

**AADHAAR VENTURES INDIA LIMITED**

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If Undelivered, please return to:

**AADHAAR VENTURES INDIA LIMITED**

*(Formerly known as Praneta Industries Limited)*

Office No. 323, Golden Point,

3<sup>rd</sup> Floor, Ring Road,

Surat, Gujarat- 395 002.

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## AADHAAR VENTURES INDIA LIMITED

### CORPORATE INFORMATION

#### BOARD OF DIRECTORS:

Mr. Omprakash Anandilal Khandelwal	:	Managing Director
Mr. Jils Raichand Madan	:	Executive Director
Ms. Jyoti Munver	:	Non-Executive Independent Director
Mr. Subramanya Kusnur	:	Non-Executive Director
Mr. Manish Bhupendra Thakkar	:	Non-Executive Independent Director

#### BANKERS:

ING Vysya Bank  
Axis Bank  
Standard Chartered Bank  
Karur Vysya Bank

#### REGISTERED OFFICE ADDRESS:

Office No. 323,  
3<sup>rd</sup> Floor Golden Point,  
Ring Road,  
Surat- 395002

#### AUDITORS

D.P. Agarwal & Co,  
Chartered Accountants,  
261/263, 4th Floor,  
Bilquees Mansion  
D. N. Road, Fort,  
Mumbai - 400 001

#### REGISTRAR & SHARE TRANSFER AGENT

Adroit Corporate Services Private Limited  
9/20 Jaferbhoy Ind Estate,  
1<sup>st</sup> Floor, Makwana Road,  
Marol Naka,  
Andheri - East,  
Mumbai - 400 059

#### LISTED AT:

Bombay Stock Exchange (BSE) Limited  
Vadodara Stock Exchange  
Ahmedabad Stock Exchange

#### COMPLIANCE OFFICER:

Mr. Omprakash Anandilal Khandelwal

## AADHAAR VENTURES INDIA LIMITED

### ATTENDANCE SLIP

Please complete this attendance slip and hand it over at the entrance of the meeting hall.

Name and Address of the Member	Registered Folio No.	Client ID & DP ID No.	Number of Shares held

I/We hereby record my/our presence at the Annual General Meeting of the Company to be held on Friday, 29<sup>th</sup> September, 2012 at 9.00 A.M at the Registered Office of the Company situated at Shop No. 323, Golden point, 3<sup>rd</sup> Floor, Ring Road, Surat- 395 002.

Signature of the Member or the Proxy Attending the Meeting

If Member, please sign here	If Proxy, please sign here

Note: Members are requested to bring their copies of Notice and the Annual Report to the meeting as the same will not be circulated at the meeting.

### PROXY FORM

Folio No. \_\_\_\_\_ Client ID no. & DP ID no. \_\_\_\_\_

I/We \_\_\_\_\_ of \_\_\_\_\_ being Member/Members of Aadhaar Ventures India Limited, hereby appoint \_\_\_\_\_ of \_\_\_\_\_ or failing him/her \_\_\_\_\_ of \_\_\_\_\_ as my/our proxy to attend and vote on my/our behalf at the Annual General Meeting of the Company to be held on Friday, 29<sup>th</sup> September, 2012 at 9.00 A.M at the Registered Office of the Company situated at Shop No. 323, Golden Point, 3<sup>rd</sup> Floor, Ring Road, Surat – 395002 and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2012.

Signature of the Shareholder(s)

Affix Re.1/-  
Revenue  
Stamp here  
& Sign

Note: The Proxy form duly completed must be deposited at the Registered Office of the Company, not less than 48 hours before the time of holding the meeting. The Proxy need not be a member of the Company.

## AADHAAR VENTURES INDIA LIMITED

### NOTICE

**NOTICE** is hereby given that the Annual General Meeting of the members of **Aadhaar Ventures India Limited** (formerly known as *Prraneta Industries Limited*) will be held on Saturday, 29<sup>th</sup> September, 2012 at 9.00 a.m. at the Registered Office of the Company situated at Office No. 323, Golden Point, 3<sup>rd</sup> Floor, Ring Road, Surat, Gujarat- 395 002 to transact the following business items:

#### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company as at 31<sup>st</sup> March, 2012 and the Profit & Loss Account for the financial year ended as on that date along with the Directors and Auditors Report thereon.
2. To appoint a Director in place of **Mr. Subramanya Kusnur**, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of **Mr. Manish Thakkar**, who retires by rotation and being eligible, offers himself for re-appointment.
4. To re-appoint the Statutory Auditors of the Company, to hold the office from the conclusion of the forthcoming Annual General Meeting up to the conclusion of Next Annual General Meeting of the Company and to fix appropriate remuneration.

By the order of the Board of Directors

sd/-

Managing Director

Date: 1<sup>st</sup> September, 2012

Place: Surat

## AADHAAR VENTURES INDIA LIMITED

### NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT OF PROXY IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY, DULY COMPLETED AND SIGNED NOT LESS THAN 48 HOURS BEFORE THE MEETING.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from **26<sup>th</sup> September, 2012 to 28<sup>th</sup> September, 2012** (both days inclusive) for the purpose of the Annual General Meeting of the Company.
3. The shares of the Company are mandated by the Securities and Exchange Board of India for trading in dematerialized form by all investors. Members holding shares in physical form are, advised to dematerialize their shares to avoid the risks associated with the physical holding of such certificates.
4. The Registrar and Share Transfer Agent **M/s. Adroit Corporate Services India Private Limited** has been enmarked for handling the registry work in respect of the shares held in both physical and in electronic/demat form.
5. All documents referred to in the accompanying notice and explanatory statement are open for inspection at the registered office of the Company on all working days, except Saturdays, between 11.00 a.m. and 1.00 p.m. up to the date of the Annual General Meeting.
6. Shareholders desiring any information are requested to write to the Company at least seven days prior to the Annual General Meeting so as to enable the management to keep the information ready.
7. For the convenience of members and proper conduct of the meeting, entry to the place of the meeting will be regulated by attendance slip, which forms a part of the Annual Report. Members

### NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

Note : 23 Statement of Significant Accounting Policies Forming part of the Financial statements for the year ended 31st March, 2012

#### a) Basis for Preparation of Financial Statements

Financial statements are prepared in accordance with generally accepted accounting principles including accounting standards in India under historical cost convention except so far as they relate to revaluation of certain land and buildings.

#### b) Use of estimates

The preparation of the financial statements in conformity with the generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities on the date of the financial statements, disclosure of contingent liabilities and reported amounts of revenues and expenses for the year. Estimates are based on historical experience, where applicable and other assumptions that management believes are reasonable under the circumstances, actual result could vary from estimates and any such differences are dealt with in the period in which the result are known/materialize.

#### c) Revenue Recognition

i) Revenue from the sale of Textile products is recognized when delivery is made and invoice to the parties is being made.

ii) Road and Infrastructure work recognized running Account Bills for work completed are recognized on percentage of completion method based on completion of physical proportion of the contract work.

iii) Other income account on accrual basis.

#### d) Expenditure

Expenses are accounted on accrual basis and provision is made for all known losses and liabilities.

#### e) Inventory

Inventories are valued at cost or net realizable value whichever is lower. Cost of inventory is determined following the FIFO basis. Finished goods and Work in Progress include costs of conversion and other costs incurred in bringing the inventories to their present location and condition as certified by the management.

#### f) Fixed Assets

Fixed assets are stated at cost of acquisition for assets installed and put to use less accumulated Depreciation.

#### g) Depreciation

Depreciation on fixed assets has been provided using the straight-line method as per the Companies Act, 1956. Depreciation is charged on pro-rata basis for assets purchased/sold during the year.

#### h) Investments

Investments are classified into Current investments and long-term investments. Current investments are carried at lower of cost or market value and provision is made to recognize any decline in the carrying value. Long-term investments are carried at cost and provision is made to recognize any decline, other than temporary, in the value of such investment.

#### i) Retirement Benefits

In view of the number of employees being below the stipulated numbers, the Provident Fund, ESIC, Bonus and payment of Gratuity Act are not applicable to the company for the year.

#### j) Taxation

Income-tax expense comprises current tax expense, and deferred tax expense or credit.

##### Current tax

Provision for current tax is recognised in accordance with the provisions of the Indian Income Tax Act, 1961 and is made annually based on the tax liability after taking credit for tax allowances and exemptions.

##### Deferred tax

Deferred tax is recognised for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets or liability. Deferred tax asset or liability are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax asset or liability can be realised. Deferred Tax asset or liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance sheet date. At each Balance Sheet date, the company re-assesses unrecognised deferred tax assets or liability, if any.

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012**

4 Auditors Remuneration			
Particulars		2010-11	2011-12
Audit Fees		20,000	20,000
Tax Audit Fees		5,000	5,000
Other Services		3,500	3,500
		<b>28,500</b>	<b>28,500</b>

**5 Related Party Transaction**

<b>a) Key Managerial Person</b>			
Omkakash A Khandelwal	:	Managing Director	
Jyoti Munwar	:	Chairman, Non- Executive Independent Director	
Jis Raichand Madan	:	Director	
Subramanya Kunsur	:	Executive Director Professional	
Manish Bhupendra Thakkar	:	Non- Executive Director Professional	
	:	Non- Executive Independent Director	

**b) Transaction with related parties for the year ended are as follows :**

Transaction /Nature of relationship			
Name of Related Party	Nature of Relationship	2011-12	2010-11
1) Trade Advances Paid Samayak Multitrade Pvt.Ltd	Jis Raichand Madan (Executive Director Professional)	1,500,000	1,500,000
2) Application Money Received Liberal Solutions Pvt.Ltd	Jis Raichand Madan (Executive Director Professional)	29,500,000	2,000,000
3) Trade Advance Received Moonlight Solutions Pvt Ltd	Jyoti Munwar (Chairman Non Executive Independent Director)	29,500,000	2,000,000

**c) The balance receivable from and payable to related parties as at March 31,2012 are as follows :**

<b>1) Amount Receivable</b>		
Samayak Multitrade Pvt.Ltd		1,500,000
<b>2) Warrant Allotment Pending</b>		
Liberal Solutions Pvt Ltd		29500000

6 Sundry Debtors, Creditors, Loans & Advances and bank balances are stated as appear in the books of accounts in the ordinary course of business. The balances are un-confirmed and are subject to confirmation from the party/Bank.

7 Investments in quoted or unquoted shares are subject to physical verification.

8 As per Accounting Standard 17 issued by the Institute of Chartered Accountants of India regarding Segmental Reporting, As per the explanation and clarification given by the management the Company has following reported segments

A. Textile

B. Infrastructure

Segment	2011-12	2010-11	%
Trading	1260000839	187562713	32.81
Infrastructure	458797947	77000000	495.84

9 The Company has not raised any money by public issue/ debenture issue during the year. However, during the year the Company has allotted 3, 11,36,300 No. Convertible Equity warrants each of Rs.70/-on Preferential Basis to various allottees, an receipt of 25% (Rs.17.50) of the issue price, total amount received Rs.554,885,250/-.

**10 Micro, Small and Medium Enterprises:-**

There are no Micro, Small & Medium Enterprises in respect of whom the company's dues are outstanding for more than 45 days as at the balance sheet date

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are requested to sign the same at the place provided on the attendance slip and hand it over at the entrance of the venue.

