

AERON COMPOSITE PRIVATE LIMITED

Regd. Off.:- Saket Ind. Estate, Plot No. 30/31, Sarkhej Bavla Highway, Village Moraiya, Changodar-382213, Gujarat, India, CIN No.:- U25209GJ2011PTC065419, E- Mail: account@aeroncomposite.com, Phone No.:9909988277, Website: www.aeroncomposite.com

NOTICE is hereby given that 9th **Annual General Meeting** of the Members of **AERON COMPOSITE PRIVATE LIMITED** will be held on **Thursday, 31st December, 2020** at **11.00 a. m.** at Saket Ind. Estate, Plot No. 30/31, Sarkhej Bavla Highway, Village Moraiya, Changodar-382213, Gujarat, India to transact the following business;

ORDINARY BUSINESS:

1. To receive consider and adopt the audited Financial Statement of the Company for the Financial year ended on 31.03.2020 together with the Auditor's Report thereon.
2. To receive, consider and adopt the Board of Director's Report for the financial year ended on 31.03.2020.
3. To ratify the appoint of M/s. B.H.MANGAROLIA & CO., Chartered Accountants, as auditors of the company for the next Financial year 2020-21 and to fix their remuneration.

Date: 03.12.2020

Place: Changodar

FOR, AERON COMPOSITE PRIVATE LIMITED

x 

DILIPKUMAR RATILAL PATEL

DIRECTOR

DIN: 00314623

NOTES:

- 1) A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and proxy need not be a member of the company. the proxy to be effective shall reach at the registered office of the company not less than **48** hours before the commencement of holding of this meeting.
- 2) A Person can act as proxy on behalf of members not exceeding fifty and holding in aggregate not more than 10% for the total share capital for the company carrying voting rights. however, a member holding more than 10% of the total share capital of the company carrying voting rights may appoint a shingle person as a proxy and such person shall not act as proxy for any other person or shareholder.
- 3) Members/Proxies should bring their attendance slip duly filled in for attending the meeting.
- 4) Shareholder seeking any information with regard to the accounts are requested to write to the company at least 6 days before the date of meeting to facilitate satisfactory replies.
- 5) Members/Proxy holders are requested to bring their copies of annual report to the meeting as no further copies would be made available at the meeting.
- 6) Route map and prominent land mark of venue of this AGM is attached to this notice and forms integral part of Notice

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DIRECTOR'S REPORT

To
The Members of
AERON COMPOSITE PRIVATE LIMITED

Your directors have pleasure in presenting 9th Annual report on the business and operations of the Company together with the audited statement of accounts for the year ended on **31st March, 2020.**

FINANCIAL HIGHLIGHTS:

During the year under review, the performance of your company is as under:

(Amount in Rupees)

| Particulars | Year ended on 31.03.2020 | Year ended on 31.03.2019 |
|---------------------------------|-------------------------------------|-------------------------------------|
| Revenue from Operations | 773,953,959 | 628,085,112 |
| Add: Other income | 6,919,264 | 1,556,262 |
| Total Income | 780,873,223 | 629,641,374 |
| Less: Total Expenditure | 740,342,646 | 599,225,077 |
| Profit/(Loss) before Tax | 40,530,577 | 30,416,297 |
| Less: Tax Expense | 11,672,028 | 8,634,068 |
| Profit/(Loss) after tax | 28,858,549 | 21,782,229 |

STATE OF COMPANY'S AFFAIRS AND FUTURE OUTLOOK:

Your company has achieved a total turnover of Rs. 773,953,959/- (Prev. Yr. Rs. 628,085,112/-) and registered profit after tax of Rs. 28,858,549/-(Prev. Yr. Rs. 21,782,229/-). The Management of the company hopes for better future in coming years.

MATERIAL CHANGES:

There was no any material change affecting the financial position of the Company.

DIVIDEND:

Your directors do not recommend any dividend.

AMOUNT TRANSFERRED TO RESERVES:

During the year under review the Company has transferred Rs. 28,858,549 to its reserves and surplus account.

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CHANGES IN SHARE CAPITAL:

During the year under review there was no change in the capital structure of the company.

DISCLOSURE REGARDING ISSUE OF EQUITY SHARES ETC:

During the year under review the company has not (1) issued any equity shares with differential voting rights (2) issued any Employee Stock Option (3) issued any sweat equity shares.

EXTRACT OF ANNUAL RETURN:

The extract of Annual Return in **Form MGT-9**, for the financial year 2019-20 has been enclosed with this report as **Annexure 1**.

NUMBER OF BOARD MEETINGS:

During the financial year 2018-19, the board of directors met **10 [TEN]** times as per provisions of the Companies Act, 2013 which is summarized below. The provisions of the Companies Act, 2013 were adhered to while considering the time gap between the two board meetings.

| Sr. No. | Date of Board Meeting | Board Strength | No. of Directors Present |
|---------|-----------------------|----------------|--------------------------|
| 1 | 10.04.2019 | 05 | 05 |
| 2. | 01.08.2019 | 05 | 05 |
| 3. | 03.09.2019 | 05 | 05 |
| 4. | 15.10.2019 | 05 | 05 |
| 5. | 29.10.2019 | 05 | 05 |
| 6. | 05.11.2019 | 05 | 05 |
| 7. | 18.11.2019 | 05 | 05 |
| 8. | 10.01.2020 | 05 | 05 |
| 9. | 25.01.2020 | 05 | 05 |
| 10 | 10.03.2020 | 05 | 05 |
| 11 | | | |

LOAN, GUARANTEE, INVESTMENT ETC. AS PER SECTION 186 OF COMPANIES ACT, 2013:

During the year under review, the company has not given loan, given any guarantee or provided security in connection with a loan to any other body corporate or person as prescribed under section 186(2) and rules made there under, hence no disclosure.

CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

All related party transactions (RPT) as per provisions of section 188 of the Companies Act, 2013 and rules made there under are at arm length basis and in the ordinary course of business and details of RPT as per Accounting Standard – 18 and as per Section 188 of Companies Act, 2013 has been given in Form **AOC-2** as **Annexure- 2**.

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EXPLANATION TO AUDITORS REMARKS:

There are no adverse remarks or qualifications made by the Statutory Auditor of the company; hence no explanation is required to be given.

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

The details of Energy, Technology, Absorption, Foreign Exchange Earnings and Outgo are as under;

a) Conservation of Energy :

- a) Electricity and power are being utilized at the minimum required level by installing devices for conservation of energy during the year.
- b) The above measures have resulted in the reduction on unit cost of production.

b) Technology Absorption:

The details of Technology Absorption has been given in **Annexure-3** to board report.

c) Foreign Exchange Earnings and Outgo:

Earnings: Rs. **200,882,901/-** (Prev. Yr. 110,408,601/-)
Outgo: NIL (Prev. Yr. NIL/-)

SUBSIDIARY, JOINT VENTURE OR ASSOCIATES:

During the year under review no company had become or ceased to be its subsidiaries, Joint ventures or Associate Companies.

RISK MANAGEMENT POLICY:

In the opinion of the Board the company doesn't see any elements of risk which may threaten to the existence of the company.

DIRECTORS & KEY MANAGERIAL PERSONNEL:

During the year there was no change in the Constitution of the Board of Directors of the company.

DETAILS OF SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNAL:

No order has been passed by the regulators or courts or Tribunal which impacts the going concern status and company's operations in future.

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DEPOSITS :

During the year under review the company has not accepted any deposit as per Companies Act, 2013 and rules made there under.

DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013:

The Company has formed Internal Complaint Committee as required under Sexual-Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and as per report of Presiding Officer **Mrs. TEJALBEN J. PATEL**, no Complaint has been received/pending during the year under review.

FRAUD REPORTING:

During the year under review no fraud or such instances has been reported by the Statutory Auditor to Board of Directors.

STATUTORY AUDITORS:

The members of the Company has appointed M/S B. H. Mangarolia & Co. as statutory auditors of the company for the period of 5 (Five) years at the Annual General Meeting held on 30.09.2019, the Board of Directors recommend ratification of their appointment in the forthcoming Annual General Meeting for the Fin. Year 2020-21.

INTERNAL FINANCIAL CONTROL:

The Company had laid down Internal Financial Control and such Internal Financial Control are adequate with reference to the Financial Statement and were operating effectively.

