Loss. Remeasurements of the net defined benefit liabilities/ (assets) comprising actuarial gains and losses and the return on the plan assets (excluding amounts included in net interest on the net defined benefit liabilities /assets), are recognized in Other Comprehensive Income. Such Remeasurements are not reclassified to the Statement of Profit and Loss in the subsequent periods.

Past service cost is recognized immediately to the extent that the benefits are already vested, else is amortized on a straight - line basis over the average period until the amended benefits become vested. Actuarial gain or losses in respect of the defined benefit plans are recognized in the Statement of Profit and Loss in the year in which they arise.

The Company preset the above liabilities as Current and Non - Current in the Balance Sheet as per the Actuarial Valuation by the Independent actuary; however, the entire liabilities towards gratuity is considered as current as the Company will contribute this amount to the Gratuity Fund within next twelve months.

c) Other Long - Term Employee Benefits

Entitlement to annual leave and sick leave are recognized when they accrue to employees, Sick leave can only be availed while annual leave can either be availed or encashed subject to the restriction on the maximum number of the accumulation of leave. The Company determines the liability for such accumulated leaves using the Projected Accrued Benefits method with the Actuarial Valuation being carried out at each Balance Sheet date.

d) Employee Separation Costs

Compensation to employees who have opted for retirement under the voluntary retirement scheme of the Company is payable in the year of exercise of option by the employee. The Company recognizes the employee separation cost when the scheme is announced and the Company is demonstrably committed to it.

The Company presents this liability as Current and Non - Current in the Balance Sheet as per the Actuarial Valuation by the Independent Actuary.

j) Revenue Recognition

Revenue is recognized when it is probable that economic benefit associated with the transaction flows to the Company in ordinary course of its activities and the amount of revenue can be measured reliably, regardless of when the payment is being made. Revenue is measured at the fair value of consideration received or receivable, taking into the account contractually defined terms of payments, net of its returns, trade discounts and volume rebates allowed.

Revenue includes only the gross inflows of economic benefits, including the excise duty, received and receivable by the Company, on its own account. Amount collected on behalf of third parties such as sales tax, value added tax and goods and service tax (GST) are excluded from the Revenue.

Sale of Products

Revenue from sales of goods is recognized, when all the significant risks and rewards of the ownership of the goods is passed to the buyer, recovery of the consideration is probable, associated cost can be estimated reliably, there is no continuing effective control or managerial involvement with the goods and amount of revenue can be measured reliably, which is generally considered on dispatch of goods to the customers except in case of the consignment

sales. Sales (Gross) includes Excise Duty but excludes VAT and Goods and Service Tax (GST) and is net of discounts and incentives to the customers. Excise Duty to the extent included in the gross turnover is deducted to arrive at the net turnover.

Sale of Services

Revenue from Sale of Services is recognized as per the Completed Service Contract Method of Revenue recognition except in the few cases when the Revenue from Sale of Services is recognized on accrual basis as per the Contractual agreement basis. Stage of completion is measured by the service performed till the balance sheet date as a percentage of total service contracted.

Revenue from Contracts

Revenue from contracts with customers is recognized on transfer of control of promised goods or services to a customer at an amount that reflects the consideration to which the Company is expected to be entitled to in exchange for those goods or services.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract. This variable consideration is estimated based on the expected value of outflow. Revenue (net of variable consideration) is recognized only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

Export Incentives

Export incentive revenues are recognized when the right to receive the credit is established and there is no significant uncertainty regarding the ultimate collection.

Interest

Revenue from Interest income is recognized using the effective interest method. Effective Interest Rate (EIR) is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instruments or a shorter period, where appropriate, to the gross carrying amount of the financial assets or to the amortized cost of financial liability.

Royalty

Royalty income is recognized on an accrual basis in accordance with the substance of the relevant agreement.

Dividend

Revenue is recognized when the Company's right to receive the payment is established at the end of the reporting date, which is generally when the shareholders approve the dividend at the Annual General Meeting / Extraordinary General Meeting.

Surplus/ (Loss) on disposal of Property, Plants and Equipments / Investments

Surplus/ (Loss) on disposal of property, plants and equipment or investment is recorded on transfers of title from the Company, and is determined as the difference between the sales price and carrying value of the property, plants and equipment or investments and other incidental expenses.

Rental Income

Rental income arising from operating lease on investments properties is accounted for on a straight - line basis over the lease term except the case where the incremental lease reflects inflationary effect and rental income is accounted in such case by actual rent for the period.

Insurance Claim

Claim receivable on account of insurance is accounted for to the extent the Company is reasonably certain of their ultimate collections

Other Income

Revenue from other income is recognized when the payment of that related income is received or credited.

k) Foreign Currency Transactions

a) Initial Recognition

Transactions in the Foreign Currencies entered into by the Company are accounted in the functional currency (i.e. Indian Rupee `), by applying the exchange rates prevailing on the date of the transaction. Any exchange difference arising on foreign exchange transactions settled during the reporting period are recognized in the Statement of Profit and Loss.

b) Conversion of Foreign Currency Items at Reporting Date

Foreign Currency Monetary Items of the Company are restated at the end of the reporting date by using the closing exchange rate as prescribed by the Reserve Bank of India, RBI Reference Rate. Non - Monetary Items are recorded at the exchange rate prevailing on the date of the transactions. Non - Monetary Items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is measured. Exchange Differences arising out of these translations are recognized in the Statement of Profit and Loss except exchange gain or loss arising on Non - Monetary Items measured at fair value of the item which are recognized Statement of Profit and Loss or Other Comprehensive Income depending upon their fair value gain or loss recognizes in Statement of Profit or Loss and Other Comprehensive Income, respectively.

All the other exchange differences arising on settlement or translation of monetary items and the make to market losses / gain are dealt with in the Statement of Profit and Loss as Income or Expenses in the period in which they arise except to the extent that they are regarded as an adjustment to the Finance Costs on foreign currency borrowings that are directly attributable to the acquisition or constructions of the qualifying assets, are capitalized to the qualifying assets.

l) Government Grants and Subsidies

The Company is entitled to receive any subsidy from the Government authorities or any other authorities in respect of manufacturing or other facilities are dealt as follows:

i) Grants in the nature of subsidies which are non -refundable and are recognized as income where there is reasonable assurance that the Company will comply with all the necessary conditions attached to them. Income from grants is recognized on a systematic basis over periods in which the related costs that are intended to be compensated by such grants are recognized.

ii) The Company has received refundable government loans at below market rate of interest which are accounted in accordance with the recognition and measurement principle of Ind AS 109, "Financial Instruments". The benefit of below-market rate of interest is measured as the difference between the initial carrying value of loan determined in accordance with Ind AS 109 and the proceeds received. It is recognized as income when there is a reasonable assurance that the Company will comply with all necessary conditions attached to the loans. Income from such benefit is recognized on a systematic basis over the period of the loan during which the Company recognizes interest expense corresponding to such loans.

iii) Income from subsidies is presented on gross basis under the Revenue from Operations. Income arising from below market rate of interest loans is presented on gross basis under Other Income.

m) Financial Instruments

A financial instruments are in any contract that gives rise to a financial assets of one entity and a financial liabilities or equity instruments of another entity.

Financial Assets

Initial Recognition and Measurement

The Company recognizes a financial assets in its Balance Sheet when it becomes party to the contractual provisions of the instruments. All financial assets are recognized initially at fair value, plus in the case of financial assets not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial assets.

Where the fair value of a financial assets at initial recognition is different from its transaction price, the difference between the fair value and the transaction price is recognized as a gain or loss in the Statement of Profit and Loss at initial recognition if the fair value is determined through a quoted market price in an active market for an identical asset (i.e. level 1 input) or through a valuation technique that uses data from observable markets (i.e. level 2 input).

In case the fair value is not determined using a level 1 or level 2 input as mentioned above, the difference between the fair value and transaction price is deferred appropriately and recognized as a gain or loss in the Statement of Profit and Loss only to the extent that such gain or loss arises due to a change in factor that market participants take into account when pricing the financial assets.

However, trade receivables that do not contain a significant financing component are measured at transaction price.

Subsequent Measurements

For subsequent measurement, the Company classifies a financial assets in accordance with the below criteria:

- i) The Company's business model for managing the financial assets and
- ii) The contractual cash flow characteristics of the financial assets.

Based on the above criteria, the Company classifies its financial assets into the following categories:

- i) Financial assets measured at amortized costs

- ii) Financial assets measured at fair value through other comprehensive income (FVTOCI)
- iii) Financial assets measured at fair value through profit or loss (FVTPL)

Financial Assets measured at Amortized Costs

A financial assets are measured at the amortized costs if both the following conditions are met:

- a) The Company's business model objective for managing the financial assets is to hold financial assets in order to collect contractual cash flows, and
- b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category applies to cash and bank balances, trade receivables, loans and other financial assets of the Company. Such financial assets are subsequently measured at amortized cost using the effective interest method.

