

ANNUAL REPORT
2017-2018



FROM WALKING ALONE TO
RUNNING **TWO**GETHER.



CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Snehal Patel
Managing Director

Mrs. Manisha Bhatewara
Independent Director

Mr. Chirag Rawal
Independent Director

KEY MANAGERIAL PERSONNEL

Mr. Ankit Shukla
Chief Financial Officer

Mr. Abdulquadir Hajiwal
Company Secretary & Compliance officer

Mr. Snehal Patel
Managing Director

STATUTORY AUDITOR

M/s. Saurabh R Shah & Co.
F-8, Ganesh Plaza,
Kalikund, Dhokla, Gujarat - 382225
Mobile No: 9974056675
E-mail id : ca.nikhil311@gmail.com

REGISTERED OFFICE

88, Ajanta Commercial Center,
Nr. Income Tax Circle,
Ashram Road,
Ahmedabad – 380009
Phone: +91-79-27540175
E mail: compliance.mgc@gmail.com
Web: www.aromaenterprises.in
CIN: L51909GJ1994PLC021482

SECRETARIAL AUDITOR

CS Shubham Agarwal
2, Durga Nursery Road,
Near HDFC Bank,
Below Wrangler showroom,
Udaipur – 313001
Phone : 9828730967
E mail: cs.shubham@gmail.com

REGISTRAR & TRANSFER AGENT

Skyline Financial Services Private Limited
D – 153 A, 1st Floor, Okhla Industrial Area,
Phase – I, New Delhi, Delhi – 110020
Phone: +91-11-26812682/83
E mail: sagarwal1910@gmail.com

23RD ANNUAL GENERAL MEETING

Date : September 29, 2018
Day : Saturday
Time : 11:00 AM
Venue : 88, Ajanta Commercial Center,
Nr. Income Tax Circle,
Ashram Road,
Ahmedabad – 380009



DIRECTOR'S REPORT

To
The Members,
Aroma Enterprises (India) Limited.

Your Directors present the 24th Annual Report and Audited Accounts for the year ended on 31st March, 2018.

FINANCIAL RESULTS:

Particulars	Amount in Rs.	
	31/03/2018	31/03/2017
Total Income	40,06,12,702.88	40,25,38,720.12
Total Expenses	37,66,9,1769.81	47,27,38,382.12
Profit / (Loss) Before Exceptional and Extra-ordinary Items and Tax	2,39,20,933.07	(7,01,99,662.00)
Exceptional Items	0	10,000,000.00
Profit / (Loss) Before Tax after Extra ordinary Items	2,39,20,933.07	(6,01,99,662.00)
Current Tax	49,11,531.00	(49,90,000.00)
Prior Period Tax	0	56,410.00
Deferred Tax	0	0
Profit/ (Loss) After Tax	1,90,09,402.07	(6,52,46,072.00)

INDIAN ACCOUNTING STANDARDS:

The Ministry of Corporate Affairs (MCA) vide its notification in the Official Gazette dated February 16, 2015 notified the Indian Accounting Standards applicable to certain classes of companies. Ind AS has been replaced the existing Indian GAAP prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. For our Company Ind AS is applicable from April 1, 2017 hence there is effect for this year Audit Report and Accounting treatments.

OPERATIONS/STATEMENT OF AFFAIRS:

A. PERFORMANCE:

The Company has earned total income of INR 40,06,12,702.88 as compared to INR 40,25,38,720.12 in previous year. During the year the Company has earned Net Profit of INR 1,90,09,402.07 as compared to Net Loss of INR 6,52,46,072. The Board of directors of the company considering the profits earned by the company are of a view to attain better profits in future.



B. CURRENT OUTLOOK:

The Company is currently into the buying, selling and trading of Cigarettes with the brand named "One & Only" and trading and commissioning of Coal.