DIRECTORS RESPONSIBILITY STATEMENT:

In accordance with the provisions of Section 134 (5) of the Companies Act, 2013 your directors confirm that:

- a. in the preparation of the annual accounts for the Financial Year ended **31st March 2020**, the applicable accounting standards had been followed, along with proper explanation relating to material departure.
- b. the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at **31st March, 2020** end of the profits or loss of the Company for that period.
- c. the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d. the directors had prepared the annual accounts on a going concern basis.

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- e. the directors have devised proper system to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

ACKNOWLEDGEMENT

The Directors express their sincere appreciation to the valued shareholders, bankers and clients for their support.

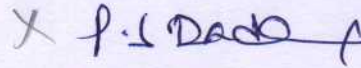
SECRETARIAL STANDARD

The company has followed secretarial standard on board and general meeting issued by the institute of company secretaries of India.

FOR, AERON COMPOSITE PRIVATE LIMITED



VISHAL A. VACHHANI
DIRECTOR
DIN: 03514301
ADDRESS: B/603, ISCON PLATINUM,
S P RING ROAD, BOPAL AMBLI,
CIRCLE, BOPAL, AHMEDABAD,
Gujarat, India - 380058



PANKAJ S. DADHANIYA
DIRECTOR
DIN: 02100802
ADDRESS: A/901, Sepal
Residency, 132 Fit Ring Road
Satellite, Ahmedabad City
Ambawadi Vistar, 380015, GUJARAT, INDIA

Date: 03.12.2020

Place: Changodar

Aeron Composite Private Limited

9th Annual Report 2019-20

General Information

Board of Directors

Ravi P. Patel
Chirag K. Padalia
Vishal A. Vachhani
Pankaj S. Dadhaniya
Dilipbhai R. Patel

Bankers

HDFC Bank
Standard Chartered Bank

Auditors

B H MANGAROLIA & CO.
Chartered Accountants
408, Mahakant, Opp. V. S. Hospital,
Ashram Road, Ahmedabad -380006

Company Law

M. A. NAKRANI & ASSOCIATES

Consultant

Company Secretaries

Registered Office

Plot No 30/31, Saket Industrial Estate,
Sarkhej Bavla Highway, Moraiya, Changodar,
Ahmedabad- 382213
Gujarat

Website

www.aeroncomposite.com

INDEPENDENT AUDITORS' REPORT

To the Members of
Aeron Composite Private Limited

Report on the Audit of the Standalone Financial Statements

Opinion

01. We have audited the accompanying financial statements of Aeron Composite Private Limited (the "Company"), which comprise the Balance Sheet as at 31st March, 2020, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.
02. In our opinion, and to the best of our information and according to the explanations given to us, the the aforesaid standalone financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the company as at 31st March, 2020; and its profit and its cash flows for the year ended on that date.

Basis for Opinion

03. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the Financial Statements and Auditor's Report thereon

04. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, management report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not 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 standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

05. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
06. In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
07. Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

08. 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.
09. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for explaining our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
10. 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.
11. 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.

Report on Other Legal and Regulatory Requirements

12. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us, we give in the 'Annexure A', a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
13. As required by section 143(3) of the Act, we report that:
- a) we have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose 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, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account of the Company:

- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e) On the basis of written representations received from the Directors as on 31st March, 2020 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2020 from being appointed as a Director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B'. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- (i) The Company does not have any pending litigations which would impact its financial position.
- (ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, and as required on long-term contracts including derivative contracts.
- (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For, B H MANGAROLIA & CO.

Chartered Accountants

(FRN 105972W)



(B H MANGAROLIA)

Partner

M. No. 032693

UDIN:20032693AAAACH2448

Place: Ahmedabad

Date: 03.12.2020

ANNEXURE 'A' TO INDEPENDENT AUDITORS' REPORT

[Referred to in Paragraph 12 of our Report of even date]

01. a) The Company has maintained proper records showing full particulars including quantitative details and location of all its fixed assets on the basis of available information.
b) We are informed that the Company has a regular programme of physical verification of its fixed assets in a phased manner over a period of three years. Accordingly, the physical verification of part of the fixed assets has been carried out by the Management during the year and no material discrepancies have been noticed on such verification.
c) The Company has not acquired any Immovable properties and hence reporting under clause 3(i)(c) of the Order is not applicable.
02. The inventory has been physically verified at reasonable intervals during the year by the Management. In our opinion, the frequency of verification is reasonable. The discrepancies noticed on physical verification, between physical stocks and books records, were not material in relation to the operations of the company and have been properly dealt with in the books of account.
03. The Company has granted unsecured loans to 3 parties covered in the register maintained under Section 189 of the Companies Act, 2013.
a) In our opinion and according to the information and explanations given to us, the terms of the loan are not, prima facie, prejudicial to the interest of the company.
b) The loan has been repaid during the year and as informed to us, there was no specific stipulation of schedule of repayment of principal and payment of interest thereon.
c) There is no such overdue amount in respect of loans granted to party covered in the register maintained under section 189 of the Companies Act, 2013 and hence no further comments are required to be given under this clause.
04. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
05. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of section 73 to 76, or any other relevant provisions of the Companies Act and the rules framed thereunder.
06. As informed and explained to us, the maintenance of Cost records U/s. 148(1) of the Act is not applicable to the company.
07. a) According to information and explanations given to us, the company is generally regular in depositing with Appropriate Authorities undisputed statutory dues including Income Tax, Provident fund, Employees State Insurance, Custom Duty, Goods and Services Tax and other material statutory dues applicable to it. According to the information and explanations given to us, there were no undisputed amounts payable in respect of such dues which were outstanding as on 31st March, 2020 for a period of more than six months from the date the became payable.

- b) According to the information and explanations given to us there are no any disputed dues which have not been deposited, of income Tax, VAT/Sales Tax, Service Tax, Custom Duty, Excise Duty, GST, Cess as at 31st March, 2020 and therefore no further information is required to be furnished under this clause.
08. Based on our audit procedures and on the information and explanations given by the management, the Company has not defaulted in repayment of the dues to any bank and financial institutions. The Company has not issued debentures during the year.
09. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). The Company has utilized the money raised by way of term loans during the year for the purposes for which they were raised.
10. According to the information and explanations given to us, no material fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the course of our audit.
11. The provisions of section 197 of The companies Act, 2013 is not applicable to a Private Company, and, accordingly, reporting under this clause would not be required.
12. The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.
13. In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
14. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause 3(xiv) of the Order is not applicable to the Company.
15. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its Directors and hence reporting under clause 3(xv) of the Order is not applicable to the Company.
16. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For, B H MANGAROLIA & CO.
Chartered Accountants
(FRN 105972W)



(B H MANGAROLIA)
Partner

M. No. 032693

UDIN:20032693AAAACH2448



ANNEXURE 'B' TO INDEPENDENT AUDITORS' REPORT

[Referred to in Paragraph 13(f) of our Report of even date]

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

We have audited the internal financial controls over financial reporting of Aeron Composite Private Limited (the "Company"), as of 31st March, 2020, in conjunction with our audit of the standalone financial statements of the Company for the year ended as on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Standards on Auditing prescribed under Section 143(10) of the Act and the Guidance Note, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations 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 31st March, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For, B H MANGAROLIA & CO.

