



AARON Industries Limited

(CIN-L31908GJ2013PLC077306)

REGD.OFFICE: B-65 & 66, Jawahar Road No. 4, Udhyog Nagar, Udhana, Surat -394210, Gujarat

Tel:- 0261-2278410, E-Mail:- info1@aaronindustries.net, Website:- www.aaronindustries.net

31st July, 2019

To,
The Manager - Listing Department
National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex,
Bandra (East), Mumbai - 400051

Symbol: AARON

Subject: Submission of Annual Report of the Company for the financial year 2018-19

Dear Sir/Madam,

Pursuant to Regulations 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation ("LODR"), please find attached herewith Annual Report for the financial year 2018-19.

A copy of Annual Report is also available on the website of the Company at www.aaronindustries.net.

Kindly take the same on record.

Thanking you,

Yours faithfully,

For Aaron Industries Limited

Ankitkumar Tank

Company Secretary & Compliance Officer

ACS: 46542



Encl: a/a



Aaron Industries Limited

Annual Report 2018-19



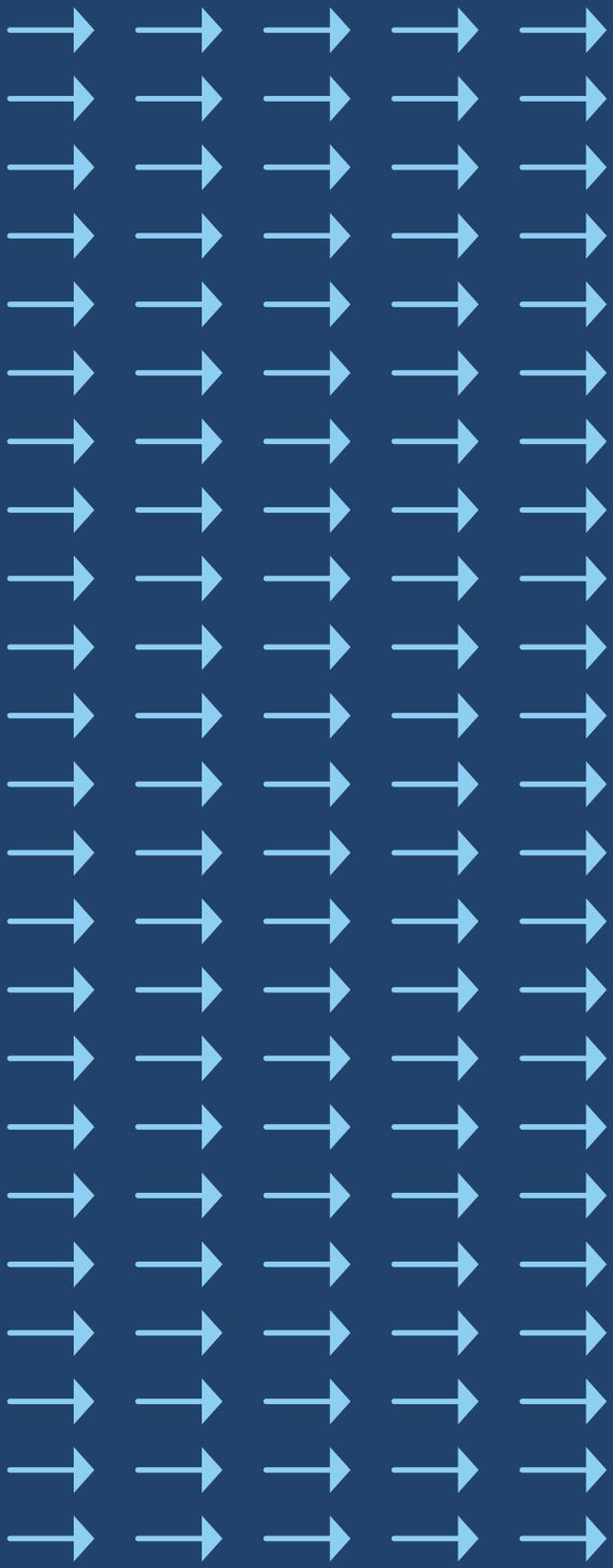


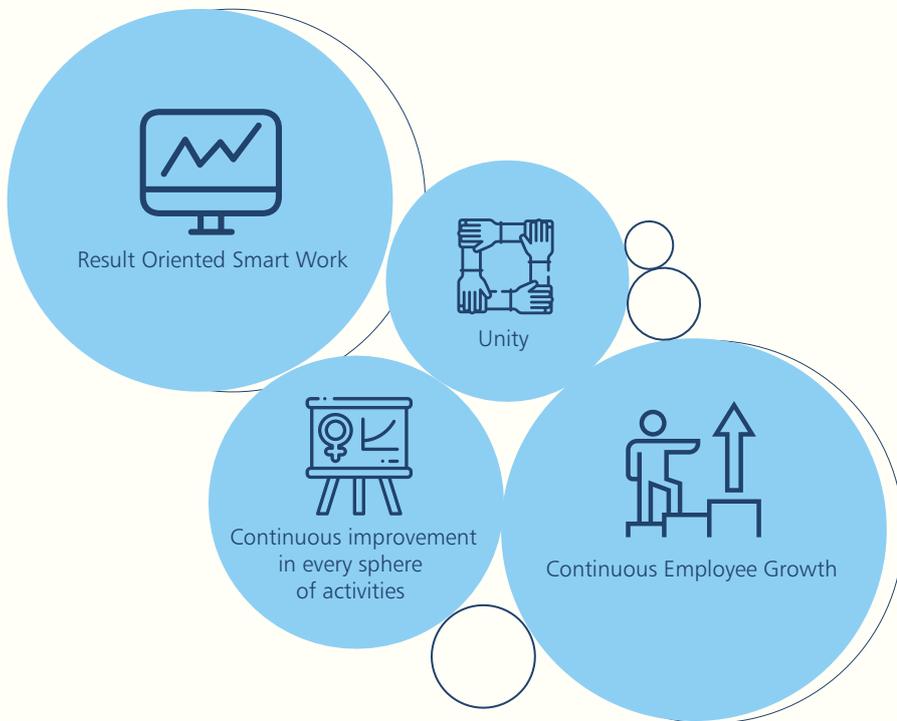
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Core Purpose

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

Core Value



CHAIRMAN'S LETTER

Dear Shareholders,

It is a sheer pleasure to present you with our first and maiden annual report post listing on NSE Emerge last year. It has been a very momentous year for our company and I would like to update you with the same.

In around 6 months of our listing, we completed our primary object of the issue - commissioning our manufacturing unit for stainless sheet polishing and finishing. By the end of the financial year, we had completed our trial productions and initial rounds of testing plant and machinery. This unit will be commercially active for production for FY20. As you must be already aware, this unit is backward integration for our existing product portfolio and our core products - elevator doors and cabins. This unit will strengthen our product offering for our core products, we also plan to do job work of stainless sheet polishing at this unit.

While commissioning of the new manufacturing unit remains the primary highlight of the year gone by, it is important to mention that our existing Udhna unit recorded fantastic growth in operations. We recorded a 49% increase in revenue from operations over the last year, this entire growth was on account of existing operations. In FY19, our existing operations took the entire load of our new capital expenditure, which led to soft growth in profits. However, we are confident of running profitable operations from both of our units in the coming financial year.

I am also happy to report that the board of directors has recently recommended a bonus issue for our shareholders in the ratio of 1:10. I conclude by saying that we see a sustained growth opportunity for our range of products and that we are constantly exploring new opportunities.

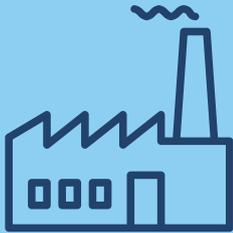
I would like to thank all our stakeholders and our team, for their continued support, hardwork and belief in us.



Mr. Amar Doshi



Company Snapshots



Elevator Manufacturing Company
based out of Gujarat



Listed on
NSE Emerge



88 Team
Strength



Backward Integrated for
Elevator Cabins & Doors





Revenue Growth
3 Year CAGR- 75%



Strong and Growing Distribution network
350+ Installers and Channel Partners

EVERY DAY
EVERY-
WHERE

CONNEC-
TING WITH
YOU



Financial Highlights



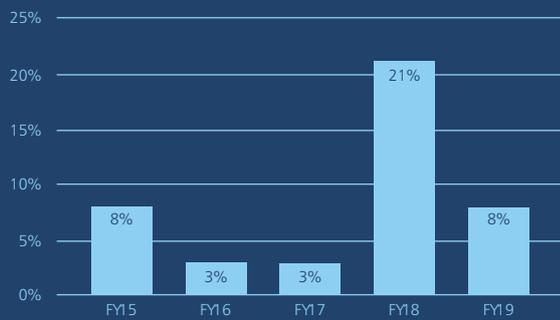
EBIDTA % (Excl. O.I. & Exceptional Items)



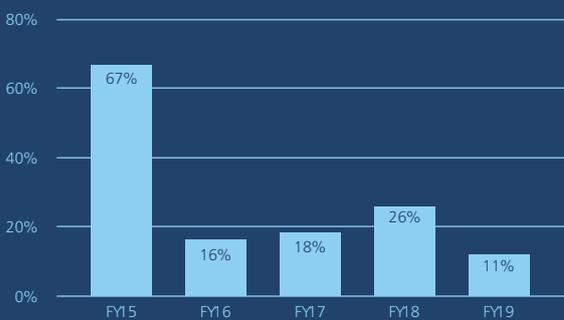
Debt to Equity



ROCE %



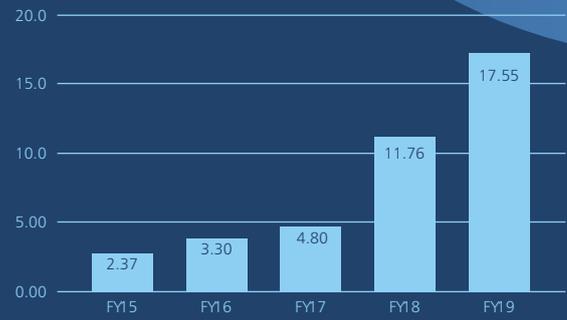
ROE%



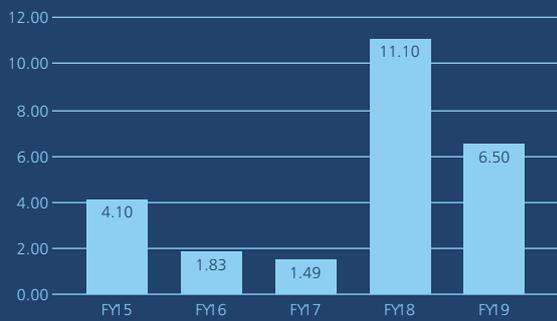
Working Capital Days



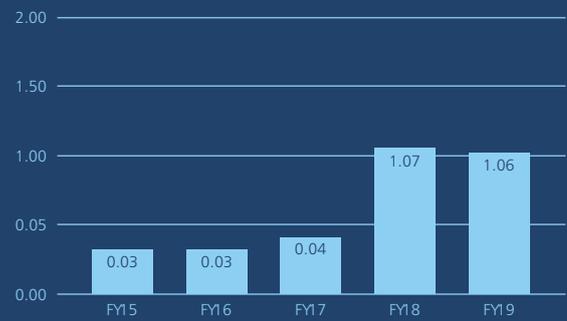
Revenue from Operations



Interest Coverage



Profit After Taxes



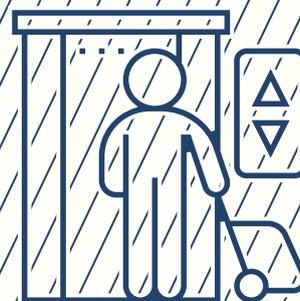
Management Discussion and Analysis

Indian Elevator Industry



India is one of the largest elevator markets globally, second only to China. Approximately 55,000 - 60,000 elevator units are sold in India annually, which roughly maps the entire Indian elevator market at Rs. 10,000 crores (~ \$1.6 Billion) annually.

In India, the elevator segment has captured majority of the share in overall elevators & escalators market. Majority of elevator installations are in spaces such as residential, retail, transportation, and hospitality sector. While safety and efficiency have become hygiene factors in the Indian elevator market, the trend now is to build environmentally responsible elevators. Also, companies are now paying special attention to aspects which make the elevator ride more pleasing and safe for users while utilizing space efficiently. Attention to aesthetics, styling, air cleansing systems, temperature control, etc. is gaining importance.



Growth Drivers for Elevator Industry

Pradhan Mantri Awaas Yojana

Pradhan Mantri Awaas Yojana was launched in June 2015 with an aim to provide affordable housing in urban poor including Economically Weaker Sections and Low-Income Groups by building 2 crore houses by the year 2022 through a financial assistance of 2 trillion (US\$ 28 billion) from the central government in a phased manner.

Urbanization

India is a developing nation undergoing rapid urbanization coupled with a population influx into Tier 1 & 2 cities as metros have almost reached their capacity. This increased urbanization will result in the construction of more commercial, residential, vehicle parking, and public transportation buildings, which eventually will lead to the adoption of elevators.

Growth of Real Estate

Growth in the residential real estate market drives the elevator market since, with every high-rise and mid-rise building, it is essential to have elevators. In the retail & non-residential real estate space, the construction of shopping malls, airports, metro stations, and hospitals require the use of elevators. The growth of the Real Estate industry is a major demand driver for elevators.

Opportunity as a Regional Vendor

Regional elevator vendors are able to provide elevator parts & services at reasonable prices. Customers prefer to buy elevator parts from the regional market vendors because of the product customization, ease of service support and cost advantages in services.

Demand from Replacement Market

Modernization of aging elevators in mature metro cities is also a major growth driver for the Elevator market. Demand for services in this segment will boost overall market growth.

Challenges in the Industry

High Initial Cost

The initial investment required to purchase elevators is very high, affecting the growth of the market among cost-driven end-users. Also, the effective installation of elevators may require alterations to the entire structure and wiring of a building. In addition to the high initial cost of elevators, installation costs are also very high. This acts as a barrier to the adoption of elevators. Maintenance and operating costs also act as a hindrance to the adoption of elevators among cost-driven residential and commercial users.

Technically sound manpower

It is a challenge to scout and recruit technically sound manpower, who understand the complexity and technicality of elevator products. Technically sound manpower is required not only during the initial installation but also for regular servicing & maintenance of elevators.

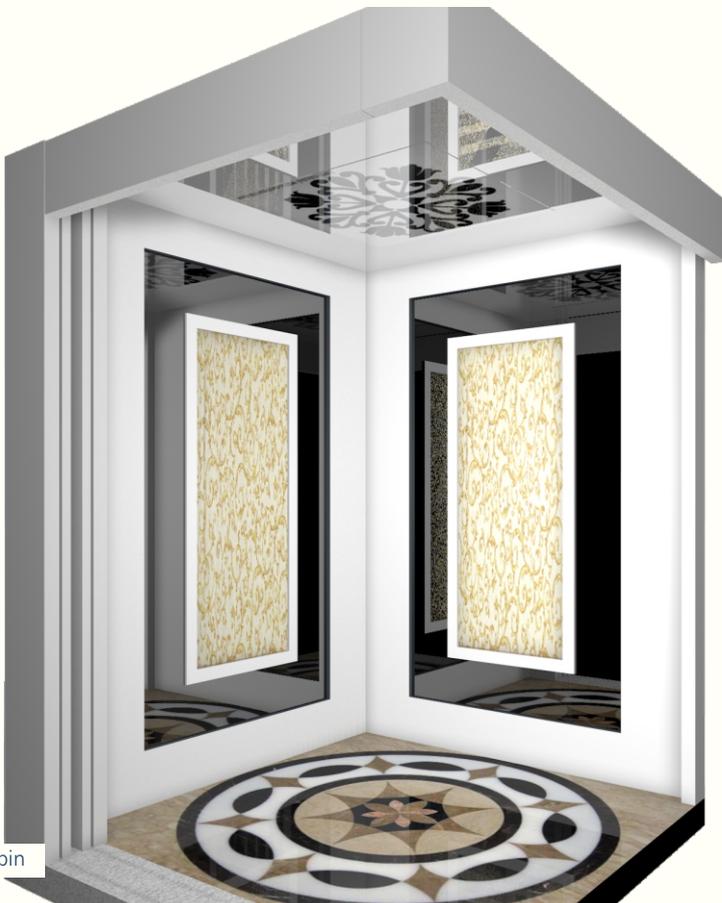
Company Overview



Founded by Mr. Amar Doshi in 2013, Aaron Industries Limited is engaged in the manufacturing of elevator and ancillary products based out of manufacturing facilities in Gujarat. Aaron is focused on the manufacturing of value-added products, our most promising product is our uniquely designed elevator cabins. Aaron recently got listed on NSE Emerge (SME Exchange) with an initial public offer of Rs. 4.78 crores in 2018, post which we have commenced our second manufacturing unit for SS Sheet Polishing at Moti Pardi, Tal. Mangrol, Gujarat.



Product Portfolio



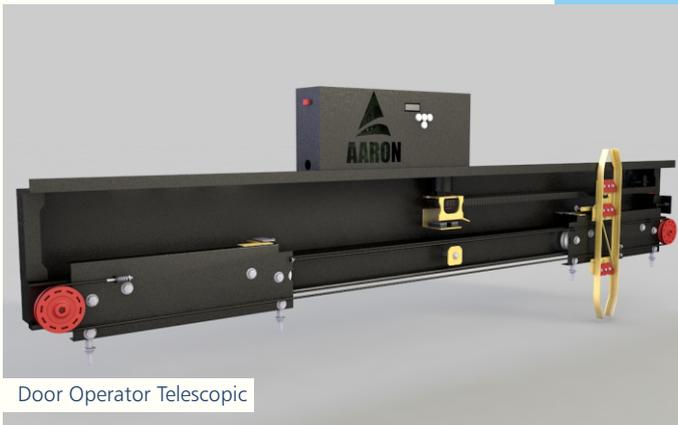
Cabin

These products are either sold individually or as a complete elevator set, which includes (apart from the above-mentioned products) traction machine, DGB, LOP – COP and sensors. Our flagship product are our uniquely designed elevator cabins and customized automatic door solution which enhances the ambiance of each of our projects. Our elevator cabins are an axis for customer appeal.

We have also entered the Annual Maintenance Contract (AMC) business for elevators this year, the objective is to create an annuity-based revenue stream for the years to come.