DIVIDEND:

The Board of Directors of the Company is of the opinion to retain the profits in to the business of the Company for future investment therefore does not recommend any dividend for the financial year 2017 – 18.

RESERVES:

During the period under review, the company has not transferred any sum to the reserve funds of the Company except the Profit of INR 1,90,09,402.07 earned during the financial year

SHARE CAPITAL:

The paid up Equity Share capital as on 31st March, 2018, of the Company is as stated below :

Authorized Share Capital	Rs.7,50,00,000 divided into 75,00,000 shares of Rs. 10 each
Issued Share Capital	Rs.5,00,00,000 divided into 50,00,000 shares of Rs. 10 each
Paid Up share Capital	Rs.4,94,04,000 divided into 49,40,400 shares of Rs. 10 each

The Capital of the Company consists only Equity shares. During the period under review, no fresh issue of securities has been made by the Company.

DEPOSITS:

The Company has not invited or accepted deposit from the public neither does have any unpaid or unclaimed deposits along with interest during the year. Further, the company has not made any default in repayment of deposits or payment of interest thereon, as no deposits have been invited or accepted by the Company during the year. Furthermore, there are no such deposits which are not in compliance with the requirements of Chapter V of the Act.

LISTING AT STOCK EXCHANGES:

The company is currently listed with the Bombay Stock Exchange (BSE) Limited. The details of which further elaborated in the corporate governance report.

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

- 1) Conservation of Energy and Technology Absorption:



Since the Company is not engaged in any Manufacturing Activities therefore particulars regarding conservation of energy, Technology up gradation are not applicable to the Company. However, the Company has made endeavour to make precautionary measures to conserve the non – renewable resources and use the latest technology in its business.

- 2) Foreign Exchange Earnings : Nil
Foreign Exchange Outgos : 3,71,95,129.00

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

The details of Loans, Guarantees or Investments made by the Company pursuant to section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

PARTICULARS OF EMPLOYEES:

Pursuant to the Sub – Rule (2) of the Rule 5 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, read with Section 197 of the Act, No employees had receipt of the remuneration in aggregate to Rs. 1.02 Crore per annum or Rs. 8.50 lakh per month or at a rate in excess of that drawn by the Managing Director / Whole – time director of Manager and holds himself or along with his spouse & dependent children, not less than two percent of the equity shares of the Company. Further, the information required pursuant to Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company will be provided upon request.

In terms of Section 136 of the Act, the Report and Accounts are being sent to the Members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the Members at the Registered Office of the Company during the business hours on working days of the Company up to the date of the ensuing Annual General Meeting. If any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary in this regard.

As per the provisions of Section 197(12) of the Companies Act, 2013, read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the details of the ratio of the remuneration of each director to the median employee's remuneration are described in the "**Annexure – A**" to this report.

Further, in pursuance to the Rule 5(2) of the Companies (Appointment and Remunerations of Managerial Personnel) Rules, 2014, the details of the employees employed throughout the financial year or part thereof, was in receipt of remuneration in that year, which, in the aggregate, or as the case may be, at a rate which in the aggregate, is in excess of that drawn by the Managing Director or Whole Time Directors or Manager and holds by himself or along with his spouse and dependent children, not less than two per cent of the equity shares of the company, is not being feasible for the company, as the company currently pays sitting fees to the director of the company.



EQUAL OPPORTUNITY EMPLOYER:

The Company has always provided a congenial atmosphere for work to all employees that are free from discrimination and harassment including sexual harassment. It has provided equal opportunities of employment to all without regard to their caste, religion, colour, marital status and sex. The Company has also framed a Policy on "Prevention of Sexual Harassment" at the workplace. There were no cases reported under the said Policy during the year.

CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES:

The Company does not fall under the criteria as mentioned in the provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibilities) Rules, 2014; and hence the Company has neither developed nor implemented the Corporate Social Responsibility (CSR) Policy and the CSR Committee.