Chartered Accountants
(FRN 105972W)



(B H MANGAROLIA)

Partner

M. No. 032693

UDIN:20032693AAAACH2448

Place: Ahmedabad

Date: 03.12.2020

Aeron Composite Private Limited
Balance Sheet as at 31st March, 2020

| PARTICULARS | Note No. | Rs. | As at 31.03.2020 Rs. | As at 31.03.2019 Rs. |
|---|----------|-------------|----------------------------|----------------------------|
| I EQUITY AND LIABILITIES | | | | |
| 1 Shareholders' funds | | | | |
| a. Share capital | 03 | 13,000,000 | | 13,000,000 |
| b. Reserves and surplus | 04 | 83,592,464 | | 54,733,915 |
| c. Money received against share warrants | | - | | - |
| | | | 96,592,464 | 67,733,915 |
| 2 Share application money pending allotment | | | - | - |
| 3 Non-current liabilities | | | | |
| a. Long-term borrowings | 05 | 71,491,764 | | 37,000,891 |
| b. Deferred tax liabilities (net) | 06 | 3,586,303 | | 1,329,275 |
| c. Other long-term liabilities | | - | | - |
| d. Long-term provisions | | - | | - |
| | | | 75,078,067 | 38,330,166 |
| 4 Current liabilities | | | | |
| a. Short-term borrowings | 07 | 52,539,896 | | 51,224,833 |
| b. Trade payables | 08 | 103,776,548 | | 113,754,982 |
| c. Other current liabilities | 09 | 49,840,479 | | 32,331,695 |
| d. Short-term provisions | 10 | - | | 1,208,612 |
| | | | 206,156,923 | 198,520,122 |
| TOTAL | | | 377,827,454 | 304,584,203 |
| II ASSETS | | | | |
| 1 Non-current assets | | | | |
| a. Fixed assets | | | | |
| i. Tangible assets | 11 | 88,565,267 | | 48,223,652 |
| ii. Intangible assets | | - | | - |
| iii. Capital work-in-progress | | - | | - |
| iv. Intangible assets under development | | - | | - |
| v. Fixed assets held for sale | | - | | - |
| | | 88,565,267 | | 48,223,652 |
| b. Non-current investments | 12 | 20,000 | | 20,000 |
| c. Deferred tax assets (net) | 06 | - | | - |
| d. Long-term loans and advances | 13 | 2,538,761 | | 1,982,505 |
| e. Other non-current assets | | - | | - |
| | | | 91,124,028 | 50,226,157 |
| 2 Current assets | | | | |
| a. Current investments | | - | | - |
| b. Inventories | 14 | 86,154,106 | | 90,319,009 |
| c. Trade receivables | 15 | 131,373,545 | | 126,581,754 |
| d. Cash and bank balances | 16 | 41,585,054 | | 14,283,589 |
| e. Short-term loans and advances | 17 | 27,590,721 | | 23,173,694 |
| f. Other current assets | | - | | - |
| | | | 286,703,426 | 254,358,046 |
| Significant Accounting Policies | 02 | | | |
| TOTAL | | | 377,827,454 | 304,584,203 |

See accompanying notes forming part of the financial statements

As per our report of even date
For, B H MANGAROLIA & CO.
Chartered Accountants
(FRN 105972W)



(B H MANGAROLIA)
Partner
M. No. 032693

UDIN:20032693AAAACH2448
Place: Ahmedabad
Date: 03.12.2020

For and on behalf of the Board

(Signature)

(Dilipbhai R. Patel)
Director
DIN:00314623

(Signature)

(Pankaj S. Dadhaniya)
Director
DIN:02100802

Aeron Composite Private Limited

Statement of Profit and Loss for the year ended 31st March, 2020

| PARTICULARS | Note No. | Rs. | For the year ended | |
|--|----------|-------------|--------------------|--------------|
| | | | 31.03.2020 | 31.03.2019 |
| | | | Rs. | Rs. |
| I. Revenue from operations | 18 | | 773,953,959 | 628,085,112 |
| II. Other income | 19 | | 6,919,264 | 1,556,262 |
| III. Total revenue (I + II) | | | 780,873,223 | 629,641,374 |
| IV. Expenses | | | | |
| a. Cost of materials consumed | 20 | 503,681,715 | | 495,117,562 |
| b. Purchases of stock-in-trade | | - | | - |
| c. Changes in inventories of finished goods, work-in-progress and stock-in-trade | 21 | 10,838,957 | | (14,738,010) |
| d. Employee benefits expense | 22 | 40,853,259 | | 25,309,100 |
| e. Finance costs | 23 | 8,567,820 | | 8,131,209 |
| f. Depreciation and amortisation expense | 24 | 13,826,488 | | 8,819,091 |
| g. Other expenses | 25 | 162,574,407 | | 76,586,125 |
| Total expenses | | | 740,342,646 | 599,225,077 |
| V. Profit / (Loss) before exceptional and extraordinary items and tax (III - IV) | | | 40,530,577 | 30,416,297 |
| VI. Exceptional items | | | - | - |
| VII. Profit / (Loss) before extraordinary items and tax (V - VI) | | | 40,530,577 | 30,416,297 |
| VIII. Extraordinary items | | | - | - |
| IX. Profit / (Loss) before tax (VII - VIII) | | | 40,530,577 | 30,416,297 |
| X. Tax expense: | | | | |
| a. Current Tax | | 9,415,000 | | 8,094,000 |
| b. Deferred Tax | | 2,257,028 | | 540,068 |
| | | | 11,672,028 | 8,634,068 |
| XI. Profit / (Loss) for the period from continuing operations (IX - X) | | | 28,858,549 | 21,782,229 |
| XII. Profit / (Loss) from discontinuing operations | | | - | - |
| XIII. Tax expense of discontinuing operations | | | - | - |
| XIV. Profit/(loss) from Discontinuing operations (after tax) (XII-XIII) | | | - | - |
| XV. Profit (Loss) for the period (XI + XIV) | | | 28,858,549 | 21,782,229 |
| XVI. Earnings per equity share | | | | |
| a. Basic | | | 22.20 | 16.76 |

Significant Accounting Policies

02

See accompanying notes forming part of the financial statements

As per our report of even date

For, B H MANGAROLIA & CO.

Chartered Accountants
(FRN 105972W)

(B H MANGAROLIA)
Partner

M. No. 032693



UDIN:20032693AAAACH2448

Place: Ahmedabad

Date: 03.12.2020

For and on behalf of the Board

D. R. Patel

(Dilipbhai R. Patel)
Director

DIN:00314623

P. S. Dadhaniya

(Pankaj S. Dadhaniya)
Director

DIN:02100802

Aeron Composite Private Limited
Cash Flow Statement for the year 2019-20

| Particulars | 31.03.2020 Rs. | 31.03.2019 Rs. |
|---|-------------------|-------------------|
| A. Cash flow from operating activities | | |
| Net profit before taxation, and extraordinary items | 40,530,577 | 30,416,297 |
| <i>Adjustments for:</i> | | |
| Depreciation | 13,826,488 | 8,819,091 |
| Profit on sale of fixed assets | - | - |
| Loss on sale of fixed Assets | 1,167,264 | - |
| Interest income | (927,777) | (739,508) |
| Interest expense | 8,567,820 | 8,131,209 |
| Operating profit before working capital changes | 63,164,372 | 46,627,089 |
| <u>Movements in working capital</u> | | |
| (Increase)/Decrease in Trade Receivables | (4,791,791) | (36,335,366) |
| (Increase)/Decrease in inventories | 4,164,903 | (17,286,397) |
| (Increase)/Decrease other Receivables | (4,391,210) | (12,313,520) |
| (Decrease)/Increase in current liabilities | 2,878,913 | 57,054,580 |
| Cash (used in)/generated from operations | 61,025,187 | 37,746,386 |
| Taxes paid (net of refunds) | (5,239,185) | (5,387,547) |
| Cash flow before extraordinary items | 55,786,002 | 32,358,839 |
| Extraordinary item | - | - |
| Net cash (used in)/ from operating activities (A) | 55,786,002 | 32,358,839 |
| B. Cash flows from investing activities | | |
| Purchase of fixed assets | (55,849,122) | (28,862,710) |
| Purchase of investments | - | - |
| Proceeds from sale of fixed assets | 513,755 | - |
| Interest received | 927,777 | 739,508 |
| Net cash (used in)/ from investing activities (B) | (54,407,590) | (28,123,202) |



Aeron Composite Private Limited**Cash Flow Statement for the year 2019-20**

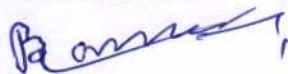
| Particulars | 31.03.2020 | 31.03.2019 |
|---|-------------------|-------------------|
| | Rs. | Rs. |
| C. Cash flows from financing activities | | |
| Redemption of Preference share capital | - | - |
| Proceeds from long-term borrowings | 34,490,873 | 14,560,787 |
| Repayment of long-term borrowings | - | - |
| Interest paid | (8,567,820) | (8,131,209) |
| Dividends paid | - | - |
| Tax on dividend paid | - | (10,179) |
| Net cash introduced from /(used in) financing activities (C) | 25,923,053 | 6,419,399 |
| Net (decrease)/increase in cash & cash equiv. (A+B+C) | 27,301,465 | 10,655,036 |
| Cash and cash equivalents at the beginning of the year | 14,283,589 | 3,628,553 |
| Cash and cash equivalents at the end of the year | 41,585,054 | 14,283,589 |
| | 27,301,465 | 10,655,036 |

As per our report of even date

For, B H MANGAROLIA & CO.