Door Operator Center



Door Operator Telescopic



Cabin



Folding Door

Manufacturing Units



Unit 1 – Udhna (Surat)

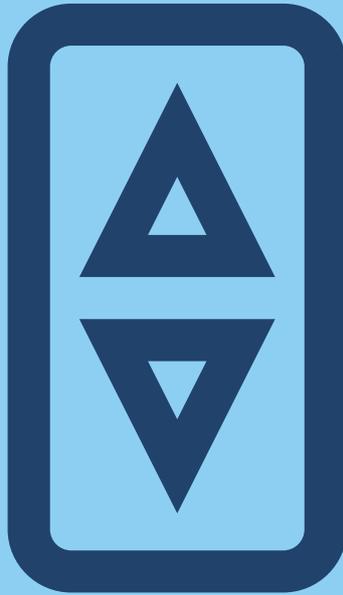
Our primary manufacturing unit is located at Udhna, Surat. This manufacturing unit manufactures the entire elevators, electrical and ancillary product portfolio. Currently, almost all of the revenue from operations are driven by this unit.

Unit 2 - Moti Pardi, Tal. Mangrol

Commissioned in February 2019, Moti Pardi unit is the back integration of Aaron's primary product portfolio i.e. elevator doors and cabins. This unit is engaged in the fabrication, polishing, and processing of stainless sheets, which is the primary input for elevator doors and cabins. Apart from elevators, stainless sheet finds applications in a variety of industries such as food storage, architectural & construction, appliances, and many more. Till date, investments of 7+ crore have been made in the building, plant & machinery of this unit. Commissioning of this unit is a strategic decision to strengthen the supply-side of our core products i.e. elevator doors and cabins, which currently constitutes ~43% of revenue from operations. This unit will also engage in job work activities of polishing and finishing stainless steel sheets.

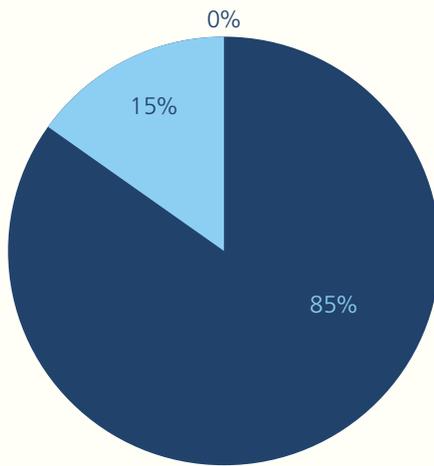
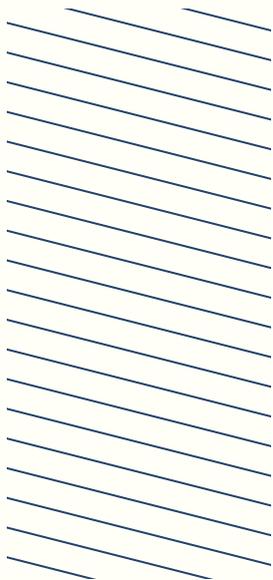






“
A business is simply an
idea to make other
people’s life
better
”

Product-wise Revenue Contribution FY19



Sales-mix FY19

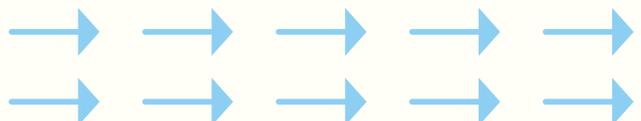
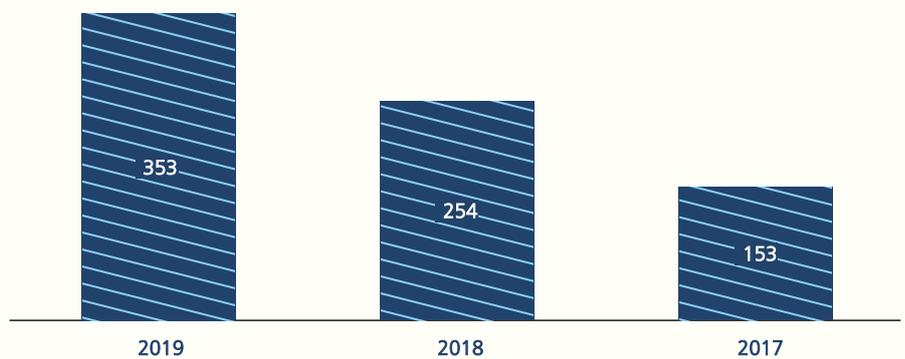
- Elevator Division
- Electric Division
- SS Sheet Division

Distribution and Marketing Activities

We have a strong and growing distribution network of 350+ installers and channel partners. These installers are spread-out throughout India, however, our primary market is Gujarat followed by Maharashtra and Andhra Pradesh. We have been consistently working towards growing our distribution network. We have also been participating regularly in trade-expos and exhibitions, a recent one was Elevator Escalator Expo-2019 held at Gandhinagar, Gujarat in the month of February 2019, we received a tremendous response at this event. We also participated in Asia Elevator Escalator Expo-2018 held in September 2018 in Noida.

Channel Partners

- Channel Partners



Performance Discussion

FY 2018-19

Aaron grew its revenue from operations by 49.2% and total income by 49.1% on a y-o-y basis in FY19. This was on account of strong production volumes, in Elevator and Electric divisions, from the existing Udhna plant. We witnessed a 13.9% increase in EBITDA on a y-o-y basis in FY19, however, the EBITDA margins recorded a downtrend from 13.4% in FY18 to 11.7% in FY19. The fall in EBITDA margins was primarily due to the additional employee benefit expenses and administrative & general expenses (pertaining to recently executed capital expenditure). We also witnessed a 100.8% jump in interest cost and a 101.3% jump in depreciation & amortization cost due to increase debt and investments in plant & machinery. Due to this, we witnessed a marginal growth of 17.1% in profit before taxes y-o-y basis and a slight de-growth of -12.9% in profit after taxes y-o-y basis.

Outlook

We witnessed strong growth in the volume of business from Udhna plant this year, however, the EBITDA margins witnessed a downtrend on account of additional expenses from the upcoming Moti Pardi unit. With commissioning of the Moti Pardi plant at the end of the financial year, we will witness the contribution from this plant in FY20. This will lead to significant revenue growth and normalization of EBITDA margins. In the coming years, we expect a decent contribution from the new manufacturing facility along with debottlenecking of the existing manufacturing unit.



Internal Controls and Adequacy

The Company has in place an adequate system of internal control commensurate with the size and nature of its business. These have been designed to provide reasonable assurance that all assets are safeguarded and protected against loss from unauthorized use or disposition and that all transactions are authorized, recorded and reported correctly and the business operations are conducted as per the prescribed policies and procedures of the Company. The Audit Committee and the management have reviewed the adequacy of the internal control systems and suitable steps are taken to improve the same.

Human Resource Development and Industrial Relations

Your Company firmly believes that its human resources are the key enablers for the growth of the Company and important asset. Hence, the success of the Company is closely aligned with the goals of the human resources of the Company. Taking into this account, your Company continued to invest in developing its human capital and establishing its brand on the market to attract and retain the best talent. Employee relations during the period under review continued to be healthy, cordial and harmonious at all levels and your Company is committed to maintaining good relations with the employees.

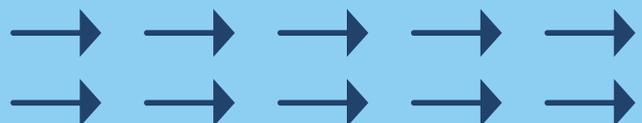
Cautionary Statement

Statements in the Management Discussion and Analysis, describing the Company's objective, projections, estimates, expectations, may be forward-looking statements. Actual results may differ materially from those expressed or implied due to various risks and uncertainties. Important factors that could make a difference to the Company's operations include economic and political conditions in India and other countries in which the Company operates, volatility in interest rates, changes in government regulations and policies, tax laws, statutes, and other incidental factors. The Company does not undertake to update these statements.

Significant changes in key financial ratios

During the year, the significant changes in the financial ratios of the Company, which are more than 25% as compared to the previous year are summarized below:

Financial ratio	FY 2018-19	FY 2017-18	Change	Reason for Change
Interest Coverage Ratio	7.20	11.10	35.14%	Due to capital expenditure
Debt Equity Ratio	0.47%	0.28%	67.86%	Increase borrowed fund
Return on Net Worth	11.30%	26.30%	57.03%	Due to capital expenditure



COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Amar Doshi	Chairman & Managing Director
Mr. Karan Doshi	Whole-time Director
Mr. Monish Doshi	Director & CFO
Mr. Pradeep Choksi	Independent Director
Mr. Hetal Mehta	Independent Director
Mrs. Shrunji Desai	Independent Director

CHIEF FINANCIAL OFFICER

Mr. Monish Doshi

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Ankitkumar Tank

STATUTORY AUDITORS

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

INTERNAL AUDITORS

M/s. VCAS & Co.
Chartered Accountants
141, 1st Floor, Kamal Park-2,
Beside Little Flower School,
Varachha, Surat-395006, Gujarat

BANKERS

HDFC Bank
Indian Bank

REGISTERED OFFICE

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

REGISTRAR & SHARE TRANSFER AGENT

M/s. Bigshare Services Private Limited
1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis,
Makwana Road, Marol, Andheri East, Mumbai-400059, Maharashtra
Phone No.: 022 – 62638200, Fax: 022 - 62638299
Email: investor@bigshareonline.com
Website: www.bigshareonline.com

NOTICE

Notice is hereby given that the 6th Annual General Meeting of the members of AARON INDUSTRIES LIMITED will be held on Saturday, the 24th August, 2019 at 10.30 a.m. at the Registered Office of the Company situated at B-65 & 66, Jawahar Road No. 4, Udhyog Nagar, Udhana, Surat – 394210, Gujarat to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended 31st March, 2019 together with the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Karan Doshi (DIN: 06690242), who retires by rotation, and being eligible, seeks re-appointment.
3. To consider and if thought fit to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED that pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and Rules framed thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. P. J. Desai & Co., Chartered Accountants, Surat (Firm Registration No. 102330W), be and is hereby appointed as Statutory Auditors of the Company, to hold office for a term of five years from the conclusion of this Annual General Meeting till the conclusion of 11th Annual General Meeting of the Company to be held in the year 2024, at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors, in consultation with the Audit Committee of the Company.

RESOLVED FURTHER THAT any of the Directors of the Company, be and are hereby jointly and/or severally authorized to do all such acts as may be required to give effect to the aforesaid resolution.”

Special Business:

4. Increase in the Authorized Share Capital of the Company and consequential alteration to Clause V of the Memorandum of Association of the Company:

To consider and, if thought fit, to give assent or dissent, to the following resolution to be passed as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of section 13 and 61 and other applicable provisions, if any, of the Companies Act, 2013 read with relevant rules framed thereunder (“Act”, including any statutory modification(s) or re-enactment thereof from time to time), the Articles of Association of the Company and on the recommendation of the Board of Directors (“the Board”), (which term shall be deemed to include any Committee of Directors thereof which the Board may have constituted or hereafter constitute for the time being exercising the powers conferred on the Board by this resolution) of the Company, the consent of the shareholders of the Company, be and is hereby accorded for increase in the Authorized Share Capital of the Company from the existing Rs. 5,00,00,000/- (Rupees Five Crore) divided into 50,00,000 (Fifty Lakh) Equity Shares of Rs. 10/- (Rupees Ten) each to Rs. 6,00,00,000/- (Rupees Six Crore), divided into 60,00,000 (Sixty Lakh) equity shares of Rs. 10/- (Rupees Ten) each.

RESOLVED FURTHER THAT pursuant to the provisions of section 13 and 61 of the Act, the existing Clause V of the Memorandum of Association of the Company, be and is hereby deleted and in its place, the following Clause V be substituted:

The Authorized Share Capital of the Company is Rs. 6,00,00,000 (Rupees Six Crore), divided into 60,00,000 (Sixty Lakh) equity shares of Rs. 10/- (Rupees Ten) each.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deed and things including delegating powers to officers and/ or employees of the Company, as they may in their absolute discretion deem necessary or expedient in respect of

matters and things incidental or related thereto and to settle any question or doubt, to give effect to the aforesaid resolution.”

5. Issue of Bonus Shares:

To consider and, if thought fit, to give assent or dissent, to the following resolution to be passed as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 63 and other applicable provisions of the Companies Act, 2013 read with relevant rules framed thereunder, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 (“Listing Regulations”) and other applicable regulations issued by the Securities and Exchange Board of India (including any statutory modification(s) or re-enactment thereof from time to time), Article 165 of the Articles of Association of the Company and on the recommendation of the Board of Directors (“the Board”), (which term shall be deemed to include any Committee of Directors thereof which the Board may have constituted or hereafter constitute for the time being exercising the powers conferred on the Board by this resolution) of the Company, and subject to such approvals, permissions and sanctions as may be necessary and further subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed to by the Board, the consent of the shareholders of the Company, be and is hereby accorded to the Board to issue bonus equity shares, by capitalizing whole or part of the sum standing in the Securities Premium Account of the Company for the issue of 4,78,284 equity shares of Rs. 10/- (Rupees Ten) each credited as fully paid-up equity shares (hereinafter referred to as “Bonus Shares”) to the equity shareholders of the Company whose names appear in the Register of Members maintained by the Company's Registrars and Transfer Agents / List of Beneficial Owners, as received from the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), on such date as may be fixed in this regard by the Board as the record date (“Record Date”), in the proportion of 1 (One) equity share of Rs. 10/- each fully paid-up for 10 (Ten) equity share of Rs. 10/- each fully paid-up of the Company held by them on the Record Date.

RESOLVED FURTHER THAT the Bonus Shares so allotted shall rank pari passu in all respects with the existing fully paid-up equity shares of the Company except that they shall be entitled to participate only in such dividends which may be declared after the allotment of the Bonus Shares.

RESOLVED FURTHER THAT no letter of allotment shall be issued in respect of the Bonus Shares and in the case of shareholders who hold shares of the Company in dematerialized form or opt to receive the Shares in dematerialized form, the Bonus Shares shall be credited to the respective demat account of the shareholders and in the case of shareholders who hold Equity Shares in physical form, the share certificates in respect of the Bonus Shares shall be dispatched, within such time as prescribed by law and the relevant authorities.

RESOLVED FURTHER THAT the Board be and is hereby authorized to take necessary steps for listing of such shares on the Stock Exchanges where the securities of the Company are listed as per the provisions of the Listing Regulations and other applicable guidelines, rules and regulations.

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

Registered Office:

B-65 & 66, Jawahar Road No. 4,
Udhyog Nagar, Udhana,
Surat – 394210, Gujarat

Date: 12/07/2019

Place: Surat

By order of the Board Directors

Aaron Industries Limited

Ankitkumar Tank

Company Secretary

ACS No.: 46542

NOTES:-

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
2. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself, and the proxy need not be a member.
3. Proxies, in order to be effective, should be duly stamped, completed, signed and deposited at the Registered Office of the Company not less than 48 hours before the meeting. Pursuant to Section 105 of the Companies Act, 2013, a person can act as proxy on behalf of not more than fifty members holding in aggregate, not more than ten percent of the total share capital of the Company. Members holding more than ten percent of the total share capital of the Company may appoint a single person as a proxy who shall not act as a proxy for any other member. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.
4. The Register of Members and Share Transfer books of the Company will remain closed from 18th August, 2019 to 24th August, 2019 (both days inclusive).
5. The route map showing directions to reach the venue of the meeting is annexed.
6. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. Members/Proxies are requested to affix their signatures at the space provided on the attendance slip annexed to the proxy form and hand over the slip at the entrance of the meeting hall.
8. Corporate Members intending to send their authorised representatives to attend the Meeting pursuant to section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorising their representative(s) to attend and vote on their behalf at the Meeting.
9. The members, holding shares in dematerialized form may intimate any change in their addresses or bank details/mandates to their Depository Participants (DP) immediately.
10. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
11. The Notice of Annual General Meeting, along with the Attendance Slip and Proxy Form, are being sent by electronic mode to all members whose email addresses are registered with the Company/Depository Participant(s) unless a member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the aforesaid documents are being sent by the permitted mode.
12. All documents referred to in the accompanying notice and the explanatory statement shall be open for inspection at the Registered Office of the Company between 10.00 a.m. to 1.00 p.m. on all working days, except on holidays, up to and including the date of the Annual General Meeting of the Company.
13. Electronic copy of the Annual Report 2018-19 is being sent to those Members whose e-mail address is registered with the Company / Depositories for communication purpose, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail address, physical copies of the Annual Report are being sent by the permitted mode. Members may note that this Notice of AGM and Annual Report will also be available on the Company's website viz. www.aaronindustries.net.
14. To support the "Green Initiative", Members who have not registered their email addresses are requested to register the same with the Company's Registrar and Share Transfer Agent/their Depository Participants, in respect of shares held in physical/electronic mode, respectively. Copies of Annual Report will not be distributed to the members at the venue of the AGM. Members are requested to bring their copies of Annual Report at the time of Annual General Meeting.
15. Non-Resident Indian members are requested to inform the company's Registrar and Transfer Agents (M/s. Bigshare Services Pvt. Ltd.), immediately of :
 - i. Change in their Residential status on return to India for permanent settlement.
 - ii. Particulars of their Bank Account maintained in India with complete name of the Bank, branch address, account type and account number with MICR code, if not furnished earlier.
16. In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of the SEBI Listing Regulations, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by CDSL, on all the resolutions set forth in this Notice. The instructions for e-voting are given herein below. Resolution(s) passed by Members through e-voting is/are deemed to have been passed as if they have been passed at the AGM.
17. The facility for voting, through polling paper shall also be made available at the AGM and the Members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right to vote at the AGM. Poll is conducted under the supervision of the Scrutinizer appointed for e-voting and poll. Scrutinizer decision on validity of vote will be final.
18. The Chairman shall, at the meeting, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of Scrutinizer, by use of Polling Paper for all those members who are present at the meeting but have not cast their votes by availing the remote e-voting facility.
19. The Board of Directors of the Company has appointed Mr. Dhiren R. Dave, Practicing Company Secretary as a Scrutinizer, for conducting voting and poll during the Annual General Meeting and to oversee voting process.

20. The cut-off date for the purpose of remote e-voting and voting at the AGM shall be 17th August, 2019. The voting right of members shall be in proportion to their shares in the paid up equity share capital of the Company as on Cut-off date.