CORPORATE GOVERNANCE & MANAGEMENT DISCUSSION & ANALYSIS REPORT:

With the advent of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Regulations"), being enforced with effect from December 01, 2015, the requirement for the Corporate Governance is done away with pursuant to Regulation 15(2) of the said Regulations. Hence, the requirement of the Corporate Governance Report is no further required.

However, to keep the company in - line with the other competitors, the company has still continued to follow the Good Governance Practice, which being in – line with the Companies Act, 2013 ("the Act"). The separate report on the Corporate Governance Report has been appended to this Annual Report as "**Annexure – F**".

A separate report on Management Discussion and Analysis Report as "**Annexure - E**" as stipulated by the Securities & Exchange Board of India (Listing Obligations & Disclosures Requirements) Regulations, 2015 (enforced with effect from December 01, 2015) forming part of the compliance is appended to this Annual Report.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY:

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

STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY:



In pursuance to the Companies Act, 2013, the Company has duly compiled to formulate the Risk Management Policy and utmost care has been taken by the management to discover the external as well as internal risk affecting the company's performance.

CONTRACT OR ARRANGEMENT WITH RELATED PARTIES:

The Company has entered into transaction of sale, purchase or supply of goods or materials with Aroma Productions Private Limited an enterprise over which KMP having significant influence as defined under Section 188 of the Companies Act, 2013 during the year, the details are mentioned as **"Annexure – B"**

Further, the detail of the "Related Party Disclosures" as the Schedule V of the Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 is more specifically provided in notes to the Financial Statement.

EXTRACT OF THE ANNUAL RETURN:

The details forming part of the extract of the Annual Return in form MGT – 9 is annexed herewith as **"Annexure – C"**.

SUBSIDIARIES / JOINT VENTURES / ASSOCIATES:

The Company does not have Subsidiaries neither do have any Associates nor Ventures with other body corporate during the year. Besides this, there has been no such entity which has ceased to be the subsidiary company or associate company or any joint venture company during the period under review.

DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Directors:

There have been few changes in the constitution of Board of Directors of the Company during the financial year 2017 – 2018.

The Board of Directors has in their Board Meeting dated 14th September 2017 considered the Resignation of Mr. Ritesh Patel who was in the designation of Director and Chief Financial Officer, the Board noted that he resigned as a Director and Chief Financial Officer of the company

As per the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (notified w.e.f. 01st December, 2015), the company has taken necessary steps and formed the policy on the Board's Familiarization and Remuneration Policy to get the new Directors (including Non – Executive Directors and Independent Directors), Key Managerial Personnel and Senior Management familiarize, habituated and their acquaintance with the atmosphere and working of the Company. The same can be found at the website of the company www.aromaenterprises.in



Independent Directors:

All the Independent Directors have given declaration to the Company stating their independence pursuant to Section 149(6) of the Companies Act, 2013 and there has been no change in the circumstances which may affect their status as Independent Director during the year.

Key Managerial Personnel:

There are some changes in the Key Managerial Personnel (KMP) during the financial year as under

Sr no.	Name of KMP	Designation	Appointment	Effective Date
1	Mr. Ankit Shukla	Company Secretary & Compliance officer	Resignation	25-11-2017
2	Mr. Ankit Shukla	Chief Financial Officer	Appointment	04-12-2017
3	Mr. Darshan Kinkhabwala	Company Secretary & Compliance officer	Appointment	04-12-2017
4	Mr. Darshan Kinkhabwala	Company Secretary & Compliance officer	Resignation	01-03-2018
5	Mr. Abdulquadir Hajiwal	Company Secretary & Compliance officer	Appointment	10-03-2018

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to provisions of Section 134(3)(c) of the Companies Act, 2013, your Directors confirm as under:

- That in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- That 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 31st March, 2017 and the profit and loss of the company for that period;
- That have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- That the preparation of the annual accounts is on a "going concern" basis;
- That proper internal financial controls have been followed by the Company and that such internal financial controls are adequate and were operating effectively;



- f) That has devised proper systems to ensure compliance with the provisions of all applicable laws and that such system been adequate and operating effectively.

