

DE NEERS



DE NEERS TOOLS LIMITED
(CIN: U29309DL2021PLC384229)

Second Annual Report
2022-2023



CORPORATE INFORMATION

BOARD OF DIRECTORS:

1. Mr. Neeraj Kumar Aggarwal, Chairperson and Managing Director (DIN: 08058134)
2. Ms. Shilpy Aggarwal, Whole-Time Director (DIN: 08058135)
3. Mr. Kanav Gupta, Whole-Time Director & CFO (DIN: 06802701)
4. Ms. Aarti Arora, Independent Non- Executive Director (DIN: 09573758)
5. Mr. Dhikash, Independent Non-Executive Director (DIN: 07678926)
6. Mr. Rajesh Gupta, Independent Non-Executive Director (DIN: 03430497)

KEY MANAGERIAL PERSONNEL:

1. Mr. Kanav Gupta - Chief Financial Officer
2. Ms. Bhagyashree Periwal - Compliance Officer and Company Secretary

REGISTERED OFFICE:

P. No. 468, Ground Floor, Industrial Area, Patparganj, Delhi – 110 092

STATUTORY AUDITOR:

M/s Gautam Sehgal & Co., Chartered Accountants

Office - 399, 1st Floor, Chandni Chowk, (Outside Katra Naya), Delhi – 110006

SECRETARIAL AUDITOR:

Ms. Prachi Agarwal (CP No. 25579)

47A, Luxmi Vihar, Basant Road, Ghaziabad Uttar Pradesh

REGISTRAR AND TRANSFER AGENT:

Bigshare Services Private Limited

Office at S6-2, 6th Pinnacle Business Park, Mahakali Caves Road,

Next to Ahura Centre, Andheri East, Maharashtra – 400093, Maharashtra, India.

BANKERS:

HDFC Bank Limited



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OUR COMPANY

OUR BUSINESS

Our promoter family started the hand tool business way back in 1952 with a small setup in Delhi and embarked upon a journey to become market leaders in this industry. Using this experience of over seven decades our promoters, Mr. Neeraj Kumar Aggarwal (Managing Director) and Mr. Kanav Gupta (Chief Financial Officer and Whole Time Director) and Mrs. Shilpy Aggarwal (Whole Time Director), led the formation of *De Neers Tools LLP* on March 20, 2018 with an aim to develop our own brand under the name “De Neers” in the hand tools industry. *De Neers Tools LLP* also took over the business of ‘*M/s Deewan Chand Madanlal & Sons*’ on a going concern basis vide an agreement dated June 17, 2021. Later, *De Neers Tools LLP* was converted into a limited liability company named *De Neers Tools Limited* vide fresh certificate of incorporation dated July 26, 2021.

The brand “*De Neers*” is based on the determination to provide the best quality hand tools available in India. All these years we focused on customer needs and therefore established a brand having the aim to satisfying the customer to the fullest. At present, the company has approximately 250 dealers throughout India and also looking for export possibilities.

De Neers Tools Ltd is an ISO 9001:2015, ISO 14001:2015 and 45001:2018 accredited company. Today, we have over 3200 SKUs and we have been the fourth-generation serving the hand tools industry since 1952 i.e. over seven decades. Generation after generation, we have learned and adopted new and improved systems to increase our dealership network, customer reach and the best practices to satisfy our customers’ needs to the fullest.

De Neers is among the few key players in the hand tool industry as per the industry report of CareEdge. We provide a very broad range of hand tools in India with approximately two-thirds of our revenue geographically concentrated in the states of Delhi NCR, Gujarat, Telangana, Bihar & Uttar Pradesh (UP). Our extensive range of products includes spanners, wrenches, pliers, cutters, Allen keys, hammers, socketry, screwdrivers, tool kits, tool cabinets, trolleys, etc. We are also specialized in providing safety tools like non-sparking tools, insulated steel tools, non-sparking insulated tools, stainless steel & magnetic tools, titanium tools along with multiple other hand tools. We have experienced and dedicated personnel that keeps a regular check on the latest trends and opportunities in the market and focuses on improving the design and structure of the products. Our



focus is on producing tools that can stand up to the demands of the professionals who use them every day. De Neers is widely accepted by dealers/distributors, and hardware suppliers throughout India. Our company exported goods in the FY 2021-22 for a small amount of ₹ 1.04 Lakhs and imported goods of ₹ 0.44 Lakhs in the current FY.

OUR STRENGTHS:

Experienced directors and management team

Our company is promoted by Mr. Neeraj Kumar Aggarwal, Mr. Kanav Gupta and Mrs. Shilpy Aggarwal, who have an average experience of more than 10 years, along with 3 decades of experience of Mr. Neeraj Kumar Aggarwal, in the field of hardware tools and related products. Their individual industry experience enables us to anticipate and address market trends and manage and grow our operations. We believe that our management team and other Key Managerial Personnel are well qualified and possess an in-depth understanding of our products and have been responsible for widening our operations and have enabled us to extend our operational capabilities, improve the quality of products and it is therefore well-positioned to focus on the continued expansion and strengthening of our business.

Distribution system

Our end-to-end business approach makes us the most unique and successful hardware tools business. We are counted among the leading hand tool distributors and as per the report of CareEdge we are one of the few key players in this industry, due to our consistent hard work to deliver quality products. We aim to provide professional hand tools of the utmost quality. Our focus is on selling hand tools that can stand up to the demands of the professionals who use them every day. Among our distributors, we are famous for providing the broadest range of products in India.

Quality and safety of products

Our company comes to increasing workplace safety in different industrial environments, our tools act as support. These tools find their applications in automotive, infra-construction, aerospace, marine, petrochemical, medical, and defence industries where anti-magnetic, anti-corrosive tools are mandatory for ensuring users' safety. Conventional steel tools can generate sparks and cause an explosion or fire. Thus, our non-sparking hand tools, also sometimes referred to as anti-spark, safety tools, or spark less tools, are used to ensure safety.



Repeat orders

We believe that meeting customer-specific requirements and delivery of orders is one of the key growths. Our company has made efforts to ensure customer satisfaction by taking steps to meet customer-specific requirements, timely delivery of orders to our customers as well as maintaining consistency in quality and this has yielded results in the form of repeat orders from our customers. The repeat orders reflect the confidence reposed in us by our customers.

Strong supply chain

We source our products from fully equipped manufacturing units in Punjab which have good infrastructure and production capabilities, providing us with the highest quality hand tools. They have the latest & modern spectro machines to check raw material quality, life-cycle test machines, frictional drop forged hammers, and automatic chrome plating plants. Every product manufactured in these production units has to go through the Quality Assurance Department which ensures the quality of the tools before they are delivered to our final customers.

OUR BUSINESS STRATEGIES:

Continue to improve operational efficiencies through economies of scale

Our operational efficiencies have been established and refined over the years through an emphasis on economies of scale, incorporating the learnings we have acquired as part of our business operations, and the supply chain developed for sourcing our products. We intend to continue to maintain and improve our operational efficiencies, with a focus on our supply chain.

To enhance market share by expanding our business

We intend to expand our business more with our organized dealers/distributors. Currently, we have a network of over 250 dealers/distributors. We are exploring more dealers/distributors that have the desired spread and reach. We can benefit from their distribution network which will give a significant strength to our business as it will allow us to market and sell our products across India. We plan to appoint a dealer or sub-dealer at a stretch of 40 km each throughout major cities across India.

Brand outreach

We intend to invest in marketing and promotions to improve our brand outreach in order to accelerate customer adoption and promote our brand. We believe that these investments will



contribute towards the growth of business and result in customers coming back to us organically for repeat purchases. Also due to the growth in brand value, we would be able to improve our margins further. We are also working on major e-commerce platforms like Amazon, Industry Buying, Udaan and more such portals.

Enhancing efficiency & productivity

We will work towards providing employee benefits, and satisfaction by a quarterly employee meets, taking constructive feedback & increasing employee morale to increase participation & hence productivity.



MANAGING DIRECTOR'S MESSAGE

Dear Shareholders,

It brings me immense pleasure to put forth the 2nd Annual Report of your Company for the Financial Year 2022-2023. I would like to thank all our shareholders who have reposed their trust in the Company during the Initial Public Offering.

The year 2022-2023 was another positive year for De Neers Tools Limited. We encouraged our people to grow, performed strongly and delivered on our growth strategy. The year was very special as we announced the De Neers Tools Limited IPO at the SME Platform on the National Stock Exchange of India Limited (NSE). We are so grateful to all of our shareholders who have made this day possible. We are grateful for your continued support and partnership. We have come a long way since the Company started its operations many decades ago as a small venture.

Presently, while the world is facing challenges due to the aftereffects of the COVID-19 pandemic and the 'Russia- Ukraine war crisis, we are moving resolutely to address these challenges with a focus on internal improvements, engaging with customers and identifying key areas of growth from the Company's point of view.

De Neers Tools Limited has recorded an overall growth in the Financial Year 2022-2023 with a growth in PAT of 42%. Sustaining our targeted growth, in spite of challenging external situations, is a testament to the robustness of our overall business.

At every step of our journey, our customers have challenged us to innovate and come up with solutions to the issues and opportunities they are faced with. We thank our customers, who challenge us to solve some of the most challenging problems in refining products and the high standards that need to be constantly maintained. I would also like to extend my gratitude to our team for believing in our vision and ensuring the right culture is created within the organization so we continue to drive this transformative change. We are humbled by what we have accomplished and are excited to see the things we could achieve together going forward.

My sincere thanks to all of our Board members. Everyone has continued to do an amazing job, well above and beyond what is required. It is a true pleasure working with you all. We are thankful to the



members and the Board for their inputs and major suggestions for improving the working and management and taking our Company to the next level.

The Board is excited about the prospects for De Neers Tools Limited as the Company continues to evolve as a leader in the hand tools industry. The focus of the current year is mainly to increase the customer base and increase the production capacity as well.

Closing Thoughts

In these fast-changing times, we are heartened by the strength of the relationships with our customers, partners, investors, and local communities as well as within the entire De Neers family. We have built a strong foundation upon which we can flourish together in the years to come. I want to express my gratefulness to our customers. Your faith in us means everything to us; without you, there would be no De Neers Tools Limited. To our investors, we thank you for your guidance and continued trust. To our collaborators, thank you for your knowledge and expertise and your commitment to putting our customers first under all circumstances.

To our employees and teams, your endurance and love for De Neers is the foundation of our strength. We would like to thank all local, state, and national governments, concerned bodies, and the banks and financial institutions in all countries where we operate for their collaboration. On behalf of DNTL, thank you all. May God bless us with wisdom and prosperity. And let's remember, 'All our dreams can come true if we have the courage to pursue them.



NOTICE OF 02ND ANNUAL GENERAL MEETING (AGM)

Notice is hereby given that the Second Annual General Meeting (AGM) of the members of the “**De Neers Tools Limited**” will be held on Tuesday, 26th September 2023 at 12:00 P.M. (IST) through Video Conferencing (“VC”)/Other Audio-Visual Means (“OAVM”) to transact the following business:

ORDINARY BUSINESS:

Item 1: To receive, consider and adopt the Audited Financial Statements of the company for the Financial Year ended on March 31st 2023 and the reports of the Board of Directors and Auditors thereon.

Item 2: To appoint a Director in place of Mr. Kanav Gupta (DIN: 06802701), who retires by rotation, and being eligible, offers himself for re-appointment.

**For and on behalf of
De Neers Tools Limited**

Sd/-
Neeraj Kumar Aggarwal
Chairperson & Managing Director
DIN: 08058134

Date: 04.09.2023

Place: Delhi

NOTES:

1. The Ministry of Corporate Affairs (“MCA”) has vide its General Circular Nos. 14/2020 dated April 8, 2020 and 17/2020 dated April 13, 2020, in relation to “Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by Covid -19”, General Circular Nos. 20/2020 dated May 5, 2020, and subsequent circulars issued in this regard, the latest being 10/2022 dated December 28, 2022 in relation to “Clarification on holding of annual general meeting (AGM) through Video Conferencing (VC) or Other Audio Visual Means (OAVM)”, (collectively referred to as “MCA Circulars”) permitted the holding of the Annual General Meeting (“AGM”) through VC/OAVM, without the physical presence of the Members at a common venue. In compliance with the MCA Circulars, the AGM of the Company is being held through VC /OAVM. The registered office of the Company shall be deemed to be the venue for the AGM.
2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (“Act”) setting out material facts is annexed hereto. Further, the relevant details with respect to Item Nos. 2 pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment/re-appointment at this AGM are also annexed.
3. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting’s agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
4. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
5. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
6. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.

7. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.deneerstools.com. The Notice can also be accessed from the website of the Stock Exchange National Stock Exchange of India Limited at www.nseindia.com. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.
8. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.
9. Members are requested to intimate the Registrar and Share Transfer Agent of the Company Bigshare Services Private Limited, E-3, Ansa Industrial Estate, Saki Vihar Road, Sakinaka, Andheri East, Mumbai, 400059, immediately of any change in their address in respect of equity shares held in physical mode and to their Depository Participants (DPs) in respect of equity shares held in dematerialized form.
10. In continuation of this Ministry's General Circular No. 20/2020, dated 05th May, 2020 and after due examination, it has been decided to allow companies whose AGMs were due to be held in the year 2020, or become due in the year 2021, to conduct their AGMs on or before 31.12.2021, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 as per MCA circular no. 02/2021 dated January,13,2021.
11. In accordance with the aforesaid MCA Circulars and Circular Nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021, SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 and SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 5, 2023 issued by Securities Exchange Board of India (collectively referred to as "SEBI Circulars"), the Notice of the AGM along with the Annual Report for FY 2022-23 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories.
12. Members who have not registered their e-mail addresses so far or who would like to update their e-mail addresses already registered, are requested to register/update their e-mail addresses with Bigshare Services Private Limited at info@bigshareonline.com. Members may also note that the Annual Report for F.Y. 2022-23 will also be available on the Company's website compliance@deneerstools.com.
13. The Company has fixed Wednesday September 20 2023 as the cut-off date/entitlement date for identifying the Shareholders for determining the eligibility to vote in the Meeting.
14. The Register of Members and Share Transfer Books of the Company will be closed from 21st September 2023, Thursday to 26th September 2023, Tuesday (both days inclusive) for the purpose of AGM.
15. All documents referred to in this meeting, notice and the accompanying statements are open for inspection at the registered office of the company on all working days (except



Saturdays and holidays) between 10.30 A.M. to 12.30 P.M. up to the date of Annual General Meeting.

16. The Board of Directors has appointed Ms. Prachi Agarwal, of Prachi A & Associates, Company Secretaries, (CP No. 25579) as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

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

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

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

- (i) The voting period begins on **Friday, 22nd September 2023 at 09:00 AM** and ends on **Monday, 25th September 2023 at 05:00 PM**. During this period the shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of **Wednesday, 20th September, 2023** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

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

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

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

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

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

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL Depository	<ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login to Easi / Easiest are requested to visit cdsl website www.cdslindia.com and click on login icon & New System Myeasi Tab. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders holding securities in demat mode with NSDL Depository	<ol style="list-style-type: none"> 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name



	<p>or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> <p>2) If the user is not registered for IDEAS e-Services, option to register is available at https://eservices.nSDL.com. Select “Register Online for IDEAS “Portal or click at https://eservices.nSDL.com/SecureWeb/IdeasDirectReg.jsp</p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nSDL.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting</p>
<p>Individual Shareholders (holding securities in demat mode) login through their Depository Participants (DP)</p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>

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

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

Login type	Helpdesk details
<p>Individual Shareholders holding securities in Demat mode with CDSL</p>	<p>Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33</p>
<p>Individual Shareholders holding securities in Demat mode with NSDL</p>	<p>Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at: 022 - 4886 7000 and 022 - 2499 7000</p>



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

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

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

	For Physical shareholders and other than individual shareholders holding shares in Demat.
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none">• Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none">• If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.

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

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

- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (x) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xii) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.
- (xvii) **Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
- It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; compliance@deneerstools.com (designated email address by company), if they have voted from



individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

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

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

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



1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to compliance@deneerstools.com and/or investor@bigshareonline.com.

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

3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

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

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

**For and on behalf of
De Neers Tools Limited**

**Sd/-
Neeraj Kumar Aggarwal**
Chairperson & Managing Director
DIN: 08058134

Date: 04.09.2023

Place: Delhi



EXPLANATORY STATEMENT

The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ('Act'), given hereunder sets out all material facts relating to the business mentioned at Item No. 2 of the accompanying Notice.

Item No. 2:

Pursuant to the provision of section 152 of the Companies Act 2013 Mr. Kanav Gupta (DIN-06802701) being Whole-time Director & CFO is liable to retire by rotation at this meeting and being eligible, has offered himself for re-appointment as Director of the Company. The Board of Directors recommends this resolution as set out in Item No. 02 of this notice for approval of the members by **Ordinary Resolution**.

Except Mr. Kanav Gupta, Mr. Neeraj Kumar Aggarwal and Mrs. Shilpy Aggarwal and/or relatives, no other Director, Key Managerial Personnel or their respective relatives are, in any way, concerned or interested, financially or otherwise, in the said Resolution.



DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT IN THE FORTHCOMING ANNUAL GENERAL MEETING

(In pursuance of Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard – 2 on General Meetings)

Name of the Director	Mr. Kanav Gupta
DIN	06802701
Category of Director	Whole-time Director & CFO
Date of Birth & Age	22/03/1994
Date of Appointment on the Board	28/07/2021
Qualifications	Graduate
Expertise in Specific Functional Area	Mr. Kanav Gupta is having experience of 7 years in the industry of hand tools. Mr. Kanav is now managing Finance and all India sales, and is keen to make the company a global name.
Experience	He has completed his bachelor's in commerce from Delhi University. He further attended a course in strategic management from London School of Economics, UK. Mr. Kanav began widening his grass root industry view early in his career specifically focusing on tools industry. Three years later De Neers Tools Limited was formed envisioning a quality hand tools brand.
Shareholding in the company	15,38,400
Relationship with other directors, manager and other Key Managerial Personnel of the Company	Son of the sister of the Managing Director Mr. Neeraj Kumar Aggarwal.
Board Membership of other listed Companies	NA
Chairmanships/Memberships of the Committees of other public limited companies	NA
Shareholding in the listed entity, including shareholding as a beneficial owner	NA



DIRECTORS' REPORT

To the Members,

Your Directors have the pleasure in presenting the 2nd Annual Report of your company along with the Audited Financial Statements for the Financial Year ended on March 31 2023. Further, in compliance with the Companies Act, 2013 the company has made all requisite disclosures in the Board Report with the objective of accountability and transparency in its operations and to make you aware about its performance and future perspective.

To support 'Green initiative', the Abridged Annual Report has been sent to the Members whose e-mail ids are not registered with the Company/Depositories.

1. SUMMARY OF FINANCIAL PERFORMANCE

The Company's financial performance, for the period ended 31st March 2023, is summarized below:

(Figures in Rs.)

Particulars	Standalone Financial Year 2022-23 (FY 2023)
Revenue from Operations	95,05,12,763.00
Other Income	5,34,249.00
Total Revenue	95,10,47,012.00
Expenses	
Operating expenditure	83,12,06,612
Depreciation and amortization expense	78,29,370
Total expenses	83,90,35,982
Profit before finance costs, exceptional item and tax	11,20,11,030.00
Finance costs	1,93,11,894.00
Profit before exceptional item and tax	9,26,99,136.00
Exceptional item	-
Provision towards legal claim	-
Profit/(Loss) before tax	9,26,99,136.00
Tax Expenses	2,33,39,602.00
Profit/(Loss) for the year	6,93,59,534.00
Attributable to:	
Shareholders of the Company	6,93,59,534.00
Non-controlling interests	NA
Opening balance of retained earnings	6,57,11,828.00
Closing balance of retained earnings	7,20,51,362.00
EPS	10.96

2. REVIEW OF OPERATIONS AND STATEMENT OF COMPANY'S AFFAIRS

The Company has been engaged in the business of wholesale trading and import-export of all kinds of hardware tools.

The revenue from operations stands at Rs. 95.05 Crores as against Rs. 60.19 Crores during the last year and the Net profit stands at Rs. 6.94 Crores during the financial year ended 31st March 2023 as against Rs. 4.88 Crores, which is an increase of 42% from the last year's profit.

3. COVID-19

In early 2023 the world faced the impact of 3rd Wave of COVID-19, however, there was no lockdown in the country, which ensured the smooth working of the industries, supply chains were not disrupted, factory employees were able to go to work etc.

The management is of the view that future prospects and growth of your Company will depend on the overall economic scenario. However, all necessary activities have been initiated which would give us the lead in future.

4. TRANSFER TO GENERAL RESERVES

The Company has earned a good amount of profit during the year and the management has decided to transfer, after all appropriations and adjustments, Rs. 6.94 Crores/- to the Surplus.

5. RECOMMENDATION OF DIVIDEND

Keeping in view of the growth prospects of the company, the Board has not recommended any dividend for the equity shares for the said year. However, as per the terms of issuance and as statutorily required under the provisions of the Act, the company has already made provisions of Rs. 20,000 for payment towards dividends to preference shareholders.

6. CHANGES IN THE NATURE OF BUSINESS

During the year under review there was no change in the nature of the business of the company.

7. MATERIAL CHANGES AND COMMITMENTS

There have been material changes and commitments, affecting the financial position of the Company which has occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report as mentioned below:

- a. The Company increased its authorized capital Company from INR 23,15,00,000/- divided into 31,50,000 Equity Shares of INR 10/- each; and 20,00,000 0.01% Preference shares of INR 100/- each to INR 30,00,00,000/- divided into 1,00,00,000 Equity Shares of INR 10/- each; and 20,00,000, 0.01% Preference shares of INR 100/- each by addition of 68,50,000 Equity shares of Face Value of INR 10/- each.
- b. The company also issued Bonus Shares by capitalizing its reserves for the sum of Rs. 6,30,00,000/- to the existing shareholders of the Company in the proportion of (210:1)



Two Hundred and Ten (210) new Equity shares of nominal value Rs. 10/- each for every One (1) existing Equity Shares of nominal value Rs. 10/- each.

- c. The company has also approved the raising of funds from public by getting its shares listed via Initial Public Offer. As on the date of approval of this report the company is listed on the NSE EMERGE Platform of stock exchange.

8. DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The company has aligned its current systems of internal financial control with the requirement of the Companies Act, 2013 The Internal Control – Integrated Framework (the 2013 framework) is intended to increase the transparency and account ability in an organization’s process of designing and implementing a system of internal control. The framework requires a company to identify and analyze risks and manage appropriate responses. The company has successfully laid down the frame work and ensured its effectiveness.

The company’s internal controls are commensurate with its size and the nature of its operations. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorized use, executing transactions with proper authorization and ensuring compliance with corporate policies. The company has a well-defined delegation of power with authority limits for approving contracts as well as expenditure. Processes for formulating and reviewing annual and long-term business plans have been laid down. It has continued its efforts to align all its processes and controls with best practices.

Gautam Sehgal & Co., the statutory auditors of the company have audited the financial statements included in this report and have issued an attestation report on the company’s internal control over financial reporting (as defined in section 143 of the Companies Act, 2013).

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors and the reviews performed by management and the relevant board committees, including the audit committee, the board is of the opinion that the Company’s internal financial controls were adequate and effective during the financial year 2022-2023.

9. PUBLIC DEPOSITS

During the year under review, the company has not accepted any deposit under Section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014.

10. AUDITORS

Statutory Auditor

Pursuant to the provisions of Section 139 of the Companies Act, 2013, and the rules framed thereunder, M/s. Gautam Sehgal & Co., Chartered Accountants (Firm Reg. No. 015736N), were appointed as the first statutory Auditors of the Company by the Board of Directors in its board meeting held on 20th August, 2021, till the conclusion of first AGM, since its incorporation at such remuneration as may be mutually agreed.

Further, the Company approved the appointment of M/s. Gautam Sehgal & Co., Chartered Accountants (Firm Reg. No. 015736N), Statutory Auditors, in the first AGM, for period of five financial year, i.e. from the conclusion of the 01st (First) Annual General Meeting (AGM) till the conclusion of 06th (Sixth) AGM to be held in the financial year 2027.

Thereafter, there has been no change in the Auditors during the period under review.

Auditor's Report

The Auditor's Report for financial year ended 31st March 2023, does not contain any qualification, reservation or adverse remarks. All observations made in the Independent Auditors' Report and notes forming part of the Financial Statements are self-explanatory and do not call for any further comments and also, there is no incident of fraud requiring reporting by the auditors under section 143(12) of the Companies Act, 2013 during the year under review.