21. The remote e-voting period begins on Wednesday, the 21st August, 2019 at 09.00 a.m. and ends on Friday, the 23rd August, 2019 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 17th August, 2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

22. The Members who have casted their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

23. E-voting Instructions: The way to vote electronically on CDSL e-voting system are mentioned below:

- i. The shareholders should log on to the e-voting website www.evotingindia.com.
- ii. Click on Shareholders.
- iii. Now Enter your User ID
 - For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - Members holding shares in Physical Form should enter Folio Number registered with the Company.
- iv. Next enter the Image Verification as displayed and Click on Login.
- v. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- vi. If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <p>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN Field. The Sequence Number is printed on Ballot form attached herewith.</p> <p>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</p>
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.

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

- ix. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- x. Click on the EVSN for the Aaron Industries Limited.
- xi. 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.
- xii. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xiii. 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.
- xiv. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xv. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- xvi. If Demat account holder has forgotten the same password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xvii. Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store, Windows and Apple smart phones. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- xviii. Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - 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 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.
 - In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

24. General Instruction/information for Members for voting on resolutions:

- i. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 17th August, 2019, may obtain the login ID and password by sending a request at helpdesk.evoting@cdslindia.com. However, if you are already registered with CDSL for remote e-Voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/ Password" option available on www.evotingindia.com.

- ii. The Scrutinizer, after scrutinizing the votes cast at the meeting (Poll) and through remote e-voting, will, not later than forty eight (48) hours of conclusion of the Meeting, make a Consolidated Scrutinizer's report and submit the same to the Chairman or any other person authorized by him in writing who shall declare the result of the voting forthwith. The Results declared alongwith the Consolidated Scrutinizer's report shall be placed on the website of the Company
- www.aaronindustries.net and on the website of CDSL immediately after the declaration of result. The results shall also be immediately forwarded to the Stock Exchange where the equity shares of the Company are listed.
- iii. Subject to receipt of sufficient votes, the resolution(s) shall be deemed to be passed at the 6th Meeting of the Company scheduled to be held on Saturday, 24th August, 2019.

Details of Directors seeking appointment / re-appointment pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard – 2 on “General Meeting”:

Name of the Director	Mr. Karan Doshi (DIN: 06690242)
Designation/Category	Whole-time Director/Promoter
Age	33 years
Date of appointment on the Board	23/10/2013
Nationality	Indian
No. of Board Meetings attended during the Year 2018-19	11 (Eleven)
Qualification	B.E. Mechanical and Master of Science Mechanical Engineering from University of Southern California
Expertise in specific functional area	Wide managerial experience in engineering Industry
Brief Profile	Mr. Karan Doshi, belongs to Surat based business family. He has experienced in business fields for more than 7 years.
Terms and conditions of appointment or re-appointment	1. He is appointed as a Whole-time Director. 2. He will be liable to retire by rotation. 3. He will get the remuneration for his office. 4. Other terms and conditions will be applicable under mention the Appointment Letter between the Company and him.
Remuneration	Rs. 1,90,000/- per month inclusive all allowances
Shareholding in the Company	6,82,916 equity shares
Directorship in the other Entities	Nil
Membership/Chairmanship in Committees (Other than Aaron Industries Limited)	Nil
Relationship with other Director(s), Manager and KMP	He is the Son of Mr. Amar Doshi, Managing Director and Brother of Mr. Monish Doshi, CFO of the Company

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

Item No. 4 & 5:

The equity shares of the Company are listed on the National Stock Exchange of India Limited. The Board of Directors of the Company at its Meeting held on 12th July, 2019 considered and approved, subject to approval of the shareholders of the Company and any other statutory and regulatory approvals as applicable, bonus issue in the proportion of 1 (One) equity share of Rs. 10/- each fully paid-up for 10 (Ten) equity share of Rs. 10/- each fully paid-up held of the Company held by the shareholders as on the Record Date by capitalizing whole or part of sum standing in the Securities Premium Account. As on 31st March, 2019, a sum of Rs. 3,53,14,743.07/- is standing in the Securities Premium Account.

The present Authorised Share Capital of the Company is Rs. 5,00,00,000/- (Rupees Five Crore) divided into 50,00,000 (Fifty Lakh) Equity Shares of Rs. 10/- (Rupees Ten) each. Accordingly, it is necessary to increase the Authorised Share Capital to facilitate issuance of Bonus Shares and for future requirements. Hence, it is proposed to increase, the Authorised Share Capital of the Company to Rs. 6,00,00,000/- (Rupees Six Crore), divided into 60,00,000 (Sixty Lakh) equity shares of Rs. 10/- (Rupees Ten) each by creation of additional 10,00,000 (Ten lakh) Equity Shares of Rs. 10/- (Rupees Ten) each ranking pari passu in all the respect with the existing equity shares of the Company.

The increase in Authorised Share Capital as aforesaid would require consequential amendment to the existing capital clause in the Memorandum of Association of the Company.

In terms of the provisions of Sections 13 and 61 of the Companies Act, 2013, approval of the shareholders of the Company is sought by way of an ordinary resolution for increasing the Authorised Share Capital of the Company and consequential alteration to Clause V of the Memorandum of Association of the Company.

Articles 165 of the Articles of Association of the Company inter-alia, provides that the Company's reserves may be capitalized and distributed amongst the shareholders of the Company as would be entitled to receive the same if distributed by way of dividend and in the same proportion that they become entitled thereto as capital and that all or any part of such capitalised fund be applied on behalf of such shareholders in paying up in full any unissued share.

The Bonus Shares so allotted shall rank pari passu in all respects with the fully paid-up Equity Shares of the Company as on the Record Date, save and except that they shall be entitled to participate only in such dividend which may be declared after the allotment of the Bonus Shares.

None of the Directors or Key Managerial Personnel of the Company including their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution, except to the extent of the equity shares held by them in the Company.

Your Directors, therefore, recommend the passing of the resolutions mentioned in Item No. 4 & 5 as an Ordinary Resolutions.

Registered Office:
B-65 & 66, Jawahar Road No. 4,
Udhyog Nagar, Udhana,
Surat – 394210, Gujarat

Date: 12/07/2019
Place: Surat

By order of the Board Directors
Aaron Industries Limited

Ankitkumar Tank
Company Secretary
ACS No.: 46542

DIRECTORS' REPORT

To,
The Members,

Your Directors are pleased to present the 6th Annual Report of your Company together with the Audited Financial statements and Auditors' Report for the year ended on 31st March, 2019.

1) Financial Performance:-

The financial performance of the Company is summarized below:

(Amount in Rs.)

Particulars	2018-19	2017-18
Revenue from Operations	17,55,32,426.16	11,76,85,802.00
Other Income	3,44,018.40	2,18,306.37
Net Income	17,58,76,444.56	11,79,04,108.37
Profit/(Loss) Before Tax & Exceptional/Extraordinary Items	1,57,32,051.00	1,33,91,130.27
Less:		
Exceptional/Extraordinary items	0.00	0.00
Profit/(Loss) Before Tax	1,57,32,051.00	1,33,91,130.27
Less: Tax Expense :		
- Current Tax	32,38,725.00	36,48,665.00
- Deferred Tax Charge/ (Credit)	19,04,257.58	4,37,116.00
Net Profit/(Loss) After Tax	1,05,89,068.42	93,05,348.84

2) Review Of Operations:-

The Net Income of your Company for the current year was increased to Rs. 17,58,76,444.56/- as against Rs. 11,79,04,108.37/- of the previous year. Accordingly, the Company's Net Profit After Tax has been increased to Rs. 1,05,89,068.42/- for the current year as against the Net Profit After Tax of Rs. 93,05,348.84/- of the previous year.

3) Transfer To Reserves:-

During the year under review, your Directors have not proposed to transfer any amount to Reserves.

4) Dividend:-

During the year under review, your Directors have not recommended any Dividend on equity shares of the Company.

5) Deposits:-

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

6) Board Of Directors And Key Managerial Personnel:-

i. Mr. Amar Doshi, Mr. Karan Doshi, Mr. Monish Doshi, Mr. Pradeep Choksi, Mr. Hetal Mehta and Mrs. Shrungi Desai were the Directors on the Board at the beginning of financial year.

ii. There was no change in the Board during the year.

iii. As per the provisions of the Companies act, 2013, Mr. Karan Doshi, Whole-time Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible, seeks re-appointment.

iv. Pursuant to the Section 2(51) and provisions of Section 203 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Key Managerial Personnel (KMP) and

there was no change in the KMP during the year.

7) Declaration From Independent Directors :-

The Company has received necessary declaration from each Independent Directors under Section 149(7) of the Companies Act, 2013, that he/she meets the criteria of independence as laid down in Section 149(6) of the Companies Act, 2013 and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Board relies on their declaration of independence.

8) Directors' Responsibility Statement:-

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

- in the preparation of the Annual Accounts for the year ended 31st March, 2019, the applicable accounting standards have been followed and no material departures have been made for the same;
- appropriate accounting policies have been selected and applied and such judgments and estimates have been made 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, 2019 and of the profit of the Company for that period;
- proper and sufficient care have been taken for 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;
- the annual accounts have been prepared on a "going concern" basis;
- the proper internal financial controls are laid down and are adequate and operating effectively;
- the proper systems to ensure compliance with the provisions of all applicable laws have been devised and such systems were adequate and operating effectively.

9) Extract Of Annual Return:-

As provided under Section 92(3) of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014, the extract of the Annual Return in form MGT-9 is attached to this report as **Annexure - 1**.

10) Details Of Subsidiary, Joint Venture Or Associates:-

As on 31st March, 2019, your Company does not have any Joint Ventures, Subsidiaries and Associates Company.

11) Related Party Transactions:-

All related party transactions that were entered during the financial year were on the arm's length basis and were in the ordinary course of business. Details of the related party transactions made during the year are attached as **Annexure - 2** in form AOC-2 for your kind perusal and information in terms of Section 134 of the Companies Act, 2013.

A policy on the related party Transactions was framed approved by the Board and posted on the Company's website www.aaronindustries.net.

12) Meetings Of Board Of Directors:-

During the year, 13 (Thirteen) Board Meetings were held. The intervening gap between the Meetings did not exceed the period prescribed under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The details of which are as follow:

Sr. No.	Date of Meeting	Board Strength	Director's present
1	2 nd April, 2018	6	6
2	23 rd April, 2018	6	6
3	4 th May, 2018	6	6
4	28 th May, 2018	6	6
5	5 th June, 2018	6	6
6	5 th July, 2018	6	6
7	1 st August, 2018	6	6
8	29 th August, 2018	6	6
9	1 st October, 2018	6	6
10	5 th November, 2018	6	4
11	20 th February, 2019	6	5
12	18 th March, 2019	6	5
13	23 rd March, 2019	6	3

13) Committee Meetings:-

The details pertaining to the constitution and composition of the Audit Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee and meetings held during the year are provided in **Annexure - 3**.

14) Auditors:-

i. Statutory Auditor:

M/s. P. J. Desai & Co., Chartered Accountants, Surat was appointed as the Statutory Auditors of the Company at the 1st AGM of the Company to hold office until conclusion of the AGM to be held in the year 2019. Accordingly, the tenure of M/s. P. J. Desai & Co. as Statutory Auditors is expiring at the ensuing AGM. In terms of provisions of Section 139 of the Act and the Rules made thereunder, your Directors have proposed re-appointment of M/s. P. J. Desai & Co. as Statutory Auditors of the Company for another term of 5 consecutive years from conclusion of the ensuing AGM of the Company till conclusion

of the 11th AGM of the Company to be held in the year 2024, for approval of Shareholders of the Company. M/s. P. J. Desai & Co. has given consent to act as Auditors of the Company and has further confirmed that their appointment, if made, at the ensuing AGM shall be in accordance with conditions specified in the Act.

The Auditor's Reports for the Financial Year 2018-19 do not contain any qualification, reservation, adverse remark or disclaimer. Notes to Accounts and Auditors remarks in their report are self-explanatory and do not call for any further comments.

During the year under review, the Auditors had not reported any matter under Section 143(12) of the Companies Act, 2013, therefore no details is required to be disclosed under section 134(3)(ca) of the Act.

ii. Internal Auditors:

The Board of the Company has appointed M/s. VCA & Co. Chartered Accountant, Surat as Internal Auditors of the Company.

iii. Cost Auditors:

Provisions related to Cost Auditor is not applicable to the Company.

15) Particulars Of Loans, Guarantees And Investments:-

During the year under review, no loans or guarantees have been given to any person or body corporate directly or indirectly and no investments have been made by the Company under Section 186 of the Companies Act, 2013.

16) Change In The Nature Of Business:-

Earlier your Company was engaged in business of manufacturing of Elevator parts and Electrical products. Apart from that, the Company has started new business of Polishing, processing, designing and finishing of Stainless Steel Sheet at Block No. 251, Royal Industrial Park, Village- Moti Pardi, Taluka - Mangrol, Surat - 394120, Gujarat in the Year 2018-19.

17) Board Evaluation:-

The Board of Directors has carried out an annual evaluation of its own performance, Board Committees and Individual Directors pursuant to the provisions of the Companies Act, 2013 and the Corporate Governance requirements as prescribed by the SEBI Regulations.

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

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

The Board and the Nomination and Remuneration Committee reviewed the performance of the Individual Directors on the basis of the criteria such as the contribution of the Individual Director to the Board and Committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In addition, the Chairman was also evaluated on the key aspects of his role.

In a separate meeting of Independent Directors, performance of Non-Independent Directors, performance of the Board as a whole and performance of the Chairman was evaluated, taking into account the views of Executive Directors and Non-Executive Directors. The same was discussed in the Board Meeting that followed the meeting of the Independent Directors, at which the performance of the Board, its Committees and Individual Directors was also discussed. Performance evaluation of Independent Directors was done by the entire board, excluding the Independent Director being evaluated.

18) Particulars Of Conservation Of Energy, Technology Absorption And Foreign Exchange Earnings And Outgo:

The information on Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo stipulated under Section 134 (3)(m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is annexed as **Annexure - 4** and forms part of this Report.

19) Internal Financial Control System:-

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

20) Policy:-

i. Vigil Mechanism (Whistle Blower Policy):-

The Company has adopted Vigil Mechanism/Whistle Blower Policy in accordance with the provisions of Section 177 of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. It aims to provide an avenue for employees through this policy to raise their concerns on any violation of legal or regulatory requirements, suspicious fraud, misfeasance, misrepresentation of any financial statements and reports. The Vigil Mechanism/Whistle Blower Policy is being made available on the Company's website www.aaronindustries.net.

ii. Remuneration Policy:-

Pursuant to provision of Section 178(3) of the Companies Act, 2013, The Board has framed a Policy for selection, appointment and remuneration of Directors and Key Managerial Personnel including criteria for determining qualifications, positive attributes and independence of Directors. The Remuneration Policy has been uploaded on the Company's website www.aaronindustries.net.

21) Listing Of Shares:-

Your Company issued a Prospectus dated 4th August, 2018 and the basis of allotment was finalized in consultation with the National Stock Exchange of India Limited (NSE) on 29th August, 2018. The Company allotted fully paid up 12,57,000 Equity Shares of Rs. 10/- each at a price of Rs. 38/- per Share (including premium of Rs. 28/- per Share). The Equity Shares of the Company were listed and admitted to dealings on the Emerge Platform of NSE with effect from 3rd September, 2018.

22) Use Of Proceeds:-

The proceeds from the Issue of the Company vide prospectus dated 4th August, 2018 have been utilized in process of utilization for the purpose for which they were raised. There are no deviation of funds raised by IPO.

23) Listing Agreement:-

The Securities and Exchange Board of India (SEBI), on 2nd September, 2015, issued the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the aim to consolidate and streamline the provisions of the Listing Agreement for different segments of capital markets to ensure better enforceability. All listed entities are required to enter into the Listing Agreement and accordingly the Company entered into Listing Agreement with the NSE on 30th August, 2018.

24) Registrar And Share Transfer Agent:-

Your Company has appointed M/s. Bigshare Services Private Limited as its Registrar and Share Transfer Agent and executed post IPO agreement between Company and M/s. Bigshare Services Private Limited on 3rd September, 2018.

25) Human Resources:-

Your Company firmly believes that its human resources are the key enablers for the growth of the Company and important asset. Your Company continuously invests in attraction, retention and development of talent on an ongoing basis.

During the year, the Company has undertaken initiatives to reinforce a progressive work environment. The Company has held various session of Learning & Development for different employees groups.

26) Ratio Of Directors' Remuneration To Median Employees' Remuneration And Other Disclosures:-

The table containing the names and other particulars of ratio of Directors' Remuneration to Median Employees' Remuneration in accordance with the provisions of Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached to this report as **Annexure - 5**.

27) Particulars Of Employees:-

None of the employee has received remuneration exceeding the limit as stated in rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

28) Management's Discussion And Analysis Report:-

Management's Discussion and Analysis Report for the year under review, as stipulated under Regulation 34 read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is presented in a separate section forming part of this Annual Report. It provides details about the overall industry structure, economic scenarios, developments in business operations/ performance of the Company's businesses, Product Portfolio, Distribution and Marketing Activities, internal controls and their adequacy, Human Resource Development and Industrial Relations and other material developments during the financial year 2018-19.

29) Corporate Governance:-

The Company has been exempt from reporting on Corporate Governance as per Regulation 15 of the SEBI (Listing Obligation and Disclosure requirements) Regulations, 2015. Therefore, Corporate Governance Report is not provided.

30) Secretarial Auditor:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Audit Committee recommended and the Board of Directors appointed Mr. Dhiren R. Dave, Company Secretary to conduct Secretarial Audit for the Financial Year 2018-19. The Report of the Secretarial Auditors is attached as **Annexure - 6** in Form MR-3 to this Report and does not contain any qualification, reservation, adverse remark or disclaimer.

During the year under review, the Secretarial Auditor had not reported any matter under Section 143(12) of the Companies Act, 2013, therefore no details is required to be disclosed under section 134(3)(ca) of the Act.

31) CFO Certification:-

In compliance with Regulation 17(8) of the Listing Regulations, a declaration by CFO was placed before the Board, certifying the accuracy of Financial Statements and the adequacy of internal controls pertaining to Financial Reporting for the year ended 31st March, 2019 is attached herewith as per **Annexure - 7**.