Chartered Accountants

(FRN 105972W)



(B H MANGAROLIA)

Partner

M. No. 032693



UDIN:20032693AAAACH2448

Place: Ahmedabad

Date: 03.12.2020

For and on behalf of the Board



(Dilipbhai R. Patel)

Director

DIN:00314623



(Pankaj S. Dadhaniya)

Director

DIN:02100802

Aeron Composite Private Limited

Notes forming part of the financial statements (2019-20)

01. Company Overview

Aeron Composite Private Limited ('the company'), incorporated under the Companies Act, 1956 vide CIN -U25209GJ2011PTC065419 having its registered office at Plot No 30/31, Saket Industrial Estate, Sarkhej Bavla Highway, Moraiya, Changodar, Ahmedabad-382213 Gujarat and engaged in Manufacturing and dealing in Fiber Glass Reinforce Plastic Products i.e. Cable Tray, Gratings, ROD, Pole, Structure Profiles, Handrails etc.

02. Significant accounting policies

2.01 Basis for Preparation of Financial Statements

These financial statements have been prepared to comply with the Generally Accepted Accounting Principles in India (Indian GAAP), including the Accounting Standards notified under the relevant provisions of the Companies Act, 2013. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

2.02 Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

2.03 Inventories

Inventories are valued at the lower of cost and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale. Work-in-progress and finished goods include appropriate proportion of overheads.

2.04 Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.05 Cash flow statement

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

2.06 Depreciation and amortisation

Depreciation, on fixed assets, based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013, on Written Down Value (WDV) method. Depreciation on additions during the year is provided on prorata time basis.



Aeron Composite Private Limited

Notes forming part of the financial statements (2019-20)

2.07 Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Sale of goods

Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers.

Other income

Interest income is accounted on accrual basis.
All other income is recognised on accrual basis.

Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

2.08 Tangible fixed assets

Fixed assets are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets includes interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use and other incidental expenses incurred up to that date. Subsequent expenditure relating to fixed assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Capital work-in-progress:

Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

2.09 Foreign currency transactions and translations

Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

Monetary foreign currency assets and liabilities remaining unsettled at the balance sheet date are translated at the rates of exchange prevailing on that date. Gains/losses arising on account of realisation/settlement of foreign exchange transactions and on translation of foreign currency assets and liabilities are recognised in the Profit and Loss Account.

2.10 Government grants and subsidies

Government grants and subsidies are recognised when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants / subsidy will be received. Government grants whose primary condition is that the Company should purchase, construct or otherwise acquire capital assets are presented by deducting them from the carrying value of the assets. The grant is recognised as income over the life of a depreciable asset by way of a reduced depreciation charge.

When the grant or subsidy relates to an expense item, it is recognized as income over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate.



Aeron Composite Private Limited

Notes forming part of the financial statements (2019-20)

2.11 Employee benefits

Short Term Employee Benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages, and short term compensated absences, etc. are recognized in the period in which the employee renders the related services.

Post- Employment Benefits

Defined contribution plans

The Company's contribution to provident fund is considered as defined contribution plans and is charged as an expense as they fall due based on the amount of contribution required to be made.

2.12 Borrowing costs

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset is added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

2.13 Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year.

2.14 Taxes on income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.



2.15 Impairment of assets

The carrying values of assets at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.

2.16 Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.



Aeron Composite Private Limited

Notes forming part of the financial statements (2019-20)

03. Share Capital

| Particulars | As at 31.03.2020 | | As at 31.03.2019 | |
|---|------------------|------------|------------------|------------|
| | Number | Rs. | Number | Rs. |
| <u>Authorised</u> | | | | |
| Equity shares of Rs. 10 each | 1,500,000 | 15,000,000 | 1,500,000 | 15,000,000 |
| Preference Shares of Rs. 10 each | 750,000 | 7,500,000 | 750,000 | 7,500,000 |
| Total Share Capital | 2,250,000 | 22,500,000 | 2,250,000 | 22,500,000 |
| <u>Issued</u> | | | | |
| Equity shares of Rs. 10 each | 1,300,000 | 13,000,000 | 1,300,000 | 13,000,000 |
| <u>Subscribed and fully paid up</u> | | | | |
| Equity shares of Rs. 10 each | 1,300,000 | 13,000,000 | 1,300,000 | 13,000,000 |
| <u>Subscribed but not fully paid up</u> | | | | |
| Equity shares of Rs. 10 each | - | - | - | - |
| Total Share Capital | 1,300,000 | 13,000,000 | 1,300,000 | 13,000,000 |

Reconciliation of Share Capital

Equity shares of Rs. 10 each

| | | | | | |
|-----|--|-----------|------------|-----------|------------|
| i | outstanding at the beginning of the year | 1,300,000 | 13,000,000 | 1,300,000 | 13,000,000 |
| ii | Issued during the year | - | - | - | - |
| iii | bought back during the year | - | - | - | - |
| iv | outstanding at the end of the year | 1,300,000 | 13,000,000 | 1,300,000 | 13,000,000 |

Details of shares held by each shareholder holding more than 5% shares

Equity shares of Rs. 10 each

| Sr. No. | Name of Shareholder | As at 31.03.2020 | | As at 31.03.2019 | |
|---------|-------------------------|------------------|-------|------------------|-------|
| | | Number | % | Number | % |
| 1 | Pankajbhai S. Dadhaniya | 136,500 | 10.50 | 136,500 | 10.50 |
| 2 | Chirag K. Padalia | 78,000 | 6.00 | 78,000 | 6.00 |
| 3 | Vishal A. Vachhani | 131,000 | 10.08 | 131,000 | 10.08 |
| 4 | Pankajbhai R. Patel | 76,500 | 5.88 | 76,500 | 5.88 |
| 5 | Alpeshbhai S. Dadhaniya | 136,500 | 10.50 | 136,500 | 10.50 |
| 6 | Anand K. Padalia | 78,000 | 6.00 | 78,000 | 6.00 |
| 7 | Bipinbhai Ratilal Patel | 66,567 | 5.12 | 66,567 | 5.12 |
| 8 | Pravinaben K. Padalia | 78,000 | 6.00 | 78,000 | 6.00 |



Aeron Composite Private Limited

Notes forming part of the financial statements (2019-20)

04. Reserves and surplus

| Particulars | As at | As at |
|--|------------|------------|
| | 31.03.2020 | 31.03.2019 |
| | Rs. | Rs. |
| <u>Capital redemption reserve</u> | | |
| Opening balance | 5,000,000 | 5,000,000 |
| Add: Additions during the year | | |
| Transferred from surplus in Statement of P & L | - | - |
| Others | - | - |
| Less: Utilised during the year | - | - |
| Closing balance | 5,000,000 | 5,000,000 |
| <u>Surplus / (Deficit) in Statement of Profit and Loss</u> | | |
| Opening balance | 49,733,915 | 27,951,686 |
| Add: Profit / (Loss) for the year | 28,858,549 | 21,782,229 |
| Closing balance | 78,592,464 | 49,733,915 |
| Total Reserves and surplus | 83,592,464 | 54,733,915 |

05. Long-term borrowings

| Particulars | As at | As at |
|--|------------|------------|
| | 31.03.2020 | 31.03.2019 |
| | Rs. | Rs. |
| <u>Secured</u> | | |
| Term loans from Banks | | |
| a. HDFC Bank (Commercial Equipment Loan) | - | 32,180 |
| b. HDFC Bank (WC Term Loan) | 353,804 | 1,289,886 |
| c. HDFC Bank | 12,291,746 | 15,998,541 |
| <u>Security</u> | | |
| <i>Hypothecation of Plant & Machinery to be purchased from bank finance.</i> | | |
| <u>Collateral</u> | | |
| <i>EM of Shop No.38,39, 44, 45 situated at Shakti Chambers, 8-A, National Highway, Morbi.</i> | | |
| <i>New Jagath Plot 25, Nr Astron Chowk,CS No. 15, Sheet No. 137,S No. 2113 and 2114P,Ground Floor ,Gita Appartment</i> | | |
| <i>Plot No. 367, Bavla Nalsarovar Road, Phase 3, Kenzville Village-Metaal, Tal: Bavla, Dist: Ahmedabad</i> | | |
| <i>Revenue Survey No.327/4/1, Shagun 108 Flat, S P Ring Road, Zundal Circle, Gandhinagar</i> | | |
| <i>Shop No. B/4, Shivam Arcade, Changodar Over Bridge, Changodar, Tal: Sanand, Dist: Ahmedabad</i> | | |
| <u>Term Loan Repayable as under</u> | | |
| i. The loan is repayable in 47 monthly installments, by Apr, 2020 amounting to Rs. 32,450/- | | |
| ii. The loan is repayable in 60 monthly installments, by Jul, 2021 amounting to Rs. 93,754/- | | |
| iii. The loan is repayable in 47 monthly installments, by Jan, 2020 amounting to Rs. 311,295/- | | |