The Auditor's report is enclosed with the financial statements in this Director's Report.

Secretarial Auditor

The Company has not appointed the Secretarial Auditor as pursuant to provisions of Section 204 of the Companies Act, 2013, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the appointment of Secretarial audit is not applicable to the Company.

However, upto the date of approval of this report, the provisions of Section 204 of the Act became applicable on the company and accordingly, the company has appointed **Ms. Prachi Agarwal (CP No. 25579)** as the Secretarial Auditor of the Company for the Financial Year 2023-24.

Maintenance of Cost Records

The Directors state that the overall turnover of the company does not exceed the limit prescribed for maintenance of Cost Records as specified by the Central Government under



Section 148(1) of the Companies Act, 2013, accordingly such accounts and records are not made and maintained by the Company.

11. SHARE CAPITAL

Authorized Capital

During the year under review, the Company increased its authorized capital Company from INR 23,15,00,000/- divided into 31,50,000 Equity Shares of INR 10/- each; and 20,00,000 0.01% Preference shares of INR 100/- each to INR 30,00,00,000/- divided into 1,00,00,000 Equity Shares of INR 10/- each; and 20,00,000, 0.01% Preference shares of INR 100/- each by addition of 68,50,000 Equity shares of Face Value of INR 10/- each by passing ordinary resolution in Extra ordinary General Meeting held on 18th October 2022.

Now, the company has authorized share capital of Rs. 10 Crores, divided into 1,00,00,000 Equity shares of Rs. 10 each and Rs. 20 Crores, divided into 20,00,000 Preference shares of Rs. 100 each.

Paid-up Capital

During the year under review, the company has increased its paid-up share capital by issuing Bonus shares to the existing Equity shareholders. As on 31st March 2023 the company's Paid-up capital stood as follows:

PARTICULAR	NO OF SHARES AND NOMINAL VALUE PER SHARE	AMOUNT (IN RS.)
Equity Share Capital	63,30,000 @ Rs. 10 each	Rs. 6,33,00,000
Preference Share Capital (0.01% Non-Convertible Redeemable Cumulative Preference Share)	20,00,000 @ Rs. 100 each	Rs. 20,00,00,000
Total		Rs. 26,33,00,000

However, upto the date of approval of this report the Equity Paid-up capital of the company was further increased to Rs. 8,60,64,000/- via Initial Public Offer of securities and consequent listing on NSE EMERGE Platform. Therefore, upto the date of approval of this report the Total Paid up capital of the company stood as follows:

PARTICULAR	NO OF SHARES AND NOMINAL VALUE PER SHARE	AMOUNT (IN RS.)
Equity Share Capital	86,06,400 @ Rs. 10 each	Rs. 8,60,64,000
Preference Share Capital (0.01% Non-Convertible Redeemable Cumulative Preference Share)	20,00,000 @ Rs. 100 each	Rs. 20,00,00,000
Total		Rs. 28,60,64,000



12. EXTRACT OF THE ANNUAL RETURN

Pursuant to Section 92(3) of the Companies Act, 2013, read with Section 134(3)(a) and Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return is available on the website of the Company at www.deneerstools.com.

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

The particulars as prescribed under sub-section (3)(m) of Section 134 of the Companies Act, 2013, read with Rule 8(3) of Companies (Accounts) Rules, 2014, are annexed herewith as "Annexure-1"

14. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED.

During the year there has been no significant or material orders passed or ordered.

15. CORPORATE SOCIAL RESPONSIBILITY

Pursuant to provisions of Section 135 of the Companies Act, 2013, every company having a net worth of Rupees Five Hundred Crore (Rs.500 Crore) or more; or Turnover of Rupees One Thousand Crore (Rs.1000 Crore) or more; or Net Profit is Rupees Five Crore (Rs.5 Crore) or more during the immediately preceding financial year, is required to constitute a Corporate Social Responsibility Committee ("CSR Committee") of the Board. Meanwhile this provision is not applicable to your company, as during the immediately preceding financial year, as the company does not fulfill any of the criteria prescribed under section 135.

However, upto the approval of this report the provisions of Section 135 become applicable in the current Financial Year 2023-24 due to increase in profits of the company.

16. DIRECTORS AND KEY MANAGERIAL PERSONNEL

Directors:

The Board of the Company was duly constituted in accordance with the provisions of the Companies Act, 2013. The company has the following composition of Directors on its Board:

SR. NO.	NAME OF DIRECTOR	DESIGNATION	DIN	DATE OF APPOINTMENT	CATEGORY
1.	Neeraj Kumar Aggarwal	Managing Director	08058134	26/07/2021	Chairperson and Managing Director
2.	Shilpy Aggarwal	Whole-time Director	08058135	26/07/2021	Whole-Time Director

3.	Kanav Gupta	Whole-time Director	06802701	28/07/2021	Whole-Time Director & CFO
4.	Aarti Arora	Independent Director*	09573758	06/06/2022	Independent Non-Executive Director
5.	Dhikash	Independent Director*	07678926	06/06/2022	Independent Non-Executive Director
6.	Rajesh Gupta	Independent Director**	03430497	06/06/2022	Independent Non-Executive Director

**Ms. Aarti Arora & Mr. Dhikash, Independent Non-Executive Directors were appointed by the Board in its Board Meeting held on 06.06.2022 as the Additional Directors of the Company and the appointment was confirmed by the members in the 1st Annual General Meeting.*

***Mr. Rajesh Gupta, Non-Executive Director was initially appointed by the board meeting as the Additional Director of the Company, then he was re-classified as the Independent Non-Executive Director in the 1st Annual General Meeting.*

Mr. Kanav Gupta (DIN: 06802701) retires by rotation and being eligible, offers himself for re-appointment. A resolution seeking shareholders' approval for his re-appointment along with other required details forms part of the Notice.

17. CHIEF FINANCIAL OFFICER:

During the year under review, there is no change in the CFO and Mr. Kanav Gupta, Whole-Time Director, continued to act as the Chief Financial Officer (CFO) of the company w.e.f. 28th July, 2021.

18. COMPANY SECRETARY & COMPLIANCE OFFICER:

During the year under review, the Company had appointed Ms. Nisha Shaw as the Company Secretary and compliance Officer w.e.f. 29th September 2022. However, upto the date of approval of this report, Ms. Nisha tendered her resignation from the position of Company Secretary & Compliance Officer of the Company w.e.f. 16th May 2023, which was duly taken note by the Board. The board appointed Ms. Bhagyashree Periwal, as the Company Secretary & Compliance Officer w.e.f. 17th May 2023.

19. DECLARATION BY THE INDEPENDENT DIRECTOR

Every Independent Director, at the first meeting of the Board in which he/ she participates as a Director and thereafter at the first meeting of the Board in every financial year, gives a declaration that he / she meets the criteria of independence as provided under the law and that he / she is not aware of any circumstance or situation, which exist or may be



reasonably anticipated, that could impair or impact his / her ability to discharge his / her duties with an objective independent judgement and without any external influence.

In the opinion of the Board, the Independent Directors fulfil the conditions specified in the Act and are independent of the management

20. PERFORMANCE 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 Act.

The performance of the board was evaluated by the Board after seeking inputs from all the directors on the basis of 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 criteria such as the composition of committees, effectiveness of committee meetings, etc.

In a separate meeting of independent directors, performance of non-independent directors, the Board as a whole and Chairman of the Company was evaluated, taking into account the views of executive directors and non-executive directors.

The Board and the Nomination and Remuneration Committee reviewed the performance of individual directors on the basis of 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.

At the board meeting that followed the meeting of the independent directors and meeting of Nomination and Remuneration Committee, 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.

21. NUMBER OF MEETINGS OF THE BOARD

During the year the Board of Directors duly met Eleven (11) times on 12th April 2022; 6th June 2022; 31st August 2022; 23rd September 2022; 12th October 2022; 27th October 2022; 10th November 2022, 22nd November 2022; 16th December 2022; 30th January 2023 and 10th March 2023.

In respect of which notices were given and the proceedings were recorded and signed. The intervening gap between any two meetings did not exceed one hundred and twenty days.

22. COMMITTEES OF THE BOARD AND THEIR MEETINGS

During the reporting period the company has constituted the following Board Committees details of which are as follows:

(i) Audit Committee:

Extract of terms of reference:

The Committee is constituted in line with the provisions of Section 177 of the Act.

- a) Oversight of financial reporting process.
- b) Reviewing with the management, the annual financial statements and auditors' report there on before submission to the Board for approval.
- c) Evaluation of internal financial controls and risk management systems.
- d) Recommendation for appointment, remuneration and terms of appointment of auditors of the Company.

Category & Composition:

The committee was duly constituted on 06th June, 2022:

Name of Director	Position	Category	Date of appointment
Arti Arora	Chairperson	Independent & Non-Executive	06 June, 2022
Dhikash	Member	Independent & Non-Executive	06 June, 2022
Neeraj Kumar Aggarwal	Member	Managing Director	06 June, 2022

Meetings:

During the Financial Year under review, four meeting of committee was held on 31st August 2022, 12th October 2022, 10th November 2022 and 1st March 2023.

(ii) Nomination and Remuneration Committee (NRC):

Extract of terms of reference:

The Committee is constituted in line with the provisions of Section 178 of the Act.

- a) Recommend to the Board the setup and composition of the Board and its Committees.
- b) Recommend to the Board the appointment/re-appointment of Directors and Key Managerial Personnel(s).
- c) Support the Board and Independent Directors in evaluation of the performance of the Board, its Committees and individual Directors.
- d) Recommend to the Board the Remuneration Policy for Directors, executive team or Key Managerial Personnel as well as the rest of employees.



- e) Oversee familiarization programs for Directors.

Category & Composition:

The committee was duly constituted on 06th June, 2022:

Name of Director	Position	Category	Date of appointment
Arti Arora	Chairperson	Independent & Non-Executive	06 June, 2022
Dhikash	Member	Independent & Non-Executive	06 June, 2022
Rajesh Gupta	Member	Non-Executive Director*	06 June, 2022

*Mr. Rajesh Gupta was reclassified as Independent Non-Executive Director in the 1st AGM of the Company.

Meetings:

During the Financial Year under review, four meeting of committee was held on 31st August 2022, 23rd September 2022, 10th November 2022 and 1st March 2023.

(iii) Stakeholders' Relationship Committee("SRC")

Extract of terms of reference:

The Committee is constituted in line with the provisions of Section 178 of the Act.

- Consider and resolve the grievances of security holders.
- Consider and approve issue of share certificates, transfer and transmission of securities, etc.

Category & Composition:

The committee was duly constituted on 06 June, 2022:

Name of Director	Position	Category	Date of appointment
Mrs. Aarti Arora	Chairman	Independent Director	06 June, 2022
Dhikash	Chairperson	Independent & Non-Executive Director	06 June, 2022
Rajesh Gupta	Member	Non-Executive Director*	06 June, 2022

*Mr. Rajesh Gupta was reclassified as Independent Non-Executive Director in the 1st AGM of the Company.

Meetings:

During the Financial Year under review, two meeting of committee was held on 10th November 2022 and 1st March 2023.

23. CORPORATE GOVERNANCE

Your Company provides utmost importance to best Governance Practices and is designated to act in the best interest of its Stakeholders. Better Governance practice enables the



company to introduce more effective internal controls suitable to the changing nature of business operations, improve performance and also provide an opportunity to increase Stakeholders' understanding of the key activities and policies of the organisation.

Pursuant to Regulation 15(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is not required to mandatorily comply with the provisions of certain regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 being a company listed on the SME platform. Since your Company is listed on the SME platform of National Stock Exchange of India Limited, it is not required to file the Corporate Governance Report to the Stock Exchange and hence, it has not provided the Corporate Governance Report as part of this Annual Report.

24. RISK MANAGEMENT

The Company has put in place the Risk Management System("RMS") as a part of its transformation agenda. RMS incorporates an integrated framework for managing risks and internal controls. The internal financial controls have been documented, embedded and digitised in the business processes. Internal controls are regularly tested for design, implementation and operating effectiveness. RMS is enabled through extensive use of technology to support the risk management processes, ensure the ongoing effectiveness of internal controls in processes, compliance with applicable laws and regulations.