32) Auditors' Certificate On Corporate Governance:-

As per Regulation 15 of the SEBI (Listing Obligation And Disclosure Requirement) Regulations, 2015, the compliance with the Corporate Governance provisions shall not apply in respect of (a) listed entity having paid up equity share capital not exceeding ten crore and net worth not exceeding rupees twenty five crore as on the last day of previous year (b) the listed entity which has listed its specified securities on the SME Exchange. Hence, Auditors' Certificate on Corporate Governance is not provided.

33) Code Of Conduct:-

Board of Directors of the Company has formulated and adopted Code of Conduct for Board of Directors and Senior Management Personnel from 10th February, 2018. During the year, Board of Directors and Senior Management Personnel has complied with general duties, rules, acts and regulations. In this regard certificate from Managing Directors as required under Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been received by the Board and the same is attached herewith as per **Annexure - 8**

Code of Conduct form Board of Directors and Senior Management Personnel is available on the Company's website www.aaronindustries.net.

34) Material Changes Between The Date Of The Board Report And End Of Financial Year:-

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

Date: 12/07/2019
Place: Surat

35) Corporate Social Responsibility [CSR]:-

The provisions of the CSR expenditure and Composition of Committee as provided in the Section 135 of the Companies Act, 2013 is not applicable to the Company.

36) Disclosures Under Sexual Harassment Of Women At Workplace (Prevention, Prohibition & Redressal) Act, 2013:-

During the year under review, no complaints were received by the Company relating to sexual harassment at workplace.

37) Risk Management Policy:-

The Company has been exempt under regulation 21 of the SEBI (Listing Obligation and Disclosure requirements) Regulations, 2015 from reporting of risk management.

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

38) Insurance:-

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

39) Significant And Material Orders Passed By The Regulators Or Courts Or Tribunals:-

During the year under review, no significant or material orders were passed by the Regulators or Courts or Tribunals which would impact the going concern status of the Company and its operations in future.

40) Appreciation:-

Your Directors take this opportunity to thank the financial institutions, Government Authorities, customers, vendors, investors of the Company and the communities in which the Company operates, for their co-operation and valuable support extended to the Company during the year.

Your Directors also wish to place on record their deep sense of appreciation for the committed services by the Company's executives, staff and workers.

For and on behalf of the Board of
Aaron Industries Limited

Amar Doshi
Chairman & Managing Director
DIN: 00856635

FORM NO. MGT – 9

Extract of Annual Return as on financial year ended on 31st March, 2019 [Pursuant to Section 92(3) of the Companies Act, 2013, and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:	
CIN	L31908GJ2013PLC077306
Registration Date	23/10/2013
Name of the Company	AARON INDUSTRIES LIMITED
Category/Sub Category of the Company	Company limited by shares/ Indian Non-Government Company
Address of the Registered Office and contact details	B-65 &66, Jawahar Road No. 4, Udhog Nagar, Udhana, Surat – 394210, Gujarat Phone: 0261-2278410, E-Mail: info1@aaronindustries.net Website: www.aaronindustries.net
Whether listed Company	Yes
Name, address and contact details of Registrar and Transfer Agent, if any	Bigshare Services Pvt. Ltd. Head Office: 1 st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai-400059, Maharashtra, Phone No.: 022 – 62638200, Fax: 022 - 62638299 Email: investor@bigshareonline.com Website: www.bigshareonline.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:			
All the Business Activities contributing 10% or more of the total turnover of the Company shall be stated:			
Sr. No.	Name & Description of Main Products/Services	NIC Code of Product/Service	% of total turnover of The Company
1	Manufacturing of Elevators parts and accessories	2816	84.79
2	Manufacturing of Electrical equipment	2710	15.15

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:				
Name & Address of the Company	CIN / GLN	Holding /Subsidiary / Associate	% of Shares held	Applicable Section
NA	-	-	-	-

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) :										
i) Category-wise Shareholding :										
Category of Shareholders	No. of Shares held at the beginning of the year (as on 01-04-2018)				No. of Shares held at the end of the year (as on 31-03-2019)				% change during the year	
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares		
A. Promoters										
(1) Indian										
a) Individual/HUF	0	1880447	1880447	100.00	3525838	0	3525838	73.72	-26.28	
b) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00	
c) State Govt.	0	0	0	0.00	0	0	0	0.00	0.00	
d) Bodies Corporates	0	0	0	0.00	0	0	0	0.00	0.00	
e) Banks/Fl	0	0	0	0.00	0	0	0	0.00	0.00	
f) Any other	0	0	0	0.00	0	0	0	0.00	0.00	
TOTAL (A) (1)	0	1880447	1880447	100.00	3525838	0	3525838	73.72	-26.28	
(2) Foreign										
a) NRI- Individuals	0	0	0	0.00	0	0	0	0.00	0.00	
b) Other Individuals	0	0	0	0.00	0	0	0	0.00	0.00	
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00	
d) Banks/Fl	0	0	0	0.00	0	0	0	0.00	0.00	
e) Any other	0	0	0	0.00	0	0	0	0.00	0.00	
TOTAL (A) (2)	0	0	0	0.00	0	0	0	0.00	0.00	
Total Shareholding of Promoter (A) = (A)(1) + (A)(2)	0	1880447	1880447	100.00	3525838	0	3525838	73.72	-26.28	

B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
b) Banks/Fl	0	0	0	0.00	0	0	0	0.00	0.00
c) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt.	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Fund	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FIs	0	0	0	0.00	0	0	0	0.00	0.00
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
TOTAL (B)(1):	0	0	0	0.00	0	0	0	0.00	0.00
(2) Non Institutions									
a) Body Corporate									
i) Indian	0	0	0	0.00	45025	0	45025	0.94	0.94
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals									
i) Individual Shareholders holding nominal share capital upto Rs.1 lakh	0	0	0	0.00	444000	0	444000	9.28	9.28
ii) Individuals Shareholders holding nominal share capital in excess of Rs. 1 lakh	0	0	0	0.00	605975	0	605975	12.67	12.67
c) Others									
i) HUF	0	0	0	0.00	30000	0	30000	0.63	0.63
i) Clearing Members	0	0	0	0.00	132000	0	132000	2.76	2.76
TOTAL (B)(2):	0	0	0	0.00	1257000	0	1257000	26.28	26.28
TOTAL PUBLIC SHAREHOLDING (B) = (B)(1) + (B)(2)	0	0	0	0.00	1257000	0	1257000	26.28	26.28
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
GRAND TOTAL (A+B+C)	0	1880447	1880447	100.00	4782838	0	4782838	100.00	0.00

ii) Shareholding of Promoters:

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01-04-2018)			Shareholding at the end of the year (As on 31-03-2019)			% change in Shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total Shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total Shares	
1	Amar Chinubhai Doshi	673588	35.82	0.00	1262978	26.41	0.00	-9.41
2	Karan Amar Doshi	364222	19.37	0.00	682916	14.28	0.00	-5.09
3	Monish Amarbhai Doshi	354706	18.86	0.00	665074	13.91	0.00	-4.96
4	Radhika Amar Doshi	282431	15.02	0.00	529558	11.07	0.00	-3.95
5	Toral Karan Doshi	25925	1.38	0.00	48609	1.02	0.00	-0.36
6	Bhoomi Monish Doshi	24805	1.32	0.00	46509	0.97	0.00	-0.35
7	Amar Chinubhai Doshi HUF	68900	3.66	0.00	129187	2.70	0.00	-0.96
8	Karan Amar Chinubhai Doshi HUF	37420	1.99	0.00	70163	1.47	0.00	-0.52
9	Monish Amarbhai Doshi HUF	48450	2.58	0.00	90844	1.90	0.00	-0.68
TOTAL		1880447	100.00	0.00	3525838	73.72	0.00	-26.28

iii) Change in Promoters' Shareholding (specify if there is no change):

Sr. No.	Promoter's Name	Shareholding at the beginning of the year (01-04-2018)		Date	Increase/ Decrease in the Shareholding	Reason	Cumulative Shareholding during the year (01-04-2018 to 31-03-2019)	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
1	Amar Chinubhai Doshi	673588	35.82	01-04-2018	-	-	673588	35.82
				05-06-2018	589390	Bonus issue	1262978	35.82
				31-03-2019	-	-	1262978	26.41
2	Karan Amar Doshi	364222	19.37	01-04-2018	-	-	364222	19.37
				05-06-2018	318694	Bonus issue	682916	19.37
				31-03-2019	-	-	682916	14.28
3	Monish Amarbhai Doshi	354706	18.86	01-04-2018	-	-	354706	18.86
				05-06-2018	310368	Bonus issue	665074	18.86
				31-03-2019	-	-	665074	13.91
4	Radhika Amar Doshi	282431	15.02	01-04-2018	-	-	282431	15.02
				05-06-2018	247127	Bonus issue	529558	15.02
				31-03-2019	-	-	529558	11.07
5	Toral Karan Doshi	25925	1.38	01-04-2018	-	-	25925	1.38
				05-06-2018	22684	Bonus issue	48609	1.38
				31-03-2019	-	-	48609	1.02
6	Bhoomi Monish Doshi	24805	1.32	01-04-2018	-	-	24805	1.32
				05-06-2018	21704	Bonus issue	46509	1.32
				31-03-2019	-	-	46509	0.97
7	Amar Chinubhai Doshi HUF	68900	3.66	01-04-2018	-	-	68900	3.66
				05-06-2018	60287	Bonus issue	129187	3.66
				31-03-2019	-	-	129187	2.70
8	Karan Amar Doshi HUF	37420	1.99	01-04-2018	-	-	37420	1.99
				05-06-2018	32743	Bonus issue	70163	1.99
				31-03-2019	-	-	70163	1.47
9	Monish Amar Doshi HUF	48450	2.58	01-04-2018	-	-	48450	2.58
				05-06-2018	42394	Bonus issue	90844	2.58
				31-03-2019	-	-	90844	1.90

iv) Shareholding pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs):

Sr. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year (01-04-2018)		Shareholding at the end of the year (As on 31-03-2019)	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	Jainam Share Consultants Pvt. Ltd	0	0.00	126000	2.63
2	Bankim Kanubhai Doshi	0	0.00	78000	1.63
3	Rupal Sandipbhai Doshi	0	0.00	63000	1.32
4	Arham Wealth Management Private Limited	0	0.00	45000	0.94
5	Apoorva Anilbhai Shah	0	0.00	44975	0.94
6	Neha Rakeshbhai Doshi	0	0.00	33000	0.69
7	Sabirkhan Basirkhan Pathan	0	0.00	33000	0.69
8	Darshil Ketan Chalisehar	0	0.00	33000	0.69
9	Sandip Chinubhai Doshi	0	0.00	30000	0.63
10	Kamini Alpeshkumar Rana	0	0.00	24000	0.50
11	Trupeshkumar Ishwarlal Patel	0	0.00	24000	0.50
12	Asit N Pandya	0	0.00	24000	0.50
13	Vishwa Manish Shah	0	0.00	21000	0.44
14	Chandrakant G Jawale	0	0.00	18000	0.38
15	Maitri Manish Shah	0	0.00	18000	0.38
16	Darshna Manish Shah	0	0.00	18000	0.38
17	Dipakbhai R Patel	0	0.00	18000	0.38

- Note: 1 The shares of the Company are traded on a daily basis on the stock exchanges and hence date wise increase/ decrease in shareholding is not provided.
2 The details of date-wise increase/decrease will be provided at the request of shareholder.

v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	For Each of the Directors & KMP	Shareholding at the beginning of the year (01-04-2018)		Date	Increase/ Decrease in the Shareholding	Reason	Cumulative Shareholding during the year (01-04-2018 to 31-03-2019)	
		No. of Shares	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
1	Amar Chinubhai Doshi (Managing Director)	673588	35.82	01-04-2018	-	-	673588	35.82
				05-06-2018	589390	Bonus issue	1262978	35.82
				31-03-2019	-	-	1262978	26.41
2	Karan Amar Doshi (Whole-time Director)	364222	19.37	01-04-2018	-	-	364222	19.37
				05-06-2018	318694	Bonus issue	682916	19.37
				31-03-2019	-	-	682916	14.28
3	Monish Amarbhai Doshi (Director & CFO)	354706	18.86	01-04-2018	-	-	354706	18.86
				05-06-2018	310368	Bonus issue	665074	18.86
				31-03-2019	-	-	665074	13.91
4	Pradeepkumar Sanmukhlal Choksi (Independent Director)	0	0.00	01-04-2018	0	-	0	0.00
				31-03-2019	0	-	0	0.00
5	Hetal Rumendrabhai Mehta (Independent Director)	0	0.00	01-04-2018	0	-	0	0.00
				31-03-2019	0	-	0	0.00
6	Shrunji Kiranbhai Desai (Independent Director)	0	0.00	01-04-2018	0	-	0	0.00
				31-03-2019	0	-	0	0.00
7	Ankitkumar Lavjibhai Tank (Company Secretary)	0	0.00	01-04-2018	0	-	0	0.00
				31-03-2019	0	-	0	0.00

V) INDEBTEDNESS :

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	79,89,413.91	19,44,547.00	0.00	99,33,958.91
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
Total (i+ii+iii)	79,89,413.91	19,44,547.00	0.00	99,33,960.91
Change in Indebtedness during the financial year				
Addition	4,40,07,947.43	0.00	0.00	4,40,07,947.43
Reduction	0.00	12,59,897.00	0.00	12,59,897.00
Net Change	4,40,07,947.43	12,59,897.00	0.00	4,27,48,050.43
Indebtedness at the end of the financial year				
i) Principal Amount	5,19,97,361.34	6,84,650.00	0.00	5,26,82,011.34
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
Total (i+ii+iii)	5,19,97,361.34	6,84,650.00	0.00	5,26,82,011.34

VI) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL :				
A. Remuneration to Managing Director, Whole-time Directors and/or Manager:				
Sr. No.	Particulars of Remuneration	Amar Doshi (Managing Director)	Karan Doshi (Whole-time Director)	Total Amount (In Rs.)
1	Gross salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961.	26,40,000.00	22,80,000.00	49,20,000.00
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	0.00	0.00	0.00
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	0.00	0.00	0.00
2	Stock option	0.00	0.00	0.00
3	Sweat Equity	0.00	0.00	0.00
4	Commission			
	- as % of profit	0.00	0.00	0.00
	- others (specify)	0.00	0.00	0.00
5	Others, please specify	0.00	0.00	0.00
	Total	26,40,000.00	22,80,000.00	49,20,000.00
	Total Managerial Remuneration(A)			49,20,000.00
	Ceiling as per the Act			60,00,000.00

B. Remuneration to other Directors:					
Sr. No.	Particulars of Remuneration	Pradeepkumar Choksi (Independent Director)	Hetal Mehta (Independent Director)	Shrunji Desai (Independent Director)	Total Amount (In Rs.)
1	Independent Directors				
	(a) Fee for attending Board Committee Meetings	0.00	0.00	0.00	0.00
	(b) Commission	0.00	0.00	0.00	0.00
	(c) Others, please specify	0.00	0.00	0.00	0.00
	Total (1)	0.00	0.00	0.00	0.00
2	Other Non-Executive Directors				
	(a) Fee for attending Board Committee Meetings	0.00	0.00	0.00	0.00
	(b) Commission	0.00	0.00	0.00	0.00
	(c) Others, please specify	0.00	0.00	0.00	0.00
	Total (2)	0.00	0.00	0.00	0.00
	Total (B)=(1+2)	0.00	0.00	0.00	0.00
	Total Managerial Remuneration (A+B)				49,80,000.00
	Overall Ceiling as per the Act				

C. Remuneration to Key Managerial Personnel other than MD/Manager/WDT:				
Sr. No.	Particulars of Remuneration	Key Managerial Personnel		Total (in Rs.)
		Ankitkumar Tank (Company Secretary)	Monish Doshi (Chief Financial Officer)	
1	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961.	3,38,150.00	23,09,750.00	26,47,900.00
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	0.00	0.00	0.00
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	0.00	0.00	0.00
2	Stock Option	0.00	0.00	0.00
3	Sweat Equity	0.00	0.00	0.00
4	Commission			
	- as % of profit	0.00	0.00	0.00
	- others, specify	0.00	0.00	0.00
5	Others, please specify	0.00	0.00	0.00
	Total	3,38,150.00	23,09,750.00	26,47,900.00

VII) PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD/NCLT/COURT]	Appeal made, if any (give details)
A. COMPANY					
Penalty					
Punishment			NIL		
Compounding					
B. DIRECTORS					
Penalty					
Punishment			NIL		
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment			NIL		
Compounding					

For and on behalf of the Board of
Aaron Industries Limited

Amar Doshi
 Chairman & Managing Director
 (DIN:00856635)

Karan Doshi
 Whole-time Director
 (DIN:06690242)

Date: 12/07/2019
 Place: Surat

ANNEXURE - 2

Form 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 arms length transactions under third proviso thereto

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

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

(a)	Name(s) of the related party and nature of relationship	Moti Industries (Director is Partner)	Chinubhai Doshi (Relative)	Super Coating (Proprietor is relative)
(b)	Nature of contracts/ arrangements/ transactions	Rent	Availing Services	Availing Services
(c)	Duration of the contracts/ arrangements/ transactions	Continuous	Current year	Current year
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any (in Rs.)	1,20,000	90,000	7,81,397
(e)	Date(s) of approval by the Board, if any:	10.02.2018	16.03.2018	05.06.2018
(f)	Amount paid as advances, if any:	Nil	Nil	Nil

Date: 12/07/2019

Place: Surat

For and on behalf of the Board of
Aaron Industries Limited

Amar Doshi
Chairman & Managing Director
DIN: 00856635

Details pertaining to the constitution and composition of the board committees

1. Audit Committee:-

The Audit Committee of the Company is constituted in accordance with the provisions of Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 177 of the Companies Act, 2013.

During the financial year 2018-19, the Audit Committee met 6 (Six) times on 4th May, 2018, 5th July, 2018, 1st October, 2018, 5th November, 2018, 20th February, 2019 and 18th March, 2019, and the gap between two meetings did not exceed one hundred and twenty days. The necessary quorum was present for all the meetings.

The details of composition of the Committee and their attendance at the meetings are given below:

Name	Designation	Category	No. of Meeting attended
Pradeepkumar Choksi	Chairman	NEID	6
Hetal Mehta	Member	NEID	5
Shrunqi Desai	Member	NEID	6

NEID: Non-Executive Independent Director

All the recommendations of the Audit Committee have been accepted by the Board of Directors.