Under the effective interest method, the future cash receipts are exactly discounted to the initial recognition value using the effective interest rate. The cumulative amortization using the effective interest method of the difference between the initial recognition amount and the maturity amount is added to the initial recognition value (net of principal repayments, if any) of the financial asset over the relevant period of the financial assets to arrive at the amortized cost at each reporting date. The corresponding effect of the amortization under effective interest method is recognized as interest income over the relevant period of the financial assets. The same is included under other income in the Statement of Profit and Loss.

The amortized costs of a financial assets are also adjusted for loss allowance, if any.

Financial Assets measured at FVTOCI

A financial assets are measured at FVTOCI if both of the following conditions are met:

- a) The Company's business model objective for managing the financial assets is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category applies to certain investments in debt instruments. Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Other Comprehensive Income (OCI). However, the Company recognizes interest income and impairment losses and its reversals in the Statement of Profit and Loss.

On Derecognition of such financial assets, cumulative gain or loss previously recognized in OCI is reclassified from equity to Statement of Profit and Loss.

Further, the Company, through an irrevocable election at initial recognition, has measured certain investments in equity instruments at FVTOCI. The Company has made such election on an instrument-by-instrument basis. These equity instruments are neither held for trading nor are contingent consideration recognized under a business combination. Pursuant to such irrevocable election, subsequent changes in the fair value of such equity instruments are

recognized in Other Comprehensive Income. However, the Company recognizes dividend income from such instruments in the Statement of Profit and Loss.

On Derecognition of such financial assets, cumulative gain or loss previously recognized in OCI is not reclassified from the equity to Statement of Profit and Loss. However, the Company may transfer such cumulative gain or loss into retained earnings within equity.

Financial Assets measured at FVTPL

A financial assets are measured at FVTPL unless it is measured at amortized costs or at FVTOCI as explained above. This is a residual category applied to all other investments of the Company excluding investments in subsidiary and associate companies. Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Statement of Profit and Loss.

Derecognition

A financial assets (or, where applicable, a part of a financial assets or part of a group of similar financial assets) is derecognized (i.e. removed from the Company's Balance Sheet) when any of the following occurs:

- i) The contractual rights to cash flows from the financial assets expires;
- ii) The Company transfers its contractual rights to receive cash flows of the financial assets and has substantially transferred all the risks and rewards of ownership of the financial assets;
- iii) The Company retains the contractual rights to receive cash flows but assumes a contractual obligation to pay the cash flows without material delay to one or more recipients under a 'pass-through' arrangement (thereby substantially transferring all the risks and rewards of ownership of the financial assets);
- iv) The Company neither transfers nor retains substantially all risk and rewards of ownership and does not retain control over the financial assets.

In cases, where Company has neither transferred nor retained substantially all of the risks and rewards of the financial assets, but retains control of the financial assets, the Company continues to recognize such financial assets to the extent of its continuing involvement in the financial assets. In that case, the Company also recognizes an associated liabilities. The financial assets and the associated liabilities are measured on a basis that reflects the rights and obligations that the Company has retained.

On Derecognition of a financial assets, (except as mentioned in ii above for financial assets measured at FVTOCI), the difference between the carrying amount and the consideration received is recognized in the Statement of Profit and Loss.

Impairment of Financial Assets

The Company applies expected credit losses (ECL) model for measurement and recognition of loss allowance on the following:

- i) Trade receivables and lease receivables
- ii) Financial assets measured at amortized cost (other than trade receivables and lease receivables)

iii) Financials assets measured at fair value through other comprehensive income (FVTOCI)

In case of trade receivables and lease receivables, the Company follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognized as loss allowance.

In case of other assets (listed as ii and iii above), the Company determines if there has been a significant increase in credit risk of the financial assets since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12 months ECL is measured and recognized as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognized as loss allowance.

Subsequently, if the credit quality of the financial assets improves such that there is no longer a significant increase in credit risk since initial recognition, the Company reverts to recognizing impairment loss allowance based on 12 months ECL.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. 12 months ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months from the reporting date.

ECL are measured in a manner that they reflect unbiased and probability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

As a practical expedient, the Company uses a provision matrix to measure lifetime ECL on its portfolio of trade receivables. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates. At each reporting date, the historically observed default rates and changes in the forward-looking estimates are updated.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Statement of Profit and Loss under the head "Other Expenses".

Financial Liabilities

Initial Recognition and Measurements

The Company recognizes a financial liabilities in its Balance Sheet when it becomes party to the contractual provisions of the instrument. All financial liabilities are recognized initially at fair value minus, in the case of financial liabilities not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial liabilities.

Where the fair value of a financial liabilities at initial recognition is different from its transaction price, the difference between the fair value and the transaction price is recognized as a gain or loss in the Statement of Profit and Loss at initial recognition if the fair value is determined through a quoted market price in an active market for an identical asset (i.e. level 1 input) or through a valuation technique that uses data from observable markets (i.e. level 2 input).

In case the fair value is not determined using a level 1 or level 2 input as mentioned above, the difference between the fair value and transaction price is deferred appropriately and

recognized as a gain or loss in the Statement of Profit and Loss only to the extent that such gain or loss arises due to a change in factor that market participants take into account when pricing the financial liabilities.

Subsequent Measurements

All financial liabilities of the Company are subsequently measured at amortized cost using the effective interest method.

Under the effective interest method, the future cash payments are exactly discounted to the initial recognition value using the effective interest rate. The cumulative amortization using the effective interest method of the difference between the initial recognition amount and the maturity amount is added to the initial recognition value (net of principal repayments, if any) of the financial liabilities over the relevant period of the financial liabilities to arrive at the amortized cost at each reporting date. The corresponding effect of the amortization under effective interest method is recognized as interest expense over the relevant period of the financial liabilities. The same is included under finance costs in the Statement of Profit and Loss.

Derecognition

A financial liabilities are derecognized when the obligation under the liabilities are discharged or cancelled or expires. When an existing financial liabilities are 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 are treated as the Derecognition of the original liabilities and the recognition of a new liabilities. The difference between the carrying amount of the financial liabilities derecognized and the consideration paid is recognized in the Statement of Profit and Loss.

n) Derivative Financial Instruments and Hedge Accounting

The Company enters into derivative financial contracts in the nature of forward currency contracts with external parties to hedge its foreign currency risks relating to foreign currency denominated financial liabilities measured at amortized cost. The Company formally establishes a hedge relationship between such forward currency contracts ('hedging instrument') and recognized financial liabilities ('hedged item') through a formal documentation at the inception of the hedge relationship in line with the Company's Risk Management objective and strategy.

The hedge relationship so designated is accounted for in accordance with the accounting principles prescribed for a fair value hedge under Ind AS 109, "Financial Instruments".

Recognition and Measurement of Fair Value Hedge

Hedging instrument is initially recognized at fair value on the date on which a derivative contract is entered into and is subsequently measured at fair value at each reporting date. Gain or loss arising from changes in the fair value of hedging instrument is recognized in the Statement of Profit and Loss. Hedging instrument is recognized as a financial asset in the Balance Sheet if it's fair value as at reporting date is positive as compared to carrying value and as a financial liability if it's fair value as at reporting date is negative as compared to carrying value.

Hedged item (recognized financial liability) is initially recognized at fair value on the date of entering into contractual obligation and is subsequently measured at amortized cost. The

hedging gain or loss on the hedged item is adjusted to the carrying value of the hedged item as per the effective interest method and the corresponding effect is recognized in the Statement of Profit and Loss.

Derecognition

On Derecognition of the hedged item, the unamortized fair value of the hedging instrument adjusted to the hedged item, is recognized in the Statement of Profit and Loss.

o) Fair Value

The Company measures financial instruments at fair value in accordance with the accounting policies mentioned above. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

* In the principal market for the assets or liability, or

* In the absence of a principal market, in the most advantageous market for the assets or liabilities.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy that categorizes into three levels, described as follows, the inputs to valuation techniques used to measure value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

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

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;

Level 3 - Inputs that are unobservable for the asset or liability

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period and discloses the same.

p) Taxes on Income

Tax expense comprises Current and Deferred Income tax. Tax expenses are recognized in the Statement of Profit and Loss, except to the extent that it relates to the items recognized in the other comprehensive income or in equity. In that case tax is also recognized in other comprehensive income or equity.

Current Income tax is the amount of income tax payable in respect of measured at the amount expected taxable profit for the period. Taxable profit differs from "Profit Before Tax" as reported under Statement of Profit and Loss because of item of expenses or income that are taxable or deductible in other years and items that are never taxable or deductible under Income Tax Act.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the Income Tax Authorities, based on tax rates and laws that are enacted at the balance sheet date. Current tax also includes any adjustments amount to tax payable in respect of previous year.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit under Income Tax Act, 1961.

Deferred tax liabilities are generally recognized for all taxable temporary differences. However, in case of temporary difference that arises from initial recognition of assets or liabilities in a transaction (other than business combination) that affect neither the taxable profit nor the accounting profit, deferred tax liabilities are not recognized. Also, for temporary differences if any that may arise from initial recognition of goodwill, deferred tax liabilities are not recognized.