In case of Joint Holders attending the meeting, only such joint holder who is higher in the order of names shall be entitled to vote.

Corporate Members intending to send their authorized representatives are requested to send a duly certified copy of the Board resolution authorizing their representatives to attend and vote at the Annual General Meeting.

8. Members are requested to bring their copy of the Annual Report and the Attendance Slip to the Annual General Meeting. **ONLY MEMBERS/PROXIES WILL BE ADMITTED INTO THE HALL FOR THE MEETING.**

9. The Ministry of Corporate Affairs (MCA) has undertaken a "Green Initiative in the Corporate Governance" by allowing paperless compliance by the Companies and has issued Circular No. 17/2011 dated 21.04.2011 and Circular no 18/2011 dated 29.04.2011 stating that the Companies can now dispatch their documents to the shareholders through electronic mode.

In order to enable the Company to send various documents through electronic mode, the members of the Company are requested to register/update their e-mail addresses with the Company in case the shares are held in Physical mode and with the concerned Depository Participant(s) in case the shares are held in Demat mode.

**By the order of the Board of Directors**

sd/-

Managing Director

Date: 1<sup>st</sup> September, 2012

Place: Surat

## AADHAAR VENTURES INDIA LIMITED

### DIRECTORS REPORT

Dear Members,

Your Directors take pleasure in presenting their **Eighteenth Annual Report** together with the Audited Accounts of your Company for the year ended **31<sup>st</sup> March, 2012**:

#### Financial Results:

(Rs. in Lacs)

Particulars	Current Year- 2011- 12	Previous Year- 2010- 11
Operating Income	17190.01	26455.63
Other Income	80.97	99.79
Total Income	17270.98	26555.41
Profit before Depreciation & Tax	159.30	197.65
Less: Depreciation	4.80	5.16
Provision for Tax	49.96	64.10
Profit after Depreciation and Tax	104.51	128.38

#### Operational Review and Future Prospects :

With adverse macroeconomic factors continuing to drive uncertainty across key markets, the past year has been challenging for **Aadhaar**, reflecting an impact on the key areas of operations.

The Total Operating Revenue of the Company has been recorded at Rs. 17,190.01 lacs thereby recording a fall of 35.02% as compared to the previous year. Further the Profit after Tax also struck a hit by 18.60% and stood at Rs. 104.51 lacs.

Though, these uncertain economic times and the path towards achieving improved financial results in 2013 will be challenging; **Aadhaar** believes that the very conditions that create uncertainty also present opportunities for growth. In order to achieve this objective, your Company is striving hard to not only serve our existing clients in a better manner but also sell new business and grow

### NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

#### Note : 19. Financial Cost

Sr. No	Particulars	Figures as at the	Figures as at the
		end of current	end of previous
		reporting period	reporting period
		2012	2011
		Rs.	Rs.
1	Bank Charges	74,277	80,592
2	Bank Interest	-	16,591
3	Interest on late payment	-	11,695
4	Interest On Car Loan	9,724	-
<b>Total Financial Cost</b>		<b>84,001</b>	<b>108,878</b>

#### Note : 20. Depreciation and Amortized Cost

Sr. No	Particulars	Figures as at the	Figures as at the
		end of current	end of previous
		reporting period	reporting period
		2012	2011
		Rs.	Rs.
1	Depreciation	479,676	515,734
<b>* Total Depreciation</b>		<b>479,676</b>	<b>515,734</b>

#### Note : 21. Other Administrative Expenses

Sr. No	Particulars	Figures as at the	Figures as at the
		end of current	end of previous
		reporting period	reporting period
		2012	2011
		Rs.	Rs.
1	Auditor's Remuneration	28,500	28,500
2	Advertisement Expenses	61,968	-
3	Listing Fees and Expense	288,485	495,623
4	Donation	7,700	100,000
5	Electricity Expenses	26,019	31,097
6	Repairs & Maintenance Charges	39,054	9,504
7	Rent, Rates & Taxes	943,607	928,342
8	Communication Expenses	57,863	103,453
9	Conveyance & Travelling Expenses	103,491	66,708
10	Other Administrative Expenses	135,083	438,068
<b>Total Admin Expenses</b>		<b>1,691,770</b>	<b>2,201,385</b>

#### Note: 22. Notes To Accounts

##### **1 Name Change**

The Company at its Annual General Meeting of the Members of Praneta Industries Limited held on 30.09.2011 resolved to change the name of the Company from "**Praneta Industries Limited**" to "**Aadhaar Ventures India Limited**" vide paragraph no.8 of the minutes of the said meeting. The Registrar of Companies certified the change in the name of the Registrar of Companies further certified the change in the name of the company to "**Aadhaar Ventures India Limited**" w.e.f 30.09.2011 vide certificate dated 01.11.2011.

##### **2 Previous year's figures**

The Previous year's figures have been recast/restated, wherever necessary to conform to current year classification.

##### **3 Loans & Advances**

Advances recoverable in cash, kind or value to be received are primarily towards prepayments for value to be received and same has been confirmed by the management.

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012**

**Note : 14 Short Terms Loans and Advances**

Sr. No	Particulars	Figures as at the end of current reporting period		Figures as at the end of previous reporting period	
		2012		2011	
		Rs.	Rs.	Rs.	Rs.
	Advance Income Tax/Refund Due	31,568,829		22,711,949	
	Inter Corporate Deposits	27,038,316		-	
	<b>Total Short Terms Loans and Advances</b>	<b>58,607,145</b>		<b>22,711,949</b>	

**Note : 15 Revenue from Operations**

Sr. No	Particulars	Figures as at the end of current reporting period		Figures as at the end of previous reporting period	
		2012		2011	
		Rs.	Rs.	Rs.	Rs.
1	Sale of Fabrics and Cloths	1,260,202,839		1,875,562,713	
2	Agricultural Land Levelling Work	-		770,000,000	
3	Road and Infrastructure	458,797,947		-	
	<b>Total Revenue from Operations</b>	<b>1,719,000,786</b>		<b>2,645,562,713</b>	

**Note : 16 Other Income**

Sr. No	Particulars	Figures as at the end of current reporting period		Figures as at the end of previous reporting period	
		2012		2011	
		Rs.	Rs.	Rs.	Rs.
1	Interest Income	7,999,709		2,360,422	
2	Income from sale of Investments	96,948		2,382,781	
3	Sundry Credit Balance Written off	368		5,235,280	
	<b>Total Other Income</b>	<b>8,997,025</b>		<b>9,978,483</b>	

**Note : 17 Cost of Material Consumed**

Sr. No	Particulars	Figures as at the end of current reporting period		Figures as at the end of previous reporting period	
		2012		2011	
		Rs.	Rs.	Rs.	Rs.
a)	<b>PURCHASES OF RAW MATERIALS AND STORES</b>				
1	Fabrication Raw Material	1,259,326,252		2,633,445,588	
2	Road and Infrastructure Construction	449,788,601		-	
	<b>Total Cost of Material Consumed</b>	<b>1,709,114,852</b>		<b>2,633,445,588</b>	

**Note : 18 Employment Benefit Expenses**

Sr. No	Particulars	Figures as at the end of current reporting period		Figures as at the end of previous reporting period	
		2012		2011	
		Rs.	Rs.	Rs.	Rs.
1	Staff Welfare	16,944		19,503	
2	Salary	264,020		1,000	
	<b>Total Employment Benefit Expenses</b>	<b>280,964</b>		<b>20,503</b>	

**AADHAAR VENTURES INDIA LIMITED**

revenues. Also Aadhaar will remain diligent in all its efforts to control costs and improve productivity.

Thus in a long term, we remain confident that our business aspects would create opportunities for serving large markets, each with significant revenue opportunities thereby creating an increased shareholder value. You are requested to uphold your faith the Company and continue your valued association with us.

**Dividend:**

In order to conserve the financial resources of the Company with an intention to build up the net worth for future expansion and growth plans, your Directors are of the opinion that no dividend be recommended for the year under review.

**Directors:**

In accordance with the provisions of the Companies Act, 1956, **Mr. Subramanya Kusnur** and **Mr. Manish Thakkar**, Directors of your Company, retire by rotation at the ensuing Annual General Meeting and being eligible, have offered themselves for re-appointment.

The Board wishes to place on record its appreciation for the valuable contribution rendered by **Mr. Subramanya Kusnur** and **Mr. Manish Thakkar** during their period of office.

Necessary resolutions with regard to the above are being placed before the Shareholders in the forthcoming Annual General Meeting for their approval.

None of the directors except **Mr. Subramanya Kusnur** and **Mr. Manish Thakkar** are concerned or interested in the aforesaid resolution.

A brief profile of the directors seeking re- appointment at the ensuing Annual General Meeting forms an integral part of this Annual Report and has been marked as "Annexure A"



## AADHAAR VENTURES INDIA LIMITED

### **Auditors:**

D.P. Agarwal & Co, the present Auditors of the Company retire at the conclusion of the ensuing Annual General Meeting and being eligible, have offered themselves for re-appointment. The Company has received a certificate from the auditors to the effect that their re-appointment if made, would be in accordance with the provisions of section 224(1B) of the Companies Act, 1956.

Thus your Directors commend their re- appointment as the Auditors of the Company for the tenure commencing from the conclusion of the ensuing Annual General Meeting till the conclusion of the next Annual General Meeting.

### **Auditors Report:**

The Auditors Report to the shareholders on the financial statements of the Company for the financial year ended 31<sup>st</sup> March, 2012 forms part of this Annual Report.

Comments of the Auditors in their report and the notes forming part of the Accounts are self explanatory and thus require no further explanations.

### **Capital Evolution during the year:**

During the year under review, the Company has not issued any Equity Shares and thus there has not been any change in the issued Capital of the Company which as on 31<sup>st</sup> March, 2012 stands at Rs. 22,57,21,000/- consisting of 22,57,21,000 Equity Shares of Re. 1/- each.

However, the Company had, in the previous year, issued 3,11,36,300 Convertible Equity Warrants to non-promoters on preferential basis on 19<sup>th</sup> May, 2011. Thus taking into consideration the terms of the issue, and assuming that are the warrants are converted into Equity Shares of the Company, the issued capital of the Company would increase to Rs. 25,68,57,300/- consisting of 25,68,57,300 Equity shares of Re. 1/- each.

### NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

**Note: 10. Deferred Tax Liability/ (Asset) Net**

Sr. No	Particulars	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
		2012	2011
		Rs.	Rs.
	Depreciation as per Income Tax	587,980	516,314
	Depreciation as per Companies Act	479,676	515,714
	Difference	108,304	600
	Deferred Tax @ 32.44% as on 31.03.12	35,139	180
	Less : Opening Balance	42,797	42,977
	<b>Balance C/F</b>	<b>(7,658)</b>	<b>(42,797)</b>

**Note: 11 Long Term Loans and Advances**

Sr. No	Particulars	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
		2012	2011
		Rs.	Rs.
1	Security Deposit		
	a) Secured, Considered Good :		
	• Earnest Money Deposit		
	• Other Deposit	430,015	400,000
	b) Unsecured, Considered Good :		
	c) Doubtful		
11	<b>Other Loans &amp; Advances</b>	<b>2,420,276,713</b>	<b>1,168,730,616</b>
	<b>Total Long Term Loans and Advances</b>	<b>2,420,706,758</b>	<b>1,168,130,616</b>

**Note: 12 Trade Receivables**

Sr. No	Particulars	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
		2012	2011
		Rs.	Rs.
1	<b>Outstanding for more than six months</b>		
	a) Secured, Considered Good :		
	b) Unsecured, Considered Good :		
	c) Doubtful	902,763,520	97,425,086
	2 <b>Others</b>		
	a) Secured, Considered Good :		
	b) Unsecured, Considered Good :	400,179,527	51,000,250
	c) Doubtful		
	<b>Total Trade Receivable</b>	<b>1,302,943,047</b>	<b>148,425,336</b>

**Note: 13. Cash and Cash Equivalent**

Sr. No	Particulars	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
		2012	2011
		Rs.	Rs.
1	<b>Cash-in-Hand</b> : Cash Balance	5,151,735	5,607,239
	• Petty Cash Balance		
		5,151,735	5,607,239
2	<b>Bank Balance</b> : Balance in Current Accounts	4,969,695	354,243
	<b>Total Cash and Cash Equivalent</b> 1 + 2	<b>10,121,429</b>	<b>6,161,482</b>

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

Note : B Fixed Assets

Sr. No	Particulars	Gross Block			Depreciation		Net Block	
		As at 31.03.2011	Addition	Deduction	As at 31.03.2011	For the year	As at 31.03.2012	As at 31.03.2011
	<b>Tangible Assets</b>							
1	Air Conditioners	282,240	-	-	13,406	-	84,347	97,753
2	Furniture and Fixtures	1,858,790	430,665	-	14,721	-	430,324	14,380
3	Computers	797,380	-	-	129,255	-	157,842	287,097
4	Vehicles	3,142,845	-	-	298,570	-	968,302	1,266,873
5	Office Equipments	155,110	57,900	-	10,118	-	173,349	125,567
6	Building	573,600	-	-	9,350	-	415,902	425,252
7	Motor Cycle	44,790	-	-	4,255	-	18,768	23,023
	<b>TOTAL (Current Year)</b>	<b>6,854,755</b>	<b>488,565</b>	<b>-</b>	<b>479,676</b>	<b>-</b>	<b>2,248,834</b>	<b>2,239,944</b>
	<b>(Previous Year)</b>	<b>6,486,855</b>	<b>387,900</b>	<b>-</b>	<b>515,714</b>	<b>-</b>	<b>-</b>	<b>2,239,944</b>

## AADHAAR VENTURES INDIA LIMITED

### Change of Name of the Company:

Your Company was incorporated on 1<sup>st</sup> February, 1995 as a trading Company under the name and style of **Praneta Lease & Finance Limited**.

Subsequently, as a practice of rebranding exercises, the name of your Company was changed to **Praneta Industries Limited** in the year 1997.

Since then the Company has gone a long way and has grown into a big tree with operations spread in various verticals from securities trading to Infrastructural activities.

As on the financial year ended 31<sup>st</sup> March, 2011 your Company earned substantial revenues from these segments and the Directors opined that the nature of the Company's business is such that it makes it an integral part of the Indian Development and Growth Story.

Thus, taking into consideration all these aspects in entirety, your Directors proposed a change in the name of the Company from to "**Aadhaar Ventures India Limited**", which was also approved by the members in their Annual General Meeting, held on 30<sup>th</sup> September, 2011. A fresh certificate of Incorporation for the said new name of the Company has been obtained from the Ministry of Corporate affairs on 1<sup>st</sup> November, 2011.

### Change in the Registered Office of the Company:

The Registered Office of the Company has been shifted with effect from 30<sup>th</sup> June, 2012 from;

**574/577, Belgium Square, Ring Road, Surat-395002**

To

**Shop No. 323, 3<sup>rd</sup> Floor Golden Point, Ring Road, Surat- 395002**

### Internal Control Systems and their Adequacy:

The Company has maintained a proper and adequate system of controls in order to ensure that all assets are safeguarded against loss from un-authorized use or disposal.

## AADHAAR VENTURES INDIA LIMITED

Further all transactions are properly checked, verified, recorded and reported correctly.

Also Regular Internal Audit Checks are carried out to ensure that the responsibilities are executed effectively and that proper and adequate systems are in place.

### **Director's Responsibility Statement:**

Pursuant to the requirements under Section 217(2AA) of the Companies Act, 1956, with respect to the Directors' Responsibility Statement, it is hereby confirmed that:

- ☐ In the preparation of the Financial statement for the financial year ended 31st March, 2012 the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ☐ The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2012 and of the profits of the Company for the year ended 31st March, 2012;
- ☐ The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- ☐ The Directors have prepared the financial statements of the Company on a 'going concern' basis.

### **Listing:**

The securities of the Company are presently listed at the Bombay Stock Exchange (BSE) Limited, Vadodara Stock Exchange and Ahmedabad Stock Exchange.

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

### Note : 6 Other Current Liabilities

Sr. No	Particulars	Figures as at the end of current reporting period		Figures as at the end of previous reporting period	
		2012	2011	2011	2010
		Rs.		Rs.	
1	TDS Payable	-	-	-	838,954
2	Dividend Distribution Tax Payable	-	-	-	765,195
3	TDS on Rent	73,215	-	-	-
4	Current A/c of Directors	104,940	-	-	929,940
<b>Total Other Current Liabilities</b>		<b>178,155</b>	<b>-</b>	<b>-</b>	<b>2,534,089</b>

### Note : 7 Short Term Provisions

Sr. No	Particulars	Figures as at the end of current reporting period		Figures as at the end of previous reporting period	
		2012	2011	2011	2010
		Rs.		Rs.	
1	<b>Provision For Employees Benefit.</b>	-	-	-	-
2	<b>Others</b>				
	Provision for Taxation Ass Yr 2010-11	5,362,780	-	5,362,780	-
	Provision for Taxation Ass Yr 2011-12	6,410,479	-	6,410,479	-
	Provision for Taxation Ass Yr 2012-13	4,960,775	-	-	-
	Others	34,940	-	28,500	-
<b>Total Short Term Provisions</b>		<b>16,768,974</b>	<b>-</b>	<b>11,801,759</b>	<b>-</b>

\* The provision of all known liabilities is adequate and not in excess of the amount reasonably necessary.

### Note : 9 Non Current Investment

Sr. No	Particulars	Figures as at the end of current reporting period		Figures as at the end of previous reporting period	
		2012	2011	2011	2010
		Rs.		Rs.	
1	<b>Equity Share (Quoted)</b>				
	Jagson Airlines Ltd . 10 Shares (Previous : 10)	10,000	-	10,000	-
	TCS Ltd . 2 Shares (Previous : 2)	850	-	850	-
	Yash Managment and Financial Services Limited ( 10 Shares (Previous : 10))	5,000	-	5,000	-
	(Aggregate Market Value : 2469 ) (Previous : 1733)		15,850		15,850
2	<b>Equity Share (Unquoted)</b>				
	Equity Share				
	Fully Paid-up	402,950,000	-	63,579,993	-
	Partly Paid-up	39,550,000	442,500,000	-	63,579,993
	Share Application Money	-	1,628,972,485	-	493,545,085
			2,071,472,485		557,125,078
<b>Total Non Current Investments</b>		<b>2,071,488,335</b>	<b>-</b>	<b>63,579,993</b>	<b>1,116,999,976</b>

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012**

**Note : 2 Reserve and Surplus**

Sr. No	Particulars	Figures as at the end of previous reporting period	Figures as at the end of previous reporting period
		2012	2011
		Rs.	Rs.
1	Securities Premium reserve	180,250,004	180,250,004
2	General Reserve	100,000	100,000
3	Surplus in statement of profit and loss		
	Balance brought forward from previous year	20,921,887	8,083,450
	Add: Profit for the current year	10,450,633	12,838,468
	Less : Appropriations		
	Short Provision of Dividend		(31)
		31,372,521	20,921,887
	<b>Total Reserves and Surplus</b>	<b>211,722,525</b>	<b>201,271,891</b>

**Note : 3 Other Long Term Liabilities**

Sr. No	Particulars	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
		2012	2011
		Rs.	Rs.
1	Trade Advances Received	747,365,585	81,495,000
	<b>Total Other Long Term Liabilities</b>	<b>747,365,585</b>	<b>81,495,000</b>

**Note : 4 Short Term Borrowings**

Sr. No	Particulars	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
		2012	2011
		Rs.	Rs.
1	Car Loan From Bank ICICI Bank Ltd	102,502	271,830
	<b>Total Short Term Borrowings</b>	<b>102,502</b>	<b>271,830</b>

Car Loan against hypothecation of car Payable in 5 instalment at Rs.14921/-

**Note : 5 Trades Payable**

Sr. No	Particulars	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
		2012	2011
		Rs.	Rs.
1	Sundry Creditors for goods	1,610,869,417	181,227,083
2	Sundry Creditors for others	87,048	430,400
	<b>Total Trade Payable</b>	<b>1,610,956,465</b>	<b>181,657,483</b>

\* The Company has not received any memorandum (as required to be filed by the Supplier with the notified authority under the Micro, Small and Medium Enterprises Development Act, 2006 claiming their status as on 31st March 2012 as Micro, Small or Medium Enterprises. Consequently the amount paid/ payable to these parties during the year is NIL.

**Corporate Governance:**

Your Company has been fully compliant with the SEBI Guidelines on Corporate Governance, which have been incorporated in Clause 49 of the Listing Agreement entered into with the Stock Exchange Limited.

A detailed report on the subject forms part of this report.

Further the Statutory Auditors of the Company have also examined the Company's compliance on Corporate Governance and a certification issued in respect thereto, forms a part of the Annual Report.

**Management Discussion and Analysis Report:**

In accordance with the Listing Agreement, the Management Discussion and Analysis Report is presented in a separate section forming part of the financial statements.

The forward looking statements made in the 'Management Discussion and Analysis' are based on certain assumptions and expectations of future events. The Directors cannot guarantee that these assumptions are accurate or these expectations will materialize.

**Particulars of Employees:**

The Company does not have any employee whose particulars are required to be given in pursuant to the provision of section 217(2A) Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975.

**Disclosure of material changes since the end of the financial year 2012:**

The Company was in receipt of a notice reflecting the new name of the Company from the Bombay Stock Exchange Limited on the 18<sup>th</sup> day of July, 2012 and thus the new name of the Company is being reflected on the website of the Exchange.

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### Particulars regarding Conservation of Energy, Technology Absorption & Foreign Exchange Earnings and Outgo:

Provisions of section 217 (1) (e) of the Company Act 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 regarding conservation of energy, and technology absorption are not applicable to Aadhaar, as the Company is not into manufacturing activity.

### Deposits - RBI Guidelines:

Your Company is registered with the Reserve Bank of India, as a non-deposit accepting NBFC (NBFC-ND) under section 45-IA of the RBI Act, 1934.

As per the Non-Banking Finance Companies- RBI Directions, 1998, the Directors hereby report that the Company did not accept any public deposit during the year and also did not have any public deposits outstanding at the end of the year.