The Chairman of the Audit Committee was present at the Annual General Meeting of the Company held on 28th May, 2018. The Minutes of all above stated meeting of the Audit Committee were noted at the Board Meeting.

2. Nomination And Remuneration Committee:-

The Nomination and Remuneration Committee (NRC) of the Company is constituted in accordance with the provisions of Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 178 of the Companies Act, 2013.

During the Financial year 2018-19, 2 (Two) meetings of the Nomination and Remuneration Committee were held on 2nd April, 2018 and 18th March, 2019.

The composition of the Committee and their attendance at the meetings are given below:

Name	Designation	Category	No. of Meeting attended
Pradeepkumar Choksi	Chairman	NEID	2
Hetal Mehta	Member	NEID	1
Shrunqi Desai	Member	NEID	2

NEID: Non-Executive Independent Director

The Chairman of the NRC was present at the Annual General Meeting of the Company held on 28th May, 2018. The Minutes of Nomination and Remuneration Committee meeting were noted at the Board Meeting.

3. Stakeholders' Relationship Committee:

The Stakeholders' Relationship Committee is constituted in accordance with the provisions of Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 178 of the Companies Act, 2013.

The broad terms of reference of the Stakeholders' Relationship Committee are as under:

- Consider and resolve the grievances of security holders of the Company including redressal of investor complaints such as transfer or credit of securities, non-receipt of dividend / notice / annual reports, etc. and all other security holders' related matters.
- Consider and approve issue of share certificates (including issue of renewed or duplicate share certificates), transfer and transmission of securities, etc.

During the Financial Year 2018-19, 1 (One) meeting of the Stakeholders' Relationship Committee was held on 18th March, 2019. Mr. Ankitkumar Tank, Company Secretary is designated as Compliance Officer of the Company.

The composition of the Committee and their attendance at the meetings are given below:

Name	Designation	Category	No. of Meeting attended
Shrunqi Desai	Chairman	NEID	1
Pradeepkumar Choksi	Member	NEID	1
Hetal Mehta	Member	NEID	0

NEID: Non-Executive Independent Director

During the year, the Company has not received any complaints from the Shareholders of the Company. There were no outstanding complaints as on 31st March, 2019.

ANNEXURE – 4

Details on conservation of energy, technology absorption, Foreign exchange earnings and outgo (Pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of The Companies (Accounts) Rules, 2014)

1) Conservation of Energy:

- i. The Company continues its efforts to reduce and optimise the use of energy consumption at its manufacturing facilities by installing hi-tech energy monitoring and conservation systems to monitor usage, minimise wastage and increase overall efficiency at every stage of power consumption. Use of LED lamps was initiated to replace CFL Bulbs and save on energy cost and conserve the same.
- ii. The energy conservation measures taken are given as under: During the year under review, the Company looked into various alternate sources of energy. The Company needs more sources of energy for the betterment of the Company.
- iii. Capital investment on energy conservation equipment: During the year under review, the Company has not installed any major equipment for energy conservation. However, the Company believes in use the electronic devices which uses low electricity, replacement of devices which consumes less electricity.

2) Technology Absorption:

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

Details of technology imported	Year of import	Whether the technology been fully absorbed
Polishing Machines & Finishing Stone	2018-19	Yes
Fiber Laser & CNC Router Machine	2018-19	Yes
CNC Laser Cutting Machine	2017-18	Yes
CNC Bending Machine	2017-18	Yes

- iv. The expenditure incurred on Research and Development: Nil.

3) Foreign Exchange Earning and Outgo:

- i. The Foreign Exchange earning in terms of actual inflows: Export of goods calculated on FOB basis during the financial year 2018-19 was Rs. 18,09,387.00.
- ii. The Foreign Exchange outgo during the year in terms of actual outflows: Foreign Exchange outgo during the financial year 2018-19 was Rs. 3,87,18,393.

Date: 12/07/2019
Place: Surat

For and on behalf of the Board of
Aaron Industries Limited

Amar Doshi
Chairman & Managing Director
DIN: 00856635

ANNEXURE - 5

RATIO OF DIRECTORS' REMUNERATION TO MEDIAN EMPLOYEES' REMUNERATION AND OTHER DISCLOSURE [Pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

- i. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year and the percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary, in the financial year:

Sr.No	Name	Designation	Ratio to median remuneration	Increase in the Remuneration (%)
1	Amar Doshi	Chairman & Managing Director	21.59	37.50
2	Karan Doshi	Whole-time Director	18.64	58.33
3	Monish Doshi	Director & CFO	18.64	58.33
4	Pradeepkumar Choksi	Independent Director	0	0.00
5	Hetal Mehta	Independent Director	0	0.00
6	Shrunji Desai	Independent Director	0	0.00
7	Ankitkumar Tank	Company Secretary	2.60	6.00

Note: The median was calculated on the Basis of annualized gross salary of the each employee.

- ii. The Percentage increase in the median remuneration of employees in the financial year 2018-19 is -12.38%.
- iii. The number of permanent employees on the rolls of Company at the end of the financial year 2018-19 is 91.
- iv. Average percentile increase already made in the salaries of the employees other than the managerial personnel in the last financial year:
The percentage increase in the salaries of employees other than Managerial Personnel in financial year 2018-19 was -12.38%. The increments given to employees are based on their potential, performance and contribution, which is benchmarked against applicable Industry norms.
- v. Affirmation, that the remuneration is as per the remuneration policy of the Company: It is here by affirmed that the remuneration is as per the remuneration policy for Directors, Key Managerial Personnel and other employees.

Date: 12/07/2019
Place: Surat

For and on behalf of the Board of
Aaron Industries Limited

Amar Doshi
Chairman & Managing Director
DIN: 00856635

Secretarial Audit Report
For the financial year ended March 31, 2019
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members
M/s AARON INDUSTRIES LIMITED
B-65 & 66, JAWAHAR ROAD NO- 4, UDHYOG NAGAR,
UDHANA, SURAT-394210, GUJARAT, INDIA

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

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31.03.2019, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by the company for the financial year ended on 31.03.2019 according to the provisions of:
 - i. The Companies Act, 2013 (the Act) and the Rules made there under;
 - ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under
 - iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under
 - iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings- Not Applicable for the year under review.
 - v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company :-
 - i) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
 - ii) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 notified with effect from May 15, 2015
 - iii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, Now, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements), 2018
 - iv) The Securities and Exchange Board of India (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 - Not Applicable for the year under review
 - v) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 – Not Applicable for the year under review
 - vi) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993
 - vii) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 – Not Applicable for the year under review
 - viii) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 – Not Applicable for the year under review.
 - ix) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 notified with effect from December 1, 2015.
 - vi. The Factories Act, 1948
 - vii. Industrial Disputes Act, 1947
 - viii. The Payment of Wages Act, 1936
 - ix. The Minimum Wages Act, 1948
 - x. Employees' State Insurance Act, 1948
 - xi. The Employees' Provident Fund and Miscellaneous Provisions Act, 1952
 - xii. The Payment of Bonus Act, 1965
 - xiii. The Payment of Gratuity Act, 1972
 - xiv. The Maternity Benefit Act, 1961
 - xv. The Child Labour (Prohibition and Regulation) Act, 1986
 - xvi. The Employees' Compensation Act, 1923
 - xvii. Equal Remuneration Act, 1976
 - xviii. And all other laws applicable to the company not mentioned hereinabove.

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

- i. Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii. Listing Agreement with Emerge Platform of NSE.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, Listing Agreements etc mentioned above.

2. I further report that:

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

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

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

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

Date: 28/05/2019

Place: Surat

DHIREN R DAVE
COMPANY SECRETARY
FCS: 4889
CP: 2496

To,
The Members
M/s AARON INDUSTRIES LIMITED
B-65 & 66, JAWAHAR ROAD NO- 4, UDHYOG NAGAR,
UDHANA, SURAT-394210, GUJARAT, INDIA

My 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. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I 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. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, I 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. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Date: 28/05/2019
Place: Surat

DHIREN R DAVE
COMPANY SECRETARY
FCS: 4889
CP: 2496

ANNEXURE - 7

CFO CERTIFICATION

To,
The Board of Directors of
Aaron Industries Limited

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

1. We have reviewed the financial statements and the cash flow statement of Aaron Industries Limited for the year ended 31st March, 2019 and that to the best of our knowledge and belief:
 - a. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2019 which are fraudulent, illegal or violative of the Company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.
4. We have indicated to the Auditors and the Audit Committee:
 - a. That there are no significant changes in internal control over financial reporting during the financial year ended 31st March, 2019;
 - b. That there are no significant changes in accounting policies during the financial year ended 31st March, 2019; and
 - c. That there are no instances of significant fraud of which we have become aware.

For and on behalf of the Board of
Aaron Industries Limited

Date: 28/05/2019
Place: Surat

Monish Doshi
Director & Chief Financial Officer

ANNEXURE - 8

Declaration regarding compliance by board members and senior management personnel with the company's code of conduct

I, Amar Doshi, Managing Director of Aaron Industries Limited hereby declares that all the Board Members and Senior Management Personnel have affirmed for the year ended 31st March, 2019 compliance with the respective Codes of Conduct laid down for them.

Date: 12/07/2019
Place: Surat

Amar Doshi
Chairman & Managing Director
DIN: 00856635

INDEPENDENT AUDITORS REPORT

To the Members of Aaron Industries Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the financial statements of Aaron Industries Limited, which comprise the balance sheet as at 31st March 2019, and the statement of profit and loss, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 2019, and its profit/loss and its cash flows for the year ended on that date.

Basis for Opinion

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.

Key Audit Matters

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

Description of Key Audit Matters

The key audit matters	How the matter was addressed in our audit
Accuracy of recognition, measurement, presentation and disclosures of elements of Post-employment Benefits: - Defined Benefit Plan and related balances as per AS 15	
<p>During the year the company has first time adopted AS-15 and complied with the requirement of recognition, measurement, presentation and disclosures of Post - employment Benefits consisting of defined benefit Plan and related balances as per AS 15. Accounting for defined benefit plans is complex because the benefit payable to employees by way of gratuity is required to be measured on the basis of actuarial assumptions. For measurement of obligation of employer under the defined benefit plan normally measurement is done using a discount rate involving a judgment and assumptions. (Refer Notes to Account 2(k).)</p> <p>We identified the reporting of various aspects of defined benefit plan as per AS 15 as KAM because</p> <ul style="list-style-type: none"> This is the first year of adoption of AS 15 fully as far as it relates to defined benefit plan. The calculation of obligation requires use of actuarial and financial assumptions. The company has not availed the services of qualified actuary but has relied on actuarial valuation done by insurance company from whom the company has bought the policy to fund the obligation. There is an inherent risk about the accuracy of the actuarial assumptions, discount rate and rate of salary escalation taken by the insurance company. Accounting for defined benefit plans is complex and requires a numbers of judgments and assumptions. 	<ul style="list-style-type: none"> We assessed the company's process of adoption of full compliance with AS 15 as far as it related to recognition, measurement, presentation and disclosures of elements of defined benefit Plan as per AS 15. We also evaluated the related internal controls for management review and approvals for the same. We read the terms of the policy document and noted the related working of calculation of gratuity benefit and the assumptions used therein. We discussed with the management the assumptions and estimates used in the calculation and their reasonableness. We evaluated the appropriateness of the disclosures made in the financial statement of the current period.

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

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

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

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

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

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 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.

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.

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

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

economic decisions of users taken on the basis of these financial statements.

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

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

- i. 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 Companies Act, 2013, 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.
- ii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- iii. 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.
- iv. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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 Companies Act, 2013, we give in the "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

- 1) 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.
- 2) 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.
- 3) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- 4) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- 5) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
- 6) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- 7) 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 did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

28th May, 2019,
Surat

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

Pallav J Desai
Partner (Membership No.- 39868)

ANNEXURE - A TO THE INDEPENDENT AUDITORS' REPORT

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

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

We have audited the internal financial controls over financial reporting of Aaron Industries Limited ("the Company") as of 31st March, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls 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 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 Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2019, 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.

28th May, 2019,
Surat

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

Pallav J Desai
Partner (Membership No.- 39868)

ANNEXURE – B TO THE INDEPENDENT AUDITORS' REPORT

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

The Annexure B referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31st March 2019, we report that:

- (i) (a) The company has maintained fixed assets records showing full particulars, including quantitative details and location of the fixed asset.
- (b) As explained to us, the company has verified the few groups of fixed assets during the year. No material discrepancies were notified on such physical verification of fixed assets.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has factory building at Kosamba for which title deeds is held in the name of company. The company has self – constructed factory building at Udhna on a land belonging to associate concerns for which the rent agreement has been entered upon.
- (ii) The company has conducted the physical verification of inventory at reasonable intervals during the year. As per information and explanations furnished to us no material discrepancies were noticed on such verification.
- (iii) The Company has not granted any loans (secured or unsecured) to companies, LLP's or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a) to (c) of the Order are not applicable to the company and hence not commented upon it.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made during the year.
- (v) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank Of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the activities carried on by the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, duty of customs, cess, employees state insurance and GST have been generally regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in

respect of applicable statutory dues were in arrears as at 31st March 2019 for a period of more than six months from the date they became payable except as stated below:

Statement of Arrears of Statutory Dues Outstanding for More than Six Months:

Name of the Statute	Nature of the Dues	Amount (Rs.)	Period to which the amount relates (FY)
Income Tax Act, 1971	TDS demand	40	2014-15 26Q3
Income Tax Act, 1971	TDS demand	8720	2014-15 26Q4
Income Tax Act, 1971	TDS demand	40	2015-16 26Q1
Income Tax Act, 1971	TDS demand	640	2017-18 26Q4
Income Tax Act, 1971	TDS demand	7900	2018-19 26Q2
Income Tax Act, 1971	TDS demand	130	2018-19 24Q4
TOTAL		17,470	

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company there are no disputed dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax which are not deposited by the company.
- (viii) The company has not defaulted in repayment of loans or borrowing to bank. The company has not availed any loan or borrowing from financial institution (other than bank), Government and has not issued any debentures, hence, comments are not required to be offered for loans or borrowings from such entities.
- (ix) During the year, the Company has raised money by way of initial public offer through SME Exchange. According to the information and opinion given to us, all of the money has been applied for the purpose for which it was raised, except Rs. 74 which remains unutilized in the IPO Escrow Account as on 31st March, 2019. The term loan money was utilized for the purpose for which it was raised
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) The managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisions of sec 1971 read with Schedule V to the Companies act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company as defined in Section 406(1) of the Companies Act, 2013. Accordingly, paragraph 3(xii) of the Order is not applicable.

- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made private placement of shares during the year and requirement of Sec 42 is not to be complied with.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non- cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and accordingly the provisions of Clause 3(xvi) of the order are not applicable to the company.

28th May, 2019,
Surat

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

Pallav J Desai
Partner (Membership No.- 39868)

BALANCE SHEET AS AT 31ST MARCH, 2019

AARON INDUSTRIES LIMITED

(in Rs.)

Particulars	Note No.	Figures as at 31-03-2019	Figures as at 31-03-2018
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	3	47828380.00	18804470.00
(b) Reserves and Surplus	4	45903811.49	16572653.07
(c) Money received against share warrants		0.00	0.00
(2) Share Application money pending allotment		0.00	0.00
(3) Non-Current Liabilities			
(a) Long-Term Borrowings	5	35497492.20	4308902.37
(b) Deferred Tax Liabilities (Net)	6	2458976.31	554718.73
(c) Other Long Term Liabilities		0.00	0.00
(d) Long Term Provisions		0.00	0.00
(4) Current Liabilities			
(a) Short-Term Borrowings	7	9023763.49	5625058.54
(b) Trade Payables	8	16091632.00	18387477.00
(c) Other Current Liabilities	9	18321426.03	4789347.76
(d) Short-Term Provisions	10	0.00	568394.00
Total Equity & Liabilities		175125481.52	69611021.47
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets	11		
(i) Gross Block		90322599.57	15739672.93
(ii) Depreciation		3260259.00	1261091.00
(iii) Net Block		87062340.57	14478581.93
(b) Long term loans and advances	12	3136744.00	530000.00
(c) Non-current investments	13	410984.00	0.00
(2) Current Assets			
(a) Inventories	14	45950120.00	33105180.00
(b) Trade receivables	15	18432834.75	15587102.75
(c) Cash and Bank Balances	16	3840205.22	86851.00
(d) Short-term loans and advances	17	417581.00	566975.00
(e) Other current assets	18	15874671.98	5256330.79
Total Assets		175125481.52	69611021.47

Significant Accounting Policies and
Other Notes Forming Parts of Accounts

(1 to 35)

For and on behalf of Board of Directors

Amar Doshi, Managing Director

Karan Doshi, Whole-time Director

Monish Doshi, Director & Chief Financial Officer

Ankitkumar Tank, Company Secretary

28th May, 2019, Surat

For P J Desai & Co.
Chartered Accountants

CA Pallav Desai
Partner
M No. 039868, FRN 102330W

28th May, 2019, Surat

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2019

AARON INDUSTRIES LIMITED

(in Rs.)

Sr.No	Particulars	Note No.	Figures for the year ended 31-03-2019	Figures for the year ended 31-03-2018
1	Revenue from operations	19	175532426.16	117685802.00
2	Other Income	20	344018.40	218306.37
3	Total Revenue (1+2)		175876444.56	117904108.37
4	Expenses:			
	Cost of materials consumed	21	112776886.22	74998438.74
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade - Increase(Decrease)	22	(1731022.00)	(4792241.00)
	Employee Benefit Expense	23	24818932.00	15760809.70
	Financial Costs	24	2862723.57	1425450.24
	Depreciation and Amortization Expense	25	2022918.00	1004670.00
	Other Expenses	26	19393955.77	16115850.42
	Total Expenses (4)		160144393.56	104512978.10
5	Profit before exceptional and extraordinary items and tax	(3-4)	15732051.00	13391130.27
6	Exceptional Items		0.00	0.00
7	Profit before extraordinary items and tax (5-6)		15732051.00	13391130.27
8	Extraordinary Items		0.00	0.00
9	Profit before tax (7-8)		15732051.00	13391130.27
10	Tax expense:			
	(1) Current tax		3238725.00	3648665.00
	(2) Deferred tax		1904257.58	437116.43
	(3) Taxation of Earlier Year		0.00	0.00
11	Profit(Loss) from the period from continuing operations	(9-10)	10589068.42	9305348.84
12	Profit/(Loss) from discontinuing operations		0.00	0.00
13	Tax expense of discounting operations		0.00	0.00
14	Profit/(Loss) from Discontinuing operations (12-13)		0.00	0.00
15	Profit/(Loss) for the period (11-14)		10589068.42	9305348.84
16	Earning per equity share:	32		
	(1) Basic		2.49	3.45
	(2) Diluted		2.49	3.45

Significant Accounting Policies and Other Notes Forming Parts of Accounts

(1 to 35)

For and on behalf of Board of Directors

Amar Doshi, Managing Director

Karan Doshi, Whole-time Director

Monish Doshi, Director & Chief Financial Officer

Ankitkumar Tank, Company Secretary

28th May, 2019, Surat

For P J Desai & Co.
Chartered Accountants

CA Pallav Desai
Partner
M No. 039868, FRN 102330W

28th May, 2019, Surat

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2019

AARON INDUSTRIES LIMITED

(in Rs.)