Aeron Composite Private Limited

Notes forming part of the financial statements (2019-20)

| | | | |
|----|---|------------|---------|
| iv | The loan is repayable in 60 monthly installments, by Dec, 2023 amounting to Rs. 430,098/- | | |
| d. | HDFC Bank (Staff Bus) <i>(Secured by hypothecation of vehicle EMI over a period of 48 months amounting to Rs. 28025/- each, The loan is repayable, in monthly instalments, by June, 2021)</i> | 82,829 | 396,169 |
| e. | HDFC Bank (Vehicle Loan) <i>(Secured by hypothecation of vehicle EMI over a period of 48 months amounting to Rs. 15220/- each, The loan is repayable, in monthly instalments, by April, 2022)</i> | 186,775 | 342,169 |
| f. | Standard Chartered Bank | 29,616,779 | - |
| g. | Standard Chartered Bank | 1,293,155 | - |
| h. | Standard Chartered Bank <u>Security</u> <i>Hypothecation on Machinery created out of proposed term loan.</i> | 7,863,257 | - |

Collateral

Block No. 54/1, Nr. Chamak Polymers, Bileshwarpura, Mehsana highway, Gandhinagar in the name of M/s. A International Private Limited

Residential Flat No. B 60, Iscon Platinum, Near Bopal Ring Road, Bopal Ahmedabad owned by Amrutlal Vacchani, Shobhana A Vacchani and Vishal A Vacchani

Cash Collateral of INR 2.00 Mio in the form of FDR

Corporate Guarantee of A International Private Limited

Personal guarantee of Chirag Padalia, Dilipbhai Patel, Pankaj Dadhaniya, Vishal Vacchani, Ravi P Patel, Chandulal R patel, Pravinaben Padaliya, Amrutlal Vacchani and Shobhana A Vacchani

Term Loan Repayable as under

- i. The loan is repayable in 60 monthly installments, by Apr, 2025 amounting to Rs. 604,424/-
- ii. The loan is repayable in 60 monthly installments, by Apr, 2025 amounting to Rs. 26,391/-
- iii. The loan is repayable in 60 monthly installments, by Apr, 2025 amounting to Rs. 160,474/-

| | | |
|---|-------------------|-------------------|
| | 51,688,345 | 18,058,945 |
| Other loans and advances | - | - |
| Total Secured Long Term Borrowings | 51,688,345 | 18,058,945 |



Aeron Composite Private Limited

Notes forming part of the financial statements (2019-20)

Unsecured

| | | |
|---|-------------------|-------------------|
| Loans and advances from related parties | 19,803,419 | 18,941,946 |
| Other loans and advances | - | - |
| Total unsecured Long Term Borrowings | <u>19,803,419</u> | <u>18,941,946</u> |
| Total Long-term borrowings | <u>71,491,764</u> | <u>37,000,891</u> |

Installments falling due in respect of all the above secured term loans upto 31.03.2021 have been grouped under "Current maturities of long-term debt" (Refer Note 09.)

| Particulars | As at 31.03.2020 Rs. | As at 31.03.2019 Rs. |
|---|----------------------------|----------------------------|
| Details of long-term borrowings guaranteed by some of the directors or others | | |
| Term loans From Banks | <u>51,688,345</u> | <u>18,058,945</u> |

06. Deferred tax liability/ Asset

| Particulars | As at 31.03.2020 Rs. | As at 31.03.2019 Rs. |
|---|----------------------------|----------------------------|
| a <u>Tax effect of items constituting deferred tax liability</u> | | |
| i Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting | 3,586,303 | 1,329,275 |
| ii On expenditure deferred in the books but allowable for tax purposes | - | - |
| Deferred tax liability | <u>3,586,303</u> | <u>1,329,275</u> |
| b <u>Tax effect of items constituting deferred tax Assets</u> | | |
| i Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis | | |
| Disallowances under Section 40(a)(i), 43B of the Income Tax Act, 1961 | - | - |
| Deferred tax asset | <u>-</u> | <u>-</u> |
| Net Deferred Tax Liability/ Asset | <u>3,586,303</u> | <u>1,329,275</u> |

07. Short-term borrowings

| Particulars | As at 31.03.2020 Rs. | As at 31.03.2019 Rs. |
|--------------------------------------|----------------------------|----------------------------|
| <u>Secured</u> | | |
| Loans repayable on demand | | |
| <u>From Banks</u> | | |
| a. HDFC Bank (CC) | 34,026,564 | 36,803,033 |
| b. HDFC Bank (Export Packing Credit) | 11,896,700 | 4,421,800 |
| c. HDFC Bank (WCDL) | - | 10,000,000 |

Security

Hypothecation of Stock, Book debt and all other current assets of the company

Refer Note. No. 5 for collateral securities offered to HDFC Bank.



Aeron Composite Private Limited

Notes forming part of the financial statements (2019-20)

| | | | |
|--|---------------------------------------|------------|------------|
| d. Standard Chartered Bank | 6,616,632 | | |
| <i>Hypothecation of stock and Book Debts (under pari passu charge with HDFC bank Limited),</i> | | | |
| <i>Refer Note. No. 5 for collateral securities offered to Standard Chartered Bank.</i> | | | |
| | | 52,539,896 | 51,224,833 |
| Other loans and advances | | - | - |
| | Total Secured Short Term Borrowings | 52,539,896 | 51,224,833 |
| <u>Unsecured</u> | | | |
| Loans and advances from related parties | | - | - |
| Other loans and advances | | - | - |
| | Total Unsecured Short Term Borrowings | - | - |
| | Total Short-term borrowings | 52,539,896 | 51,224,833 |

08. Trade payables

| Particulars | As at | As at |
|----------------|----------------------|-------------|
| | 31.03.2020 | 31.03.2019 |
| | Rs. | Rs. |
| Trade payables | 103,776,548 | 113,754,982 |
| | Total Trade payables | 103,776,548 |
| | | 113,754,982 |

Micro and small enterprises

The Company is in the process of compiling relevant information from its suppliers about their coverage under the Micro, Small and Medium Enterprises Development Act, 2006. Since the relevant information is not readily available, no disclosures have been made in the Accounts.

09. Other current liabilities

| Particulars | As at | As at |
|--|---------------------------------|------------|
| | 31.03.2020 | 31.03.2019 |
| | Rs. | Rs. |
| Current maturities of long-term debt | 10,668,963 | 7,520,318 |
| Interest accrued but not due on borrowings | 146,362 | 217,991 |
| Other payables | | |
| Statutory remittances | 2,504,728 | 1,181,112 |
| Payables on purchase of fixed assets | 2,247,786 | 558,106 |
| Payables for Expenses | 25,350,425 | 8,042,628 |
| Advances from customers | 8,922,215 | 14,811,540 |
| | 39,025,154 | 24,593,386 |
| | Total Other current liabilities | 49,840,479 |
| | | 32,331,695 |



Aeron Composite Private Limited

Notes forming part of the financial statements (2019-20)

10. Short-term provisions

| Particulars | As at | As at |
|---|------------|------------------|
| | 31.03.2020 | 31.03.2019 |
| | Rs. | Rs. |
| Provision for employee benefits | - | - |
| Provision - Others | | |
| Provision for tax (net of advance tax) | - | 1,208,612 |
| Provision for dividend | - | - |
| Provision for tax on proposed dividends | - | - |
| | - | 1,208,612 |
| Total Short-term provisions | - | 1,208,612 |