### Acknowledgement:

Looking back on the year, the Board appreciates more than ever the trust placed in Aadhaar by clients and Shareholders.

Also as always, the Board is grateful to employees and business partners for their dedication.

By the order of the Board of Directors

sd/-

Managing Director

Date: 1<sup>st</sup> September, 2012

Place: Surat

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

### DISCLOSURES

#### 2 Convertible Equity Warrants issued under option :

During the year 4,37,00,000 Nos (Four Crore Thirty Seven lakhs) Convertible Equity Warrants of Rs.70/- per warrant issued. (Previous Nil). Out of this 31136300 warrant have been subscribed by paying 25% of exercise price. (Previous Year-NIL) 31136300 Convertible Equity Warrants outstanding at the end of the year.

#### 3 Terms/Rights attached to equity shares and Convertible Equity Warrants :

#### Equity Share

- 1 The Company has only one class of share capital, i.e. equity shares having face value of Re.1/- per share. Holder of equity share is entitled to one vote per share.
- 2 The equity shareholders are entitled to receive dividends as and when declared and approval in AGM.
- 3 In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the no. of equity shares held by the shareholder.

#### Equity Warrants

- 1 The holder of warrants shall have a right to apply for one Equity share of the face value of Re. 1/- at a price of Rs. 70/- per Equity share (including premium of Rs. 69 per Equity share) on or before the expiry of 18 months from the date of allotment (i.e.) 13th May, 2011 in one or more tranches.
- 2 An amount equivalent to 25% of the exercise price of the Equity Shares arising out of the Warrants shall be payable at the time of making the application for Warrants, which will be kept by the Company as a deposit to be adjusted and appropriated against the price of the Equity Shares payable by the Warrant Holder at the time of exercising the option.
- 3 The said Warrants shall be converted within a period not exceeding Eighteen Months from the date of Allotment of Warrants, in one or more Tranches, in accordance with the SEBI Guidelines and other relevant guidelines as may be prevailing at the time of allotment of shares.
- 4 In the event if the Warrant Holder does not exercise the option of conversion within 18 months from the date of allotment of Warrants, the Warrants shall lapse and the deposit of 25% as indicated in point (2) above shall be forfeited by the Company.
- 5 The issue of the Warrants as well as the Equity Shares, arising from the exercise of the option under the Warrants in the manner aforesaid shall be governed by the respective provisions of the Companies Act, 1956, the Memorandum & Articles of Association of the Company and also the Guidelines/Regulations issued by SEBI or any other authority as the case may be, or any modifications thereof.
- 6 The Warrant Holder shall be entitled to any future Bonus issue(s) of Equity Shares or any other security (ies), in the same proportion and manner as any other shareholder of the Company. This entitlement is however subject to the exercise of the option by the Warrant Holder(s) to Convert the Warrants into Equity shares within the time limit specified in (3) above.
- 7 The Equity shares allotted on conversion of Warrants shall rank pari-passu in all respects including dividend with the existing fully paid up Equity shares of the Company and shall be subject to lock-in requirements as per the provision of Chapter VII of the SEBI Regulations.
- 8 Shareholders holding more than 5% of equity shares as at the end of the year:

Name of the shareholders	As at 31-03-2012		As at 31-03-2011	
	No. of Shares	Shareholding %	No. of Shares	Shareholding %
Viaggio Entertainment Pvt Ltd	16,610,000.00	7.36	NIL	NIL

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012**

**Note - 1 Share Capital**

Sr. No	Particulars	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
		2012	2011
		Rs.	Rs.
	<b>AUTHORIZED CAPITAL</b> 30,00,00,000 (2011 : 30,00,00,000) nos Equity Shares each of Re.1/-	300,000,000	300,000,000
	<b>Total</b>	<b>300,000,000</b>	<b>300,000,000</b>

Sr. No	Particulars	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
		2012	2011
		Rs.	Rs.
1.1	<b>ISSUED, SUBSCRIBED &amp; FULLY PAID UP CAPITAL</b> 225721000 Nos. Equity Shares of Rs.1/-each fully paid up (2011: 225721000)	225,721,000	225,721,000
	<b>Total issued, subscribed and fully paid-up shares capital</b>	<b>225,721,000</b>	<b>225,721,000</b>

Sr. No	Particulars	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
		2012	2011
		Rs.	Rs.
1.2	<b>EQUITY WARRANTS</b> 3,11,36,300 No. Partly Paid-up Rs.17.50 per Convertible Equity Warrant of Rs.70/- Each (2011 : NIL)	544,885,250	-
	<b>Total</b>	<b>544,885,250</b>	<b>-</b>

**DISCLOSURES**

1. Reconciliation of the shares outstanding

**i) Equity shares**

Sr. No	Particulars	31 March 2012	31 March 2011
		Numbers	Numbers
i.	At the beginning of the Year	225,721,000	225,721,000
ii.	Issued during the year	-	-
	<b>Outstanding at the end of the year</b>	<b>225,721,000</b>	<b>225,721,000</b>

**ii) Equity Warrants**

Sr. No	Particulars	31 March 2012	31 March 2011
		Numbers	Numbers
i.	At the beginning of the year	-	-
ii.	Issued during the year 3,11,36,300 No. Convertible Equity Warrant of Rs.70/- Each (Partly Paid-up Rs.17.50 ) (2011 : NIL)	544,885,250	-
	<b>Outstanding at the end of the year</b>	<b>544,885,250</b>	<b>-</b>

**AADHAAR VENTURES INDIA LIMITED**

**"Annexure A"- Profile of Directors seeking Appointment/ Re-appointment at the Ensuing Annual General Meeting:**

Name of the Director	Subramanya Kusnur	Manish Thakkar
Age	42 years	45 years
Date of Appointment	21 <sup>st</sup> May, 2010	19 <sup>th</sup> May, 2011
Designation	Non Executive Director	Non-Executive Independent Director
Expertise	Mr. Subramanya Krishna Kusnur has an experience of managing business since 7 years now. His decision-making technique has helped Company to take prompt decisions after exploiting the best possible alternatives.	Mr. Manish Thakkar was infused on the Board of the Company as an Additional Independent Director. He was appointed on the Board as a Director(Non-executive Independent) in the Annual General Meeting of the Company held on 30 <sup>th</sup> September, 2011. His expertise in capital markets and investment Management has generated great value to the Company in the last year. His assorted experience gained by working with various organizations prior to his inception in Aadhaar has helped in identification of business opportunities across the market.
Directorships Held *	Indo Bonito Multinational Limited	Nil
Committee Memberships **	None	None
Number of shares held in the Company	Nil	Nil
Relationship between Directors inter-se	None	None

## AADHAAR VENTURES INDIA LIMITED

### Notes:

- \* **Directorships held** includes directorships held in other public Companies including private limited Companies which are subsidiaries of public Companies (excluding foreign and other private limited Companies).
- \*\* **Committee Memberships** includes memberships held by the directors in Audit Committee and Investor Grievance Committee.

### CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

Particulars	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
	2012	2011
	Rs.	Rs.
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit (including cap reserves)	10,450,633	12,838,469
Short Provision of Dividend	-	(31)
Preliminary Expenses W/O	-	-
Finance Cost	-	-
Depreciation	479,676	515,714
<b>Operating Profits before working capital changes</b>	<b>A</b> 10,930,309	13,354,152
<b>Adjustments for:-</b>		
Loans & Advances	(35,895,196)	(1,044,343,957)
Current liabilities and provisions	2,092,848,773	125,131,352
Sundry Debtors	(1,154,517,711)	(97,801,355)
Provision	4,967,215	-
Inventories *	-	49,140
<b>Changes in Working Capital</b>	<b>B</b> 907,403,081	(1,016,964,819)
<b>Cash Generated From Operating activities</b>	<b>B+A</b> 918,333,389	(1,003,610,668)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Sale/(Purchase)of investment	(1,514,347,407)	(192,158,493)
Sale/(Purchase)of Fixed assets	(488,565)	(367,900)
<b>Net cash from Investing activities</b>	<b>C</b> (1,514,835,972)	(192,526,393)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Share allotment + Premium+Share Application Money	544,885,250	1,201,080,000
Application Money Pending Allotment	1,307,342,750	-
Unsecured Loan repaid	(1,251,596,142.00)	(161,104.00)
Unsecured Loan received	-	-
Secured Loan repaid	(169,328.00)	(270,060)
<b>Net cash flow from Financial Activities</b>	<b>D</b> 600,462,530	1,200,648,836
Net increase in cash & cash equivalent: <b>C+(D+B+A)</b>	3,959,946	4,511,775
Opening cash & cash equivalent	6,161,482	1,649,707
Closing cash & cash equivalent	10,121,429	6,161,482
This is the Cash Flow referred to in our report of even date		
For D.P. AGARWAL AND CO. Chartered Accountants Firm Reg. No.:100068W	sd/- D.P. AGARWAL Proprietor Membership No:- 35500	For & on behalf of the Board of Directors  sd/-  sd/- (Director) (Director)
Date: 27th August, 2012 Place : Surat		

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2012**

Particulars	Note No.	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
		2012	2011
		Rs.	Rs.
<b>REVENUE FROM OPERATIONS</b>			
i. Revenue from operation	15	1,719,000,786	2,645,562,713
ii. Other Income	16	8,097,025	9,978,483
<b>Total Revenue (i + ii)</b>		<b>1,727,097,811</b>	<b>2,655,541,196</b>
<b>III. EXPENSES</b>			
Cost of materials consumed	17	1,709,114,852	2,633,445,588
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade		-	-
Employee Benefit Expense	18	280,964	20,503
Financial Cost	19	84,001	108,878
Depreciation and Amortization Expense	20	479,676	515,714
Other Administrative Expenses	21	1,691,770	2,201,385
<b>Total Expenses (III)</b>		<b>1,711,651,263</b>	<b>2,616,292,068</b>
IV. Profit before tax (IV)		15,446,548	19,249,128
V. Tax expense:			
(1) Current tax		4,960,775	6,410,879
(2) Deferred tax		35,139	180
<b>Total Tax Expenses (V)</b>		<b>4,995,914</b>	<b>6,410,659</b>
VI. Profit/(Loss) for the Year (IV - V)		<b>10,450,633</b>	<b>12,838,468</b>
VII. Earning per equity share:			
(1) Basic		0.048	0.057
(2) Diluted		0.046	0.057
<b>Significant Accounting Policies and Notes on Financial Statements 1 to 23 form part of this Balance Sheet</b>			
As per our report of even date attached			
For D.P. AGARWAL AND CO. Chartered Accountants Firm Reg. No.:10006/RW		For & on behalf of the Board of Directors	
sd/- D.P. AGARWAL Proprietor Membership No.: 35500		sd/- (Director)	sd/- (Director)
Date: 27th August, 2012 Place : Surat			

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

**Forward Looking Statements:**

Except for the historical information contained herein, statements in this discussion which contain words or phrases such as 'will', 'would', 'indicating', 'expected to' etc., and similar expressions or variations of such expressions may constitute 'forward-looking statements'. These forward looking Statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements. These risks and uncertainties include, but are not limited to, our ability to successfully implement our strategy, future business plans, our growth and expansion in business, the impact of any acquisitions, our financial capabilities, technological implementation and changes, the actual growth in demand for our products and services, cash flow projections, our exposure to market risks as well as other general risks applicable to the business or industry. The Company undertakes no obligation to update forward looking statements to reflect events or circumstances after the date thereof. These discussions and analysis should be read in conjunction with the Company's financial statements included herein and the notes thereto.