Particulars	Year ended on March 31, 2019	Year ended on March 31, 2018
Cash Flow from Operating Activities		
Net Profit Before Tax	15732051.00	13391130.27
Add: Depreciation	2022918.00	1004670.00
Interest/Dividend	2862723.57	1425450.24
	20617692.57	15821250.51
Less: Investment Income	344018.40	218306.37
Operating Profit before Working Capital Changes	20273674.17	15602944.14
Adjustment for Working Capital Changes		
Cash Inflow		
Increase in Trade Payable	0.00	12204350.00
Increase in Short Term provisions	0.00	543502.00
Increase in Other Current Liabilities	13532078.27	1849812.01
	13532078.27	14597664.01
Cash Outflow		
Decrease in Trade Payable	2295845.00	0.00
Decrease in Short Term provisions	568394.00	0.00
Increase in Inventories	12844940.00	18155080.00
Increase in Trade & Other Receivable	2845732.00	8630205.35
Increase in Other Current assets	10618341.19	3038568.79
	29173252.19	29823854.14
Cash From Operations	4632500.25	376754.01
Interest Paid	2862723.57	1425450.24
Direct Taxes Paid	3238725.00	3648665.00
	6101448.57	5074115.24
Net Cash Flow from Operating Activities	A	-1468948.32
Cash Flow from Investing Activities		
Net Purchases of Fixed Assets	-74606676.64	-14271023.93
Increase in Other Non Current Investments	-410984.00	0.00
Increase in Long term Loans & Advances	-2606744.00	-510000.00
Increase in Short term Loans & Advances	149394.00	-557334.00
Cash Inflow Interest Income	344018.40	218306.37
Net Cash Used in Investing Activities	B	-77130992.24
Cash Flow from financing Activities		
Cash inflow increase/(decrease) in Long Term Borrowings	31188589.83	-6129302.63
Cash inflow from Increase in Short Term Borrowing	3398704.95	2691004.42
Cash flow from issue of share capital	29023910.00	16920890.00
Increase in Reserve & Surplus	18742090.00	6230580.00
Net Cash inflow from Financing Activities	C	82353294.78
Net Cash Changes	3753354.22	-104241.00
Cash and Bank Opening	86851.00	191092.00
Cash and Bank Closing	3840205.22	86851.00

Note: The Cashflow Statement has been prepared as per indirect method as notified in Accounting Standard 3

For and on behalf of Board of Directors

Amar Doshi, Managing Director

Karan Doshi, Whole-time Director

Monish Doshi, Director & Chief Financial Officer

Ankitkumar Tank, Company Secretary

28th May, 2019, Surat

For P J Desai & Co.
Chartered Accountants

CA Pallav Desai
Partner
M No. 039868, FRN 102330W

28th May, 2019, Surat

NOTES ON ACCOUNTING:

1) Corporate Information:-

Aaron Industries Limited ("The Company") is a public Company incorporated under the provisions of the Companies Act, 1956. The registered office of the Company is located at B-65 & 66, Jawahar Road No. 4, Udhyog Nagar, Udhna, Surat – 394210, Gujarat. The Company is primarily engaged in the manufacturing activities of Elevator parts and Electrical products. The Company has also started new business line of polishing, processing, designing and finishing of Stainless Steel Sheets. The shares of the Company is listed on emerge platform of the National Stock Exchange of India Limited.

2) Significant Accounting Policies:-

a) Basis of preparation of financial statement (AS-1):

These financial statements have been prepared to comply with Generally accepted Accounting Principles in India (Indian GAAP), including the Accounting Standards notified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. The financial statements are prepared under the historical cost basis. All expenses and income to the extent considered payable and receivable, respectively. Accounting Policies not specifically referred to otherwise, are consistent and in consonance with generally accepted Accounting Principles.

b) Use of estimates:

The preparation of financial statements in conformity with Indian GAAP requires judgments, estimates and assumptions to be made that affect the reported amount of Assets & Liabilities, disclosure of Contingent Liabilities on the date of Financial Statements and the reported amount of Expenses and Income during the reporting period. Difference between the estimates and actual results are recognized in the period in which the results are known /materialize.

c) Revenue Recognition (AS-9):

Revenue is recognized only when it can be reliably measured and it is reasonable to expect ultimate collection.

Sales of goods: Sales are recognized when substantial risks and rewards of ownership in the goods transferred to the buyer, usually on delivery of the goods. Revenue from operations includes sale of goods, adjustment for discounts (net) and taxes.

Other Income: Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.

d) Property, Plant and Equipment (AS-10):

Tangible Fixed assets (Except Land) are stated at cost of acquisition less accumulated depreciation and any accumulated impairment losses. Cost comprises of the purchase price, net changes on foreign exchange contracts, adjustments arising from exchange rate variations attributable and attributable cost of bringing the asset to working condition for its intended use.

e) Intangible Fixed Assets (AS-26):

Intangible fixed assets are stated at cost of acquisition less accumulated amortisation and any accumulated impairment losses, if any. The cost comprises its purchase price and any cost, duties and taxes (other than those recovered by the enterprise) directly

attributable to bringing the asset to its working condition for its intended use.

f) Depreciation and Amortization:

The depreciation and amortization on fixed asset is provided on S.L.M. in the books of accounts at the rates based on the useful life prescribed as per Sch. II to the companies act, 2013. The residual value and the useful life has been reviewed by the management during the year.

g) Purchases:

Purchases are net of rebate/special discounts, GST credits and goods returned.

h) Investments (AS-13):

Investments are classified into current and non-current investments. Current investments are stated at the lower of cost or fair value determined on individual investment basis. Non-current investments are stated at cost.

i) Borrowing Cost (AS-16):

Borrowing costs that are attributable to the acquisition, construction or production of qualifying asset are capitalized as part of cost of such asset till such time as the asset is ready for its intended use. A qualifying asset is an asset that requires a substantial period of time to get ready for its intended use. All other borrowing costs are recognized as expense in the statement of profit & loss in the period in which they are incurred.

j) Inventories Valuation (AS-2):

Cost of inventories comprise of cost of purchase, cost of conversion and appropriate portion of variable and fixed proportion overheads and such other costs incurred in bringing them to their respective present location and condition. Fixed production overheads are based on normal capacity of production facilities.

- Raw Material is valued at cost or Net Realizable Value whichever is less. The cost is determined mostly on FIFO basis.
- WIP valued at cost of production, depending upon its level of completion.
- Finished Goods valued at Cost of Production or Net Realizable Value whichever is less.

k) Employee Benefits (AS-15):

- Retirement benefits in the form of Provident Fund, which are defined contribution plans, are accounted for on accrual basis and charged to the Statement of Profit & Loss of the year.
- The benefit in the form of Leave Encashment is a non accumulating short term compensated absences. It is accounted in the year when absences occur and charged to Statement of Profit & Loss of the year.
- Retirement benefits in the form of Gratuity, which is define benefit plan, is determined every year as employees render the service. The company has in the current year adopted fully the accounting standard 15 so far as it is related to recognition, measurement, presentation and disclosures of Post-employment Benefits consisting of defined benefit Plan covering the gratuity payable to employees on their retirement except some disclosures relating to sensitivity analysis.

The company has obtained a LIC Policy from LIC to fund the obligation under the Plan. The Company has relied on the actuarial valuation done by LIC for the purpose of recognition,

measurement, presentation and disclosures of its obligation under defined benefit plan for gratuity Expense. However, the company has not availed the service of an Independent actuary for valuation under post employment benefit plan.

The following tables summarize the components of net benefit expense recognized in the Statement of Profit & Loss and the funded status and amounts recognized in the Balance Sheet for the Gratuity Plan:

Employee benefit obligation consists of the following:

i. Employee benefit obligation – Non Current

Particulars	As at 31 st March 2019	As at 31 st March 2018
Defined Benefit Obligation	11,79,549	4,12,530

ii. Change in benefit obligation:

Particular	As at 31 st March 2019	As at 31 st March 2018
Benefit obligations, beginning of the year	4,12,530	-
Current service cost	4,22,358	-
Interest cost	-	-
Benefits paid	-	-
Past Service Cost	3,44,661	4,12,530
Benefit obligation, end of the year	11,79,549	4,12,530

iii. Change in plan assets:

Particulars	As at 31 st March 2019	As at 31 st March 2018
Fair value of plan assets, beginning of the year	-	-
Interest income	29,609	-
Actuarial (gains)/ losses	-	-
Employer's contributions (net of charges)	3,81,375	-
Benefits paid	-	-
Fair Value of plan assets, end of the year	4,10,984	-

iv. Funded Status:

Particulars	As at 31 st March 2019	As at 31 st March 2018
Present Value of funded defined benefit obligation	11,79,549	4,12,530
Fair value of plan assets	4,10,984	-
Deficit of plan assets over obligations	7,68,565	4,12,530

v. Category of the plan assets:

Particulars	As at 31 st March 2019	As at 31 st March 2018
Managed by insurer (LIC of India) – 100%	4,10,984	-

vi. The principal assumptions used in accounting for the DBO are set out below:

Particulars	As at 31 st March, 2019
Mortality	LIC (2006-08) (Ultimate)
Withdrawal Rate	1% to 3% depending on age
Discount Rate (%)	7.50% p.a.
Salary escalation rate (%)	7.00% p.a.
Rate of Return on Plan Assets (%)	7.59% p.a.

The significant actuarial assumptions for the determination of the defined benefit obligations are discount rate and expected salary increase. The data relating to sensitivity analysis is not available as it is the first year of compliance and the actuarial valuation from independent actuary is still to be done.

l) Accounting for Taxes on income (AS-22):

Company has followed accounting standard AS 22 for determination of tax expense in the accounts. Tax provision for current tax is made for income tax, based on the tax liability computed, after considering tax allowances and exemptions. For deferred tax the relevant information is stated at note no. 6.1 to balance sheet.

m) Provisions, Contingent Liabilities and Contingent Assets (AS-29):

Provision is recognized in the accounts when there is a present obligation as a result of past event(s) and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Contingent Liabilities and contingent assets are not recognized in the financial statements.

n) Foreign Currency Transactions (AS-11):

- i. Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction
- ii. Monetary items denominated in foreign currency at the end of year are reported using the closing rate.
- iii. on monetary foreign currency items are carried at cost using the exchange rate at the date of transaction.
- iv. Any Gain or Loss on account of exchange difference either on settlement or on translation is recognized in the Statement of Profit & Loss except in case they relate to acquisition of fixed assets, they are adjusted to the carrying cost of such assets.

o) Segment (AS-17):

The Company is engaged in the manufacturing activities of Elevator parts and Electrical products. The Company has also started new business line of polishing, processing, designing and finishing of Stainless Steel Sheets. Segment Revenue, Segment Expenses, Segment Assets & Segment Liabilities have been identified to the segments on the basis of their relationship to the operating activities of the segment. The Revenue, Expenses, Assets & Liabilities which are not allocable to segments, have been included under "Unallocated Revenue, Expenses, Assets & Liabilities."

i. Primary Segment:

Based on the following guiding principles given in the Accounting Standard-17 "Segment Reporting" issued by The Institute of Chartered Accountants of India, the Company's primary segments are Elevators, Electrical and Steel Polishing.

Revenue and Expenses have been accounted for based on the basis of their relationship to the operating activities of the segments.

Revenue and Expenses, which relates to the enterprise as a whole and are not allocable to the segments on a reasonable

basis, have been included in under "Un-allocable Expenses & Revenue".

Assets and Liabilities, which relates to the enterprise as a whole and are not allocable to the segments on a reasonable basis, have been included in under "Un-allocable Assets / Liabilities".

The segment data for F.Y. 2017-18 is not available as the AS-17, Segment reporting was not applicable to the company in F.Y. 2017-18.

ii. Segment revenue and results:

Description	Elevator		Electric		Steel Polishing		Unallocated		Total	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
Segment Revenue										
a. External Sales	149350132	-	26081244	-	101051	-	0	-	175532426	-
b. Internal Segmental Sales	0	-	0	-	0	-	0	-	0	-
Sales	149350132	-	26081244	-	101051	-	-	-	175532426	-
Segment Result										
Profit before Interest and Taxes	72618049	-	11406079	-	-1668801	-	-64890245	-	17465081	-
Less: Interest expenses	148472	-	0	-	493861	-	1434716	-	2077049	-
Add: Other Income	51836	-	0	-	0	-	22103	-	73939	-
Add: Gain on sale of investment	0	-	0	-	0	-	138988	-	138988	-
Add: Interest Income	0	-	0	-	0	-	131091	-	131091	-
Profit before Taxes	72521413	-	11406079	-	-2162662	-	-66032778	-	15732051	-
Current Tax	-	-	-	-	-	-	3238725	-	3238725	-
Deferred Tax	-	-	-	-	-	-	1904258	-	1904258	-
Provision for Taxes of earlier year	-	-	-	-	-	-	0	-	0	-
Net Profit After Taxes	72521413	-	11406079	-	-2162662	-	-71175761	-	10589068	-
Other Information:										
Segment Assets	56822677	-	7102681	-	86098476	-	25101648	-	175125482	-
Segment Liabilities	13940576	-	280685	-	40135764	-	27036265	-	81393290	-
Capital Expenditure	0	-	0	-	72946282	-	1661645	-	74607927	-
Depreciation	0	-	0	-	788152	-	1234766	-	2022918	-

Note :- The segment data for FY 2017-18 is not available as the AS-17, Segment Reporting was not applicable to the company in F.Y. 2017-18.

Note : 3 Share Capital		
Particulars	As at 31-03-2019	As at 31-03-2018
AUTHORIZED CAPITAL		
5000000 (4000000) Equity Shares of Rs. 10/- each.	50000000.00	40000000.00
	50000000.00	40000000.00
ISSUED, SUBSCRIBED & PAID UP CAPITAL		
SHARE CAPITAL A/C	47828380.00	18804470.00
4782838 (1880447) Equity Shares of Rs. 10/- each.		
Total	47828380.00	18804470.00

Note : 3.1 Reconciliation of equity shares				
Particulars	As at 31-03-2019		As at 31-03-2018	
	Authorized Capital	Issued/ paid up Capital	Authorized Capital	Issued/ paid up Capital
Opening Balance of Number of Shares	4000000	1880447	200000	188358
Addition during the year	1000000	2902391	3800000	1692089
Deduction During the year	0	0	0	0
Closing Balance of Number of Shares	5000000	4782838	4000000	1880447

Note : 3.2 List of shareholder holding share more than 5 % of total shareholding				
Name	As at 31-03-2019		As at 31-03-2018	
	No. of Shares	% of Shares Holding	No. of Shares	% of Shares Holding
Amar C Doshi	1262978	26.41	673588	35.82
Karan A Doshi	682916	14.28	364222	19.37
Monish A Doshi	665074	13.91	354706	18.86
Radhika R. Doshi	529558	11.07	282431	15.02
Total	3140526	65.66	1674947	89.07

Note : 3.3 There has been an increase in Authorized share capital to Rs. 50000000 divided into 5000000 equity shares of Rs. 10 each by creation of additional 1000000 equity shares of Rs 10/- each ranking pari passu in all the respect with the existing equity shares of the Company.

Note : 3.4 The company has issued and allotted 1645391 aggregate number of shares on 05-06-2018 as fully paid up by way of bonus shares in the ratio of 7 equity shares for every 8 existing equity shares by capitalising part of Securities Premium account and Reserves and surplus account.

Note : 3.5 The company has issued and allotted 1257000 aggregate number of shares as fully paid up through IPO on 29-08-2018 at a price of Rs. 38 and has received the share capital Rs. 477.66 Lacs (including Rs. 351.96 as securities premium).

Note : 3.6 The company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share.

Note : 4 Reserve & Surplus			
Sr. No	Particulars	As at 31-03-2019	As at 31-03-2018
1	Capital Reserve	0.00	0.00
2	Capital Redemption Reserve	0.00	0.00
3	Securities Premium reserve		
	Opening Balance (Balance brought forward from previous year)	7267304.23	138518.00
	Add:- Shares issued for premium	35196000.00	7172370.00
	Less : Bonus Shares	7148561.16	43583.77
	Closing Balance	35314743.07	7267304.23
4	Debenture Redemption Reserve	0.00	0.00
5	Revaluation Reserve	0.00	0.00
6	Shares Option Outstanding Account	0.00	0.00
	Closing Balance	35314743.07	7267304.23

Particulars	As at 31-03-2019	As at 31-03-2018
Profit & Loss Account		
Opening Balance (Balance brought forward from previous year)	9305348.84	898206.23
Less : Bonus Shares	9305348.84	898206.23
Add : Profit for the period	10589068.42	9305348.84
Closing Balance	10589068.42	9305348.84
Total	45903811.49	16572653.07

Note : 5 Long Term Borrowings			
Sr. No	Particulars	As at 31-03-2019	As at 31-03-2018
Term Loan Secured			
From Bank			
1	HDFC MACHINERY LOAN - 82447535	1717242.76	2364355.37
2	HDFC CONSTRUCTION T/L- 83558395	8031389.64	0.00
3	HDFC MACHINERY LOAN - 83610279	7808111.86	0.00
4	HDFC MACHINERY LOAN - 83222410	15998440.56	0.00
5	HDFC BANK - CAR LOAN 58296181	1257657.38	0.00
Loan and Advances UnSecured From Directors			
	AMARBHAI C DOSHI	149156.00	910467.00
	KARAN A DOSHI	474140.00	670364.00
	MONISH A DOSHI	61354.00	363716.00
Total		35497492.20	4308902.37

Note : 5.1 (i) The Machinery Term Loan (Account No.- 82447535) of Rs. 1717242.76 is repayable in 56 monthly installments along with interest @ 9.95% p.a.