Deferred tax assets are generally recognized for all deductible temporary differences to the extent it is probable that taxable profits will be available against which those deductible temporary difference can be utilized. In case of temporary differences that arise from initial recognition of assets or liabilities in a transaction (other than business combination) that affect neither the taxable profit nor the accounting profit, deferred tax assets are not recognized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the benefits of part or all of such deferred tax assets to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

Presentation

Current and deferred tax are recognized as income or an expense in the Statement of Profit and Loss, except when they relate to items that are recognized in Other Comprehensive Income, in which case, the current and deferred tax income/expense are recognized in Other Comprehensive Income.

The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. In case of deferred tax assets and deferred tax liabilities, the same are offset if the Company has a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Company.

Minimum Alternative Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT Credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountant of India, the said asset is created by the way of a credit to the Statement of Profit or Loss and shown as MAT Credit Entitlement. The Company reviews the same at each reporting period and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay Normal Income Tax during the specified period.

q) Research and Developments

Research and Developments expenditures of a revenue nature are expensed out under the respective heads of the account in the year in which it is incurred. Expenditure of development which does not meet the criteria for recognition as an intangible asset is recognized as an expense when it incurred.

Item of Property, Plants and Equipments and acquired Intangible Assets utilized for research and developments are capitalized and depreciated in accordance with the policies stated for Tangible Property, Plants and Equipments and Intangible Assets.

r) Earnings per Share

The Company reports the basic and diluted Earnings per Share (EPS) in accordance with Indian Accounting Standard - 33, "*Earnings per Share*". Basic EPS is computed by dividing the Net Profit or Loss attributable to the Equity Shareholders for the period by the weighted average number of equity shares outstanding during the period.

Diluted EPS is computed by dividing the Net Profit or Loss attributable to the Equity Shareholders for the period by the weighted average number of Equity Shares outstanding during the period as adjusted for the effects of all potential Equity Shares, except where the results are Anti- Dilutive.

The weighted average number of Equity Shares outstanding during the period is adjusted for events such a Bonus Issue, Bonus elements in right issue, share splits, and reverse share split (consolidation of shares) that have changed the number of Equity Shares outstanding, without a corresponding change in resources.

Partly paid - up Equity Shares, if any, are treated as fraction of Equity Shares to the extent that they are entitled to participate in dividends to a fully paid equity shares during the Reporting Period.

s) Provisions and Contingencies

The Company recognizes provisions when a present obligation (legal or constructive) as a result of a past event exists and it is probable that an outflow of resources embodying economic benefits will be required to settle such obligation and the amount of such obligation can be reliably estimated.

If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liabilities. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance costs.

A disclosure for a contingent liabilities are made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

A provision is recognized if, as a result of a past event, the Company has a present legal obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by the best estimate of the outflow of economic benefits required to settle the obligation at the reporting date. Where no reliable estimate can be made, a disclosure is made as Contingent Liabilities.

In the rare cases, when a liabilities cannot be measures reliable, it is classified as Contingent Liabilities. The Company does not recognize a Contingent Liabilities but disclosed its existence in the financial statements.

t) Event after Reporting Date

Where events occurring after the Balance Sheet date provide evidence of condition that existed at the end of reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed.

All the events occurring after the Balance Sheet date upto the date of the approval of the financial statement of the Company by the board of directors on May25, 2022, have been considered, disclosed and adjusted, wherever applicable, as per the requirement of Indian Accounting Standards.

u) Non - Current Assets Held for Sales

The Company classifies non -current assets as held for sale if their carrying amount will be recovered principally through a sale rather than through continuing use of the assets and action required to complete such sale indicate that it is unlikely that significant changes to the plan to sell will be made or that the decision will be withdrawn. Also, such assets are classified as held for sale only if the management expects to complete the sale within one year from the date of classification.

Non -current assets classified as held for sale are measured at the lower of their carrying amount and the fair value less cost to the sell. Non -current assets are not Depreciated or Amortized.

v) Cash Flow Statements

Cash Flows Statements are reported using the method set out in the Indian Accounting Standard -7, "*Cash Flow Statements*", whereby the Net Profit / (Loss) before tax is adjusted for the effects of the transactions of a non-cash nature, any deferrals or accrual of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

w) Cash and Cash Equivalents

Cash and Cash Equivalents include Cash and Cheques in Hand, Balances with Banks, and demand deposits with Banks and other short term highly liquid investments where the original maturity is less than three months or less.

1.3 RECENT ACCOUNTING PRONOUNCEMENT

On March 23, 2022, the Ministry of Corporate Affairs ("MCA") through a notification, notifies new standards or amendments to the existing standards under the Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, the MCA amended the Companies (Indian Accounting Standards) Rules, 2022, applicable from April 01, 2022, as below;

Ind AS - 103 - Reference to Conceptual Framework

The amendment specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants

of India at the acquisition date. These changes do not significantly change the requirements of Ind AS - 103. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS - 16-Proceeds before intended use

The amendment mainly prohibits an entity from deducting from the cost of property, plants and equipments amount received from selling items produced while the Company is preparing the assets for its intended use. Instead, an entity will recognise such sale proceeds and related cost in statement of profit and loss. The Company does not expect the amendments to have any impact in its recognition of its property, plants and equipments in its financial statements.

Ind AS - 37-Onerous Contacts - Cost of fulfilling a Contract

The amendment specify that the cost of fulfilling a contract comprises the cost that relates directly to the Contract. Cost that relates directly to a contract can either be incremental costs of fulfilling a contract (example would be direct labour, materials) or an allocation of other costs that relates directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS - 109-Annual Improvement of Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the 10% test of Ind AS - 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendments to have any significant impact in its financial statements.

Ind AS - 116-Annual Improvement of Ind AS (2021)

The amendment removes the illustrations of the reimbursements of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by the law.

NAKODA GROUP OF INDUSTRIES LIMITED

Statement of Changes in Equity for the year then ended on March 31, 2022

12 (A) Equity Share Capital

	31.03.2022	31.03.2021
	Rs.	Rs.
<u>Equity Share Capital</u>		
Balance at the beginning of the Reporting Period... (₹)	111,345,000	111,345,000

Changes in Equity Share Capital due to Prior Period Errors	-	-
Restated Balance at the beginning of the Reporting Period... (C)	111,345,000	111,345,000
Changes in Equity Share Capital during the period	-	-
Balance at the end of the Reporting Period... (C)	111,345,000	111,345,000

13 (B) Other Equity

	Reserves and Surplus			Item of OCI	Total Other Equity
	Capital Reserve	Securities Premium	Retained Earning	Remeasurement of Defined Benefits Plan	
Balance as at April 01, 2020 (A)	-	46,300,000	16,853,048	49,620	63,202,668
<u>Addition during the Reporting Period</u>					
Net Profit / (Loss) during the Reporting Period	-	-	13,187,666	-	13,187,666
Addition during the Reporting Period	-	-	-	-	-
<u>Items of the Other Comprehensive Income for the period (Net of taxes)</u>					
Remeasurement benefits of defined benefits plan (Net)	-	-	-	24,515	24,515
Total Comprehensive Income for the year 2020 - 2021 (B)	-	-	13,187,666	24,515	13,212,181

<u>Reduction during the Reporting Period</u>					
Expenses allotted during the period	-	42,825,000	-	-	-
Dividend	-	-	-	-	-
Income Tax on Dividend	-	-	-	-	-
Total Reductions during the Reporting Period (C)	-	42,825,000	-	-	-

Balance as at March 31, 2021 (D) = (A + B - C)	-	3,475,000	30,040,714	74,135	33,589,850
<u>Addition during the Reporting Period</u>					
Net Profit / (Loss) during the Reporting Period	-	-	17,395,503	-	17,395,503
Addition during the Reporting Period	-	-	-	-	-
<u>Items of the Other Comprehensive Income for the period (Net of taxes)</u>					
Remeasurment benefits of defined benefits plan (Net)	-	-	-	(113,987)	(113,987)
Total Comprehensive Income for the year 2021 - 2022 (E)	-	-	17,395,503	(113,987)	17,281,516
<u>Reduction during the Reporting Period</u>					
Dividend	-	-	1,113,454	-	1,113,454
Total Reductions during the Reporting Period (F)	-	-	1,113,454	-	1,113,454
Balance as at March 31, 2022 (G) = (D + E - F)	-	3,475,000	46,322,763	(39,852)	49,757,911

SIGNIFICANT ACCOUNTING POLICIES

THE ACCOMPANYING NOTES ARE FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS

AS PER OUR REPORT OF EVEN DATE ATTACHED

For **MANISH N JAIN & CO.**

Chartered Accountants

FRN No.: 138430W

MANISH JAIN

Partner

Membership No. 118548

Place: Nagpur

Dated: **May 25, 2022**

UDIN No.: 22118548AKIYMX8528

FOR AND ON BEHALF OF THE BOARD

PRAVIN CHOUDHARY

Director

DIN No.:
01918804

SAKSHI TIWARI

Chief Financial Officer

Place:
Nagpur

Dated: **May 25, 2022**

JAYESH CHOUDHARY

Director

DIN No.:
02426233

PRATUL WATE

Company Secretary

Place:
Nagpur

Dated: **May 25, 2022**

4 Other Non - Current Financial Assets

	31.03.2022	31.03.2021
	Rs.	Rs.
<u>Others</u>		
Security Deposits	1,075,204	1,182,348
Total...(')	1,075,204	1,182,348

5 Other Non - Current Assets

	31.03.2022	31.03.2021
	Rs.	Rs.
<u>Others</u>		
Capital Advances	-	-
Total...(')	-	-

6 Inventories*

	31.03.2022	31.03.2021
	Rs.	Rs.
<u>Inventories**</u>		
<u>(Valued at lower of Cost or Net Realizable Value)</u>		
Raw Material	15,400,164	16,017,248
Work-in-Progress	139,445,710	119,305,278
Finished Goods	16,186,613	19,299,081
Trading Stock	3,036,119	2,897,504
Total...(')	174,068,607	157,519,111

* Cost of Inventories recognized as an expense during the year is disclosed in Note No. 28.