**Overview:**

The Indian Economy has continuously recorded lower than expected growth for past many quarters. The overall economic scenario has definitely reduced the momentum of the economic growth; however, the Indian economy still remains one of the fastest growing countries. There are many hurdles still to be overcome before the economy gets back on track. The ballooning fiscal deficit and populist measures implemented by the government can pose a threat to the overall growth numbers. The country is living with the hanging sword of possible downgrade by S&P due to the ever increasing fiscal deficit and the government's inability to bring it under control. Further, adding salt to the wound is the rising inflation and depreciating rupee which is making this task more challenging.



## AADHAAR VENTURES INDIA LIMITED

Further, with elections round the corner in FY 2013- 2014 it is very unlikely that the government will take bold steps. However, there are some encouraging signs with rate of increase in inflation being slowing down. There is surely light at the end of the tunnel; however, there is still some time before we enjoy the smooth ride of economic prosperity.

### **Business Overview:**

The business prospects of the Company are quite encouraging considering its diversified business model. The Company mainly operates in three major segments namely:

- Trading,
- Infrastructure and
- Investments.

The existing business model facilitates the Company to wedge through business downturns in one segment and to ameliorate operations. The drivers of growth are however different for each segment. The detailed analysis of each segment of operation has been discussed below.

### **Infrastructure:**

Sectoral Overview: India is one of the fastest growing economies in the world. Consequently, the need for infrastructure facilities is ever growing, across sectors. The development of adequate infrastructure has been identified as the most critical prerequisite for sustaining the current growth momentum of the economy and to ensure inclusiveness of the growth process. One of the key priorities of India's growth is infrastructure, government spending on which has nearly doubled in the past decade. Although the Indian government has been proactive in building necessary infrastructure in the energy, transportation, and urban sectors, additional investment is needed. Thus the share of private sector in the total investment on infrastructure has increased rapidly. The contribution of private sector in total infrastructure investment in each of the first two years of 11th Plan (2007-2012) was around 34%. This is higher than the 11<sup>th</sup> Plan target of 30%, and 25% achieved in 10th Plan period. It is expected to rise to 36% by end of 11<sup>th</sup> Plan and 50% during the 12th Plan (2012-2017).

## BALANCE SHEET AS AT 31ST MARCH, 2012

Particulars	Note No.	Figures as at the end of current reporting period		Figures as at the end of previous reporting period	
		2012		2011	
		Rs.		Rs.	
<b>I. EQUITY AND LIABILITIES</b>					
<b>(1) Shareholder's Funds</b>					
(a) Share Capital	1.1	225,721,000	225,721,000		
(b) Money received against share warrants	1.2	544,885,250	-		
(c) Reserves and Surplus	2	211,722,525	201,271,891		
<b>(2) Share Application money pending allotment</b>		<b>2,508,422,750</b>	<b>1,201,080,000</b>		
<b>(3) Non-Current Liabilities</b>					
Other Long Term Liabilities	3	747,365,585	81,495,000		
<b>(4) Current Liabilities</b>					
(a) Short-Term Borrowings	4	102,502	271,830		
(b) Trade Payables	5	1,610,956,465	181,657,483		
(c) Other Current Liabilities	6	178,155	2,534,085		
(d) Short-Term Provisions	7	16,768,974	11,801,759		
<b>Total Equity &amp; Liabilities</b>		<b>5,866,123,206</b>	<b>1,905,833,052</b>		
<b>II. ASSETS</b>					
<b>(1) Non-Current Assets</b>					
(a) Fixed Assets					
(i) Tangible Assets	8	2,248,834	2,239,944		
(b) Non-current investments	9	2,071,488,155	557,140,928		
(c) Deferred tax assets (net)	10	7,658	42,797		
(d) Long term loans and advances	11	2,420,706,758	1,169,110,616		
(e) Other non-current assets		-	-		
<b>(2) Current Assets</b>					
(a) Trade receivables	12	1,302,943,047	148,425,336		
(b) Cash and cash equivalents	13	10,121,429	6,161,482		
(c) Short-term loans and advances	14	58,607,145	22,711,949		
<b>Total Assets</b>		<b>5,866,123,206</b>	<b>1,905,833,052</b>		
Significant Accounting Policies and Notes on Financial Statements 1 to 23 form part of this Balance Sheet					
As per our report of even date attached					
For D.P. AGARWAL AND CO. Chartered Accountants Firm Reg. No.:100065W		For & on behalf of the Board of Directors			
sd/- D.P. AGARWAL Proprietor Membership No:- 35500		sd/- (Director)	sd/- (Director)		
Date: 27th August, 2012 Place : Surat					

### xvi. TERM LOANS

In our opinion and according to the information and explanation given to us, the company has not taken any term loan during the year, hence no question of reporting arise to that extent.

### xvii. SOURCE OF FUNDS AND ITS APPLICATION

According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment. No long-term funds have been used to finance short-term assets except permanent working capital.

### xviii. PUBLIC ISSUE/PREFERENTIAL ISSUE/DEBENTURES

The Company has not raised any money by public issue/ debenture issue during the year. However, during the year the Company has allotted 3,11,36,300 No. Convertible Equity warrants each of Rs.70/- on Preferential Basis to various allottees, on receipt of 25% (Rs.17.50) of the issue price, total amount received Rs.554,885,250/-.

### xix. FRAUD

Based upon our audit procedures performed and on the information and explanations given by the management we are of the opinion that no fraud on or by the Company has been noticed or reported during the course of our audit.

For D.P. AGARWAL AND CO.

Chartered Accountants

Firm Reg. No 100068W

sd/-

D.P. AGARWAL

Proprietor

Membership No..35500

Date : 27<sup>th</sup> August, 2012

Place : Surat.

Performance of your Company vis- a vis the Sector: Your Company aims to provide comprehensive solutions spread over a diverse range of Infrastructure and Construction Projects. With the objective of capitalizing on the prospects unfolding in the infrastructure development space, the Company has set up strategic business divisions representing well structured, robust and scalable business lines. Our operations would be divided in two parts viz: **Construction and real estate developments and Development in the Infrastructure as a contractor or sub contractor to External Clients.**

For the year under review the Infrastructure division accounted for nearly **Twenty Six Percent** of the total revenue. The revenues from the infrastructure division has drastically declined year on year basis and this has resulted in slide in the top line. **However this is not the end.** There are significant opportunities that drive the growth of the sector in terms of the huge investments for construction of roads, bridges, ports, airports, healthcare, Residential and Commercial Buildings, Warehousing, etc. Further the Government has also been making significant allocations in the budgets for the improvement of infrastructure and this allocation is expected to increase in the years to come. Also Corporate India is expected to allocate more resources towards capex which in turn will drive the demand for creation of commercial and industrial structures.

All these moves are expected to drive the sector and thus the Company anticipates better and newer growth prospects in the years to come.

### ☞ Textile Trading:

Sectoral Overview: Indian Textile Industry is one of the leading textile industries in the world. It is:

- ✘ Second largest producer of Textiles and garments after China.
- ✘ Second largest producer of Cotton in the world.
- ✘ Second largest employer in India after Agriculture- Direct employment to 35 million people.
- ✘ Constitutes about 12% of the India's Exports.
- ✘ Constitutes about 14% to Industrial Production
- ✘ Contributes about 4% to the GDP of the Country.

Besides this the Government policies have largely been favourable to the Textiles Industry. The policies aim to ensure that the industry is internationally competitive in terms of manufacturing and exports.

Also various statutes have been enacted and schemes have been formulated in order to extend support to the Industry.

Performance of your Company vis- a vis the Sector: During the year under review, your Company has earned substantial revenue from textiles trading and it is expected to be one of the major revenue generating segments in future.

Further **Aadhaar** has focused on trading in textile products and their raw materials. This has helped it to be better placed as compared to the textile manufacturers who were adversely affected by volatile raw material prices. Also, the trading business has assisted Aadhaar to ameliorate its overall performance.

**Investments:**

The great financial crisis is behind us but its effects are still being felt. The threat of Euro zone's default is still haunting the global economies and business segments. There being uncertainty about the direction of the graph of economic growth, the environment is still pessimistic. The fiscal deficit, political uncertainty, rising inflation, slowing growth and inability of the government to tackle these problems is a big area of concern to the Indian Growth story.

**Is the much talked about growth story over?**

**Will India ever get back on track of high growth?**

These are the questions only time can answer. But it isn't as bad as it seems to be. We are still among the fast growing economies in the world and are expected to be one of them in the coming future.

**x. SICK INDUSTRY**

The Company does not have any accumulated losses as at March 31, 2012. Further, the Company does not have cash loss in the immediately preceding financial year.

**xi. DUES TO FINANCIAL INSTITUTIONS**

The Company has not taken any financial facilities from any financial institute, bank or debenture holder during the year, except Car Loan for which installment and interest have been paid regular.

**xii. SECURED LOANS AND ADVANCES GRANTED**

In our opinion and according to the information and explanation given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.

**xiii. CHIT FUND, NIDHI OR MUTUAL BENEFIT COMPANY**

In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of Clause 4 (xiii) of the Companies (Auditor Report) Order, 2003 are not applicable to the Company.

**xiv. INVESTMENT COMPANY**

The Company has maintained proper records of transactions and contracts in respect of investments in shares, debentures and other securities and those timely entries have been made therein. The shares, debentures and other securities have been held by the Company in its own name except to the exemption granted under Section 49(4) of the Companies Act, 1956.

**xv. GUARANTEES GIVEN BY COMPANY**

The Company has not given any guarantees for loans taken by other from banks or financial institutions. There is no guarantee given by the Company to third party.

## AADHAAR VENTURES INDIA LIMITED

sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control except as stated above.

v. **TRANSACTIONS WITH RELATED PARTIES AS PER REGISTER OF CONTRACTS UNDER SECTION 301 OF THE COMPANIES ACT, 1956**

- a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- b) In our opinion and according to the information and explanation given to us, there is no transaction with related parties in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 aggregating the value of Rupees Five Lakhs or more in respect of any party during the year.

vi. **DEPOSITS FROM PUBLIC**

The Company has not accepted deposits from the public to which the provisions of Section 58A and 58AA of the companies (Acceptance of deposit) Rules, 1975 apply.

vii. **INTERNAL AUDIT SYSTEM**

The Company has an internal audit system commensurate with size and nature of its business.

viii. **COST RECORDS**

As informed to us, The Company is not required to maintain cost records under section 209 (1) (d) of the Companies Act, 1956.

ix. **STATUTORY DUES**

- (a) No undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty, excise duty and cess were in arrears, as at the balance sheet date for a period of more than six months from the date they became payable.
- (b) At the end of the financial year there were no dues of Sales Tax, Custom Duty, Wealth Tax, Service Tax, Excise duty and Cess which have not been deposited on account of any dispute.