- Note : 5.1 (ii)** The Machinery Term Loan (Account No. - 83558395) of Rs. 8031389.64 is repayable in 60 monthly installments along with interest @ 9.95% p.a.
- Note : 5.1 (iii)** The Machinery Term Loan (Account No. - 83610279) of Rs. 7808111.86 is repayable in 60 monthly installments along with interest @ 9.95% p.a.
- Note : 5.1 (iv)** The Machinery Term Loan (Account No. - 83222410) of Rs. 15998440.56 is repayable in 60 monthly installments along with interest @ 9.95% p.a.
- Note : 5.1 (v)** The company has availed a non-fund credit limit as Letter of credit facility of Rs. 1.35 crore for purchase of Raw material, which is not matured as on 31-03-2019.

All the above 5.1 i) to v) borrowings are secured primarily by a) personal guarantee of promoter directors, associate firms and their partners, b) factory Building Plot No. B-65 and 66 at Udhna, Surat owned by associate concerns and Factory Building Block No. 251, Mangrol, Kosamba owned by company, c) Fixed Deposit for Letter of credit, d) Other Current Asset for Letter of Credit, e) Stock and Debtors, f) Plant and Machinery @ 25%.

- Note : 5.1 (vi)** The Car Loan (Account No. -58296181) of Rs. 1257657.38 is secured by hypothecation of vehicle. The loan is repayable in 60 monthly installments alongwith interest @ 9%p.a.

Note : 6 Deferred Tax Liability

Particulars	As at 31-03-2019	As at 31-03-2018
DEFERRED TAX LIABILITIES	2458976.31	554718.73
Total	2458976.31	554718.73

- Note : 6.1** As required by the Accounting Standard AS 22 Accounting for Taxes on Income issued by Institute of Chartered Accountants of India, the relevant details are as under.
- A.
- The opening balance of DTL is Rs. 554718.73
 - During the year DTL of Rs. 19,61,595 (gross) is recognised due to originating Timing diff between accounting and Tax Depreciation. The DTA of Rs. 57,337 (gross) is recognised as difference between period over which Preliminary expenses is written off in books as compared to period over which it is claimed u/s 35D under Income Tax Act, 1961.
 - Net deferred Tax liability as on 31-03-2019 after set off of DTA of Rs. 57337.42 works out to Rs. 2458976.31
- B. Net DTL of Rs 2458976.31 comprises of the following items.
DTL Rs. 2516313.73 representing difference between accounting and tax depreciation. DTA Rs. 57337.42 represents difference between preliminary expense written off in Books and as claimed as expenses qualifying under section 35D of the Income Tax Act.

Note : 7 Short Term Borrowings

Particulars	As at 31-03-2019	As at 31-03-2018
Secured		
HDFC BANK	9023763.49	5625058.54
Total	9023763.49	5625058.54

- Note : 7.1** The company has been sanctioned a CC limit of Rs. 2.5 crores from HDFC bank and is secured primarily by a) personal guarantee of promoter directors, associate firms and their partners, b) factory Building Plot No. B-65 and 66 at Udhna, Surat owned by associate concerns and Factory Building Block No. 251, Mangrol, Kosamba owned by company, c) Fixed Deposit for Letter of credit, d) Other Current Asset for Letter of Credit, e) Stock and Debtors, f) Plant and Machinery @ 25%.

Note : 8 Trades Payable

Particulars	As at 31-03-2019	As at 31-03-2018
Sundry Creditors		
Total outstanding dues of Micro and Small Enterprise Total	8431817.00	0.00
outstanding dues of creditors other than Micro and Small Enterprise	7659815.00	18387477.00
Total	16091632.00	18387477.00

- Note : 8.1** For FY 2018-19, dues to Micro and Small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management. (Refer Notes on Accounts 34)

For FY 2017-18, the company was in process of identifying MSME units amongst it's creditors and the relevant information was not ascertainable and classified accordingly.

Note : 9 Other Current Liabilities		
Particulars	As at 31-03-2019	As at 31-03-2018
Employee Related		
O/S SALARY EXPENSE	1040008.00	516892.00
GRATUITY	1179549.00	412530.00
TRUPESH I PATEL –SARAFI	0.00	130.00
SATISH S SINGH – SARAFI	2040.00	0.00
LEAVE SALARY PAYABLE A/C	97149.00	140618.00
O/S PROFESSIONAL TAX	14790.00	11260.00
BONUS PAYABLE	354911.00	0.00
O/S PROVIDAND FUND A/C	180805.00	116228.00
O/S ESI EXPENSE	63805.00	49539.00
O/S FAMILY PENSION FUND	0.00	35521.00
Other Payable		
TDS PAYABLE A/C	231323.00	22236.00
C - FORM DEPOSIT FUND	67355.00	67355.00
C FORM DEPOSIT 2015-16	27179.00	2204.00
C FORM DEPOSIT 2017-18	277006.00	280097.00
C FORM DEPOSIT 2016-17	205331.00	201886.00
IGST PAYABLE	1275833.73	485339.00
Term Loan Secured (Current Part)		
HDFC MACHINERY LOAN - 82447535	667012.60	603189.61
HDFC BANK - CAR LOAN 58296181	315842.88	0.00
HDFC CONSTRUCTION T/L- 83558395	1668998.44	0.00
HDFC MACHINERY LOAN - 83610279	1536621.43	0.00
HDFC MACHINERY LOAN – 83222410	3972280.30	0.00
Advance from customer	5143585.65	1844323.15
Total	18321426.03	4789347.76

Note : 10 Short Term Provisions		
Particulars	As at 31-03-2019	As at 31-03-2018
Others		
TAX PAYABLE	0.00	568394.00
Total	0.00	568394.00

Sr. No. Particulars	Gross Block				Depreciation			Net Block		
	Value at the beginning as on 01/04/2018	Addition during the year	Deduction during the year	Value at the end as on 31/03/2019	Value at the beginning as on 01/04/2018	Addition during the year	Deduction during the year	Value at the end as on 31/03/2019	WDV as on 31/03/2019	WDV as on 31/03/2018
I Tangible Assets										
LAND	0.00	5295250.00	0.00	5295250.00	0.00	0.00	0.00	0.00	5295250.00	0.00
FACTORY BUILDING	182230.00	29865549.88	0.00	30047779.88	17090.00	234297.00	0.00	251387.00	29796392.88	165140.00
COMPUTER	30160.00	247539.75	0.00	277699.75	1492.00	50424.00	0.00	51916.00	225783.75	28668.00
COMPUTER A/C (NEW)	184828.25	0.00	0.00	184828.25	26037.00	53141.00	0.00	79178.00	105650.25	158791.25
LAPTOP	25000.00	0.00	25000.00	0.00	23750.00	0.00	23750.00	0.00	0.00	1250.00
PRINTER	0.00	12627.12	0.00	12627.12	0.00	404.00	0.00	404.00	12223.12	0.00
ELECTRICAL INSTALLATION	0.00	3966278.17	0.00	3966278.17	0.00	95974.00	0.00	95974.00	3870304.17	0.00
FURNITURE AND FITTINGS	135836.00	35520.00	0.00	171356.00	65446.00	9795.00	0.00	75241.00	96115.00	70390.00
MOTOR CAR	0.00	2402759.00	0.00	2402759.00	0.00	214541.00	0.00	214541.00	2188218.00	0.00
VEHICLE	1643362.00	71000.00	0.00	1714362.00	224656.00	147101.00	0.00	371757.00	1342605.00	1418706.00
OFFICE EQUIPMENT PLANT &	11437.00	23300.00	0.00	34737.00	2224.00	5107.00	0.00	7331.00	27406.00	9213.00
MACHINERY	13078009.68	32688102.72	0.00	45766112.40	806802.00	1122391.00	0.00	1929193.00	43836919.40	12271207.68
SUB TOTAL (A)	15290862.93	74607926.64	25000.00	89873789.57	1167497.00	1933175.00	23750.00	3076922.00	86796867.57	14123365.93
Intangible Assets										
II COMPUTER SOFTWARES	18000.00	0.00	0.00	18000.00	523.00	3604.00	0.00	4127.00	13873.00	17477.00
SOFTWARE	430810.00	0.00	0.00	430810.00	93071.00	86139.00	0.00	179210.00	251600.00	337739.00
SUB TOTAL (B)	448810.00	0.00	0.00	448810.00	93594.00	89743.00	0.00	183337.00	265473.00	355216.00
III Capital Work-in-progress Building Under Construction	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
SUB TOTAL (C)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
IV Intangible Assets Under Development	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
SUB TOTAL (D)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total [A + B + C + D] (Current Year)	15739672.93	74607926.64	25000.00	90322599.57	1261091.00	2022918.00	23750.00	3260259.00	87062340.57	14478581.93
(Previous Year)	1468649.00	14271023.93	0.00	15739672.93	256421.00	1004670.00	0.00	1261091.00	14478581.93	

Note :12 Long Term Loans & Advances

Particulars	As at 31-03-2019	As at 31-03-2018
CST DEPOSIT A/C	0.00	10000.00
DEPOSIT - NEWTURN (CAR LIFTS)	500000.00	500000.00
VAT DEPOSIT A/C	0.00	10000.00
DGVCL DEPOSIT A/C KOSAMBA	2098834.00	0.00
GUJARAT GAS LIMITED DEPOSIT	50250.00	0.00
NATIONAL STOCK EXCHANGE OF INDIA LIMITED – DEPOSIT	477660.00	0.00
AKSHAR INDUSTRIAL GASES-DEPOSITE	10000.00	10000.00
Total	3136744.00	530000.00

Note : 13 Non Current Investment

Particulars	As at 31-03-2019	As at 31-03-2018
PLANNED ASSET	410984.00	0.00
Total	410984.00	0.00

Note : 14 Inventories

Particulars	As at 31-03-2019	As at 31-03-2018
Raw Material	30081127.00	15113852.00
Ready Goods	11874272.00	14091582.00
Semi Processed Goods	3652591.00	3508858.00
Packing material	342130.00	390888.00
Total	45950120.00	33105180.00

Note : 15 Trade Receivables

Particulars	As at 31-03-2019	As at 31-03-2018
Outstanding for more than six months		
a) Unsecured, Considered Good	2636444.50	1540182.00
Others		
a) Unsecured, Considered Good	15796390.25	14046920.75
Total	18432834.75	15587102.75

Note : 15.1 Trade Receivables shown above is treated as Current Asset as we are informed that the same are likely to be realized within one year from the reporting date.

Note : 16 Cash and Bank Balances

Particulars	As at 31-03-2019	As at 31-03-2018
Cash and Cash Equivalents		
1 Cash-in-Hand		
CASH	7740.00	70182.00
	7740.00	70182.00
2 a) Bank Balance with Scheduled Bank		
Current Account		
INDIAN BANK	18687.00	16669.00
b) Bank Balance with Other Bank		
Current Account		
HDFC BANK ESCREW IPO A/C	74.00	0.00
HDFC BANK ESCREW 50100238216264	454204.22	0.00
c) Fixed Deposit		
HDFC LC DEPOSIT - 25% MARGIN MONEY	3359500.00	0.00
	3832465.22	16669.00
Total	3840205.22	86851.00

Note : 16.1 LC Deposit - Margin Money Rs. 3359500 shown above is treated as Cash and Bank Balance as we are informed that the same are likely to be realized within 3 months from the reporting date.

Note : 17 Short Terms Loans and Advances		
Particulars	As at 31-03-2019	As at 31-03-2018
To employees (Unseured, Considered good)	417581.00	566975.00
Total	417581.00	566975.00

Note : 17.1 Short term Loans and Advances shown above is treated as Current Asset as we are informed that the same are likely to be realized within one year from the reporting date.

Note : 18 Other Current Assets		
Particulars	As at 31-03-2019	As at 31-03-2018
KORMAS ELECTIRIKLI MOTOR SAN VE TIC	537687.20	0.00
MATHUR VALLABHBHAI PANCHAL	0.00	95.00
R KRISHNA INTERNATIONAL	30629.86	0.00
FOSHAN JILI JIA MACHINERY CO.,LTD.	0.00	2481840.00
IGST CREDIT AGAINST EXPORT	661781.00	1193075.00
JIO DIGITAL LIFE	2553.00	5964.00
NATIONAL SECURITIES DEPOSITORY LIMITED	25600.00	10620.00
GST CREDIT	115422.06	73357.06
REVERSE CHARGES - URD	0.00	23895.50
SHANTI SOFTWARES	0.00	24780.00
SHREEJI AUTOMART PVT LTD	0.00	50000.00
TDS PAID 94J	0.00	9688.00
VIRGO PUBLICATIONS	10000.00	10000.00
IN PUT @ CGST	937986.68	0.00
IN PUT @ SGST	665619.68	0.00
CUSTOM DUTY PAYABLE A/C	90844.96	0.00
PRAKASH S SHAH	10000.00	0.00
AMBUJA CEMENT LIMITED	4000.00	0.00
CONTAXIVE	34000.00	0.00
GRETEX CORPORATE SERVICE PVT LTD	120510.00	0.00
IMROS FABRICATION	70000.00	0.00
NATIONAL STOCK EXCHANGE OF INDIA LTD	3500.00	0.00
RMS INDUSTRIES	433650.00	0.00
SARAS MICRON TOOLS (P) Ltd	27555.00	0.00
XIANG TAN LONGSHING TECHNOLOGY TRADING CO. LTD	5395361.00	0.00
BAHRU STAINLESS SDN BHD	2938177.60	0.00
CIXI CITY HONGFENG ELEVATOR FITTINGS CO. LTD	321728.40	0.00
C P MEHTA AND SONS INTERNATIONAL	1569.00	0.00
DARSHNA STATIONERY	445.00	0.00
PREM ELECTRICAL INDUSTRIES	3898.00	0.00
SUZHOU MONADRIVE EQUIPMENT CO. LTD	271392.90	0.00
CENTRAL DEPOSITORY SERVICES (INDIA)LIMITED	1101.00	26255.00
IPO EXPENSE FUND A/C	1190703.41	0.00
IT REFUND	903160.00	0.00
MAHENDRAKUMAR PANDYA - KOSMBA LAND	0.00	500000.00
PROJECT ADVANCE INTEREST EXPENSE	146374.00	0.00
ACCURAL INTEREST- LC	18042.00	0.00
FIX DEPOSIT IN LAXMI VILAS BANK	838398.97	838398.97
ACCURAL INTEREST- LAXMI VILAS BANK	62981.26	8362.26
Total	15874671.98	5256330.79

Note : 18.1 The above capital advances and Balances with Government Authorities shown is treated as Current Asset as we are informed that the same are likely to be realized and adjusted within one year from the reporting date.

Note : 19 Revenue from Operations			
Particulars		Year ended 31-03-2019	Year ended 31-03-2018
Sales of Product			
SALES A/C - TOTAL		175532426.16	117685802.00
Details of Sales			
Gross	206289651 (Pre.Yr. 140671737)		
Duties	30747025 (Pre.Yr. 22985935)		
Net	175542626 (Pre. Yr. 117685802)		
Total		175532426.16	117685802.00

Product wise Sales Details			
Sr. No	Particulars	Value	Value
1	Manufacturing		
	(A) Elevator parts & Accessories :-		
	Elevators	0.00	7736694.00
	Elevator Doors	79349206.00	28869349.00
	Elevator Kits	12242159.00	6003808.00
	Elevators Cabin	38257518.00	34256922.00
	Complete Set	0.00	27686731.00
	Other	1393561.00	1374349.00
	Total	131242444.00	105927853.00
	(B) Polishing Jobwork :-		
	Job Work on SS Sheets	101050.00	0.00
	Total	101050.00	0.00
	(C) Electrical Equipments and Accessories :-		
	Busbar	3365486.00	1642542.00
	Cable Tray Accessories	0.00	6800.00
	MCB D.B.	1679656.00	1634551.00
	Boxes	15557627.00	4513449.00
	Switch & Accessories	4552708.00	2141281.00
	Z Perline	1437949.00	714076.00
	Total	26593426.00	10652699.00
	Manufacturing Grand Total (A+B+C)	157936920.00	116580552.00
2	Trading		
	Traction Machine	10103622.00	1105250.00
	Elevators Kit Parts	3833812.00	0.00
	DBG	2119150.00	0.00
	Boom Barrier	251000.00	0.00
	Sensor	407000.00	0.00
	Others	880922.00	0.00
	Trading Grand Total	17595506.00	1105250.00
	Total	175532426.00	117685802.00

Note : 20 Other Income			
Particulars		Year ended 31-03-2019	Year ended 31-03-2018
INTEREST - SARAFI		50356.00	51502.00
INTEREST ON BANK FDR		80735.00	60310.23
EXPORT DRAWBACK		0.00	62935.00
FOREX INCOME		0.00	43559.14
MISCELLANEOUS INCOME		22103.40	0.00
COMPENSATION OF CANCELLED ORDER		51836.00	0.00
SHORT TERM GAIN ON SALE OF LIQUID FUND		138988.00	0.00
Total		344018.40	218306.37

Note 21 Cost of Material Consumed				
Particulars	Year ended 31-03-2019		Year ended 31-03-2018	
Opening Stock				
OPENING STOCK PACKING MATERIAL		390888.00		468064.00
OPENING STOCK RAW MATERIAL		15113852.00		5478436.00
OPENING STOCK TRADING GOODS		3804599.00		0.00
Add: Purchases				
PACKING MATERIAL PURCHASE		4445275.94		3955012.82
RAW MATERIAL		119445528.28		84406264.92
Less: Closing Stock				
CLOSING STOCK PACKING MATERIAL		342130.00		390888.00
CLOSING STOCK RAW MATERIAL		23005178.00		15113852.00
CLOSING STOCK TRADING GOODS		7075949.00		3804599.00
		112776886.22		74998438.74
Details of Consumption	Opening	Purchase	Closing	Consumption
M.S.Bar/patti/S.S.Sheet/CRC Sheet				
FY 18-19	5827408.00	66330789.76	8841091.00	63317106.76
FY 17-18	2846178.00	44300086.86	5827408.00	41318856.86
Raw Material				
FY 18-19	9035044.00	26499581.92	14365566.00	21169059.92
FY 17-18	2064744.00	22082579.00	9035044.00	15112279.00
Packing Material				
FY 18-19	390888.00	4445275.94	342130.00	4494033.94
FY 17-18	468064.00	3955012.82	390888.00	4032188.82
Other Materials				
FY 18-19	4055999.00	26615156.60	6874470.00	23796685.60
FY 17-18	567514.00	18023599.06	4055999.00	14535114.06
TOTAL	19309339.00	123890804.22	30423257.00	112776886.22
	5946500.00	88361277.74	19309339.00	74998438.74
Details of Closing Stock	Year ended 31-03-2019		Year ended 31-03-2018	
Raw Materials		23005178.00		15113852.00
Raw Materials Trading		7075949.00		3804599.00
Packing Materials		342130.00		390888.00
Total		30423257.00		19309339.00