** Cost of Inventories recognized as an expense included ` NIL (Prev Year ` NIL) in respect of written down of inventories to net realizable value. There has no such written down to current year and previous year.

7 Trade Receivables**

	31.03.2022	31.03.2021
	Rs.	Rs.
<u>Unsecured*</u>		
Considered Good	60,421,733	73,058,296
Considered Doubtful	4,447,926	4,074,604
<u>Less: Allowances for Unsecured Doubtful Debts and Advances</u>	4,447,926	4,074,604
Total...(')	60,421,733	73,058,296

* Refer "Note No. 34B" for the Information of Credit Risk and Market Risk of Trade Receivables.

** Refer "Note No. 35A" for Aging Analysis of Trade Receivables.

8 Cash and Cash Equivalents

	31.03.2022	31.03.2021
	Rs.	Rs.
<u>A) Cash and Cash Equivalents</u>		
<u>Balances with Banks</u>		
In Current Account	95,659	15,365
Cash-in-Hand	6,080,249	928,607
Total...(*) (A)	6,175,908	943,971
<u>B) Other Balances with Banks</u>		
Unpaid Dividend*	53	-
Total...(*) (B)	53	-
Total...(*) (A + B)	6,175,961	943,971

* The Company can only utilize these balances towards the settlement of "Unclaimed Dividend / Unpaid Dividend".

9 Other Current Financial Assets

	31.03.2022	31.03.2021
	Rs.	Rs.
<u>Others</u>		
Other Receivables	129,536	95,612
Subsidy or Grant Receivables	24,268,130	22,138,130
Total...(*)	24,397,666	22,233,742

10 Other Current Assets

	31.03.2022	31.03.2021
	Rs.	Rs.
<u>Others</u>		
Advances to Staff	75,740	104,267
Advances to Vendor's	15,387,249	5,208,708
Advances to Others	39,919	-
Balances with Revenue Authorities	7,705,903	9,163,309
Other Assets	72,213	-
Prepaid Expenditures	100,000	120,000
Total...(*)	23,381,024	14,596,284

11 Current Tax Assets (Net)

	31.03.2022	31.03.2021
	Rs.	Rs.

<u>Income Tax</u>		
Advance Income Tax	-	-
Tax Deducted and Collected at Source	592,867	-
<u>Less:</u> Provision for Income Tax	-	-
Total...(C)	592,867	-

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Borrowings

	31.03.2022	31.03.2021
	Rs.	Rs.
<u>Non - Current</u>		
<u>Secured</u>		
<u>Term Loans</u>		
From Banks and Financial Institutions	82,465,141	100,150,735
Total...(C) (A)	82,465,141	100,150,735
<u>Unsecured</u>		
From Banks and Financial Institutions	7,884,172	13,372,559
From Directors and Shareholders	-	-
Total...(C) (B)	7,884,172	13,372,559
Total...(C) (A + B)	90,349,313	113,523,294

Nature of Securities

a) Term Loan from HDFC Bank Limited amounting to ` 8,09,89,259 and ` 4,01,34,000 for Plant and Machineries are secured by the first pari - passu charge by way of equitable mortgage of Factory Land and Building situated at Khasara No. 33, Gram Panchayat No. 208 and 209 situated at Mouza Bidgaon, Kamptee and the entire movable and immovable Property, Plants and Equipments presently held and held in near future by the Company.

b) All the remaining term loans except HDFC Bank Limited are unsecured business loan.

c) Term Loans from Directors and Shareholders are unsecured and are repayable on demand basis.

d) All the loans are also further secured by the unconditional and irrevocable personal guarantees of two of the Directors, Shri Pravin Navalchand Choudhary and Shri Jayesh Pravin Choudhary.

Term of Repayments

a) Term Loan of ` 8,09,89,259 from HDFC Bank Limited is repayable in 18 Quarterly Installments of ` 53,28,647. Repayments of the said term loan has started from August 2021.

b) Term Loan of ` 4,01,34,000 from HDFC Bank Limited is repayable in 36 Monthly Installments of ` 12,62,288. Repayments of the said term loan has started from September 2021.

c) All the remaining term loans except mentioned above are unsecured and repayable as per their respective repayments Schedule prescribed by the Banks and Financial Institutions.

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5

Long - Term Financial Liabilities

	31.03.2022	31.03.2021
	Rs.	Rs.

Others		
Retention Money relating to Capital Expenditures	-	120,242
Total...()	-	120,242

1
6 **Long - Term Provisions**

	31.03.2022	31.03.2021
	Rs.	Rs.
Others		
Provision for Employee Benefits*		
Gratuity (Unfunded)	529,671	222,198
Total...()	529,671	222,198

* Refer Note No. 37 for further reference.

17 Income Taxes

A The major components of income tax expenses during the year are as under:

S. No	Particulars	31.03.2022	31.03.2021
		Rs.	Rs.
i)	Income Tax recognized in the Statement of Profit and Loss		
	Current Tax		
	In respect of Current Year	-	580,000
	Adjustment in respect of Previous Year	22,103	-
	Deferred Tax		
	In respect of Current Year	657,604	(89,350)
	Income Tax Expenses recognized in the Statement of Profit and Loss	679,707	490,650
ii)	Income Tax recognized in the Other Comprehensive Income		
	Deferred Tax		
	On Account of Remeasurement of Defined Benefits Plan	(38,337)	9,449
	Income Tax Expenses recognized in the Other Comprehensive Income	(38,337)	9,449

B Reconciliation of Tax Expenses and the Accounting Profit for the year is as under:

S. No	Particulars	31.03.2022	31.03.2021
		Rs.	Rs.
1	Net Profit / (Loss) Before Tax	18,075,210	13,678,316
2	Income Tax Rate	25.17%	29.12%
3	Income Tax Expenses calculated on above	4,540,160	3,982,126
4	Tax effect on Non - Deductible expenses	2,220	466
5	Tax effect on difference in carrying value and tax base of land	-	-
6	Impact on deffered tax due to change in tax rates	-	-
7	Others	(3,893,785)	(3,492,941)
8	Total	657,604	490,650
9	Adjustment in respect of current income tax of previous period	22,103	-
10	Tax Expenses as per Statement of Profit and Loss	679,707	490,650

The tax rate used for reconciliation above is Corporate Tax rate at the rate 25.168% (Prev Year 29.12%) payable by the Corporate Entities on taxable profits under Indian Tax Laws.

**1
8 Other Non - Current Liabilities**

	31.03.2021	31.03.2021
	Rs.	Rs.
Others		
Capital Creditors	106,554	-
Total...(')	106,554	-

**1
9 Short - Term Borrowings**

	31.03.2022	31.03.2021
	Rs.	Rs.
Current		
Secured		
<i>Loans Repayable on Demand</i>		
<i>From Banks</i>		
Indian Currency Loan	114,139,466	94,394,500

Total... (C)... (A)	114,139,466	94,394,500
<u>Unsecured</u>		
<i>Loans Repayable on Demand</i>		
<i>From Banks</i>		
Indian Currency Loan	-	12,054,603
Total... (C)... (B)	-	12,054,603
<u>Current Maturities</u>		
<u>Secured (Term Loans)</u>		
Indian Currency Loans	19,861,771	19,861,771
<u>Unsecured (Term Loans)</u>		
From Banks and Financial Institutions	4,060,538	4,526,920
Total of Current Maturities... (C) (C)	23,922,309	24,388,691
Total... (C)... (A + B + C)	138,061,775	130,837,794

Nature of Securities

a) Working Capital Loan from the HDFC Bank Limited are secured by first pari - passu charge on the hypothecation of entire Inventories, Book Debts, Receivables and Other Current Assets with the Company presently held and held in the near future and the second pari - passu charge at the Factory Land and Building situated at Khasara No. 83, Gram Panchayat Bidgaon, Kamptee. These Working Capital Loan are further secured by way of irrevocable Personal Guarantees of two of the Directors, Shri Pravin Navalchand Choudhary and Shri Jayesh Pravin Choudhary.

b) Export Packing Credit (EPC) from HDFC Bank Limited are unsecured and sanctioned sanctioned on the irrevocable Personal Guarantees of two of the Directors, Shri Pravin Navalchand Choudhary and Shri Jayesh Pravin Choudhary.