11. Tangible assets

| Particulars | Gross block | | | |
|---------------------------------|---------------------------------------|-------------------|------------------|---------------------------------------|
| | Balance as at 01.04.2019 Rs. | Additions Rs. | Disposals Rs. | Balance as at 31.03.2020 Rs. |
| Buildings | 678,631 | - | 124,750 | 553,881 |
| Plant and Equipment | 44,118,635 | 44,082,253 | - | 88,200,888 |
| Dies, Tools and Other Equipment | 28,932,810 | 8,617,938 | 2,046,654 | 35,504,094 |
| Furniture and Fixtures | 83,298 | 544,222 | 83,298 | 544,222 |
| Vehicles | 2,440,079 | 173,964 | - | 2,614,043 |
| Office equipment | 2,125,466 | 1,413,659 | 1,255,707 | 2,283,418 |
| Computer | 1,613,450 | 1,017,086 | 919,098 | 1,711,438 |
| Total | 79,992,369 | 55,849,122 | 4,429,507 | 131,411,984 |
| Previous year | 51,129,659 | 28,862,710 | - | 79,992,369 |

| Particulars | Accumulated Depreciation | | | |
|---------------------------------|---------------------------------------|--|---|---------------------------------------|
| | Balance as at 01.04.2019 Rs. | Depreciation for the year Rs. | Eliminated on disposal of assets Rs. | Balance as at 31.03.2020 Rs. |
| Buildings | 257,186 | 40,050 | 58,324 | 238,912 |
| Plant and Equipment | 15,884,723 | 8,472,717 | - | 24,357,440 |
| Dies, Tools and Other Equipment | 12,006,141 | 3,800,119 | 590,891 | 15,215,369 |
| Furniture and Fixtures | 77,309 | 14,209 | 79,683 | 11,835 |
| Vehicles | 1,097,732 | 425,003 | - | 1,522,735 |
| Office equipment | 1,399,561 | 539,396 | 1,150,062 | 788,895 |
| Computer | 1,046,065 | 534,994 | 869,528 | 711,531 |
| Total | 31,768,717 | 13,826,488 | 2,748,488 | 42,846,717 |
| Previous year | 22,949,626 | 8,819,091 | - | 31,768,717 |



Aeron Composite Private Limited

Notes forming part of the financial statements (2019-20)

| Particulars | Net Block | |
|---------------------------------|-------------------|-------------------|
| | As at | As at |
| | 31.03.2020 | 31.03.2019 |
| | Rs. | Rs. |
| Buildings | 314,969 | 421,445 |
| Plant and Equipment | 63,843,448 | 28,233,912 |
| Dies, Tools and Other Equipment | 20,288,725 | 16,926,669 |
| Furniture and Fixtures | 532,387 | 5,989 |
| Vehicles | 1,091,308 | 1,342,347 |
| Office equipment | 1,494,523 | 725,905 |
| Computer | 999,907 | 567,385 |
| Total Tangible assets | 88,565,267 | 48,223,652 |
| Previous year | 48,223,652 | 28,180,033 |

12. Non-current investments

| Particulars | As at | As at |
|--|---------------|---------------|
| | 31.03.2020 | 31.03.2019 |
| | Rs. | Rs. |
| <i>Trade Investments- Unquoted (At cost):</i> | | |
| Investment in government or trust securities (NSC) | 20,000 | 20,000 |
| Total Non-current investments | 20,000 | 20,000 |
| <i>Aggregate amount of unquoted investments</i> | 20,000 | 20,000 |

13. Long-term loans and advances

| Particulars | As at | As at |
|---|------------------|------------------|
| | 31.03.2020 | 31.03.2019 |
| | Rs. | Rs. |
| (Unsecured, considered good) | | |
| Capital advances | - | 355,325 |
| Security deposits | 2,538,761 | 1,627,180 |
| Total Long-term loans and advances | 2,538,761 | 1,982,505 |

14. Inventories

| Particulars | As at | As at |
|--|-------------------|-------------------|
| | 31.03.2020 | 31.03.2019 |
| | Rs. | Rs. |
| <i>(At lower of cost and net realisable value)</i> | | |
| Raw materials | 32,902,203 | 26,228,149 |
| Work-in-progress | 31,788,268 | 47,458,915 |
| Finished goods (other than those acquired for trading) | 21,463,635 | 16,631,945 |
| Total Inventories | 86,154,106 | 90,319,009 |



Aeron Composite Private Limited

Notes forming part of the financial statements (2019-20)

15. Trade receivables

| Particulars | As at 31.03.2020 Rs. | As at 31.03.2019 Rs. |
|---|----------------------------|----------------------------|
| (Unsecured, considered good) | | |
| Trade receivables outstanding for a period exceeding six months from the date they were due for payment | 9,753,359 | 7,596,459 |
| Other Trade receivables | 121,620,186 | 118,985,295 |
| Total Trade receivables | 131,373,545 | 126,581,754 |

16. Cash and bank balances

| Particulars | As at 31.03.2020 Rs. | As at 31.03.2019 Rs. |
|--|----------------------------|----------------------------|
| <i>Cash and cash equivalents</i> | | |
| Balances with banks | | |
| In current accounts | 93,788 | 8,378,160 |
| In deposit accounts | 35,075,572 | - |
| Cash on hand | 1,411,897 | 859,720 |
| | 36,581,257 | 9,237,880 |
| <i>Other bank balances</i> | | |
| Balances held as margin money or security against borrowings, guarantees and other commitments | 5,003,797 | 5,045,709 |
| | 5,003,797 | 5,045,709 |
| Total Cash and bank balances | 41,585,054 | 14,283,589 |

17. Short-term loans and advances

| Particulars | As at 31.03.2020 Rs. | As at 31.03.2019 Rs. |
|--|----------------------------|----------------------------|
| (Unsecured, considered good) | | |
| Loans and advances to related parties | - | 4,358,619 |
| Security deposits | 1,064,901 | 936,901 |
| Prepaid expenses | 2,814,194 | 185,747 |
| Balances with government authorities | | |
| GST credit/ refund receivable | 18,316,952 | 14,323,354 |
| VAT credit/ refund receivable | 591,781 | 591,781 |
| | 18,908,733 | 14,915,135 |
| Advance income tax (net of provisions) | 582,073 | - |
| Others | 4,220,820 | 2,777,292 |
| Total Short-term loans and advances | 27,590,721 | 23,173,694 |



Aeron Composite Private Limited

Notes forming part of the financial statements (2019-20)

18. Revenue from operations

| Particulars | As at 31.03.2020 Rs. | As at 31.03.2019 Rs. |
|--|----------------------------|----------------------------|
| <i>Gross</i> | | |
| Sale of products | 752,862,476 | 623,264,849 |
| Sale of services | 14,118,415 | 3,213,213 |
| Other operating revenues | 6,973,068 | 1,607,050 |
| | 773,953,959 | 628,085,112 |
| Total Revenue from operations | 773,953,959 | 628,085,112 |
| <i>Sale of products comprise</i> | | |
| Manufactured goods | | |
| FRP Grating , ROD , Pultrusion & Accessories | 752,862,476 | 623,264,849 |
| Total - Sale of manufactured goods | 752,862,476 | 623,264,849 |
| <i>Sale of services comprise</i> | | |
| Installation & Erection Charges | 14,118,415 | 3,213,213 |
| Total - Sale of services | 14,118,415 | 3,213,213 |
| <i>Other operating revenues comprise</i> | | |
| Export Incentives | 6,973,068 | 1,607,050 |
| Total - Other operating revenues | 6,973,068 | 1,607,050 |

19. Other income

| Particulars | As at 31.03.2020 Rs. | As at 31.03.2019 Rs. |
|---|----------------------------|----------------------------|
| Interest income | 927,777 | 739,508 |
| Net gain on foreign currency transactions and translation (other than considered as finance cost) | 5,991,487 | 68,670 |
| Other non-operating income (net of expenses directly attributable to such income) | - | 748,084 |
| Total Other income | 6,919,264 | 1,556,262 |
| <i>Interest income comprises:</i> | | |
| Interest from banks on Deposits | 416,914 | 217,531 |
| Interest on loans and advances | 363,028 | 398,466 |
| Interest income from GEB Deposit | 123,487 | 101,315 |
| Other interest | 24,348 | 22,196 |
| Total | 927,777 | 739,508 |



Aeron Composite Private Limited

Notes forming part of the financial statements (2019-20)

| Particulars | As at | As at |
|---------------------------------------|------------|----------------|
| | 31.03.2020 | 31.03.2019 |
| | Rs. | Rs. |
| Other non-operating income comprises: | | |
| Bad Debt Recovery | - | 748,084 |
| Total | - | 748,084 |