## AADHAAR VENTURES INDIA LIMITED

**There is some bleeding in the short run but the wounds should heal in the medium to long term.** Aadhaar should benefit from the improvements in the economy and fetch decent returns on investments in the long term.

The income from the investment division is expected to be a combination of Dividend and profit on sale of investments.

↪ **Future Outlook:**

Aadhaar has attempted to diversify into various segments to grow and also to diversify risk. Some of the decisions have fetched fruitful results, whereas in some segments there is considerable pain. This is just the beginning and there is a long way to go in this journey. The situation is still challenging but we are hopeful of emerging as a winner.

**No matter how dark the tunnel is there is always light at the end.**

**The management shall not leave any stone unturned on its goal towards achieving the goals of its various stakeholders.**

↪ **Risk Management:**

Governance, Risk Management and Compliance processes form an integral part of the Company's planning and review mechanism. The Company's risk management framework establishes risk management processes at each business, helping in identifying, assessing and mitigating risks that could materially impact the Company's performance in achieving its stated objectives. The components of risk management are different for different businesses and are defined by various factors including the business model, business strategy, organizational structure, risk appetite and available dedicated resources.

The Company's structured risk management process provides confidence to the stake holders that the Company's risks are known and well managed. The risk management framework ensures compliance with the requirements of amended clause 49 of the Listing Agreement.

Since the Company is a diversified conglomerate, the risk events are identified, assessed, mitigated and monitored for each business separately.

The risk management approach comprises three components:

- A. **Risk Identification** which consists of diagnosing of the external and internal risk events which could affect the profitability and/or image of the Company business.
- B. **Risk assessment and mitigation** which involves evaluation of the risks by Managerial personnel to identify the potential severity of impact and the probability of occurrence of various risks. Further plans are also formulated to mitigate the severity of the potential risks confronting the Company.
- C. **Risk monitoring and assurance** which involves reviewing of the risk management processes and implementation and effectiveness of risk mitigation plans.

**Internal Control Systems and their Adequacy:**

The Board acknowledges its overall responsibility for ensuring that the Company has satisfactory systems of internal control.

Internal Control Systems and procedures are in place to identify, control and report on major risks, including strategic, people, operational, financial, technological and regulatory risks. The Board monitors exposure to these risks with the assistance of various committees and the senior management.

The fundamental objective of the Company's internal control systems is to manage and mitigate the risks facing the Company. The Company believes that its internal control systems and procedures are commensurate with its size, have been designed to safeguard corporate assets, maintain proper accounting records and provides, among other things, a reasonable assurance that transactions are executed with Management authorization. Also the system comprises a well-established organizational structure and framework for policies and standards.

**ANNEXURE TO THE AUDITORS' REPORT**

Referred to in paragraph 3 of our report of even date on the accounts for the year ended 31, 2012 of Aadhaar Ventures India Limited (formerly known as Praneta Industries Limited)

**i. FIXED ASSETS**

- a) The Company is generally maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
- b) Assets have been physically verified by the management during the year. According to the information and explanations given to us, there is regular programme of verification which, in our opinion is reasonable having regards to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- c) The Company has not disposed off substantial part of its fixed assets during the year.

**ii. INVENTORIES**

- a) Inventories have been physically verified during the year by the management at reasonable intervals.
- b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) The Company has maintained proper records of inventories and no material discrepancy noticed on physical verification.

**iii. LOANS AND ADVANCES**

The company has neither taken nor granted any loans or advances in nature of loans to parties covered under register maintained under section 301 of the Companies Act, 1956.

**iv. INTERNAL CONTROL**

There are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the

## AADHAAR VENTURES INDIA LIMITED

- ii. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
- iii. The Balance Sheet and Statement of Profit and Loss dealt with by this report are in agreement with the books of account.
- iv. In our opinion, the Balance Sheet and Statement of Profit and Loss dealt with by this report comply in all material respect with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
- v. On the basis of written representations received from the directors, as on 31<sup>st</sup> March, 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with notes give the information required by the Companies Act, 1956, in the manner so required and accounting Policies included therein, give a true and fair view in conformity with the accounting principles generally accepted in India.
  - ✗ In case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2012
  - ✗ In the case of the Statement of Profit and Loss, of the profit of the company for the year ended on that date; and
  - ✗ In case of the Cash Flow Statement of the Company, of the cash flows for the year ended on that date.

For D.P. AGARWAL AND CO.

Chartered Accountants

Firm Reg.No.100068W

Sd/-

D.P. AGARWAL

Proprietor

Membership No:-35500

Date: 27<sup>th</sup> August, 2012

Place : Surat.

## AADHAAR VENTURES INDIA LIMITED

### ➤ Human Resources and Industrial Relations:

At Aadhaar, people remain the most important asset in enabling the Company to achieve its strategic goals. Aadhaar continues to attract, develop and engage with talent and endeavours to provide a value centric culture to enable the delivery of performance.

As the business continues to expand, the need to continuously have the right people at the right place to maintain high standards and drive growth through innovative business models and integrated healthcare delivery systems becomes all the more important. Thus your Company functions to create a stimulating environment that demands performance and nurtures creativity, recognizes achievements individually and collectively.

Also the Company has implemented several plans to attract and retain skilled manpower at all levels. Various Training Programs have been implemented for its employees to develop both hard and soft skills required in their profession.

### ➤ To Sum up:

Aadhaar has laid a strong foundation to become one of the fastest growing conglomerates. Even though the financial year under review has been very difficult, there are early signs of the situation improving in the time to come and this shall help the Company to enhance its profitability. Aadhaar is focusing of building a strong presence in the businesses that mirror the growing sectors of the Indian economy. This shall improve the odds towards enhancing the stakeholder's value.

## CORPORATE GOVERNANCE REPORT

### COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

Aadhaar values and is aware about the importance of Corporate Governance into the value systems driving the Company. It understands the principles of fairness, transparency, accountability and responsibility towards the members and society at large and ensures to achieve high standards of integrity in financial reporting, disclosure of material information, continuous improvements of internal controls and sound investor relations.

Your Company does not view Corporate Governance principles as a set of binding obligations, but believes in using it as a framework to be followed in spirit.

Given below are the Company's Corporate Governance policies and practices for 2011-2012 elaborated point wise based on the requirements of Clause 49 of the Listing Agreement.

### BOARD OF DIRECTORS:

Aadhaar recognizes the fiduciary duty of the Board towards all its stakeholders and thus the Board is empowered to oversee the management functions with a view to ensure its effectiveness and enhancement of shareholder's value.

Further the Board of your Company possesses an optimum combination of Executive and Non- Executive Directors as laid down under clause 49 of the Listing Agreement and is also in conformity with the provisions of section 255 of the Companies Act, 1956. A gist of the composition of the Board as well as the Board Meetings have been provided hereunder:

⌘ **Composition of the Board:** The details of the present directors outlining therein, their designation and other Memberships/ Committee Chairmanships is provided hereunder:

## AUDITORS' REPORT

To

The Shareholders of,

**Aadhaar Ventures India Limited.**

*(formerly Known as Prraneta Industries Limited)*

1. We have audited the attached Balance Sheet of **AADHAAR VENTURES INDIA LIMITED** *(formerly Known as Prraneta Industries Limited)* as at 31<sup>st</sup> March, 2012 and also the Statement of Profit and Loss for the year ended on that date annexed thereto and the Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on test basis, evidence supporting the amount and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluation the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Audit Report) order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, and on the basis of such checks of books and records of the Company as were considered appropriate and the information and explanations given to us during the course of our audit, we enclosed in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to above, we report that:
  - i. We have obtained all the information and explanations, which to the best of our knowledge and belief necessary for the purposes of our audit;

**CERTIFICATION ON FINANCIAL STATEMENTS**

I, the undersigned, in my respective capacity as a Managing Director of Aadhaar Ventures India Limited (formerly known as Praneta Industries Limited) ("the Company"), to the best of my knowledge and belief certify that:

I have reviewed the Financial Statements and the Cash Flow Statement for the financial year ended 31<sup>st</sup> March, 2012 and based on my knowledge and belief, I state that:

- (i) These statements do not contain any materially untrue statement or omit any material fact or contain any statements that might be misleading.
- (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.

I accept the responsibility for establishing and maintaining internal controls and for evaluating the effectiveness of the same over the financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which the Board is aware and the steps have been taken or propose to take to rectify these deficiencies.

I have indicated, based on my most recent evaluation, wherever applicable, to the Auditors and Audit Committee:

- (i) Significant changes, if any, in the internal control over financial reporting during the year;
- (ii) Significant changes, if any, in the accounting policies made during the year and that the same has been disclosed in the notes to the financial statements; and
- (iii) Instances of significant fraud of which the Board become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over financial reporting.

Date : 1<sup>st</sup> September, 2012

Place: Surat

For and on behalf of the Board of Directors

Sd/-

(Mr. O.P. Khandelwal)

Managing Director

Name of the Director	Designation	No. of Meetings attended / out of 8 meetings	Whether attended last AGM	No. of outside directorships of public Companies	* No. of Committee Memberships	* No. of Committee Chairmanship's
Mrs. Jyoti Munver	Chairman & Non-Executive Independent Director	8	Yes	Nil	Nil	Nil
Mr. O. P. Khan-Jelwal	Managing Director	8	Yes	Nil	Nil	Nil
Mr. Subramanya Kusnur	Non-Executive Director	8	Yes	1	Nil	Nil
Mr. Jis Raichand Madan	Executive Director	8	Yes	1	Nil	Nil
@ Mr. Manish Thakkar	Non-Executive Independent Director	6	Yes	Nil	Nil	Nil
# Mr. Kiran Thakore	Non-Executive Independent Director	6	Yes	Nil	Nil	Nil
^^ Mr. Radheshyam Sharma	Executive Director	3	No	Nil	Nil	Nil
*** Mr. Vijay Joshi	Non-Executive Independent Director	3	No	Nil	Nil	Nil



## AADHAAR VENTURES INDIA LIMITED

*** Mr. Govind Sharma	Non- Executive Independent Director	3	No	1	Nil	Nil
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\* includes Committee Memberships and Chairmanships in Aadhaar Ventures India Limited.

# Mr. Kiran Thakore resigned from the Board of the Company w.e.f. 6<sup>th</sup> October, 2011.

^^ Mr. Rasheshyam Sharma resigned on 23<sup>rd</sup> May, 2011.

\*\*\* Mr. Vijay Joshi and Mr. Govind Sharma resigned on 23<sup>rd</sup> May, 2011.

@ Mr. Manish Thakkar was appointed as an Additional Director on the Board of the Company on 19<sup>th</sup> May, 2011 and was re-appointed as a Director in the Annual General Meeting held on 30<sup>th</sup> September, 2011.

(As mandated by Clause 49 of the Listing Agreement, none of the Directors are members of more than **ten** Board level committees nor are they Chairman of more than **five** committees in which they are members.

**Pls note:** Private limited Companies, foreign Companies and Companies under section 25 of the Companies Act, 1956 are excluded for the above purposes. Only Audit Committee and Shareholders' Grievance Committee are considered for the purpose of committee positions as per Listing Agreement.)