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Trade Payables**

	31.03.2022	31.03.2021
	Rs.	Rs.
<u>Trade Payables (Including Acceptance)#</u>		
Due to Micro and Small Enterprises***	1,571,529	871,716
Due to Others*	13,084,315	5,829,481
Total... (C)	14,655,844	6,701,196

* Refer "Note No. 34B" for the Information of Credit Risk and Market Risk of Trade Payables.

Acceptance include the arrangements where operational suppliers of goods and services are initially paid by the Banks and Financial Institutions while Company continues to recognise the liability till the settlement with the Banks and Financial Institutions which are normally effected within a period of 90 days amounting to ` NIL Lakhs (Prev Year ` NIL Lakhs).

** Refer "Note No. 35B" for the Aging Analysis of Trade Payables.

*** The Company has certain dues to the suppliers of Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act 2006"). The disclosure pursuant to the said MSMED Act, 2006 are as follows:

	31.03.2022	31.03.2021
	Rs.	Rs.
Principal amount due to the suppliers registered under the MSMED Act, 2006 and remaining amount unpaid at the end of the year	1,571,529	871,716
Interest due to the suppliers registered under the MSMED Act, 2006 and remaining unpaid at the end of the period	-	-
Principal amount paid to the suppliers registered under the MSMED Act, 2006 beyond the stipulated day during the period	-	-
Interest paid, under Section 16 of MSMED Act, 2006 to the suppliers registered under the Act, beyond the "Appointed Day" during the period	-	-
Interest due or payable towards the suppliers registered under the MSMED Act, 2006 for the payments already made	-	-
Further interest remaining due and payable for the earlier period	-	-

Dues to Micro, Small and Medium Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the Auditors.

2
1 **Other Financial Liabilities**

	31.03.2022	31.03.2021
	Rs.	Rs.
<u>Investor Education and Protection Fund*</u>		
Unclaimed / Unpaid Dividend	53	-
Total of Unpaid Dividend...(C)...(A)	53	-
<u>Others</u>		
Interest Accrued but not yet due	769,497	-
Liabilities for Expenses	2,131,812	2,156,754
Audit Fees Payable	67,500	69,375
Payable towards Employees	834,803	935,286
Total of Others...(C)...(B)	3,803,612	3,161,415
Total...(C)...(A + B)	3,803,665	3,161,415

2
2 **Other Current Liabilities**

	31.03.2022	31.03.2021
	Rs.	Rs.
<u>Others</u>		
Advance received from Customer's	3,791,867	1,550,077
<u>Statutory Dues Payable</u>		
Payable towards Direct Tax	205,738	299,305
Payable towards Indirect Tax	-	50,834
Total...()	3,997,606	1,900,215

2
3 **Short - Term Provisions**

	31.03.2022	31.03.2021
	Rs.	Rs.
<u>Provision for Employee Benefits</u>		
Provision for Gratuity (Unfunded)*	12,099	5,059
EPF Payable	38,963	31,404
Professional Tax Payable	5,145	72,775
ESIC Payable	8,400	7,748
Total...()	64,607	116,986

* Refer Note No. 37 for further reference.

2
4 **Current Tax Liabilities (Net)**

	31.03.2022	31.03.2021
	Rs.	Rs.
<u>Provision for Income Tax (Net)</u>		
Provision for Income Tax	-	580,000
<u>Less: Tax Deducted at Source Receivable</u>	-	41,426
<u>Less: Tax Collected at Source Receivable</u>	-	106,194
Total...()	-	432,380

25 **Revenue from Operations**

	2021 - 2022	2020 - 2021
	Rs.	Rs.
<u>Sale of Products</u>		
Domestic Market	545,494,047	259,929,256
Export Market	39,997,693	37,307,650
Total Sale of Products...()...(A)	585,491,740	297,236,906

<u>Sale of Services</u>		
Domestic Market	1,381,536	680,591
Total Sale of Services... (')...(B)	1,381,536	680,591
<u>Other Operating Revenues</u>		
Duty Draw Back Entitlement	2,534	46,176
MEIS / RoDTEP Incentives	435,947	1,486,105
Subsidy or Grants (DIC)	8,915,000	8,915,000
Total Other Operating Revenue... (')...(C)	9,353,481	10,447,281
Total... (') (A + B + C)	596,226,757	308,364,778

26 Other Income

	2021 - 2022	2020 - 2021
	Rs.	Rs.
<u>Interest Income</u>		
On Other Financial Assets carried at Amortized Costs	-	12,215
On Other Assets	10,623	200,539
Total Interest Income... (')...(A)	10,623	212,754
<u>Other Non - Operating Revenues</u>		
Commission Income	3,507,600	-
Misc. Income	55,480	24,228
Sundry Balances Written Off	-	81,843
Total Non Operating Income... (')...(B)	3,563,080	106,071
<u>Other Gain or (Loss)</u>		
Foreign Exchange Gain (Net)	44,655	141,184
Total of Other Gain / (Loss)... (')...(C)	44,655	141,184
Total... (')...(A + B + C)	3,618,358	460,009

27 Cost of Materials Consumed

	2021 - 2022	2020 - 2021
	Rs.	Rs.
<u>Consumption of Raw Materials</u>		
Stock at the beginning of the Reporting Period	16,017,247	23,691,416
<u>Add:</u> Purchases made during the period	124,522,571	146,102,876
<u>Add:</u> Direct Expenses made during the period	-	-
<u>Less:</u> Stock at the end of the Reporting Period	15,400,164	16,017,247
Total... (')	125,139,654	153,777,045

28 Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade

	2021 - 2022	2020 - 2021
	Rs.	Rs.
<u>Changes in Inventories</u>		
<u>Inventories at the beginning of the Reporting Period</u>		
Finished Goods	19,299,081	16,322,389
Stock-in-Trade	2,897,504	1,481,503
Work-in-Progress	119,305,278	82,646,885
-	141,501,863	100,450,776
<u>Inventories at the end of the Reporting Period</u>		
Finished Goods	16,186,613	19,299,081
Stock-in-Trade	3,036,119	2,897,504
Work-in-Progress	139,445,710	119,305,278
	158,668,443	141,501,863
(Increase) / Decrease in Inventories...()	(17,166,579)	(41,051,087)

29 Employee Benefit Expenses*

	2021 - 2022	2020 - 2021
	Rs.	Rs.
<u>Employee Benefit Expenses</u>		
Salary, Wages, Incentives and Managerial Remuneration	14,220,732	12,526,256
<u>Contributions to:</u>		
Provident Fund	222,527	116,577
Other Fund	77,559	77,904
Total...()	14,520,818	12,720,737

* Refer "Note No. 37" for further references.

30 Finance Costs

	2021 - 2022	2020 - 2021
	Rs.	Rs.
<u>Interest Expenses (Net)</u>		
On Bank Borrowings	20,284,577	20,783,909
Other Interest Expenses	411,946	747,593
Total...()	20,696,523	21,531,502

31 Depreciation and Amortization Expenses

	2021 - 2022	2020 - 2021
	Rs.	Rs.
<u>Depreciation and Amortization Expenses</u>		
Depreciation Expenses	9,673,629	10,469,349

Amortization Expenses	9,690	9,690
Total...()	9,683,319	10,479,039

32 Other Expenses

	2021 - 2022	2020 - 2021
	Rs.	Rs.
<u>Others</u>		
Consumption of Power and Fuel	8,336,643	13,376,163
Administrative and Other Expenses	1,233,487	766,978
Clearing, Forwarding and Freight Charges	3,920,616	6,064,655
Conveyance and Travelling Expenses	1,533,337	1,082,023
Commission and Brokerage Expenses	769,585	59,537
Director Sitting Fees	28,750	7,500
Factory Expenses	574,150	445,953
Insurance Charges	357,959	296,477
Legal Fees	2,790,476	1,367,541
Payments to the Auditor (Refer Note No. 32.1)	75,000	75,000
Provision for Unsecured Doubtful Debts and Advance	373,322	-
Rent, Rates and Taxes	943,782	966,360
<u>Repair and Maintenance Expenses</u>		
For Plant and Machineries	1,139,341	1,412,267
For Building	11,780	128,458
For Others	1,682,135	1,037,741
Sampling and Analysis	70,930	64,392
Selling and Distribution Expenses	3,511,008	4,789,062
Telephone and Mobile Expenses	201,311	210,524
Total...()	27,553,609	32,150,631

32 Payments to the Auditor

	2021 - 2022	2020 - 2021
	Rs.	Rs.
<u>As Auditor's:</u>		
Audit Fees	50,000	50,000
Tax Audit Fees	25,000	25,000
Total...()	75,000	75,000

3 Category Wise Classification of Financial Instruments

	Note	31.03.2022	31.03.2021
		Rs.	Rs.