Note : 22 Changes in Inventories		
Particulars	Year ended 31-03-2019	Year ended 31-03-2018
Opening Stock		
SEMI PROCESSED GOODS	3508858.00	
FINISHED GOODS	14091582.00	9003600.00
Less:- TRADING GOODS	3804599.00	0.00
Less: Closing Stock		0.00
SEMI PROCESSED GOODS	3652591.00	
FINISHED GOODS	11874272.00	3508858.00
Less:- TRADING GOODS	0.00	14091582.00
Total	(1731022.00)	3804599.00
Details of Closing Stock		(4792241.00)
Semi Finished Goods	3652591.00	
Ready Goods	11874272.00	3508858.00
Total	15526863.00	10286983.00

Note : 23 Employment Benefit Expenses		
Particulars	Year ended 31-03-2019	Year ended 31-03-2018
DIRECTOR SALARY	4140000.00	3260000.00
EMPLOYMENT POLICY PREMIUM	886896.00	886896.00
INCENTIVE AND ALLOWANCE EXPENSE	2666167.00	2423344.00
LEAVE SALARY EXPENSE	349627.00	457076.00
STAFF SALARY EXPENSE	6729555.00	2661126.00
WORKER SALARY EXPENSE	6001023.00	4232047.00
BONUS EXPENSE	1051086.00	242821.00
EMPLOYEE WELFARE EXP	116644.00	103779.00
ESI EXPENSE	496045.00	334799.00
GRATUITY EXPENSE	767019.00	412530.00
GUJARAT LABOUR WELFARE FUND	1944.00	1289.70
PROVIDENT FUND EXPENSE	832926.00	745102.00
SPECIAL ALLOWANCE DIRECTOR	780000.00	0.00
Total	24818932.00	15760809.70

Note : 24 Financial Cost		
Particulars	Year ended 31-03-2019	Year ended 31-03-2018
BANK CHARGES	220663.70	232170.26
INTEREST EXPENSE - BANK	1779297.87	660085.98
INTEREST EXPENSES - DIRECTOR	144466.00	394615.00
INTEREST EXPENSES - OTHER	16792.00	133261.00
INTEREST EXPENSE - INCOME TAX	134356.00	4568.00
INTEREST ON TDS	2137.00	750.00
LOAN PROCESSING EXPENSE	565011.00	0.00
Total	2862723.57	1425450.24

Note : 25 Depreciation & Amortised Cost		
Particulars	Year ended 31-03-2019	Year ended 31-03-2018
FACTORY BUILDING	234297.00	6073.00
FURNITURE	9795.00	58600.00
ELECTRICAL INSTALLATIONS	95974.00	0.00
LAPTOP	0.00	2495.00
PLANT & MACHINERY	1122391.00	645444.00
SOFTWARE	89743.00	46227.00
COMPUTER	103969.00	18951.00
VEHICLE	361642.00	224656.00
OFFICE EQUIPMENT	5107.00	2224.00
Total	2022918.00	1004670.00

Note : 26 Other Expenses		
Particulars	Year ended 31-03-2019	Year ended 31-03-2018
Manufacturing Expenses		
CUSTOMS DUTY EDI CVD	0.00	0.00
CUSTOMS & CHA CHARGES	355689.31	0.00
DAI MAINTANANCE	388959.88	486894.00
ELECTRIC EXPENSE - DGVCL	1661118.00	687456.00
FACTORY INSURANCE EXPENSE	45619.00	26979.00
FACTORY MAINTANANCE EXPENSE	814126.23	483117.88
FRIGHT IN - TRANSPORT EXPENSE	1644833.35	1629321.15
LABOUR - OUTSIDE JOB WORK	0.00	1420460.00
LOADING & UN LOADING EXPENSE	92700.00	63240.00
MACHINERY MAINTANANCE & PARTS PUR	1371872.75	632027.62
PACKING EXPENSE	1208988.00	170757.00
PLATTING EXPENSE	129532.60	80456.90
PROCESSING EXPENSE	2388665.69	777063.62
PROCESSING MATERIAL PURCHASE	0.00	1981492.04
SAFETY EXP	492104.00	79851.07
SERVICE TAX EXP	83301.00	28134.00
TESTING EXP	12400.00	12150.00
TOOLS EXPENSE	607176.23	317812.00
TOOLS PURCHASE	74225.54	337461.34

Administrative and General Expenses		
GRATUITY POLICY ADMIN CHARGES	3411.00	0.00
BAD-DEBT A/C	22058.00	0.00
ADVERTISEMENT EXPENSE	88443.00	130550.00
COMPUTER EXPENSE	237954.00	106152.50
CONSULTING FEES & LEGAL EXPENSE	1213668.00	699427.10
FESTIVAL & CELEBRATION EXPENSE	73434.95	40640.00
FREIGHT OUT- TRANSPORT EXPENSE	129499.00	185214.05
MISC. EXPENSE	7066.35	72863.22
EXPENSE AND TAX WRITE OFF	32038.00	30910.00
COMMISSION EXPENSE	836921.00	850936.00
OFFICE EXPENSE	314282.50	338237.01
REFRESHMENT EXPENSE	352776.00	134298.00
POST & COURIER EXPENSE	145825.25	81396.27
PROFESSIONAL TAX	4110.00	2400.00
ROC FEE EXPENSE	147549.00	634800.00
RENT EXPENSE	144000.00	108000.00
STATIONARY EXPENSE	86370.82	108170.56
TELEPHONE EXPENSE	94851.69	73626.68
TRAVELLING EXPENSE	640950.00	1035735.00
VEHICLE EXPENSE	205306.15	241809.08
CONVEYANCE EXPENSE	0.00	2436.00
MUNICIPALITY TAX	200816.00	0.00
SECURITY EXPENSE	158150.00	49600.00
INTERNET EXPENSE	0.00	17600.00
CERTIFICATION AND INSPECTION CHARGES	25549.98	57007.33
DONATION EXPENSE	0.00	4500.00
SALES PROMOTION EXPENSE	59457.40	744252.00
IPO EXPENSE	1777727.00	500000.00
CDSL CUSTODY FEES	0.00	22250.00
NSDL JOINING FEES	0.00	30000.00
LEGAL EXPENSE	263270.00	371183.00
PETROL & DIESEL EXPENSE	385724.00	162898.00
MEMBERSHIP FEE EXPENSE	120570.00	64285.00
INSURANCE EXP	21071.00	0.00
FOREX LOSS	145194.10	0.00
EXHIBITION EXPENSE	84600.00	0.00
Total	19393955.77	16115850.42

Note : 27 Payment to auditors for auditing Rs. 35000, for Taxation Services Rs 12500 and for other Services Rs. 54424 is included in legal expense.

Note : 28 Expenditure in foreign currency (INR) 0.00 130000.00

Note : 29 Value of Imports on C.I.F basis (INR)

1. Raw material	10585184.00	6113456.00
2. Components and Spare Parts	0.00	0.00
3. Capital Goods	28133209.00	4386335.00

Note : 30 Earnings in foreign currency (INR)

1. Export of goods calculated on FOB Basis	1809387.00	7752682.00
2. Royalty, Know-how, professional and consultancy fees	0.00	0.00
3. Interest and Dividend	0.00	0.00
4. Other income, indicating the nature	0.00	0.00

Note : 31 Consumption of imported raw materials (INR) 9068957.00 819485.00

Note : 32 Total Weighted average number of shares outstanding for calculation of EPS 4249043 2693548

Net profit after tax from continuing operations	10589068.42	9305348.84
EPS	2.49	3.45

Note : 33 Related Party Disclosure (AS-18):

In compliance to AS-18, Disclosures of transaction with related parties is given as under.

i. Name of related parties and description of relationship.

Sr. No.	Description of Relationship	Name of Related Parties
1.	Key Management Personnel	Mr. Amar Doshi (Managing Director) Mr. Karan Doshi (Whole-time Director) Mr. Monish Doshi (Director & CFO) Mr. Ankitkumar Tank (Company Secretary)
2.	Relatives of Key Management Personnel	Mrs. Radhika Doshi (Spouse of Mr. Amar Doshi) Mrs. Toral Doshi (Spouse of Mr. Karan Doshi) Mrs. Bhoomi Doshi (Spouse of Mr. Monish Doshi) Amar Doshi – HUF (HUF of Mr. Amar Doshi) Monish Doshi – HUF (HUF of Mr. Monish Doshi) Karan Doshi – HUF (HUF of Mr. Karan Doshi) Mr. Chinubhai Doshi (Father of Mr. Amar Doshi)
3.	Associates	Moti Enterprise (Directors are partners in above firm) Moti Industries (Director is partner in above firm) Machine Spares Traders (Director is partner in above firm) Super Coating (Relative is Partner)

ii. Transactions during the year with related parties.

(Amount in Rs.)

Sr. No.	Nature of transaction	Associates / Key Management Personnel including Relatives F.Y. 2018-19	Associates / Key Management Personnel including Relatives F.Y. 2017-18
1.	Payment of Interest on Loan	Mr. Amar Doshi – 63592 Mr. Karan Doshi – 55721 Mr. Monish Doshi – 25153	Mr. Amar Doshi – 197971 Mr. Karan Doshi – 121956 Mr. Monish Doshi – 74688 Mrs. Radhika Doshi – 86560 Mrs. Toral Doshi – 2519 Mrs. Bhoomi Doshi – 3541 Amar Doshi HUF – 16594 Karan Doshi HUF – 10177 Monish Doshi HUF – 13838
2.	Payment of Salary to Director/ CFO/ CS	Mr. Amar Doshi – 2640000 Mr. Karan Doshi – 2280000 Mr. Monish Doshi - 2309750 Mr. Ankitkumar Tank - 338150	Mr. Amar Doshi – 1220000 Mr. Karan Doshi – 1140000 Mr. Monish Doshi – 1140000
3.	Payment of Labour Work	-	Moti Enterprise – 1420460
4.	Payment of Raw material purchase	-	Moti Enterprise – 8687310 Machine Spares Traders – 451028
5.	Payment of Rent expenses	Moti Industries - 120000	Moti Industries - 108000
6.	Payment of Fixed Assets	-	Moti Enterprise – 8289575 Machine Spares Traders – 203600 Mr. Amar Doshi (Skoda) – 757606 Mr. Karan Doshi (Kwid) – 298504 Mr. Monish Doshi (Ertiga) – 495921
7.	Payment of Professional Fees	Mr. Chinubhai Doshi - 90000	Mr. Chinubhai Doshi – 450000
8.	Payment of Job Work	Super Coating - 781397	-

Note : 34 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006:

(Amount in Rs.)

Particulars	As at 31 st	As at 31 st
	March, 2019	March, 2018
Principal amount remaining unpaid to any supplier as at the end of the accounting year	8431817	-
Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
The amount of interest due and payable for the year	-	-
The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

For FY 2018-19, dues to Micro and Small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management. For FY 2017-18, the company was in process of identifying MSME units amongst creditors and the relevant information was not ascertainable and classified accordingly.

Note : 35 **Other:**

- i. Investment shown in the balance sheet is long term in nature.
- ii. In the opinion of the company the current assets loans & advances are approximately of the value stated if realized in the ordinary course of business.
- iii. Figures for the previous year as well as current year have been regrouped wherever necessary. The closing stock of Trading goods worth Rs. 3804599 was classified as Finished Goods in F.Y. 2017-18 which has been reclassified as Trading Goods - Raw Material for F.Y. 2018-19 and is included in Opening Stock of Raw Materials – Trading Goods.

For and on behalf of Board of Directors

Amar Doshi, Managing Director

Karan Doshi, Whole-time Director

Monish Doshi, Director & Chief Financial Officer

Ankitkumar Tank, Company Secretary

28th May, 2019, Surat

For P J Desai & Co.

Chartered Accountants

CA Pallav Desai

Partner

M No. 039868, FRN 102330W

28th May, 2019, Surat

AARON INDUSTRIES LIMITED

(CIN: L31908GJ2013PLC077306)

Registered office : B-65 & 66, Jawahar Road No. 4, Udhyog Nagar, Udhana, Surat – 394210, Gujarat
Email: info1@aaronindustries.net; website: www.aaronindustries.net, Phone:0261-2278410

ATTENDANCE SLIP

Please fill attendance slip and hand it over at the entrance of the meeting hall (Joint shareholders may obtain additional slip at the venue of the meeting)

Folio No.
DP ID
Client ID
No. of Shares

I/We hereby record my/our presence at the 6th Annual General Meeting of the Company held on Saturday, 24th August, 2019 at 10:30 a.m. at B-65 & 66, Jawahar Road No. 4, Udhyog Nagar, Udhana, Surat – 394210, Gujarat.

Name of the Member Signature

Name of the Proxy holder Signature

AARON INDUSTRIES LIMITED

(CIN: L31908GJ2013PLC077306)

Registered office : B-65 & 66, Jawahar Road No. 4, Udhyog Nagar, Udhana, Surat – 394210, Gujarat
Email: info1@aaronindustries.net; website: www.aaronindustries.net, Phone: 0261-2278410

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of Member(s):

Registered Address:

E-Mail Id::

Folio No/Client Id/DP ID:

I/We, being the member(s) of Aaron Industries Limited holding shares of, hereby appoint:

1 Name:
Address:
E-mail Id:
Signature: or failing him/her;

2 Name:
Address:
E-mail Id:
Signature: or failing him/her;

3 Name:
Address:
E-mail Id:
Signature:

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 6th Annual General Meeting held on Saturday, the 24th August, 2019 at 10.30 a.m. at the Registered Office of the Company at B-65 & 66, Jawahar Road No. 4, Udhyog Nagar, Udhana, Surat – 394210, Gujarat and at any adjournment thereof in respect of such resolutions as are indicated below:

Ordinary Business:

1. To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended 31st March, 2019 together with the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Karan Doshi (DIN: 06690242), who retires by rotation, and being eligible, seeks re- appointment.
3. To appoint M/s. P. J. Desai & Co., Chartered Accountants, as Statutory Auditors of the company.

Special Business:

4. Increase in the Authorized Share Capital of the Company and consequential alteration to Clause V of the Memorandum of Association of the Company.
5. Issue of Bonus Shares.

Signed this of2019.

Signature of the Shareholder

Signature of Proxy Holder(s)

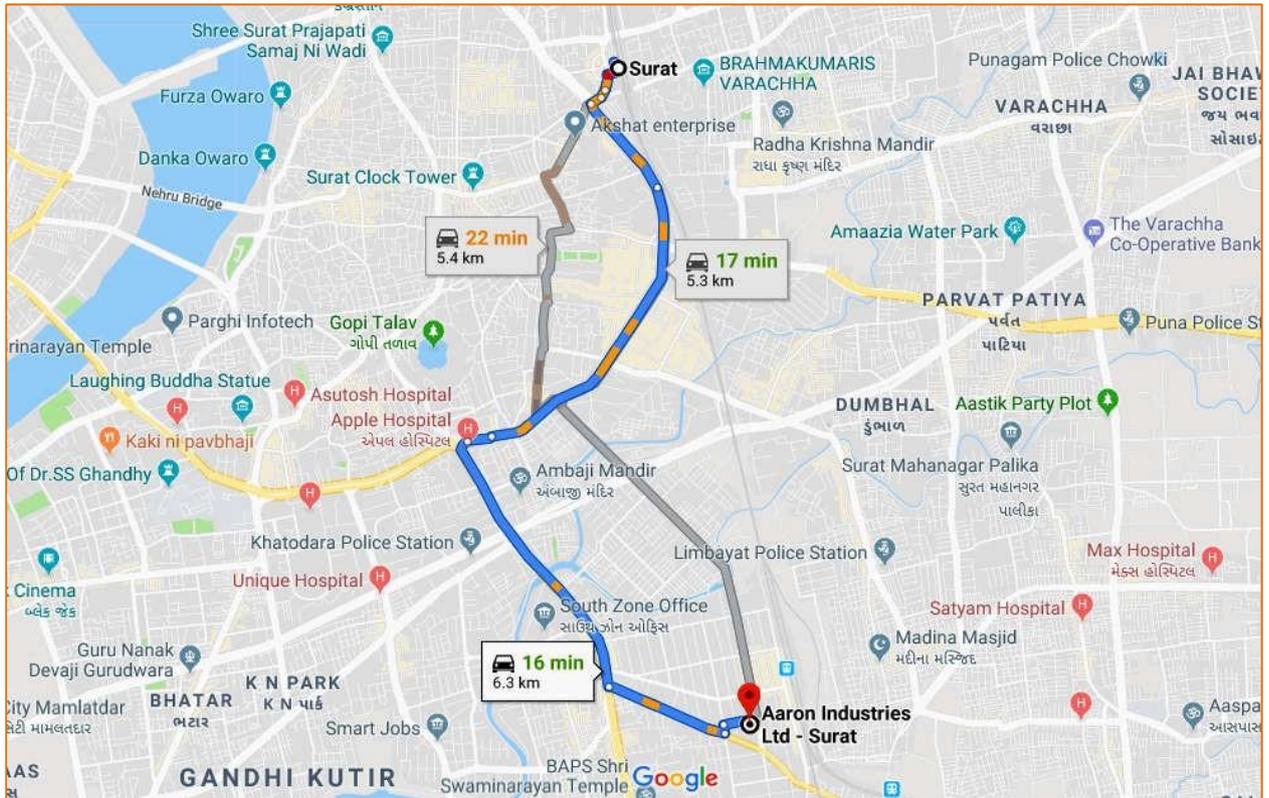
Affix
Revenue
Stamp

Note:

The proxy form duly stamped, completed and signed must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding of the aforesaid meeting. The Proxy need not be a member of the Company.

Route Map - AGM Venue:
AARON INDUSTRIES LIMITED

B-65 & 66, Jawahar Road No. 4, Udhog Nagar, Udhana,
Surat – 394210, Gujarat





B-65 & 66, Jawahar Road No. 4, Udhyog Nagar, Udhana,
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