The Compliance Function ensures compliance activities related to the Financial, Operational and People Management Systems of the various group entities. This includes various statutes such as industrial and labour laws, taxation laws, corporate and securities laws, health, safety and environmental laws, etc. The ongoing effectiveness of compliance management activities is reviewed independently by the Group Audit Function.

The combination of independent governance, assurance and oversight structures, combined with automated risk management, controls and compliance monitoring, ensures robustness and integrity of financial reporting, management of internal controls and ensures compliance with statutory laws, regulations and company's policies. These provide the foundations that enable optimal use and protection of assets, facilitate the accurate and timely compilation of financial statements and management reports.

25. VIGIL MECHANISM / WHISTLE BLOWER POLICY:

Pursuant to Section 177(9) and (10) of the Companies Act, 2013, the Company has formulated Whistle Blower Policy for vigil mechanism of Directors and employees. The mechanism provides for adequate safeguards against victimization of employees and Directors who use such mechanism and makes provision for direct access to the chairman of the Audit Committee in exceptional cases. The company believes in honesty, integrity, ethics, transparency and good conduct in its professional environment and provides such

kind of environment to its employees and directors and always encourages its team to follow such standards in their activities. The directors, employees and other team members are free to report on the issues which require genuine concern. Audit Committee of the Board of directors has the responsibility to review the functioning of vigil mechanism and the same has been performed by the committee periodically.

26. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Act, the Board of Directors, to the best of its knowledge and ability, confirm that:

- a) In the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;
- b) They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- c) They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) They have prepared the annual accounts on a going concern basis.
- e) they have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively;
- f) They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

27. DETAILS OF SUBSIDIARY/JOINT VENTURE/ ASSOCIATE COMPANIES:

The Company does not have any Subsidiary/ Joint Venture/ Associate Companies. There is no requirement of description of the performance of Subsidiaries and Joint Venture Companies.

28. PARTICULARS OF LOANS, GUARANTEE OR INVESTMENTS:

During the year under review the company has not given any loan, investment made, guarantees given and security provided under section 186 of the Companies Act, 2013. However, relevant disclosures, if any, are provided in the notes to financial statement.

29. HUMAN RESOURCES

The Management has a healthy relationship with the officers and the Employees.

30. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

The Management Discussion and Analysis report has been separately furnished in the Annual Report and forms a part of the Annual Report is annexed as **Annexure-2**.

31. PARTICULARS OF EMPLOYEES AND REMUNERATION

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names of the top ten employees in terms of remuneration drawn and names and other particulars of the employees drawing remuneration in excess of the limits set out in the said Rules is annexed in as **Annexure-3**.

32. SEXUAL HARASSMENT

In accordance with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ("POSH Act") along with the Rules made there under, the Company has in place a policy which mandates no tolerance against any conduct amounting to sexual harassment of women at workplace.

The Company has constituted Internal Committee(s) ("ICs") to redress and resolve any complaints arising under the POSH Act. Training / awareness programs are conducted throughout the year to create sensitivity towards ensuring respectable workplace.

The Company is committed to provide a work environment which ensures that every employee is treated with dignity, respect and afforded equal treatment. No complaint was reported during the year under review.

33. DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS

During the year, no such settlement was taking place.

34. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES.

Related party transactions entered during the financial year under review are disclosed in the Financial Statements of the Company for the financial year ended March 31, 2023 as required under Accounting Standard-18. These transactions entered were at an arm's



length basis and in the ordinary course of business. There were no materially significant related party transactions with the Company's Promoters, Directors, Management or their relatives, which could have had a potential conflict with the interests of the Company. Form AOC-2, containing the details of contracts and arrangements with related parties is enclosed herewith as **Annexure-4** as per applicable provisions of the Companies Act, 2013.

35. SECRETARIAL STANDARDS

Your Company complies with the Secretarial Standard on Meetings of Directors (SS-1) and Secretarial Standard on General Meetings (SS-2) whenever it has applicable. Your Company will comply with the other Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) as and when they are made mandatory.

36. CODE OF CONDUCT

The Company has in place a comprehensive Code of Conduct and Our Code (the Codes) applicable to the Directors and employees. The Codes give guidance and support needed for ethical conduct of business and compliance of law.

The Codes reflect the core values of the Company viz. Customer Value, Ownership Mindset, Respect, Integrity, One Team and Excellence. A copy of the Code of Conduct and Our Code are available on the website of the Company at www.deneerstools.com. The Codes have been circulated to the Directors and Senior Management Personnel and its compliance is affirmed by them annually.

37. DETAILS OF APPLICATION / ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016

Neither any application was made nor any proceeding pending under the Insolvency and Bankruptcy Code, 2016 during the financial year.

38. WEBSITE OF THE COMPANY

Your Company maintains a website www.deneerstools.com where detailed information of the Company and specified details in terms of the Companies Act, 2013 has been provided.

39. POLICY FOR PRESERVATION OF DOCUMENTS:

Pursuant to the Regulation 9 of SEBI (LODR), 2015 the Company has maintained the policy of preservation of documents to keep the documents preserve as per Regulation 9(a) & 9(b) of SEBI (LODR), 2015 and the same has been uploaded on the website of the Company on www.deneerstools.com.

40. ACKNOWLEDGEMENT



The Board of Directors wish to place on record its deep sense of appreciation for the committed services by all the employees of the Company. The Board of Directors would also like to express their sincere appreciation for the assistance and co-operation received from the financial institutions, banks, government and regulatory authorities, stock exchanges, customers, vendors, members, debenture holders and debenture trustee during the year under review. And to you, our shareholders, we are deeply grateful for the confidence and faith that you have always placed on us.

**For and on behalf of the Board of Directors
De Neers Tools Limited**

Sd/-

Neeraj Kumar Aggarwal
Chairperson & Managing Director
DIN: 08058134

Date: 04.09.2023

Place: Delhi

Conservation of Energy, Research and Development, Technology Absorption, Foreign Exchange Earnings and Outgo

[Pursuant to Section 134 (3) (m) read with Rule 8(3) of Companies (Accounts) Rules, 2014]

A. Conservation of Energy

(i)	The steps taken or impact on conservation of energy;	NA
(ii)	The steps taken by the company for utilizing alternate sources of energy;	NA
(iii)	The capital investment on energy conservation Equipment's.	NA

B. Technology absorption

(i)	The efforts made towards technology absorption;	NA
(ii)	The benefits derived like product improvement, cost reduction, product development or import substitution;	NA
(iii)	In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-	NA
	(a) The details of technology imported;	NA
	(b) The year of import;	NA
	(c) Whether the technology been fully absorbed;	NA
	(d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and	NA
(iv)	The expenditure incurred on Research and Development	NA

C. Foreign exchange earnings and Outgo-

(i)	The Foreign Exchange earned in the terms of actual inflows during the year;	82,082
(ii)	Foreign Exchange outgo during the year in terms of actual outflow.	-

**Refer to relevant Notes to Financial disclosures.*

**For and on behalf of the Board of Directors of
De Neers Tools Limited**

Sd/-

Neeraj Kumar Aggarwal

Chairperson & Managing Director

DIN: 08058134

Date: 04.09.2023

Place: New Delhi

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Global Economic Review

Over the course of the past year, the global economy has experienced numerous challenges in the form of geopolitical tension, rising interest rates, and high inflation levels. Alongside, the consequences of a sudden surge in COVID-19 cases in China also impacted growth projections.

As per the latest estimates by the International Monetary Fund, the global GDP growth rate is estimated to be 3.4% showing resilience towards the recessionary fears. On account of these headwinds, supply chain disruptions were also rampant. Moreover, due to geopolitical conflicts, crude oil prices soared, global trade was impacted and inflationary pressures worsened. To rein in inflation, Central Banks worldwide, including the US Federal Reserve, responded with synchronised rate hikes.

A stronger boost from pent-up demand in numerous economies or a fall in inflation is expected in the course of 2023. The emerging and developing economies of the world are likely to play a major role in accelerating global economic growth. Another silver lining is the fact that global inflation is likely to decline from *8.8% in C.Y. 2022 to 6.6% in C.Y. 2023 and 4.3% in C.Y. 2024.

Indian Economy

India has emerged as the fastest-growing major economy in the world and is expected to be one of the top three economic powers in the world over the next 10-15 years, backed by its robust democracy and strong partnerships. India's nominal gross domestic product (GDP) at current prices is estimated to be at Rs. 232.15 trillion (US\$ 3.12 trillion) in FY2021-22. India is the third-largest unicorn base in the world with over 83 unicorns collectively valued at US\$ 277.77 billion, as per the Economic Survey.

India is expected to be the third largest consumer economy as its consumption may triple to US\$ 4 trillion by 2025, owing to a shift in consumer behaviour and expenditure pattern, according to a Boston Consulting Group (BCG) report. It is estimated to surpass the USA to become the second-largest economy in terms of purchasing power parity (PPP) by 2040 as per a report by Price Waterhouse Coopers.

Outlook

Despite high inflation, the Indian economy has achieved GDP growth of 7.2% in FY 2022-23. Sustained growth in GST collections, electronic toll collections and the volume of e-way bills generated indicate encouraging momentum. Indices of manufacturing activity such as PMI-manufacturing, the Index of Industrial Production and the Index of Core Industries (ICI) demonstrate that manufacturing activity continues to grow steadily. Indicators of the services sector (UPI transactions, high credit demand) also point towards sustained expansion.

To drive the virtuous cycle of infrastructure investment and job creation, the Union Government has considerably increased the capital expenditure outlay to H10 Lakh Crore, which is 33% higher than the previous year. The increase in infrastructure spending, especially in tier II and tier III cities is

anticipated to have a substantial effect on the Indian economy, generating new employment opportunities and stimulating growth.

Overall, the demand conditions in India remain conducive to supporting economic activity. India faces the coming financial year with confidence imparted by underlying and overall macroeconomic stability while being on the alert against geo-political and geo-economic risks.

Opportunities and Threats:

Growth Drivers

India's tools market is expected to grow at a steady CAGR for the forecast period FY2023-FY2027. The advent of tools such as multi-axis and robotic arms is fueling the demand for machine tools in the region. Growth of the oil and gas industry, railway sector and automotive industries is boosting the demand for tools market.

Demand for smart functions across various end-user industries for reduced power usage and higher energy-efficient machines is creating the demand for tools in the region. The rise in demand for heterogeneous materials for manufacturing processes to facilitate flexibility in design and optimize operational and maintenance costs is increasing the demand for advanced tools. The growing focus of manufacturers on increasing the speed of production and procuring cost-effective methods is aiding the tools market growth. Growth in general machinery and vehicle production machinery is paving the way for high demand for tools in the forecast period.

Threats:

After having achieved strong growth in recent years, India's tool industry is faced with multiple challenges posed by the COVID-19 pandemic which has had a negative impact on various sectors including automotive, one of the key contributors to the growth. Whereas, several other external and internal issues including changing market dynamics and technological advances are having a ripple effect on the tool industry, forcing manufacturers to adapt to the new environment.

For long, the automotive sector has been one of the key contributors to the growth of the tool industry. However, the global developments in respect of emission regulations and rising concerns of climate change and sustainability have propelled the alternative mobility concept, vis-à-vis electric vehicles. Although this transition is a long-term process, it has started showing the impact on the tool industry.

Risks and Concerns

Since machine tools are mainly used to produce other capital goods, this applies especially to the machine tool industry, making it vulnerable to economic fluctuations. The recent economic downturn triggered by the pandemic and other negative effects was mentioned as the biggest challenge faced by most machine tool builders. Uncertainty Related to Social and Economic Factors can hinder market growth. Changes in the global economic conditions can also result in the hindrance of the market. Expenditures in the manufacturing industry are directly proportional to these tool sales. Hence, if the global economy slows, it is expected to directly result in the decline of tool revenue. Likewise, trends in the automotive industry have had a larger impact on the tools sector owing to the high adoption of machinery in the industry. However, the trends related to capital expenditure in the automotive manufacturing sector have a significant impact on the market revenue. Furthermore,



unexpected changes in the economic, political, or social circumstances and regulations of a country can impact the growth of the market revenue. Further, the Company's growth is linked to the growth of the various Sectors which is cyclical in nature. This cyclical nature might affect the demand ultimately and has an effect on the order book of the Company. However, the Company is focusing towards export orders and non-automotive business to counter the risk.