<u>Financial Assets</u>	-		
<u>Non - Current</u>	-		
<u>Financial Assets measured at Fair Value through Profit and Loss (FVTPL)</u>	-		
Investment in Quoted Mutual Funds		-	-
Investment in Unquoted Mutual Funds		-	-
Total...(C)...(A)		-	-
<u>Financial Assets measured at Fair Value through Other Comprehensive Income (FVTOCI)</u>	-		
Investment in Quoted Equity Shares		-	-
Investment in Quoted Debentures or Bonds		-	-
Total...(C)...(B)		-	-
<u>Financial Assets measured at Amortized Costs</u>			
Security Deposits	4	1,075,204	1,182,348
Total...(C)...(C)		1,075,204	1,182,348
Total...(C)...(A + B + C)		1,075,204	1,182,348
	Not e	31.03.2022	31.03.2021
		Rs.	Rs.
<u>Financial Assets</u>	-		
<u>Current</u>	-		
<u>Financial Assets measured at Fair Value through Profit and Loss (FVTPL)</u>	-		
Investment in Quoted Mutual Funds		-	-
Investment in Unquoted Mutual Funds		-	-
Total...(C)...(A)		-	-
<u>Financial Assets measured at Fair Value through Other Comprehensive Income (FVTOCI)</u>	-		
Investment in Quoted Equity Shares		-	-
Investment in Quoted Debentures or Bonds		-	-
Total...(C)...(B)		-	-
<u>Financial Assets measured at Amortized Costs</u>			
Trade Receivables	7	60,421,733	73,058,296
Cash and Cash Equivalents	8A	6,175,908	943,971
Other Balances with Banks	8B	53	-
Other Receivables	9	129,536	95,612
Subsidy or Grants Receivables	9	24,268,130	22,138,130

Total...(')...(C)			90,995,360	96,236,010
Total...(')...(A + B + C)			90,995,360	96,236,010
		Note	31.03.2022	31.03.2021
			Rs.	Rs.
<u>Financial Liabilities</u>		-		
<u>Non - Current</u>		-		
<u>Financial liabilities measured at amortized cost</u>				
Secured Term Loans from Banks and Financial Institutions	14		82,465,141	100,150,735
Unsecured Term Loans from Banks and Financial Institutions	14		7,884,172	13,372,559
Retention Money related to Capital Expenditure	15		-	120,242
Total...(')			90,349,313	113,643,536
		Note	31.03.2022	31.03.2021
			Rs.	Rs.
<u>Financial Liabilities</u>		-		
<u>Current</u>		-		
<u>Financial liabilities measured at amortized cost</u>				
Working Capital Loans from Banks and Financial Institutions	19		114,139,466	94,394,500
Export Packing Credits	19		-	12,054,603
Current Maturities of Long - Term Loans	19		23,922,309	24,388,691
Trade Payables	20		14,655,844	6,701,196
Unclaimed / Unpaid Dividend	21		53	-
Interest Accrued but not yet due	21		769,497	-
Liabilities for Expenses	21		2,131,812	2,156,754
Audit Fees Payable	21		67,500	69,375
Payable towards Employees	21		834,803	935,286
Total...(')			156,521,284	140,700,404

35A
Trade Receivable ageing schedule

S. No.	Particulars	Not Due	Less than Six Months	Six Months to One Year	One to Two Years	Two to Three Years	More than Three Years	Total As At 31.03.2022

Trade Receivable - Unsecured								
a)	Undisputed, Considered Good	47,249,102	7,829,412	5,343,219	-	-	-	60,421,733
b)	Undisputed, Considered Doubtful	-	-	-	373,322	-	4,074,604	4,447,926
c)	Disputed, Considered Good	-	-	-	-	-	-	-
d)	Disputed, Considered Doubtful	-	-	-	-	-	-	-
		47,249,102	7,829,412	5,343,219	373,322	-	4,074,604	64,869,659
e)	Less: Allowance for Doubtful Debts	-	-	-	373,322	-	4,074,604	4,447,926
	Total...(`)							60,421,733

S. No.	Particulars	Not Due	Less than Six Months	Six Months to One Year	One to Two Years	Two to Three Years	More than Three Years	Total As At 31.03.2021
a)	Undisputed, Considered Good	54,273,785	15,327,809	3,456,702	-	-	-	73,058,296
b)	Undisputed, Considered Doubtful	-	-	-	-	4,074,604	-	4,074,604
c)	Disputed, Considered Good	-	-	-	-	-	-	-
d)	Disputed, Considered	-	-	-	-	-	-	-

	Doubtful							
		54,273,785	15,327,809	3,456,702	-	4,074,604	-	77,132,900
e)	Less: Allowance for Doubtful Debts	-	-	-	-	4,074,604	-	4,074,604
	Total...(`)							73,058,296

S. No.	Particulars	Not Due	Less than Six Months	Six Months to One Year	One to Two Years	Two to Three Years	More than Three Years	Total As At 01.04.2020
	<u>Trade Receivable - Unsecured</u>							
a)	Undisputed, Considered Good	37,228,913	8,756,432	5,623,387	-	-	-	51,608,732
b)	Undisputed, Considered Doubtful	-	-	-	4,074,604	-	-	4,074,604
c)	Disputed, Considered Good	-	-	-	-	-	-	-
d)	Disputed, Considered Doubtful	-	-	-	-	-	-	-
		37,228,913	8,756,432	5,623,387	4,074,604	-	-	55,683,336
e)	Less: Allowance for Doubtful Debts	-	-	-	4,074,604	-	-	4,074,604
	Total...(`)							51,608,732

Note: The Company does not have any unbilled dues as on March 31, 2022, March 31, 2021 and April 01, 2020.

37 Employee Benefits

1 Post Employment Benefits

i) Defined Benefit Gratuity Plan (Unfunded)

The Company has defined benefits Gratuity plan for its employees, which requires the contribution to be made to a separately administered fund. It is governed by the Payment of Gratuity Act, 1972. Under the Act, an employee who has completed its five year of services is the only entitled for a specific benefits. The level of benefits provided depend on the member's length of service and salary at the retirement age.

ii) Defined Benefit Pension Plan (Unfunded)

The Company operates a defined benefits pension plan for the certain specified employees and the same is payable upon the employee satisfying the certain terms and conditions attached to them, as approved by the Company's Management.

iii) Defined Benefit Post Retirement Medical Benefit Plans (Unfunded)

The Company operates a defined benefits post retirement medical benefits plan for the certain specified employees and the same is payable upon the employee satisfying the certain terms and conditions attached to them, as approved by the Company's Management.

The most recent actuarial valuation of the plan assets and the present value of defined benefits obligation were carried out as at March 31, 2022 by Mrs. Ruchi Goel Chhatlani, Fellow of Institute of Actuaries of India. The present value of defined benefits obligation and their related current service cost were measured by using the "Project Cost Unit Method".

The following tables summarise the components of defined benefits expense recognized in the Statement of Profit and Loss / Other Comprehensive Income and the amount recognized in the Balance Sheet for the respective plans:

i) Statement showing the Present Value of the Obligations

	31.03.2022	31.03.2021
	Rs.	Rs.
<u>Present Value of Obligations</u>		
Present Value of Obligation at the beginning of the period	227,257	169,555
Interest Cost	15,453	11,530
Current Service Cost	146,736	80,136
Benefit Paid (If Any)	-	-
Actuarial (Gain) / Loss	152,324	(33,964)
Present Value of Obligation at the end of the period	541,770	227,257

ii) Bifurcation of Total Actuarial Gain / (Loss) on Liabilities

	31.03.2022	31.03.2021
	Rs.	Rs.
<u>Bifurcation</u>		

Changes in Demographics Assumptions (Mortality)	-	-
Changes in Financial Assumptions	-	-
Experience Adjustments (Gain) / Loss for Plan Liabilities	152,324	(33,964)
Total Amount recognized in Other Comprehensive Income	152,324	(33,964)

iii) Key Results

	31.03.2022	31.03.2021
	Rs.	Rs.
<u>Balance Sheet</u>		
Present Value of the Obligation at the end of the period	541,770	227,257
Fair Value of Plan Assets at the end of the period	-	-
Net liabilities / (assets) to be recognized in the Balance Sheet	541,770	227,257
Funded Status Surplus / (Deficit)	(541,770)	(227,257)

iv) Expenses recognized in the Statement of Profit and Loss

	31.03.2022	31.03.2021
	Rs.	Rs.
<u>Statement of Profit and Loss</u>		
Interest Cost	15,453	11,530
Current Service Cost	146,736	80,136
Expected return on plan assets	-	-
Expenses to be recognized in the Statement of Profit and Loss	162,189	91,666

v) Other Comprehensive (Income) / Expenses (Remeasurements)