MEETINGS OF BOARD AND COMMITTEES & ITS COMPOSITION:

During the financial year the Company has mainly 3 (three) Committees, namely Audit Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee. During the period under review, 8 (Eight) Board Meeting were held by the Board of Directors to transact various business items. The detailed report on the Board of Directors has been provided in the Corporate Governance Report, which being annexed to this report.

Audit Committee:

Mr. Chirag Rawal, Mrs. Manisha Bhatewara & Mr. Snehal Patel compose the Audit Committee members. The members of the Audit Committee, has meet 06 (Six) times during the year. The detailed composition and other details of the Audit Committee have been provided in the Corporate Governance Report, which being annexed to this report.

Nomination & Remuneration Committee:

Mr. Chirag Rawal, Mrs. Manisha Bhatewara and Mr. Snehal Patel currently Composes the Nomination & Remuneration Committee members. The detailed information has been provided in the Corporate Governance Report, which being annexed to this report.

Stakeholders Relationship Committee:

Mr. Chirag Rawal, Mr. Snehal Patel composes the Stakeholders Relationship Committee members. The members of the Stakeholders Relationship Committee have met 4 (Four) times during the year. The detailed information has been provided in the Corporate Governance Report, which being annexed to this report.

Independent Directors' Meeting:

The Independent Directors of the Company met during the year without the attendance of non – Independent Directors and members of the Board. The Independent Directors reviewed the performance of the non-independent Directors and Board as whole. The performance of the Chairman taking into account the views of executive Directors and non-executive Directors and assessed the quality, quantity and timeline of flow of information between company management and Board.

REMUNERATION POLICY & POLICY ON BOARD'S PERFORMANCE:

Pursuant to the provisions of the Section 178 of the Companies Act, 2013, the Nomination & Remuneration Committee has suitable formulated the Board's Familiarization & Remuneration Policy for determination of the Remuneration to the Board Members, Key Managerial Personnel and other employees of the company. The policy can be found at the website of the company [www. aromaenterprises.in](http://www.aromaenterprises.in)



BOARD EVALUATION:

The Company has devised the policy in accordance with the requirements of the Companies Act, 2013, for the formal Evaluation of performance of the Board, Committee and individual Directors of the Company. The policy can be availed at the website of the company at www.aromaenterprises.in

WHISTLE BLOWER & VIGIL MECHANISM:

The Company has established a "Whistle Blower and Vigil Mechanism Policy" for Directors and employees to report the genuine concerns. The provisions of this policy are in line with the provisions of Section 177(9) of the Companies Act, 2013. The detailed policy can be find out at the website of the company at www.aromaenterprises.in

DISCLOSURE OF DEMAT SUSPENSE ACCOUNT / UNCLAIMED SUSPENSE ACCOUNT:

With the advent of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (enforced w.e.f. December 01, 2015), the listed entities are required to make disclosure in the Annual Report about the details of share in DEMAT Suspense Account / Unclaimed Suspense Account. The details of the same are mentioned below:

Aggregate number of shareholders and the outstanding shares in the Suspense Account lying at the beginning of the year	NIL
Number of shareholders who approached listed entity for transfer of shares from suspense account during the year	NIL
Number of shareholders to whom shares were transferred from suspense account during the year	Nil
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	Nil
The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares	Not Applicable

INTERNAL CONTROL & FINANCIAL CONTROL SYSTEMS:

The Company has an adequate system of internal control & financial control procedures which is commensurate with the size and nature of business. Detailed procedural manuals are in place to ensure that all the assets are safeguarded, protected against loss and all transactions are authorized, recorded and reported correctly. The internal control & financial control systems of the Company are monitored and evaluated periodically & reviewed by the Audit Committee of the Board of Directors.