µ **Number of Board Meetings:** The Board of Directors met eight times during the year on 12<sup>th</sup> May, 2011, 19<sup>th</sup> May, 2011, 23<sup>rd</sup> May, 2011, 12<sup>th</sup> August, 2011, 1<sup>st</sup> September, 2011, 6<sup>th</sup> October, 2011, 11<sup>th</sup> November, 2011 and 11<sup>th</sup> February, 2012 and the maximum time gap between any two meetings has been less than four months.

µ **Information to the Board:** A detailed agenda folder is sent to each director in advance of the Board Meetings. As a policy, all major decisions involving investments and capital expenditure, in addition to matters which statutorily require the approval of the Board are put up for the consideration of the Board of Directors as a part of the agenda papers. Such agenda items include the following:

## AADHAAR VENTURES INDIA LIMITED

### AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

I have examined the compliance of conditions of Corporate Governance by **Aadhaar Ventures India Limited** (formerly known as *Praneta Industries Limited*), for the year ended 31st March, 2012 as stipulated in Clause 49 of the Listing Agreement of the Company with Bombay Stock Exchange Limited (BSE). We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of certification.

The compliance of the conditions of Corporate Governance is the responsibility of the Company's management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

On the basis of our examination of the records produced, explanations and information furnished, we certify that the Company has generally complied with the mandatory conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For D.P. AGARWAL AND CO.

Chartered Accountants

Firm Reg No.100068W

Sd/-

D.P. Agarwal

Proprietor

M.No. 35500

Place: Surat

Date : 29<sup>th</sup> August, 2012.

## AADHAAR VENTURES INDIA LIMITED

Name and Address	M/s Adroit Corporate Services Private Limited 19/20, Jaferbhoy Industrial Estate, 1 <sup>st</sup> Floor, Makwana Road, Marol, Andheri- East, Mumbai- 400 059.
Tel No.	022- 8594060/ 28596060
Email id	info@adroitcorporate.com

⌘ Transfer System:

The shares of the Company are compulsorily traded in dematerialized form. Shares received in physical form are transferred within a period of 30 days from the date of lodgment, subject to documents being correct, valid and in all respects.

⌘ Company's Address for Correspondence

*Registered Office Address	Shop No. 323, Golden Point, 3 <sup>rd</sup> Floor, Ring Road, Surat- 395 002.
Tel No	32160472/ 91-261-2442800
E-mail Id	aadhaarventures@gmail.com

\* The Registered Office of the Company has been shifted with effect from 30<sup>th</sup> June, 2012 from:  
574/577, Belgium Square, Ring Road, Surat-395 002  
to  
Shop No. 323, 3<sup>rd</sup> Floor Golden Point, Ring Road, Surat- 395 002

By the order of the Board of Directors  
sd/-  
Managing Director

Date: 1<sup>st</sup> September, 2012

Place: Surat

## AADHAAR VENTURES INDIA LIMITED

- ✗ Annual Operating Plans and Budgets.
- ✗ Capital Budget- Purchase and Disposal of Plant, Machinery and Equipment.
- ✗ Quarterly, Half yearly and Annual Results.
- ✗ Minutes of the Meetings of the Audit Committee and other Committees of the Board.
- ✗ Materially important show cause, demand, prosecution notices and penalty notices, if any.
- ✗ Details of any joint venture agreement or collaboration agreement.
- ✗ Transactions that involve substantial payment towards goodwill, brand equity or intellectual property.
- ✗ Sale of material nature, of investments, subsidiaries, assets, which are not in the normal course of business.
- ✗ Non-compliance of any regulatory, statutory or listing requirement and shareholders service such as non-payment of dividend, delay in share transfer, etc.

Further the Board periodically reviews compliance reports of all the laws applicable to the Company that has prepared by the management as well as undertakes measures in order to rectify the instances of non-compliances, if any.

### COMMITTEES OF THE BOARD:

The Board of Directors has constituted three committees namely:

- ⌘ Audit Committee.
- ⌘ Remuneration Committee.
- ⌘ Shareholders/Investor Relations Committee.

⌘ AUDIT COMMITTEE:

The Audit Committee of your Board comprises of 3 directors namely, two non-executive Independent Directors and a Managing Director of the Company. Further the Committee is chaired by an Independent Director of the Company.

## AADHAAR VENTURES INDIA LIMITED

The detail of the directors forming part of the Committee together with the details of their designations is provided hereunder:

Name of the director	Category	Status	No. of Meetings attended / out of 5 meetings
Mr. Govind Sharma *	Non-Executive, Independent	Chairman	1
Mr. Vijay Joshi *	Non-Executive, Independent	Member	1
Mr. Kiran Thakore # @	Non-Executive, Independent	Member	2
Mr. O.P. Khandelwal	Managing Director	Member	5
Mrs. Jyoti Munver#	Non-Executive, Independent	Chairman	4
Mr. Manish Thakkar @	Non-Executive, Independent	Member	2

\* Due to Mr. Govind Sharma and Mr. Vijay Joshi's resignation from the Board of the Company, the Composition of the Audit Committee was re-constituted by the Board on 23<sup>rd</sup> May, 2011.

# Mrs. Jyoti Munver and Mr. Kiran Thakore were inducted on the committee in the aforesaid re-constitution. Mrs. Jyoti Munver was designated as the Chairman of the Committee in place of Mr. Govind Sharma, whereas Mr. Kiran Thakore was inducted as a member of the Committee.

@ Mr. Kiran Thakore resigned from the Board on 6<sup>th</sup> October, 2011, as a result of which he ceased to be a member of the Committee. Mr. Manish Thakkar, a Non- Executive Independent Director was appointed as a Member in place of Mr. Kiran Thakore.

Also the Committee functions in accordance with the guidelines laid down under section 292A of the Companies Act, 1956 read together with clause 49 of the Listing Agreement. Besides having access to all the required information from within the Company, the committee can obtain external professional advice whenever required.

**Meetings of the Committee:** The Audit committee met five times during the year under review, 4<sup>th</sup> May, 2011, 7<sup>th</sup> August, 2011, 24<sup>th</sup> August, 2011, 7<sup>th</sup> November, 2011 and 7<sup>th</sup> February, 2012.

## AADHAAR VENTURES INDIA LIMITED

(c) Director, Promoters & their Relatives	4433000	1.96
<b>Sub Total (A) (1)</b>	<b>10833000</b>	<b>4.80</b>
<b>2. Foreign</b>	0	0.00
<b>Sub Total (A) (2)</b>	<b>0</b>	<b>0.00</b>
<b>Total Shareholding of Promoter/Promoter Group</b>	<b>10833000</b>	<b>4.80</b>
<b>A = (A) (1) + (A) (2)</b>		
<b>B. Public Shareholding</b>		
<b>1. Institutions</b>		
Foreign Institutional Investors	4457	0.00
<b>Sub Total (B) (1)</b>	<b>4457</b>	<b>0.00</b>
<b>2. Non-Institutions</b>		
(a) Bodies Corporate	76393175	33.84
(b) Individuals		
i. Individual holding < Rs. 1 Lakh	33409207	14.80
ii. Individual holding > Rs. 1 Lakh	100606342	44.57
(c) Any Other (Specify)		
i. Clearing member	3700119	1.64
ii. Non-Resident Indians	774700	0.34
<b>Sub Total (B) (2)</b>	<b>214883543</b>	<b>95.20</b>
<b>Total Public Shareholding</b>	<b>B = (B) (1) + (B) (2)</b>	<b>214888000</b>
		<b>100.00</b>
<b>C. Shares held by custodians and against which Depository Receipts have been issued</b>	<b>0</b>	<b>0.00</b>
<b>Total Shareholding</b>	<b>TOTAL ( A+B+C)</b>	<b>225721000</b>
		<b>100.00</b>

**p Registrar and Share Transfer Agent:**

The Registrar and Share Transfer Agent deals with all communications of the Shareholders in respect of change of address, transfer of shares, demat of shares, non-receipt of Dividend, etc.

The Registrar and Share Transfer Agents of the Company can be contacted at:

## AADHAAR VENTURES INDIA LIMITED

Outstanding convertible securities:-	No. of outstanding securities	As a % of total no. of outstanding convertible securities	As a % of total no. of shares of the Company, assuming full conversion of the convertible securities
Held by promoter/promoter group	NIL	NIL	NIL
Held by public	NIL	NIL	NIL
<b>Total - E</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
Warrants:-	No. of warrants	As a % of total no. of warrants	As a % of total no. of shares of the Company, assuming full conversion of warrants
Held by promoter/promoter group	NIL	NIL	NIL
Held by public	31136300	NIL	NIL
<b>Total - F</b>	<b>31136300</b>	<b>100%</b>	<b>12.12%</b>
Total paid-up capital of the Company, assuming full conversion of warrants and convertible securities (Grand Total (A+B+C)+ D+E+F)	256857300	100%	100%

Category	No. of Shares held	% of shareholding
<b>A. Promoter/Promoter Group</b>		
<b>1. Indian</b>		
(a) Individuals/HUF	0	0.00
(b) Body Corporate	6400000	2.84

## AADHAAR VENTURES INDIA LIMITED

### REMUNERATION COMMITTEE:

A Remuneration Committee has been constituted in order to comply with the Non-Mandatory requirements of Clause 49 of the Listing Agreement read together with the provisions of schedule XIII and other applicable provisions of the Companies act, 1956.

**The Broad terms of reference of the committee are detailed hereunder:**

- To review, assess and recommend the appointment of Executive Directors and Non- Executive Directors.
- To review the remuneration package payable to the Directors.

**Constitution of the Committee:** Presently, the Remuneration Committee comprises of three Non-Executive Directors, out of which two are Independent. The Details of the Directors forming part of the Committee together with their designations has been provided hereunder:

Name of the Director	Category	Status	Meetings attended/out of 2 Meetings
* Mr. Vijay Joshi	Non-Executive, Independent Director	Member	1
* Mr. Govind Sharma	Non-Executive, Independent Director	Chairman	1
* Mr. Radheshyam Sharma	Executive Director	Member	1
@ Mr. Kiran Thakore	Non-Executive, Independent Director	Member	1
# Mr. Manish Thakkar	Non-Executive, Independent Director	Chairman	1
# Mrs. Jyoti Munver	Non-Executive, Independent Director	Member	1
# Mr. Subramanya Kusnur	Non- Executive Director	Member	1

## AADHAAR VENTURES INDIA LIMITED

- \* Due to the resignation of Mr. Govind Sharma, Mr. Vijay Joshi and Mr. Radheshyam Sharma from the Board of the Company, the Composition of the Remuneration Committee was re-constituted by the Board on 23<sup>rd</sup> May, 2011.
- # Mrs. Jyoti Munver, Mr. Manish Thakkar and Mr. Subramanyam Kusnur were inducted on the committee in the aforesaid re-constitution. Mr. Manish Thakkar was designated as the Chairman of the Committee in place of Mr. Vijay Joshi, whereas Mrs. Jyoti Munver and Mr. Subramanyam Kusnur were inducted as members of the Committee.
- @ Mr. Kiran Thakore resigned from the Board on 6<sup>th</sup> October, 2011, as a result of which he ceased to be a member of the Committee.

**Meetings of the Committee:** The Committee met 2 times during the year on 10<sup>th</sup> May, 2011 and 15<sup>th</sup> March, 2012.