20. Cost of materials consumed

| Particulars | As at | As at |
|---|---------------------------|---------------------------|
| | 31.03.2020 | 31.03.2019 |
| | Rs. | Rs. |
| Opening stock | 26,228,149 | 23,679,762 |
| Add: Purchases | <u>510,355,769</u> | <u>497,665,949</u> |
| | 536,583,918 | 521,345,711 |
| Less: Closing stock | <u>32,902,203</u> | <u>26,228,149</u> |
| | 503,681,715 | 495,117,562 |
| Total Cost of materials consumed | <u>503,681,715</u> | <u>495,117,562</u> |

Material consumed comprises:

| | | |
|-------------------------|---------------------------|---------------------------|
| Resin, Glass Fiber etc. | 503,681,715 | 495,117,562 |
| Total | <u>503,681,715</u> | <u>495,117,562</u> |

21. Changes in inventories of finished goods, work-in-progress and stock-in-trade

| Particulars | As at | As at |
|---|--------------------------|----------------------------|
| | 31.03.2020 | 31.03.2019 |
| | Rs. | Rs. |
| Inventories at the end of the year: | | |
| Finished goods | 21,463,635 | 16,631,945 |
| Work-in-progress | <u>31,788,268</u> | <u>47,458,915</u> |
| | 53,251,903 | 64,090,860 |
| Inventories at the beginning of the year: | | |
| Finished goods | 16,631,945 | 16,400,236 |
| Work-in-progress | <u>47,458,915</u> | <u>32,952,614</u> |
| | 64,090,860 | 49,352,850 |
| Net (increase) / decrease in inventories | <u>10,838,957</u> | <u>(14,738,010)</u> |

| Particulars | As at 31.03.2020 | | As at 31.03.2019 | |
|-----------------------------|--------------------------|--------------------------|--------------------------|-------------------------|
| | Closing Rs. | Opening Rs. | Closing Rs. | Opening Rs. |
| Finished goods | | | | |
| FRP Gratings | 18,058,037 | 8,812,058 | 8,812,058 | 9,396,979 |
| FRP Pultrusion Items | - | 4,155,179 | 4,155,179 | 153,240 |
| FRP Rod | 3,405,597 | 3,664,708 | 3,664,708 | 6,850,017 |
| Total Finished goods | <u>21,463,634</u> | <u>16,631,945</u> | <u>16,631,945</u> | <u>9,396,979</u> |



Aeron Composite Private Limited

Notes forming part of the financial statements (2019-20)

22. Employee benefits expense

| Particulars | As at | As at |
|--|-------------------|-------------------|
| | 31.03.2020 | 31.03.2019 |
| | Rs. | Rs. |
| Salaries | 39,570,331 | 24,503,396 |
| Contributions to PF, ESI and other funds | 1,282,928 | 805,704 |
| Total Employee benefits expense | 40,853,259 | 25,309,100 |

23. Finance costs

| Particulars | As at | As at |
|----------------------------|------------------|------------------|
| | 31.03.2020 | 31.03.2019 |
| | Rs. | Rs. |
| <i>Interest expense on</i> | | |
| Borrowings | 6,834,418 | 5,642,690 |
| Others | 91,598 | 76,984 |
| Other borrowing costs | 1,641,804 | 2,411,535 |
| Total Finance costs | 8,567,820 | 8,131,209 |

24. Depreciation and amortisation expense

| Particulars | As at | As at |
|---|-------------------|------------------|
| | 31.03.2020 | 31.03.2019 |
| | Rs. | Rs. |
| Depreciation and amortisation for the year on tangible assets | 13,826,488 | 8,819,091 |
| Depreciation and amortisation for the year on intangible assets | - | - |
| Total Depreciation and amortisation expense | 13,826,488 | 8,819,091 |

25. Other expenses

| Particulars | As at | As at |
|---|------------|------------|
| | 31.03.2020 | 31.03.2019 |
| | Rs. | Rs. |
| <i>Other Manufacturing and Direct Exps.</i> | | |
| Jobwork charges | 7,995,524 | 5,906,255 |
| Consumption of stores and spare parts | 52,955,717 | 10,661,808 |
| Power and fuel | 10,105,664 | 8,473,415 |
| Repairs and maintenance - Machinery | 635,262 | 1,287,739 |
| Other Mfg. & Direct Exps. | 19,980,355 | 2,983,687 |
| <i>Other Admin. Exps.</i> | | |
| Rent | 18,721,300 | 6,888,851 |
| Repairs and maintenance - Buildings | 447,262 | 810,113 |
| Repairs and maintenance - Others | 747,852 | 450,450 |
| Insurance | 1,064,523 | 747,971 |
| Rates and taxes | 707,706 | - |
| Communication Exps. | 778,699 | 603,727 |
| Travelling and conveyance | 3,184,822 | 2,694,239 |
| Printing and stationery | 876,554 | 498,915 |
| Vehicle Running & Maintenance Exps. | 369,109 | 112,254 |
| Legal and professional | 4,898,737 | 2,436,767 |



Aeron Composite Private Limited

Notes forming part of the financial statements (2019-20)

| | | |
|--|-----------|-----------|
| Payments to auditors | 100,000 | 100,000 |
| Loss on fixed assets sold / scrapped / written off | 1,167,264 | - |
| Other Miscellaneous expenses | 5,213,726 | 2,829,613 |

Other Selling & Marketing Exps.

| | | |
|---|------------|------------|
| Sales commission | 4,885,275 | 1,474,750 |
| Advertisement Exps. | 812,314 | 2,569,114 |
| Business promotion | 2,605,227 | 1,639,083 |
| Freight Outward & Export Exps. | 18,035,838 | 16,792,889 |
| Bad trade and other receivables written off | 6,285,677 | 6,624,485 |

| | | |
|----------------------|--------------------|-------------------|
| Total Other expenses | <u>162,574,407</u> | <u>76,586,125</u> |
|----------------------|--------------------|-------------------|

| Particulars | As at 31.03.2020 Rs. | As at 31.03.2019 Rs. |
|---|----------------------------|----------------------------|
| <i>Payments to the auditors comprises</i> | | |
| As auditors | 70,000 | 70,000 |
| For taxation matters | 30,000 | 30,000 |
| Total | <u>100,000</u> | <u>100,000</u> |

26. Value of imports calculated on CIF basis

| Particulars | As at 31.03.2020 Rs. | As at 31.03.2019 Rs. |
|----------------------------|----------------------------|----------------------------|
| Raw Material | 23,868,306 | 65,919,143 |
| Components and spare parts | - | - |
| Capital goods | 10,318,069 | - |
| Total | <u>34,186,375</u> | <u>65,919,143</u> |

27. Expenditure in foreign currency

| Particulars | As at 31.03.2020 Rs. | As at 31.03.2019 Rs. |
|-------------------|----------------------------|----------------------------|
| Foreign Traveling | - | - |
| Other matters | - | - |
| Total | <u>-</u> | <u>-</u> |

28. Details of consumption of imported and indigenous items

| Particulars | As at 31.03.2020 | | As at 31.03.2019 | |
|----------------------------|--------------------|---------------|--------------------|---------------|
| | Rs. | % | Rs. | % |
| Raw Material | | | | |
| Imported | 28,642,413 | 5.69 | 69,624,316 | 14.06 |
| Indigenous | 475,039,302 | 94.31 | 425,493,246 | 85.94 |
| Total | <u>503,681,715</u> | <u>100.00</u> | <u>495,117,562</u> | <u>100.00</u> |
| Components and spare parts | | | | |
| Imported | - | - | - | - |
| Indigenous | 52,955,717 | 100.00 | 10,661,808 | 100.00 |
| Total | <u>52,955,717</u> | <u>100.00</u> | <u>10,661,808</u> | <u>100.00</u> |



Aeron Composite Private Limited

Notes forming part of the financial statements (2019-20)

29. Earnings in foreign exchange

| Particulars | As at | As at |
|---|--------------------|--------------------|
| | 31.03.2020 | 31.03.2019 |
| | Rs. | Rs. |
| Export of goods calculated on FOB basis | 200,882,901 | 110,408,601 |
| Other income | - | - |
| Total | 200,882,901 | 110,408,601 |

30. The leasehold rights of the company over the Immovable property situated at 496/P, Shade "A", Tajpur Road, Sarkhej Bavla Highway, Changodar, Sanand, Ahmedabad owned by M/s. Jal Agro Industries is mortgaged in favour of Small Industries Development Bank of India (SIDBI) for sanction of Term Loan in case of A Innovative Food Products LLP.