There have been very good results so far and the company is confident of posting significant success in these areas. The profit margin and cost competitiveness may be affected due to changes in the prices of raw materials, power and other input costs which can significantly impact profitability. Careful monitoring and being frugal and innovative can be very encouraging in maintaining margins.

Internal Control Systems and their adequacy

Your Company has effective internal control systems commensurate with the size of the Company. This is further supplemented by an internal audit being carried out by an external firm of Chartered Accountants. The internal auditors conduct audits of the performance of various departments, functions and locations and also statutory compliances based on an annual audit plan chalked out in consultation with the Audit Committee. They report their observations/ recommendations to the Audit Committee of the Board of Directors. The Audit Committee reviews the Audit observations and follows up on the implementation of the suggestions and remedial measures and also recommends increased scope of coverage, wherever necessary.

Human Resources and Industrial Relations

Employees are the main resource for the Company. The Company has done its best to retain the best employees and create a favorable work environment that encourages the young credible employees to perform innovatively and train them in a sophisticated manner with the implementation of new technologies. During the year under review, all employees worked innovatively and supported productivity in an encouraging manner and high technological changes were initiated in the process of production resulting in to cost-effective quality production.

Cautionary Statement:

Statements in the Management's Discussions and Analysis report describing the Company's objectives, projections or predictions may be 'forward-looking statements' within the meaning of applicable laws and regulations. Actual results could differ materially from those expressed or implied.

PARTICULARS OF EMPLOYEES

Particulars pursuant to Section 197 (12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1. **The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2022-23:**

Name of the Director	Designation	Remuneration	Median Remuneration (MR)	Ratio No. of times to MR
Neeraj Kumar Aggarwal	Managing Director	22,80,000	1,65,529	13.77:1
Shilpy Aggarwal	Whole-Time Director	18,00,000	1,65,529	10.87:1
Kanav Gupta	Whole-Time Director & CFO	6,00,000	1,65,529	3.62:1
Aarti Arora	Independent Director	NIL	-	-
Dhikash	Independent Director	NIL	-	-
Rajesh Gupta	Independent Director	NIL	-	-

2. **The percentage Increase in the remuneration of each Director, CFO, CEO and Company Secretary for the financial year 2022-23:**

Name of the Director	Designation	Remuneration	Median Remuneration (MR)	Ratio No. of times to MR
Neeraj Kumar Aggarwal	Managing Director	22,80,000	1,65,529	13.77:1
Shilpy Aggarwal	Whole-Time Director	18,00,000	1,65,529	10.87:1
Kanav Gupta	Whole-Time Director & CFO	6,00,000	1,65,529	3.62:1
Nisha Shaw	Company Secretary	2,30,533	1,65,529	1.39:1

Notes:

1. *Mr. Rajesh Gupta, Non-Executive Director was initially appointed by the board meeting as the Additional Director of the Company, then he was re-classified as the Independent Non-Executive Director in the 1st Annual General Meeting.*

3. Details of top ten employees in terms of remuneration drawn as per Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 during the financial year 2022-23:

S. No	Name	Designation	Remuneration received during the year (in Rs.)	Qualification	Date of commencement of Employment	Exp. (Yrs.)	Age (Yrs.)	Last employment held
1	Neeraj Kumar Aggarwal	Managing Director	22,80,000	Graduate	26/07/2021	31	49	Designated Partner
2	Shilpy Aggarwal	Whole Time Director	18,00,000	Graduate	26/07/2021	11	47	Designated Partner
3	Kanav Gupta	Chief Financial Officer	6,00,000	Graduate	26/07/2021	7	29	Designated Partner
4	Santosh Kumar Mishra	Accounts Manager	7,09,798	Graduate	26/07/2021	23	25	Accountant
5	Dinesh Kumar Sharma	Sales Manager	7,18,148	Graduate	26/07/2021	34	59	Sales Executive

6	Yogesh Thapa	Store Manager	3,53,659	10 th	26/07/2021	15	43	Packing Incharge
7	Aditya Kumar Mishra	Store Incharge	4,37,303	10th	26/07/2021	26	46	Packing Incharge
8	Manoj Kumar	Sales Manager	8,33,895	Diploma in mach. Engineerin g	26/07/2021	21	48	Deputy Manager Marketing
9	Devender Singh	Accounts Executive	4,84,497	10+2	26/07/2021	16	37	Senior Officer Marketing
10	Vijay Kumar Singh	Accounts Manager	4,83,340	Graduate	01/09/2021	30	52	Accounts Manager

**For and on behalf of the Board of Directors of
De Neers Tools Limited**

Sd/-
Neeraj Kumar Aggarwal
Chairperson & Managing Director
DIN: 08058134

Date: 04.09.2023

Place: New Delhi

Form No. AOC-2

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

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

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

a) Name(s) of the related party and nature of relationship	NIL
b) Nature of contracts/arrangements/transactions	
c) Duration of the contracts / arrangements/transactions	
d) Salient terms of the contracts or arrangements or transactions including the value, if any	
e) Justification for entering into such contracts or arrangements or transactions	
f) date(s) of approval by the Board	
g) Amount paid as advances, if any:	
h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188	

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

De Neers Tools Limited has entered into a contract or arrangement or transaction with its related parties which is at arm's length basis during the financial year 2022-23 are as follows:

Name of related party and the nature of the relationship	Nature of contracts/ arrangements/ transactions	Duration of contracts/ arrangements/ transactions	Salient Terms of contracts/arrangements/transactions including the value, if any	Date of Approval by the Board, if any	Amount paid as advance, if any
Mr. Kanav Gupta (Whole-time Director & CFO)	1. Loan Repayment 2. Director Remuneration 3. Reimbursement of expenses	As per agreement and as decided by the Board	1. 32,20,000 2. 6,00,000 3. 1,28,861	As per agreement	Nil
Mr. Neeraj Kumar Aggarwal (Managing Director)	1. Loan Taken 2. Loan Repayment 3. Director Remuneration	As per agreement and as decided by the Board	1. 12,02,35,575 2. 6,52,52,197 3. 22,80,000 4. 24,40,000 5. 9,27,495	As per agreement	Nil

	4. Rent 5. Reimbursement of expenses				
Mrs. Shilpy Aggarwal (Whole-time Director)	1. Loan Taken 2. Loan Repayment 3. Director Remuneration 4. Rent	As per agreement and as decided by the Board	1. 65,65,575 2. 60,56,767 3. 18,00,000 4. 30,00,000	As per agreement	Nil
Ms. Riya Aggarwal (Employee)	1. Reimbursement of Expenses 2. Salary	As per agreement and as decided by the Board	1. 25,000 2. 12,00,000	As per agreement	Nil
Ms. Deepali Aggarwal (Employee)	1. Bonus 2. Salary	As per agreement and as decided by the Board	1. 2,00,000 2. 11,69,240	As per agreement	Nil

**For and on behalf of
De Neers Tools Limited**

Sd/-
Neeraj Kumar Aggarwal
Chairperson & Managing Director
DIN: 08058134

Date: 04.09.2023
Place: New Delhi



INDEPENDENT AUDITORS' REPORT

To,
The Members of De Neers Tools Limited

Report on the Audit of Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of De Neers Tools Limited, which comprises the Balance Sheet as at **31st March 2023** and the Statement of Profit and Loss and the statement of Cash Flow for the year then ended and notes to financial statement 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 standalone financial statements give the information required by the Companies Act 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at **31st March 2023** and its profit/loss, and its cash flow for the year then ended on that date.

Basis of Opinion

We have 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 statement 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.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flow 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 the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial control, 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, matter 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.
- 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



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

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

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

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we enclose in "**Annexure "A"**", a statement on the matters specified in the paragraph 3 and 4 of the said order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet and the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of written representations received from the directors as on 31st March 2023, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2023, from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to adequacy of the internal financial control over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in '**Annexure B**'.



g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit & Auditor's) 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 derivatives 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.

for Gautam Sehgal & Co.
Chartered Accountants
FRN: 015736N

Place: New Delhi
Dated: 29/05/2023

Sd/-
Gautam Sehgal
(Partner)
M. No.: 095938

UDIN: 23095938BGXCPT9223



Annexure A to the Independent Auditor' Report to the Members of De Neers Tools Limited dated 29/05/2023

Report on the matters specified in paragraph 3 and 4 of the companies (Auditor's Report) Order, 2020 ("the Order") issued by the central Government of India in terms of section 143(11) of the companies Act, 2013 ("the Act") as referred to in paragraph 1 of 'Report on other Legal and Regulatory Requirements' section.

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i) (a) (A) The company has maintained proper records showing full particulars including quantitative details and situation of property, plant and equipment on the basis of available information.

(B) The Company has no intangible assets. Hence, provision of paragraph 3(i)(a)(B) of the order is not applicable to the company.
- (b) The physical verification of property, plant & equipment has done by the management at reasonable intervals and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the company and the nature of its assets.
- (c) The Company has not owned any immovable property. Hence, provision of paragraph 3(i)(c) of the order is not applicable to the company.
- (d) The company has not revalued its property, plant and equipment including right of use assets or intangible assets or both during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) The inventories (except goods-in-transit, which have been received subsequent to the year-end or confirmations have been obtained from the parties), were physically verified during the year by the Management at reasonable intervals. In our opinion and based on information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories / alternate procedures performed as applicable, when compared with the books of account.

- (b) The Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, at points of time during the year, from banks on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns or statements comprising stock and book debt statements, filed by the Company with such banks are in agreement with the books of account of the Company. The variations of the same has been reported in Annexure 1 of audited Balance sheet.
- (iii) The company has not made any investments in, nor provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Hence, provision of paragraph 3(iii) of the order is not applicable to the company.
- (iv) In our opinion and according to the information and explanation given to us, the company has not given any loan, investment, guarantees and securities as per provisions of section 185 and 186 of the Act. Hence, provision of paragraph 3(iv) of the order is not applicable to the company.
- (v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of section 148 of the Act for the Company's activities. Hence, the provisions of paragraph 3(vi) of the Order is not applicable to the company.
- (vii) (a) According to the information and explanations given to us, the company is regular in depositing undisputed statutory dues, including Goods and Service tax, Provident Fund, employees' state insurance, Income-tax, Sales Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues as applicable to the Company with the appropriate authorities though there has been a delay in respect of remittance of taxes.
- There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, employees' state insurance, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2022 for a period of more than six months.
- (b) According to the records of the Company, there is no such statutory dues as referred in sub-clause (a) which have not been deposited on account of any dispute.
- (viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.



- (ix) A In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year
- B The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- C To the best of our knowledge and belief, in our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained.
- D On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- E On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, an associate or a joint venture.
- F The Company has not raised loans during the year on the pledge of securities held in its subsidiaries or joint ventures or associate companies
- (x) A The Company has not issued any of its securities (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- B During the year the Company has issued bonus equity shares of Rs. 6,30,00,000 which is in the ratio 210:1 to existing equity shareholders on October 27, 2022.
- (xi) A To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- B To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT 4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- c The provisions of paragraph 3(xi)(c) of the Order is not applicable to the company.
- (xii) The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards
- (xiv) A In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

- B The provisions of paragraph 3(xiv)(b) of the Order is not applicable to the company.
- (xv) In our opinion during the year the Company has not entered into any non-cash transactions with any of its directors or persons connected with such directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) A The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a) of the Order is not applicable.
- B The Company has not conducted any Non-Banking Financial or Housing Finance activities. Hence, reporting under clause 3(xvi)(b) of the Order is not applicable.
- C The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Hence, reporting under clause 3(xvi)(c) of the Order is not applicable.
- d The Group has no Core Investment Company (CIC) as part of the Group. Hence, reporting under clause 3(xvi)(d) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) Section 135 of Companies Act is not applicable to the company. Hence, the provisions of paragraph 3(xx)(a) & (b) of the Order is not applicable to the company.
- (xxi) There is no qualifications or adverse remarks in the Companies (Auditor's Report) Order (CARO) reports of the companies. Hence, the provisions of paragraph 3(xxi) of the Order is not applicable to the company.



for Gautam Sehgal & Co.
Chartered Accountants
FRN: 015736N

Sd/-
Gautam Sehgal
(Partner)
M. No.: 095938

Place: Delhi
Dated: 29/05/2023

UDIN: 23095938BGXCPT9223



DE NEERS TOOLS LIMITED

Annexure B to the Independent Auditor' Report to the Members of De Neers Tools Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") as referred to in paragraph 2(f) of 'Report on other Legal and Regulatory Requirements' section

We have audited the internal financial controls over financial reporting of De Neers Tools Limited as on March 31, 2023 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". 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.