	31.03.2022	31.03.2021
	Rs.	Rs.
<u>Other Comprehensive Income</u>		
Actuarial (Gain) / Loss - Obligation	152,324	(33,964)
Actuarial (Gain) / Loss - Plan Assets	-	-
Total Actuarial (Gain) or Loss	152,324	(33,964)

vi) Experience Adjustments

	31.03.2022	31.03.2021
	Rs.	Rs.
<u>Experience Adjustments</u>		
Experience Adjustments (Gain) / Loss - Plan Liabilities	152,324	(33,964)
Experience Adjustments (Gain) / Loss - Plan Assets	-	-

vii) Summary of Membership Data at the date of valuation and statistics based thereon

	31.03.2022	31.03.2021
	Rs.	Rs.
<u>Statistics</u>		
Number of Employees	30	30
Total Monthly Salary	247,143	134,583
Average Past Service (Years)	3.76	2.76
Average Age (Years)	38.67	37.67
Average Monthly Salary	8,238	4,486

viii) Assumptions

	31.03.2022	31.03.2021
	Rs.	Rs.
<u>Assumptions</u>		
Discount Rate (Per Annum)	6.80%	6.80%
Salary Growth Rate (Per Annum)	7.00%	7.00%
Mortality	IALM 2012 - 14 Ultimate	IALM 2012 - 14 Ultimate
Withdrawal Rate (Per Annum)	3.00%	3.00%

The estimate of rate of escalation in Salary considered in Actuarial Valuation, taken into the account inflation, seniority, promotions and other relevant factors including supply and demand in the employment market. The above information is certified by the Actuary.

ix) Benefits Valued

	31.03.2022	31.03.2021
	Rs.	Rs.
<u>Benefits</u>		
Normal Retirement Age (Years)	58	58
Salary	Last Drawn Qualifying Salary	Last Drawn Qualifying Salary
Vesting Period	5 Years of Service	5 Years of Service
Benefits on Normal Retirements	15/26 * Salary * Past Service (Years)	15/26 * Salary * Past Service (Years)

Benefit on early exit due to death and disability	As mentioned above except no vesting conditions apply	As mentioned above except no vesting conditions apply
Limit	2,000,000	2,000,000

x) Bifurcation of Liabilities

	31.03.2022	31.03.2021
	Rs.	Rs.
<u>Classifications</u>		
Current Liabilities (Short - Term)	12,099	5,059
Non Current Liabilities (Long - Term)	529,671	222,198
Total Liabilities	541,770	227,257

xi) Reconciliation of Liabilities of Balance Sheet

	31.03.2022	31.03.2021
	Rs.	Rs.
<u>Reconciliation</u>		
Opening Gross Defined Benefit Liabilities / (Assets)	227,257	169,555
Expense recognized in Statement of Profit and Loss	162,189	91,666
Other Comprehensive Income - Actuarial (Gain) / Loss - Total Current Period	152,324	(33,964)
Benefit Paid (If Any)	-	-
Closing Gross Defined Benefits Liabilities / (Assets)	541,770	227,257

2 Defined Contribution Plans

i) Provident Fund

The Provident Fund assets and liabilities are managed by the Company in line with the Employees' Provident Fund and Miscellaneous Provision Act, 1952.

The plan guarantees minimum interest at the rate notified by the Provident Fund Authorities. The contribution by the employer and employee together with interest accumulated thereon are payable to the employees at the time of separation from the Company or their retirements, whichever is earlier. The benefits vest immediately on the rendering of the service by the employee. In term of Guidance Note issued by the Institute of Actuaries of India for measurement of provident fund liabilities. The Actuary has provided a valuation of provident fund liabilities and based on assumptions provided. There is no Shortfall in the contribution as at March 31, 2022.

The details of Contribution made by the Company to the respective funds are given below:

	31.03.2022	31.03.2021
	Rs.	Rs.
<u>Contributions</u>		

Employee's Share of Contribution	212,936	133,841
Employer's Share of Contribution	222,527	116,577
Total Contribution during the Reporting Period	435,463	250,418

Other Long - Term Employee Benefits

3

i) Annual Leave and Sick Leave Assumptions

The liability towards compensated absences (annual leave and sick leave) for the year ended on March 31, 2022 based on Actuarial Valuation carried out by using the Project Cost Unit Method is ` NIL Lakhs (Prev Year ` NIL Lakhs).

Particulars of Depreciation allowable as per Income Tax Act 1961

S · N o ·	Particulars	Rate of Depreciation	W.D.V · As On 01.04. 2021	Addition		Sale / (Trans fer)	Total	Depreciation			W.D.V · As On 31.03. 2022
				Before 30.09. 2021	After 30.09. 2021			Full Year	Half Year	Total	
A	<u>Building</u>										
1	Factory Building	10%	17,048,967	-	-	2,418,797	14,630,170	1,463,017	-	1,463,017	13,167,153
B	<u>Furniture and Fixtures</u>										
1	Furniture and Fixtures	10%	-	-	12,636	-	12,636	-	632	632	12,004
2	Electrical Installation and Fittings	10%	3,791,128	-	-	-	3,791,128	379,113	-	379,113	3,412,015
C	<u>Plant and Machinerie s</u>										
1	Plant and Machinerie s	15%	43,635,844	119,118	250,100	6,496,203	37,508,859	5,588,814	18,758	5,607,571	31,901,288
2	Office Equipments	15%	642,501	-	41,000	-	683,501	96,375	3,075	99,450	584,051
3	Motor Vehicle	15%	432,602	-	-	-	432,602	64,890	-	64,890	367,712
D	<u>Intangible Assets</u>										
1	Software - SAP	40%	32,273	-	-	-	32,273	12,909	-	12,909	19,364
E	<u>Processing Equipments</u>										
1	Compute	40%									

2	er and Peripherals Solar Systems	40%	42,874	-	21,800	-	64,674	17,149	4,360	21,509	43,164
			25,920	-	-	-	25,920	10,368	-	10,368	15,552
	Total...(`)		65,652	119,1	325,53	8,915,	57,181	7,632,	26,824	7,659,	49,522
	Previous Year...(`)		84,272	505,6	38,460	8,915,	75,901	10,241	7,691	10,249	65,652
			,535	48		000	,643	,842		,534	,109

48 Earnings Per Share

	31.03.2022	31.03.2021
	Rs.	Rs.
<u>Earnings Per Share</u>		
Net Profit / (Loss) after tax as per the Statement of Profit or Loss attributable to the holder of Equity Shares	17,395,503	13,187,666
Nominal Value of Equity Shares (`)	10.00	10.00
Weighted average number of Equity Shares used as denominator for calculating the earnings per share	11,134,500	11,134,500
Basic and Diluted Earnings Per Share...(`)	1.56	1.18

49 The Financial Statements are approved for issue by the Audit Committee at its meeting held on May 25, 2022 and by the Board of Directors on their meeting held on May 25, 2022.

50 Previous years audited figures has been regrouped / recasted / rearranged, wherever necessary to make them comparable for the purpose of preparation and presentation of Financial Statements.

SIGNIFICANT ACCOUNTING POLICIES

1

THE ACCOMPANYING NOTES ARE FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR AND ON BEHALF OF THE BOARD

For **MANISH N JAIN & CO.**

Chartered Accountants

FRN No.: 138430W

MANISH JAIN

Partner

Membership No. 118548

Place : Nagpur

Dated: **May 25, 2022**

UDIN No.: **22118548AKIYMX8528**

PRAVIN CHOUDHARY

Director

DIN No.: 01918804

SAKSHI TIWARI

Chief Financial Officer

Place: Nagpur

Dated: **May 25, 2022**

JAYESH CHOUDHARY

Director

DIN No.: 02426233

PRATUL WATE

Company Secretary

Place: Nagpur

Dated: **May 25, 2022**

MANAGEMENT DISCUSSION AND ANALYSIS

CORPORATE OVERVIEW

Nakodas group is a Leading manufacturer of Tutti Fruity (Diced Chelory) also called as “Papaya Preserve”, Karonda Cherries (Indian Cherries), Sweet lime peels, Orange Cut Peels, All Variety of Jams, fruit pulp, Sauces, Canned Vegetables and Frozen Fruits & Vegetables; and also deals in preparation, processing, trading of all types of Dry Fruits, Roasted and Salted Nuts, Popcorns, Sesame Seeds Hulled Auto dry, Spices, Fox Nuts (Makhanas), Cotton and cotton bales, chia seeds, sabja seeds, Amla Candy (Sweet & Chatpata), Gulkand, Amla Powder, Amla Murabba, Invested Sugar Syrup etc.

Nakodas Group has kept its legacy to make people fall in love with their most delicious, healthy and natural products. Nakodas Group brings you the finest natural ingredients from all around the world to satisfy your heart with its delightful taste.