31. Contingent liabilities and commitments

| Particulars | As at | As at |
|---|------------|------------|
| | 31.03.2020 | 31.03.2019 |
| | Rs. | Rs. |
| Contingent liabilities | | |
| Counter Guarantees given to the Banks In respect of various guarantees issued by The Bank to the third parties. | - | - |
| Commitments | | |
| Estimated amount of contracts remaining to be executed on capital account and not provided for | - | - |

32. Research and Development activities

The company has In-house Research & Development Centre in developmental activities for new products, improvement in existing products, processes etc.

Details of Capital expenditure incurred is as detailed below:

| Particulars | As at | As at |
|------------------------------------|------------------|----------------|
| | 31.03.2020 | 31.03.2019 |
| | Rs. | Rs. |
| Capital Expenditure | 6,664,423 | 105,000 |
| Total R & D Expenditure | 6,664,423 | 105,000 |

33. Related party transactions

a Names of related parties and related party relationship

Key management personnel

Padalia Chirag Kirtibhai, Vachhani Vishal Amrutlal, Dadhaniya Pankaj Shantilal, Patel Dilipbhai Ratilal, Ravi P Patel

Relatives of key management personnel

Bipinbhai R Patel, Pankajkumar R Patel, Chandubhai R. Patel, Prabhaben C. Patel, Manishaben D. Patel, Vishalbhai D. Patel, Jayeshbhai D. Patel, Tejalben J. Patel, Bipinbhai R. Patel, Kantaben B. Patel, Pankajbhai R. Patel, Alpeshbhai S. Dadhaniya, Brindaben A. Dadhaniya, Ripaben P. Dadhaniya, Sudhaben Shantilal Dadhaniya, Anand Padalia, Pravina Padalia



Aeron Composite Private Limited

Notes forming part of the financial statements (2019-20)

Enterprises owned or significantly influenced by key management personnel or their relatives

Jal Agro Industries, Chamak Paintchem Ltd., A Innovative International Limited, A International Pvt Ltd, Chamak Polymers Pvt Ltd, Chamak Paint Industries, Calcium Chemical Industries, Artico Innovation Pvt Ltd, Chamak Lime Agency, A. Innovative Food Products LLP, Tajpur Associates

Note : Related party relationship is as identified by the management and relied upon by the auditors.

b Related party transactions

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year

| Particulars | As at 31.03.2020 Rs. | As at 31.03.2019 Rs. |
|--|----------------------------|----------------------------|
| - Key management personnel | | |
| - Salary | | |
| Pankaj S Dadhaniya | 2,162,000 | 540,000 |
| Dilip R Patel | 1,156,000 | 306,000 |
| Vishal A Vacchani | 1,440,000 | 720,000 |
| Ravi Pankaj Patel | 312,000 | 312,000 |
| Chirag K Padalia | 1,620,000 | 720,000 |
| Total | 6,690,000 | 2,598,000 |
| Rent Exps | | |
| Pankaj S Dadhaniya | 216,000 | 216,000 |
| Interest expense | | |
| Chirag K Padalia | 252,000 | 252,000 |
| Ravi Pankaj Patel | 232,753 | 295,200 |
| Pankaj S Dadhaniya | 358,738 | 620,827 |
| Dilip R Patel | 276,000 | 211,496 |
| Vishal A Vachhani | 299,034 | 330,889 |
| Total | 1,418,525 | 1,710,412 |
| - Relatives of key management personnel | | |
| - Salary | | |
| Tejalben J Patel | 504,000 | 504,000 |
| Bipinbhai R Patel | 512,000 | 312,000 |
| Anand Padalia | 352,000 | 242,000 |
| Pankaj R Patel | 481,046 | 264,000 |
| Total | 1,849,046 | 1,322,000 |
| - Rent Exps | | |
| Ripa Pankaj Dadhaniya | 216,000 | 216,000 |
| Kantaben B Patel | 216,000 | 216,000 |
| Manishaben D Patel | 216,000 | 216,000 |
| Prabhaben C Patel | 216,000 | 216,000 |
| Pravinaben P Patel | 216,000 | 216,000 |
| Total | 1,080,000 | 1,080,000 |



Aeron Composite Private Limited

Notes forming part of the financial statements (2019-20)

| | | |
|---|--------------|-------------------------------------|
| - <u>Interest</u> | | |
| Anand Padalia | 36,000 | 36,000 |
| Pravina Padalia | 36,000 | 36,000 |
| Shobhanaben A Vachhani | 18,000 | 18,000 |
| Alpesh S Dadhaniya | 66,000 | 63,830 |
| Vishal D Patel | 72,000 | 72,000 |
| | <u>Total</u> | <u>228,000</u> <u>225,830</u> |
| - <u>Enterprises owned or significantly influenced by key management personnel or their relatives</u> | | |
| - <u>Sales/Revenue from Operations</u> | | |
| A Innovative International Limited | 411,270 | 1,180 |
| Chamak Paint Industries | 45,748 | - |
| Chamak Polymers Pvt. Ltd. | 137,563 | - |
| | <u>Total</u> | <u>594,581</u> <u>1,180</u> |
| - <u>Rent Exps.</u> | | |
| Jal Agro Industries | 1,540,000 | 2,640,000 |
| Tajpur Associates | - | 330,000 |
| | <u>Total</u> | <u>1,540,000</u> <u>2,970,000</u> |
| - <u>Purchases</u> | | |
| Chamak Paint Industries | 14,658,783 | 16,670,094 |
| Chamak Polymers Pvt. Ltd. | 23,724,238 | 26,457,493 |
| A International Pvt. Ltd. | - | 6,195,000 |
| | <u>Total</u> | <u>38,383,021</u> <u>49,322,587</u> |
| - <u>Purchases- Machinery</u> | | |
| A Innovative International Ltd. | 2,699,000 | 6,125,000 |
| | <u>Total</u> | <u>2,699,000</u> <u>6,125,000</u> |
| - <u>Purchases- Furniture and Office Equipment</u> | | |
| A International Pvt. Ltd. | 624,865 | - |
| | <u>Total</u> | <u>624,865</u> <u>-</u> |
| - <u>Machinery Maintenance Exps.</u> | | |
| A Innovative International Ltd. | - | 750,000 |
| | <u>Total</u> | <u>-</u> <u>750,000</u> |
| - <u>Interest Income</u> | | |
| A Innovative International Ltd. | 215,639 | - |
| A Innovative Food Products LLP | 147,389 | 398,466 |
| | <u>Total</u> | <u>363,028</u> <u>398,466</u> |
| - <u>Interest Exps.</u> | | |
| A International Pvt. Ltd. | 78,904 | 55,561 |
| | <u>Total</u> | <u>78,904</u> <u>55,561</u> |
| - <u>Building Maintenance Exp.</u> | | |
| Chamak Paint Industries | 13,758 | - |
| | <u>Total</u> | <u>13,758</u> <u>-</u> |



Aeron Composite Private Limited

Notes forming part of the financial statements (2019-20)

| c Balance as at the year end | | | |
|---|------------|------------|--|
| Particulars | As at | As at | |
| | 31.03.2020 | 31.03.2019 | |
| | Rs. | Rs. | |
| - Related Parties | | | |
| - Long-term borrowings(unsecured) | 19,803,419 | 18,941,946 | |
| - Trade Payables | 7,096,122 | 2,477,591 | |
| - Payables on purchase of fixed assets | 624,865 | | |
| - Trade Receivable | 216,307 | - | |
| - Exps. Payables | 3,041,046 | - | |
| - Loans and advances to related parties | - | 4,358,619 | |

- 34.** India and other global markets experienced significant disruption in operations resulting from uncertainty caused by the worldwide coronavirus (Covid-19) pandemic. The management believes that there is not much of an impact likely due to this pandemic. However, the Company is closely monitoring developments, its operations, liquidity and capital resources and is actively working to minimize the impact of this unprecedented situation.
- 35.** Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

As per our report of even date

For, B H MANGAROLIA & CO.Chartered Accountants
(FRN 105972W)

(B H MANGAROLIA)

Partner

M. No. 032693



UDIN:20032693AAAACH2448

Place: Ahmedabad

Date: 03.12.2020

For and on behalf of the Board

(Dilipbhai R. Patel)

Director

DIN:00314623

(Pankaj S. Dadhaniya)

Director

DIN:02100802