Auditor's 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") issued by the I.C.A.I and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 standalone financial statements for external purpose in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- (a) Pertain to the maintenance of records that, in reasonable details, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (b) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone 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
- (c) 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 standalone 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, to the best of an information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2023, 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 if Internal Financial Controls Over Financial Reporting issued by The Institute of Chartered Accountants of India".

Place: Delhi
Date: 29/05/2023

for Gautam Sehgal & Co.
Chartered Accountants
FRN: 015736N
Sd/-
Gautam Sehgal
(Partner) M. No.: 095938



De NEERS TOOLS LIMITED

Notes to the financial statements for the period 1st April 2022 to 31st March 2023

1. Corporate information

De Neers Tools Limited is a public company domiciled in India and incorporated under the provisions of the Companies Act, 2013. The Company is primarily engaged in the business of wholesale trading of Hardware Tools.

2. Significant accounting policies

a. Basis of preparation of financial statements

The Financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). These have been prepared to comply in all material respects with the Accounting Standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. The financial statements have been prepared under the historical cost convention, on accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

b. Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

c. Fixed assets

(i) Tangibles

(a) Tangible fixed assets are stated at cost of acquisition or construction, or at revalued amounts, net of impairment loss if any, less accumulated depreciation/amortisation. The Company capitalizes all costs including costs of borrowed funds and duties & taxes attributable to acquisition or construction of fixed assets, upto the date the assets are put to use. Assessment of indication of impairment of an asset is made at the year end and impairment loss, if any, recognized.

d. Depreciation/Amortisation on Fixed Assets

i) Depreciation on Tangible assets:

Depreciation is provided on written down value method at the rates and in the manner based on the useful lives prescribed under Schedule II of the Companies Act 2013 and the depreciation/amortization have been provided accordingly.

e. Borrowing costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

f. Impairment

The carrying amounts of assets are reviewed at each balance sheet date to assess whether there is any indication of impairment based on internal /external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the Company measures it on the basis of undiscounted cash flows of next five years projections estimated based on current prices.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

g. Revenue recognition

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

- i) Revenue from sale of goods are recognized at the time of dispatch of goods to the customer. Sales are net of taxes applicable and sales returns.
- ii) Revenue from rendering of services are recognized when the related services are performed. Services are net of taxes applicable.
- iii) Interest income is recognized on time proportion basis taking into account the amount outstanding and the rate applicable.

h. Foreign currency transactions

Initial Recognition

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

Conversion

Foreign currency monetary items which are unsettled at the year-end are reported using the closing rate.



Exchange differences arising on the settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

i. Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments or short term investments. All other investments are classified as non-current investments or long-term investments. Current investments are valued at lower of cost and fair value determined on an individual investment basis. Changes in the carrying amount of current investments are recognized in the statement of profit and loss account. Non-current investments are valued at cost. However, provision for diminution in value is made to recognize a decline that is other than temporary in the value of investments, wherever considered necessary. Cost comprises cost of acquisition and related expenses such as brokerage and stamp duties.

j. Inventories

Inventories are valued at the lower of cost and net realizable value. Cost is ascertained on FIFO Basis.

k. Employee benefits

- i) All employee benefits payable/available within twelve months of rendering the services are classified as short term employee benefits. Benefits such as salaries, wages and bonus etc. are recognized in Profit & Loss A/c in the period in which the employee renders the related service.
- ii) All employees are covered under contributory provident fund benefit of a contribution of 12% of salary and certain allowances. It is a defined contribution scheme and the contribution is charged to the statement of profit and loss account of the year when the contribution to the respective fund is due. There is no obligation other than the contribution payable to the respective fund.
- iii) Provision for Employees' Gratuity is provided for as on the date of balance sheet.

The Company has adopted AS-15 (Revised) on disclosure in respect of "Employee Benefits" prescribed by the Companies (Accounting Standards) Rules, 2006. There was no material differential liability arising due to adoption of this standard accordingly no adjustments were made to opening balance of Profit & Loss Account under the transitional provision of AS-15 (Revised).

l. Income and deferred taxes

Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961 and tax laws prevailing in the respective tax jurisdictions where the Company operates.



Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantially enacted at the balance sheet date.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax asset on unabsorbed depreciation and carry forward losses is recognized only to the extent that there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each balance sheet date, the Company reassesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Minimum Alternate Tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e. the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset, the said asset is created by way of credit to the statement of profit and loss and shown as “MAT Credit Entitlement”. The Company reviews the “MAT Credit Entitlement” asset at each reporting date and writes it down to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period and utilize the MAT Credit Entitlement.

m. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by weighted average number of equity shares outstanding during the period. The weighted average number of equity shares is adjusted for events such as bonus issue and shares split that have changed the number of equity shares outstanding without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss attributable to equity shareholders and the weighted average number of shares outstanding are adjusted for the effects of all dilutive potential equity shares if any.

n. Provisions

A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

o. Contingent liabilities



A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is probable that an outflow of resources will be required to settle the obligations. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

p. Cash and Bank Balances

Cash and bank balances comprise cash at bank and cash/cheques on hand and deposits with Banks.



BALANCE SHEET AS AT 31st MARCH 2023

(Amount in ₹)

PARTICULARS	NOTES	31st March 2023	31st March 2022
EQUITY AND LIABILITIES			
Shareholder's Fund			
Share Capital	3	263,300,000	172,800,000
Surplus	4	72,051,362	65,711,828
Non-Current Liabilities			
Long Term Borrowings	5	346,175,227	243,584,723
Other Non Current Liabilities	6	1,176,150	381,476
Current Liabilities			
Short Term Borrowings	7	261,519,687	120,841,366
Trade Payables	8	370,444,437	355,513,703
Other Current Liabilities	9	6,997,989	15,004,974
Short Term Provisions	10	24,459,318	21,003,383
Total		1,346,124,170	994,841,453
ASSETS			
Non-Current Assets			
Property, Plant & Equipment and Intangible Assets	11		
Property, Plant & Equipment		25,321,644	20,320,360
Deferred Tax Assets	12	1,537,011	430,968
Other Non Current Assets	13	4,336,000	1,841,000
Current Assets			
Inventories	14	877,310,579	539,430,478
Trade Receivables	15	335,977,704	347,357,500
Cash and Cash Equivalentents	16	1,106,725	12,650,681
Short Term Loan and Advances	17	29,067,028	31,891,716
Other Current Assets	18	71,467,479	40,918,750
Total		1,346,124,170	994,841,453



Corporate Information	1
Significant Accounting Policies	2
Other Notes	26-35

"As per our report of even date"

Sd/-

Gautam Sehgal

PARTNER

M No: 095938

For & on behalf of

Gautam Sehgal & Company

Chartered Accountants

FRN: 015736N

PLACE: NEW DELHI

DATED: 29/05/2023

UDIN: 23095938BGXCPT9223

Sd/-
Kanav Gupta

(Whole time Director
& CFO)

DIN : 06802701

Sd/-
Neeraj Kumar
Aggarwal

(Managing Director)

DIN : 08058134

Sd/-
Bhagyashree Periwal
Company Secretary
(M. No. A50954)



STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH 2023

(Amount in ₹)

PARTICULARS	NOTES	31st March 2023	31st March 2022
Income			
I Revenue from Operations	19	950,512,763	601,903,621
II Other Income	20	534,249	10,996,236
III Total Income (I+II)		951,047,012	612,899,857
IV Expenses			
Purchases of Stock-In-Trade		1,074,571,653	708,465,160
Changes in Inventories of Finished Goods, Work-In- Progress and Stock-In-Trade	21	(337,880,101)	(226,749,829)
Employee Benefits Expenses	22	31,636,506	20,234,196
Finance Costs	23	19,311,894	7,255,265
Depreciation and Amortisation Expense		7,829,370	3,243,915
Other Expenses	24	62,878,554	31,065,674
Total Expenses		858,347,876	543,514,381
V Profit/(Loss) before Exceptional Items and Tax		92,699,136	69,385,476
Exceptional Items		-	-
VI Profit/(Loss) before Tax		92,699,136	69,385,476
VII Tax expense			
Current Tax		24,445,645	20,969,043
Deferred Tax		(1,106,043)	(430,968)
VIII Profit/(Loss) for the year (VIII-IX)		69,359,534	48,847,401
Earnings Per Share	25		
Basic		10.96	7.72
Diluted		10.96	7.72

Corporate Information	1
Significant Accounting Policies	2
Other Notes	26-35

"As per our report of even date"



Sd/-
Gautam Sehgal

PARTNER
M No: 095938
For & on behalf of
Gautam Sehgal & Company

Chartered Accountants
FRN: 015736N
PLACE: NEW DELHI
DATED: 29/05/2023

Sd/-
Kanav Gupta
(Whole time
Director & CFO)
DIN: 06802701

Sd/-
Bhagyashree
Periwal
Company Secretary
(M. No. A50954)

Sd/-
Neeraj Kumar
Aggarwal
(Managing
Director)
DIN: 08058134



CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2023

(Amount in ₹)

PARTICULARS	31st March 2023	31st March 2022
CASH FLOW FROM OPERATING ACTIVITIES		
A. NET PROFIT/ (LOSS) BEFORE TAX	92,699,136	69,385,476
Adjustments for:		
Profit of LLP (trf at the time of conversion of LLP into company)		16,881,677
Depreciation and Amortisation	7,829,370	3,243,915
Finance Costs	19,311,894	7,255,265
Provision for Gratuity	794,674	381,476
Amount Written off	-	30,596
Prior Period Tax Expense	632	-
Loss/(Profit) on sale of Fixed Asset	(455,986)	-
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	120,179,720	97,178,405
Adjustments for changes in working capital :		
- (Increase)/Decrease in Trade and Other Assets	(18,673,909)	(416,749,607)
- (Increase)/Decrease in Inventories	(337,880,101)	(539,430,478)
- Increase/(Decrease) in Trade and Other Liabilities	6,923,749	370,535,765
CASH GENERATED FROM OPERATIONS	(229,450,541)	(488,465,915)
- Taxes (Paid)/Received {Net of Withholding Taxes(TDS)}	(21,146,761)	(5,259,358)
NET CASH FROM OPERATING ACTIVITIES	(250,597,302)	(493,725,273)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchases of Fixed Assets during the year	(13,490,751)	(23,594,870)

Proceeds from sale of Fixed Assets	1,116,082	-
NET CASH USED IN INVESTING ACTIVITIES	(12,374,669)	(23,594,870)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long-Term Borrowings	197,076,881	270,507,916
Payments of Long-Term Borrowings	(91,560,483)	(13,135,419)
Proceeds from Short-Term Borrowings	593,763,273	129,449,879
Payments of Short-Term Borrowings	(456,010,845)	(22,396,287)
Preference Share Capital	27,500,000	172,800,000
Dividend paid	(28,917)	-
Finance Costs paid	(19,311,894)	(7,255,265)
NET CASH USED IN FINANCING ACTIVITIES	251,428,015	529,970,824
NET INCREASE/(DECREASE) IN CASH AND BANK BALANCES	(11,543,956)	12,650,681
CASH AND BANK BALANCES - OPENING	12,650,681	-
CASH AND BANK BALANCES - CLOSING	1,106,725	12,650,681
NET INCREASE/(DECREASE) IN CASH AND BANK BALANCES	(11,543,956)	12,650,681

NOTES:

- 1 The above cash flow statement has been prepared under the "Indirect method" set out in the Accounting Standard- 3 on 'Cash Flow Statements'.
- 2 Figures in brackets indicate cash outflow.
- 3 Previous year figures have been regrouped and recast wherever necessary to confirm to current year's classification.
- 4 Cash and bank balances at the end of the year consist of cash on hand, cheques on hand and balance and deposits with banks as follows:

Particulars	31st March 2023	31st March 2022



<u>Balances with banks</u>		
Current Accounts	170,892	9,285,593
Cash in hand	935,833	3,365,088
Total	1,106,725	12,650,681

"As per our report of even date"

Sd/-
Gautam Sehgal

PARTNER
M No: 095938
For & on behalf of
Gautam Sehgal & Company
Chartered Accountants