Since 1998 we are existing exporter of all above items in Middle East & European Countries. Our Company has around 80% export oriented business and rest is on domestic market of India. Our factory is situated in heart of Nagpur which is also known as the heart of India as it is located centrally to all the conveniences. Hence, we are very conveniently making supplies of the above products very promptly & regularly with less loss of time to the states of India. Our Major Clients are Ice-Cream Factories, Bakeries, Sweets & Namkeens Factories, Airline Companies, Railway Catering & Indian Military, Cotton and cloth Mills, Food factories and Pharmaceutical companies etc.

The Financial statements are prepared in accordance with accounting principles generally accepted in India, including the Accounting Standards notified under the Companies Act, 2013 (“the Act”) read with Section 133 of the Companies Act, 2013. Your Management accepts responsibility for the integrity and objectivity of the financial statements, as well as for the various estimates and judgments used therein. These estimates and judgments relating to financial statements are prudently made to reflect in a true and fair manner the form and substance of transactions. This also enables in reasonably presenting the Company’s state of affairs and profits and cash flows for the year ended March 31st, 2022.

ECONOMY OVERVIEW

The India’s Economic performance in 2021-22 has moderated as shown in the Economic Survey. The Economic growth is expected to revive in upcoming years with the expected normalization in the economy as the cash crunch eases. This is indicative of the relative stability of the economy. There has been an improvement in the government’s fiscal management in 2021-22 aided by the buoyancy in revenue collections.

The Indian food industry is poised for huge growth, increasing its contribution to world food trade every year. In India, the food sector has emerged as a high-growth and high-profit sector due to its immense potential for value addition, particularly within the food processing industry.

IMPACT OF COVID-19

COVID – 19 has spread globally and during the last quarter of F.Y. 2019-20 in India. This has an impact on the business operations of the Company and all the available resources as well. Your company has taken all the necessary precautions measures at office as well as factory premises

Annual Report 2021-22

to ensure personal safety along with continuity of business such as temperature monitoring, compulsory use of face mask, frequent use of hand sanitizers. Sanitization of work places, frequent use of hand wash, work from home facility, working with alternate employee facility etc. we have provided Emergency leaves to the employees to take care of health issues which they may face while working.

Your company also rapidly adopted the guidelines announced by the Central and State Government as well as by the Local Authorities. The same guidelines are placed in the work place for the employees and workers so that personal safety can be ensured.

The business operations faced several challenges including:

- a) Limited working Time at work place.
- b) Reduced employee attendance due to local transport restriction.
- c) Temporary stoppage of some activities at work place.
- d) Lack of Raw Material due to non availability of Transport.
- e) Delay in supply of Finished Products due Transport issues.
- f) Non availability of Workers due to migration.
- g) Cancellation of Export Orders.
- h) Reduced demand of the finished products.
- i) Working with the limited work force as per the guidelines of local authorities.

SWOT ANALYSIS

STRENGTHS

1. Trained Technical Staff
2. Experienced Management
3. Advanced Technology
4. Innovative Work Techniques
5. International Business Relation
6. Quality Products

WEAKNESS

1. Taxation Structure
2. Labor Problems
3. Delayed Payment Cycle
4. Poor Infrastructure
5. Transportation Issues
6. Supply of Low Quality of Raw Material

OPPORTUNITIES

1. International Business
2. Globally Recognition of Products
3. Innovative Technology to Reduce Cost
4. High Sales & Profit Volume
5. Changes in Government Policies to Support SME

THREAT

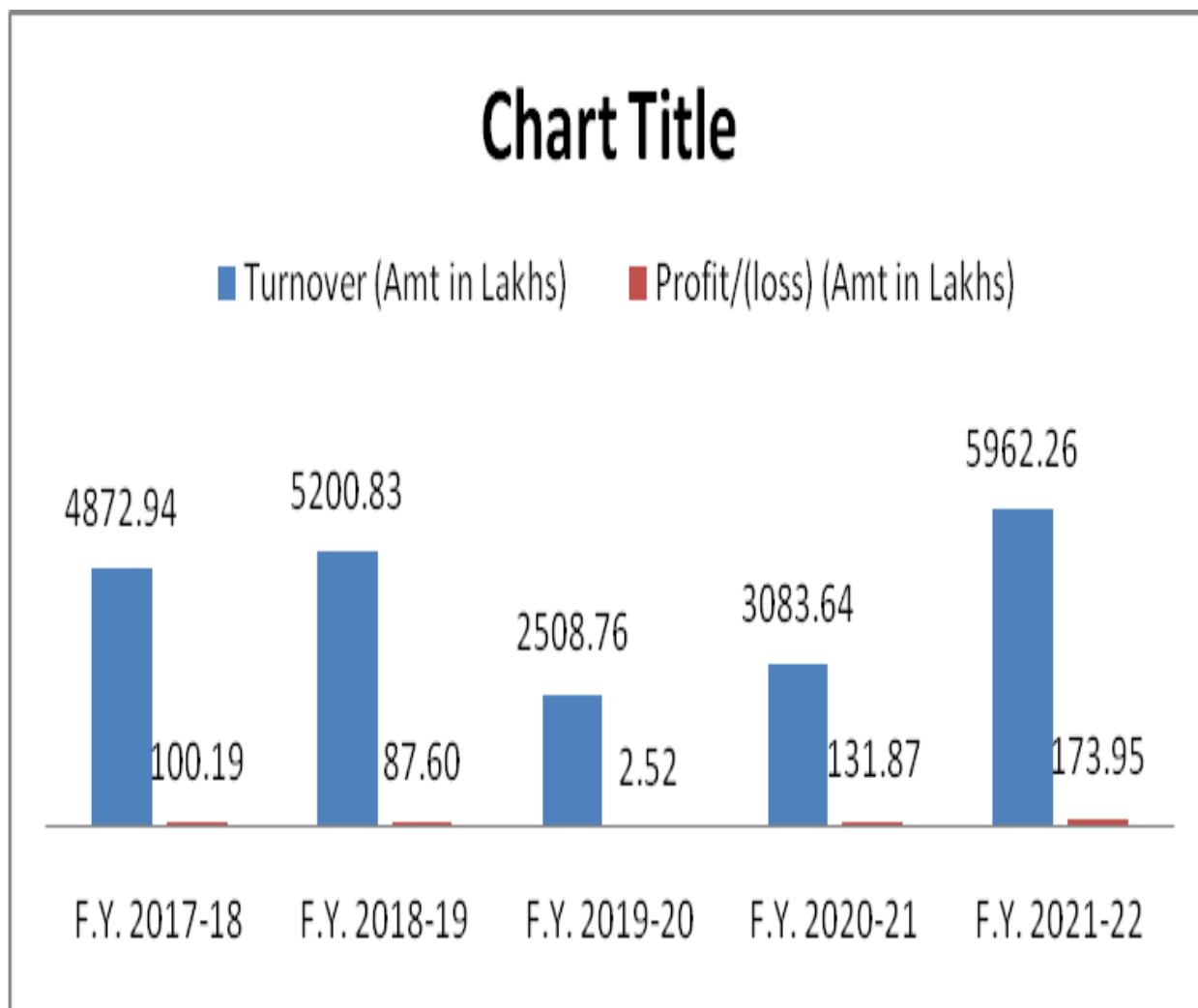
1. Poor Monsoon
2. Low Work Productivity from Labor
3. Political Interference in Government Policies
4. International Business Policy Changes
5. Economy Policy Changes

Review of Operations:

In this volatile environment, your Company believes in long term profitable and sustainable growth. Your Company maintained a forward looking approach to ensure that it is well prepared for new opportunities and handle new challenges with speed. Since the success of your Company depends on the ability of the business to keep understanding the changing environment and to keep adapting its responses in a seamless manner it continued to focus on realigning its initiatives internally and externally. Your Company focused on the principles of continuous excellence to drive efficiencies.

Your company has achieved overall turnover of Rs. 59.62 Cr. in Financial Year 2021-22 as against the turnover of Rs. 30.83 Cr. in the previous year. The EBIDTA is Rs. 4,84,55,052/- in the financial year 2021-22 as compared to Rs. 4,56,88,857/- in the previous year.

The Financial Review of your Companies is as under:-



FORWARD LOOKING STATEMENTS

Statements in this report describing the Company's objectives, projections, estimates and expectations may constitute "forward looking statements" within the meaning of applicable laws and regulations that involve risks and uncertainties. Such statements represent the intention of the Management and the efforts being put into place by them to achieve certain goals. Actual results might differ materially from those either expressed or implied in the statement depending on the circumstances. Therefore, the investors are requested to make their own independent assessments and judgments by considering all relevant factors before making any investment decision. The Company assumes no responsibility in respect of the forward looking statements herein, which may undergo changes in future on the basis of subsequent developments, information or events.

For and on behalf of the Board of Directors

Nakoda Group of Industries Limited

SD/-

SD/-

Pravin Choudhary

Jayesh Choudhary

Place: - Nagpur

(Managing Director)

(Whole Time Director)

Date: - 01.09.2022

(Din: - 01918804)

(Din: - 02426233)



NAKODA GROUP OF INDUSTRIES LIMITED

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