FRN: 015736N
PLACE: NEW DELHI
DATED: 29/05/2023

Sd/-
Kanav Gupta
(Whole time Director &
CFO)
DIN : 06802701

Sd/-
Neeraj Kumar
Aggarwal
(Managing Director)
DIN : 08058134

Sd/-
Bhagyashree Periwal
Company Secretary
(M. No. A50954)

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2023**

3 Share capital **(Amount in ₹)**

Particulars	31st March 2023	31st March 2022
Authorised Share Capital		
31,50,000 Equity Share of Rs. 10/- each	-	31,500,000
100,00,000 Equity Share of Rs. 10/- each	100,000,000	-
20,00,000 Preference Share of Rs. 100/- each	200,000,000	200,000,000
	300,000,000	231,500,000
Issued, subscribed and fully paid up		
30,000 Equity Share of Rs. 10/- each	300,000	300,000
63,00,000 Equity Share of Rs 10/- each	63,000,000	-
20,00,000 .01% Preference Share of Rs. 100/- each fully paid up	200,000,000	-
10,00,000 .01% Preference Share of Rs. 100/- each fully paid up	-	100,000,000
10,00,000 .01% Preference Share of Rs. 100/- each, Rs. 72.5 paid up	-	72,500,000
	263,300,000	172,800,000

**3.1 Reconciliation of the number of shares outstanding at the beginning and
at the end of the reporting period**

Particulars	31st March 2023		31st March 2022	
	Equity	Preference	Equity	Preference
Opening Balance	30,000	2,000,000	-	-
Issued during the year	6,300,000	-	30,000	2,000,000

Closing Balance	6,330,000	2,000,000	30,000	2,000,000
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3.2 Shares held by each shareholder holding more than 5% shares

Name of shareholders	31st March 2023		31st March 2022	
	Nos. of shares	% shares	Nos. of shares	% shares
Neeraj Kumar Aggarwal	1,730,700	27.34%	9,000	30.00%
Kanav Gupta	1,538,400	24.30%	8,000	26.67%
Shilpy Aggarwal	1,730,700	27.34%	9,000	30.00%
Total	4,999,800	78.99%	26,000	86.67%

Name of Preference shareholders	31st March 2023		31st March 2022	
	Nos. of shares	% shares	Nos. of shares	% shares
Sunstar Realty Development Ltd	1,000,000	50%	1,000,000	50%
MK Goenka Construction Pvt Ltd	1,000,000	50%	1,000,000	50%
Total	2,000,000	100%	2,000,000	100%

3.3 Shareholding of Promoters

Name of Promoter	No of shares	% shares	% change during the year
Neeraj Kumar Aggarwal	1,730,700	27.34%	2.66%
Kanav Gupta	1,538,400	24.30%	2.36%
Shilpy Aggarwal	1,730,700	27.34%	2.66%
Deepali Aggarwal	192,300	3.04%	0.29%
Riya Aggarwal	192,300	3.04%	0.29%

Manoj Gupta	192,300	3.04%	0.29%
Anju Gupta	192,300	3.04%	0.29%
Total	5,769,000	91.14%	8.85%

3.4 Rights, Preference and restrictions attached to shares

- Equity

Shares

- (i) The Company has only one class of equity shares having a par value of Rs. 10 each. Each holder of equity shares is entitled to one vote per share.
- (ii) In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amount, in proportion to the shareholding.

- Bonus

Shares

The Company has issued bonus equity shares of Rs. 6,30,00,000 which is in the ratio 210:1 to existing equity shareholders on October 27, 2022.

- Preference

Shares

- (i) The Company has fully paid up 20 lacs .01% non convertible preference shares having a par value of Rs. 100 each.
- (ii) NCRCPs shall carry a pre-determined cumulative dividend rate of .01% per annum. The dividend shall be payable, subject to cash flow solvency, in the event the Board declares any dividend for the relevant year and shall be paid to the Investors in priority to other classes of Shares.
- (iii) The Company shall redeem the NRCCPS on or before 20 years from the date of Allotment at par on the Face Value of the preference Share with the approval of the Company and the Shareholder.
- (iv) NCPRS are not entitled to participate in addition to and after payment of preference dividend to participate pari passu in the surplus fund.
- (v) NCRCPs held by the Investor shall not be entitled to receive surplus assets and profit on winding up which may remain after entire capital has been repaid.
- (vi) Subject to applicable provision of the Companies Act, 2013, the holders of the preference share shall be entitled to receive notice of and vote on all matters that are submitted to the vote of the Shareholders of the Company (including the holders of Equity Shares) in accordance with Section 47 of the Companies Act, 2013.

3.5 Dividend

The Company has booked provision for dividend @0.01% on paid up preference share capital for Rs 20,000.

4 Surplus

(Amount in ₹)

Particulars	31st March 2023	31st March 2022
Surplus/(Deficit) in the statement of Profit & Loss		
Opening Balance	65,711,828	16,881,677
Add: Net Profit/(Net Loss) for the current year	69,359,534	48,847,401
Profit Available for appropriation	135,071,362	65,729,078
Less : Proposed Preference Dividend	8,333	17,250
Less : Preference Dividend Paid	11,667	-
Less : Bonus Issue	63,000,000	-
Closing Balance	72,051,362	65,711,828
Total	72,051,362	65,711,828

5 Long Term Borrowings

(Amount in ₹)

Particulars	31st March 2023	31st March 2022
Secured Term Loan from Banks	16,987,393	23,019,009
Unsecured Loan		

Loan from Related Parties	272,837,901	220,565,714
Loan from Others	56,349,933	-
Total	346,175,227	243,584,723

6 Other Non Current Liabilities (Amount in ₹)

Particulars	31st March 2023	31st March 2022
Gratuity Payable	1,176,150	381,476
Total	1,176,150	381,476

7 Short Term Borrowings (Amount in ₹)

Particulars	31st March 2023	31st March 2022
Bank Overdraft	244,806,020	107,053,592
Current Maturities of Long Term borrowings - From Banks	16,713,667	13,787,774
Total	261,519,687	120,841,366

Note : The balance as per bank statement as on 31st March 2023 is Rs. 19,03,12,495. The reason for balance appearing as Rs. 24,48,06,020 is on account of cheque issued but not presented for payment and cheques deposited but not cleared appearing in bank reconciliation statement as on 31st March 2023. Net impact of the entries appearing in bank reconciliation statement is Rs. 5,44,93,525.

8 Trade Payables (Amount in ₹)

Particulars	31st March 2023	31st March 2022
Micro, Small and Medium Enterprises	46,708,858	30,036,367
Others	323,735,579	325,477,335
Total	370,444,437	355,513,703

9 Other Current Liabilities (Amount in ₹)

Particulars	31st March 2023	31st March 2022
Payables for Expenses	4,827,684	10,058,375
Statutory Liabilities	685,586	846,124
Advances from Customers	1,484,719	4,100,474
Total	6,997,989	15,004,974

10 Short Term Provisions (Amount in ₹)

Particulars	31st March 2023	31st March 2022
Provision for Dividend	8,333	17,250
Provision for IT	24,450,985	20,986,133

Total	24,459,318	21,003,383

Property, Plant & Equipment and Intangible Assets (Amount in ₹)

Name of the Asset	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	1-Apr-22	Additions	Delentions/Adjustment	31-Mar-23	1-Apr-22	Delentions/Adjustment	Dep for the year	31-Mar-23	31-Mar-23	31-Mar-22
Computers	1,224,056	53,390	-	1,277,446	732,559	-	323,490	1,056,049	221,397	491,497
Furniture & Fittings	1,453,642	-	-	1,453,642	458,874	-	257,539	716,413	737,229	994,768
Motor Cars	19,712,687	12,303,418	2,833,108	29,182,997	4,108,390	2,173,012	6,018,160	7,953,538	21,229,459	15,604,297
Office Equipments	4,133,488	390,303	-	4,523,791	2,039,745	-	1,007,072	3,046,817	1,476,974	2,093,743
Plant & Machinery	1,910,646	743,640	-	2,654,286	774,592	-	223,109	997,701	1,656,585	1,136,054
Property, Plant & Equipment	28,4	13,4	2,83	39,0	8,11	2,17	7,82	13,7	25,3	20,3

Total	34,5	90,7	3,10	92,1	4,16	3,01	9,37	70,5	21,6	20,3
	19	51	8	62	0	2	0	18	44	60
	28,4	13,4	2,8	39,0	8,1	2,1	7,8	13,7	25,3	20,3
Previous Year	34,5	90,7	33,	92,1	14,	73,	29,	70,5	21,6	20,3
	19	51	108	62	160	012	370	18	44	60
	-	23,5 94,8 70	30,5 96	23,5 64,2 74	-	-	3,24 3,91 5	3,24 3,91 5	20,3 20,3 60	-

12 Deferred Tax Assets (Amount in ₹)

Particulars	31st March 2023	31st March 2022
DTA on Fixed Assets and Other Timing Differences	1,537,011	430,968
Total	1,537,011	430,968

13 Other Non Current Assets (Amount in ₹)

Particulars	31st March 2023	31st March 2022
Security Deposits	4,336,000	1,841,000
Total	4,336,000	1,841,000

14 Inventories (Amount in ₹)

Particulars	31st March 2023	31st March 2022
Stock-in-Trade	877,310,579	539,430,478
Total	877,310,579	539,430,478

15 Trade Receivables (Amount in ₹)

Particulars	31st March 2023	31st March 2022
Unsecured, considered good	335,977,704	347,357,500
Total	335,977,704	347,357,500

16 Cash and Cash Equivalents (Amount in ₹)

Particulars	31st March 2023	31st March 2022
Balances with banks		
Current Accounts	170,892	9,285,593
Cash in hand	935,833	3,365,088
Total	1,106,725	12,650,681

17 Short Term Loan and Advances (Amount in ₹)

Particulars	31st March 2023	31st March 2022
Prepaid Expenses	630,645	346,348
Advance IT	5,100,000	5,100,000
Advances to Suppliers	22,370,831	25,736,600
Other Advances	965,552	708,768
Total	29,067,028	31,891,716

18 Other Current Assets (Amount in ₹)

Particulars	31st March 2023	31st March 2022
GST Input	71,142,785	40,759,392
TDS Receivable	203,185	38,356
TCS Receivable	121,509	121,002
Total	71,467,479	40,918,750

19 Revenue from Operations (Amount in ₹)

Particulars	31st March 2023	31st March 2022
Sale of Goods	950,430,735	601,800,083
Export Sales	82,028	103,538
Total	950,512,763	601,903,621

20 Other Income (Amount in ₹)

Particulars	31st March 2023	31st March 2022
FXPC Difference	1,798	30
Duty Drawback	1,052	677
Interest Income	-	5,040
Rebate & Discount	44,970	238,906
Profit on FA Sale	455,986	-

Other Income	1,000	157,601
Income - Stock Correction	-	10,593,982
Short & Excess	29,443	
Total	534,249	10,996,236

21 Changes in Inventories of Finished Goods, Work-In-Progress and Stock-In-Trade (Amount in ₹)

Particulars	31st March 2023	31st March 2022
Opening Stock		
Stock-in-Trade	539,430,478	312,680,649
Less : Closing Stock		
Stock-in-Trade	877,310,579	539,430,478
Net Change	(337,880,101)	(226,749,829)

22 Employee Benefits Expenses (Amount in ₹)

Particulars	31st March 2023	31st March 2022
Staff Salary	22,925,280	13,183,374
Director's Remuneration	4,680,000	3,120,000
Bonus	1,715,238	1,606,610
Gratuity	794,674	381,476
Leave Encashment	271,419	449,049
Staff Welfare Expenses	1,249,895	1,493,687
Total	31,636,506	20,234,196

23 Finance Costs (Amount in ₹)

Particulars	31st March 2023	31st March 2022
Loan Charges	477,540	252,676
Interest on Loan	3,338,482	1,706,028
Interest on OD/CC Limit	15,495,872	5,296,561
Total	19,311,894	7,255,265

24 Other Expenses

(Amount in ₹)

Particulars	31st March 2023	31st March 2022
Advertisement Expenses	1,206,820	507,364
AMC Charges	-	281
Audit Fee	300,000	-
Bank Charges	26,689	-
Business Promotion Expenses	9,806,344	1,824,960
Bad debts Written off	-	105,727
Commission & Brokerage	5,413,002	6,046,417
Conveyance	171,241	72,268
Discount Allowed	7,198,965	3,677,849
Electricity Expenses	1,296,300	487,432
Factory Expenses	18,095	2,832
Festival Expenses	208,820	2,150
Freight & Cartage	3,804,835	1,682,556
Insurance Expenses	871,248	512,982
ITC Reversal	-	533,297
Late Fees & Penalties	500	-
Listing Expenses	90,000	-
Logistic Expenses	10,256	-
Loss on sale of FA	-	30,596
Membership & Subscription	39,550	-
Miscellaneous expenses	224,295	310,626
Mobile & Telephone Expenses	99,400	59,116
Other Expenses	2,252,227	1,590,908
Office Expenses	249,605	76,046
Other Selling & Distribution Expenses	211,292	4,870
Packing Expenses	3,289,398	2,080,251

Postage & Courier Expenses	406,829	193,240
Printing & Stationery Expenses	897,533	321,991
Professional Fee Expenses	1,835,449	342,460
Rent Expenses	13,929,500	7,838,625
Repair & Maintenance Expenses	4,748,097	4,300
Tax Expenses	2,394,535	2,249,741
Tour & Travel Expenses	1,360,877	256,233
Vehicle Running & Maintenance Expenses	516,852	250,556
Total	62,878,554	31,065,674

25 Earnings Per Share

Particulars	31st March 2023 (Rupees)	31st March 2022 (Rupees)
Net profit/(loss) for calculation of Basic EPS	69,359,534	48,847,401
Weighted average number of equity shares	6,330,000	6,330,000
Basic EPS (In Rupees)	10.96	7.72
Effect of Dilution	-	-
Diluted EPS (In Rupees)	10.96	7.72

2

6 Accounting Ratios

S.No.	Name of Related Parties	31st March 2023	31st March 2022	Change in %	Reason for change
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a)	Current Ratio	1.98	1.90	4.45%	
b)	Debt-Equity Ratio	1.81	1.53	18.60%	
c)	Debt Service Coverage Ratio	3.62	10.66	-66.03%	New TL has been taken which resulted into increase in finance charges and loan repayment during the year
d)	Return on Equity Ratio	0.21	0.20	0.99%	
e)	Inventory Turnover Ratio	1.04	1.13	-8.02%	
f)	Trade Receivables Turnover Ratio	2.78	1.73	60.56%	Inspite of increase in turnover from 60 cr to 90 cr approximately, The outstanding debtors are at same level as per last year.
g)	Trade Payables Turnover Ratio	2.96	1.99	48.56%	Inspite of increase in purchases from 70 cr to 107 cr approximately, The outstanding creditors are at same level as per last year.
h)	Net Capital Turnover Ratio	1.46	1.31	11.47%	
i)	Net Profit Ratio	7.29%	7.97%	-8.49%	
j)	Return on Capital employed	11.88%	12.71%	-6.56%	
k)	Return on Investment	9.57%	7.70%	24.22%	

27 Related Party Transactions

As required by Accounting Standard - AS 18 "Related Parties Disclosure" the disclosure are as follows:

A. Name of all related parties whether transaction with them done or not during the previous year :

Name	Relation
Kanav Gupta	CFO & whole time Director
Neeraj Kumar Aggarwal	Managing Director
Shilpy Aggarwal	Director
Deepali Aggarwal	Employee
Riya Aggarwal	Employee

B. Summary of transactions with related parties is as follows: (Amount in ₹)

Name of Related Parties	Nature of Transaction	31st March 2023	31st March 2022
Kanav Gupta	Loan Taken	-	30,974,163
Kanav Gupta	Loan Repayment	3,220,000	293,100
Kanav Gupta	Director Remuneration	600,000	400,000
Neeraj Kumar Aggarwal	Loan Taken	120,235,575	149,501,416
Neeraj Kumar Aggarwal	Loan Repayment	65,252,197	12,350,100
Neeraj Kumar Aggarwal	Director Remuneration	2,280,000	1,520,000
Neeraj Kumar Aggarwal	Rent	2,440,000	1,844,500
Shilpy Aggarwal	Loan Taken	6,565,575	52,733,334
Shilpy Aggarwal	Loan Repayment	6,056,767	-
Shilpy Aggarwal	Director Remuneration	1,800,000	1,200,000
Shilpy Aggarwal	Rent	3,000,000	2,000,000

Kanav Gupta	Reimbursement Expenses	of	128,861	110,179	
Neeraj Kumar Aggarwal	Reimbursement Expenses	of	927,495	12,062,693	
Riya Aggarwal	Reimbursement Expenses	of		25,000	
Deepali Aggarwal	Bonus		100,000	100,000	
Riya Aggarwal	Leave Encashment			-	6,667
Deepali Aggarwal	Bonus		100,000	100,000	
Riya Aggarwal	Leave Encashment			-	6,667
Deepali Aggarwal	Salary		1,169,240	800,000	
Riya Aggarwal	Salary		1,200,000	800,000	

C. Summary of balances with related parties as on year end is as follows:

(Amount in ₹)

Name of Related Parties	Nature of Transaction	31st March		31st March	
		2023		2022	
Kanav Gupta	Loan	27,461,063		30,681,063	
Kanav Gupta	Imprest		-		-
Kanav Gupta	Salary Payable	138,551		100,000	
Neeraj Kumar Aggarwal	Loan	192,134,695		137,151,316	
Neeraj Kumar Aggarwal	Rent		-		27,200
Shilpy Aggarwal	Loan	53,242,143		52,733,334	
Shilpy Aggarwal	Salary Payable		77,000	421,000	
Shilpy Aggarwal	Rent		-	560,500	
Neeraj Kumar Aggarwal	Imprest		73,266	781,715	
Deepali Aggarwal	Salary Advances		79,760		-
Riya Aggarwal	Salary Payable	180,000			-

The above related party transactions have been reviewed periodically by the Board of Directors of the Company vis-à-vis the applicable provisions of the Companies Act, 2013, and justification of the rates being charged/ terms thereof and approved the same.

28 Employee Benefits

The Company has classified the various benefits provided to employees as under:-

(a) Defined contribution plans

-Provident fund

During the year, the Company has recognized Employer's contribution to provident fund amounting to Rs. 6,84,915 in the Statement of Profit and Loss .

b) Defined benefit plans

-Contribution to Gratuity funds

In accordance with Accounting Standard 15 (revised 2005), actuarial valuation was done in respect of the aforesaid defined benefit plans based on the following assumptions-

Economic Assumptions

The discount rate and salary growth rate are the key financial assumptions and should be considered together; it is the difference or 'gap' between these rates which is more important than the individual rates in isolation.

Discount Rate

The discounting rate is generally based upon the market yields available on Government bonds at the accounting date with a term that matches that of the liabilities & salary growth rate. For the current valuation a discount rate of 7.36% p.a. compound, has been used in consultation with the employer.

Salary Growth Rate

The salary growth rate usually consists of at least three components, viz. seniority, regular increments and promotional increase and price inflation. The assumptions used are summarised in the following table:

Particulars		
Particulars	Gratuity (unfunded)	Gratuity (unfunded)
	31st March 2023	31st March 2022

	<i>(Amount in Rs.)</i>	<i>(Amount in Rs.)</i>
Discount rate(per annum)	7.36%	7.18%
Future salary increase	6.00%	6.00%
Expected rate of return on plan assets	0.00%	0.00%
Mortality Table	100% of IALM (2012-14)	100% of IALM (2012-14)
Retirement age	60 years	60 years
Withdrawal rates		
Upto 30 years	5.00%	5.00%
31-44 Years	3.00%	3.00%
Above 44 Years	2.00%	2.00%
1. Expenses recognised in the statement of profit and loss		
Current service cost	750,627	381,476
Past service cost	-	-
Interest cost	27,390	-
Expected return on plan assets	-	-
Net actuarial(gain)/loss recognised in the year	16,657	-
Total expenses	794,674	381,476
2. Net asset/(liability) recognised as at the end of the year		
Present value of defined benefit obligation	1,176,150	381,476
Fair value of plan assets	-	-
Funded status [surplus/(deficit)]	(1,176,150)	(381,476)
Net asset/(liability) as at the end of the year	(1,176,150)	(381,476)
3. Change in the present value of obligation during the year		
Present value of obligation as at the beginning of the year	-	-
Interest cost	27,390	-
Past service cost	-	-
Current service cost	750,627	381,476



Benefits paid	-	-
Actuarial (gains)/losses on obligation	16,657	-
Present value of obligation as at the end of the year	794,674	381,476

29 Contingent Liabilities And Commitments

A. Contingent Liabilities	NIL
B. Commitments	NIL

Segment Reporting

30

The company has only one reportable business segment which is wholesale trading of hardware tools. The entire operations are governed by the same set of risks and return hence have been considered as representing a single segment. The said treatment is in accordance with the guiding principles enunciated in the Accounting Standards Segment Reporting AS 17.

31 Impairment

The Company has not recognised any loss on impairment in respect of assets of the Company as is required in terms of Accounting Standard 28 on 'Impairment of Assets', since in the opinion of the management of the Company, the reduction in value of any asset if any, to the extent required, has already been provided for in the books.

32 Dues to MSME as defined under THE MSME ACT 2006

As per the information available and explanations provided to us and certified by the management, amounts due to any Micro, Small and Medium Enterprises which are outstanding for more than 45 days have been disclosed under ROC by MSME Return as required under the Micro, Small and Medium Enterprise Development Act, 2006.

33 Taxation

- (i) Provision for income tax is based on tax on taxable income calculated as per provisions of the Income Tax Act, 1961.
- (ii) The Company has created deferred tax of ₹ 11,06,043 during the current year by charging to the Statement of Profit and Loss and resulting into a net deferred tax asset of ₹ 15,37,011 as at March 31, 2023.

Foreign Exchange Disclosures			
		31st March 2023	31st March 2022
		(Amount in ₹)	(Amount in ₹)
(a)	Value of imports calculated on CIF basis	126,158	-
(b)	Expenditure in foreign currency	-	-
(c)	Earnings in foreign currency	82,028	103,538
(d)	Foreign Currency Receipts	82,028	103,568
(e)	Foreign Currency Payments	-	-
(f)	Exchange Difference Income/(expense)	1,798	30

35 Other Notes

- a) Debit and credit balances of trade payables, trade receivables, loans and advances to the extent not confirmed are subject to confirmation and reconciliation with the parties as at March 31, 2023.
- b) Value of current assets, loans and advances



As per the requirement of Schedule III, the Board of Directors have considered the values of all assets of the Company other than fixed assets, and have come to a conclusion that these have a value on realisation in the ordinary course of business which is not less than the value at which they are stated in the balance sheet.

- c) Past years TDS, TCS have been adjusted in the books. The same has been adjusted as per the various Assessment Orders. The amount to be recovered from the Income Tax Authority has been shown under the head 'Loans and Advances'.
- d) Previous year figures have been regrouped and rearranged whenever necessary to make them comparable.
- e) The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was obtained.
- f) The company has not owned any immovable property as at balance sheet date.
- g) The company has not revalued its Property, Plant and Equipment during the year.
- h) The company has not given any Loans or Advances to its promoters, directors or related parties.
- i) The company does not have any benami property, where any proceedings has been initiated or pending against the company for holding any benami property.
- j) The company has not taken any borrowings from banks or financial institutions on the basis of security of current assets. Quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts except the differences attached as Annexure 1.
- k) The Company is not declared willful defaulter by and bank or financials institution or lender during the year.
- l) The Company has no transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
- m) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- n) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.



- o) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- p) The Company has not traded or invested in Crypto Currency or Virtual Currency during the financial year.
- q) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall :
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.
- r) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Company shall :
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or
 - (b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

Signatures to Notes 1 to 35 of Financial Statements

"As per our Report of even date"

For & on behalf of Board of Directors

**Sd/-
Gautam Sehgal**

PARTNER

M No: 095938

For & on behalf of

**Sd/-
Kanav Gupta**
(Whole time
Director & CFO)

DIN : 06802701

**Sd/-
Neeraj Kumar
Aggarwal**
(Managing
Director)

**DIN :
08058134**

Sd/-



Bhagyashree
Periwal
Company
Secretary
(M. No. A50954)

Gautam Sehgal & Company

Chartered Accountants

FRN: 015736N

PLACE: NEW DELHI

DATED: 29/05/2023