**Remuneration policy:** The Remuneration Policy approved by the Board provides for the following:

1. **Executive Directors:**

- a. Salary and commission not to exceed the limits prescribed under the Companies Act, 1956, revised from time to time depending upon the performance of the Company, individual director's performance and prevailing industry norms.
- b. No sitting fees.
- c. No ESOP for Promoter Directors.

2. **Non-Executive Directors:**

- a. Eligible for commission based on time effect and output given by them.
- b. Sitting fees and commission not to exceed the limits prescribed under the Companies Act, 1956.
- c. Eligible for ESOP (other than Promoter Directors).

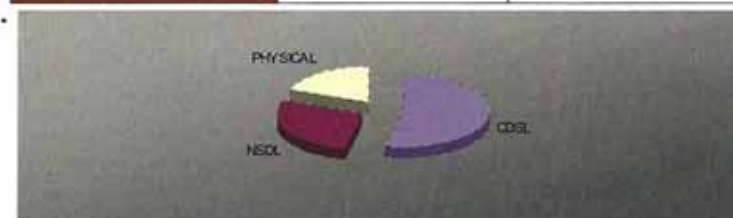
**Remuneration to Directors:** Mr. O.P. Khandelwal, being the Managing Director, has not accepted any remuneration from the Company in the financial year under review.

## AADHAAR VENTURES INDIA LIMITED

Security under the Depositories Act, 1956 as such, facilities for dematerialization of the Company's Equity Shares are available vide **ISIN No.: INE063D01022** at both the Depositories

**Dematerialization and Liquidity:**

Shares held in	No. of Shares	% Shareholding
CDSL	120447242	53.36
NSDL	62906038	27.87
Physical	42367720	18.77
<b>Total</b>	<b>225721000</b>	<b>100.00</b>



**Shareholding pattern as on the quarter ended 31<sup>st</sup> March, 2012:**

Introductory sub-table (I)(a)			
<b>Name of the Company: AADHAAR VENTURES INDIA LIMITED</b> <i>(formerly known as Prraneta Industries Limited)</i>			
<b>Scrip Code, Name of the scrip, class of security: 531611, AADHAARVEN, EQUITY SHARES</b>			
<b>Quarter ended: 31/03/2012</b>			
Partly paid-up shares:-	No. of partly paid-up shares	As a % of total no. of partly paid-up shares	As a % of total no. of shares of the Company
<b>Held by promoter/promoter group</b>	NIL	NIL	NIL
<b>Held by public</b>	NIL	NIL	NIL
<b>Total - D</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>

## AADHAAR VENTURES INDIA LIMITED

January, 2012	0.63	0.32	159638276
February, 2012	0.69	0.37	14177636
March, 2012	1.07	0.52	39473419

Ⓟ Distribution of Shareholding as on 31<sup>st</sup> March, 2012:

Shares Slab	Shareholders	%	Total Shares	Amount (Rs.)	%
Up to 100	397	10.01	21155	21155.00	0.01
101- 500	445	11.22	158710	158710.00	0.07
501-1000	447	11.27	414142	414142.00	0.18
1001-2000	388	9.78	675358	675358.00	0.30
2001-3000	252	6.35	688258	688258.00	0.30
3001-4000	120	3.03	443511	443511.00	0.20
4001-5000	302	7.61	1467262	1467262.00	0.65
5001-10000	500	12.61	4206576	4206576.00	1.86
10001-20000	324	8.17	5042588	5042588.00	2.23
20001-50000	360	9.08	12155016	12155016.00	5.38
50001 & Above	431	10.87	200448424	200448424	88.80
<b>Total</b>	<b>3966</b>	<b>100.00</b>	<b>225721000</b>	<b>225721000</b>	<b>100.00</b>

Ⓟ Depository System:

Majority of the Shares of your Company are compulsorily tradable in electronic form.

As on 31<sup>st</sup> March, 2012, 81.23% shares of the Company are held in dematerialized form. In view of the numerous advantages offered by the Depository system, members holding shares in physical mode are advised to avail of the facility of dematerialization from either of the depositories.

The Company's Equity Shares are admitted with the Depository System of National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), as an eligible

## AADHAAR VENTURES INDIA LIMITED

None of the other Directors have been paid any Remuneration or Sitting Fees in the financial year under review.

Ⓟ SHAREHOLDERS/INVESTOR RELATIONS COMMITTEE:

The Shareholders/ Investor Relations Committee has been constituted to undertake the following:

- a. Redressal of Shareholders/Investors Complaints.
- b. Allotment, transfer & transmission of Shares/Debentures or any other securities and issue of duplicate certificates on split/consolidation/renewal, etc. as may be referred to it by the Registrar and Share Transfer Agent.

Constitution of the Committee: Presently, the Shareholders/Investors Relations Committee comprises of three Non-Executive Directors out of which two are Independent directors. The constitution of the committee is given below:

Name of the Director	Category	Status	Meetings attended/out of 4 Meetings
* Mr. Vijay Joshi	Non-Executive, Independent Director	Member	1
* Mr. Govind Sharma	Non-Executive, Independent Director	Chairman	1
* Mr. Radheshyam Sharma	Executive Director	Member	1
# Mr. Manish Thakkar	Non-Executive, Independent Director	Chairman	3
# Mrs. Jyoti Munver	Non-Executive, Independent Director	Member	3
# Mr. Subramanya Kusnur	Non-Executive Director	Member	3

## AADHAAR VENTURES INDIA LIMITED

\* Due to the resignation of Mr. Govind Sharma, Mr. Vijay Joshi and Mr. Radheshyam Sharma from the Board of the Company, the Composition of the Remuneration Committee was re-constituted by the Board on 23<sup>rd</sup> May, 2011.

# Mrs. Jyoti Munver, Mr. Manish Thakkar and Mr. Subramanyam Kusnur were inducted on the committee in the aforesaid re-constitution. Mr. Manish Thakkar was designated as the Chairman of the Committee in place of Mr. Vijay Joshi, whereas Mrs. Jyoti Munver and Mr. Subramanyam Kusnur were inducted as members of the Committee.

**Meetings of the Committee:** The Committee met 4 times during the year on 4<sup>th</sup> May, 2011, 8<sup>th</sup> August, 2011, 7<sup>th</sup> November, 2011 and 7<sup>th</sup> February, 2012.

### SUBSIDIARY COMPANY:

The Company does not have any subsidiary.

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

Management Discussion and analysis is given in a separate section forming part of the Directors report.

### DISCLOSURES:

#### Related Party Disclosure:

The transactions with the related parties are disclosed in note no. 22 of the notes forming part of the financial statements in the Annual Report.

#### Penalties or Strictures:

No penalties or strictures have been imposed by SEBI, the Stock Exchanges or any Statutory Authorities on the Company.

## AADHAAR VENTURES INDIA LIMITED

Convertible warrants ("Warrants") pursuant to the provisions of Section 81(1A) of the Companies Act, 1956.

2. The Company at its Extra Ordinary General Meeting held on 12<sup>th</sup> March, 2011 passed the special resolutions for Preferential Allotment of 4,50,00,000 (Four Crore Fifty Lakhs) Convertible warrants ("Warrants") pursuant to the provisions of Section 81(1A) of the Companies Act, 1956 and Alteration of Articles of Association of the Company, by substituting Article 195 with new Article No. 195 & 196 in respect of the Capitalization of the Reserves.

### Details of Postal Ballot:

During the Financial Year under review, the Company has not passed any resolutions through Postal Ballot.

### Market Information:

Monthly high and low price of the Company's shares traded at Bombay Stock Exchange Limited (BSE) during the year 2011-2012.

Month	Market Price		No. of Shares traded
	High (Rs.)	Low (Rs.)	
April, 2011	80.80	57.60	16159842
May, 2011	71.00	52.00	21618558
June, 2011	77.75	53.00	20960120
July, 2011	80.20	68.25	23294236
August, 2011	77.85	38.40	26794302
September, 2011	34.60	12.10	114283
October, 2011	11.50	4.64	125380
November, 2011	4.41	1.73	9481140
December, 2011	1.65	0.66	2918143

## AADHAAR VENTURES INDIA LIMITED

¶ Listing Details:

At present, the Equity shares of the Company are listed on BSE Limited and Delhi Stock Exchange Limited. Details of the listing are mentioned hereunder:

Bombay Stock Exchange	Delhi Stock Exchange
Shri Ganesh Spinners Limited	Shri Ganesh Spinners Limited
Scrip Code: 531611	File Number: 8858

Further the scrips are also enlisted on the Depositories having ISIN Number: INE063D01022

¶ General Body Meetings:

Financial Year	Date and Time	Location
2008-2009	30 <sup>th</sup> September, 2009 at 4.00 p.m.	S-574/577 Belgium Square, Ring Road, Surat- 395 002
2009-2010	30 <sup>th</sup> September, 2010 at 9.30 a.m	S-574/577 Belgium Square, Ring Road, Surat- 395 002
2010-2011	30 <sup>th</sup> September, 2011 at 9.00 a.m.	S-574/577 Belgium Square, Ring Road, Surat- 395 002

¶ Details of Extra Ordinary General Meetings (EOGM):

Financial Year	Date	Time	Location
2009-10	21 <sup>st</sup> April, 2009	11.00 a.m.	S-574/577, Belgium Square, Ring Road, Surat- 395002.
2010-2011	12 <sup>th</sup> March, 2011	9.30 a.m.	S-574/577, Belgium Square, Ring Road, Surat- 395002.

Special Resolution passed:

- The Company at its Extra Ordinary General Meeting held on 21<sup>st</sup> April, 2009 passed the special resolutions for Preferential Allotment of 14,42,00,000 (Fourteen Crore Forty Two Lakhs)

## AADHAAR VENTURES INDIA LIMITED

¶ Accounting Treatment:

In the preparation of financial statements, Generally Accepted Accounting Principles were followed giving due consideration to the mandatory accounting standards announced by the Institute of Chartered Accountants of India.

¶ Board Disclosure- Risk Management:

Risk assessment and its minimization procedures have been laid down by the Company and presented to the Board.

These procedures are periodically reviewed to ensure that the Executive Management control's risks through means of a properly defined framework.

COMPLIANCE OF MANDATORY/NON-MANDATORY REQUIREMENTS:

¶ Mandatory Requirements:

The Company has complied with all the mandatory requirements of Corporate Governance norms as enumerated under clause 49 of the Listing Agreement with the Stock Exchanges.

¶ Non-Mandatory Requirements:

a. Chairman's Office (Non-Executive):

No reimbursement of expenses is made to the Non-Executive Chairman in connection with the maintenance of her office.

b. Remuneration Committee:

The Board has setup a remuneration committee to determine on their behalf and on behalf of the shareholders with agreed terms of reference, the Company's policy on specific remuneration package for executive directors including rights and any compensation payment.



c. Shareholders Rights:

The Board has set up the Shareholders/Investor Relations Committee which not only looks into the Investor Grievances but has also been empowered to look into the matters affecting the rights of the shareholders.

The Company does submit the quarterly, half yearly and annual financial results to the Stock Exchange but has not sent physical copy of the results, except the annual report, to the shareholders to reduce the consumption of paper. However, the Company publishes the said results in the news papers having nationwide circulation for the benefit of the members on a regular basis.

d. Audit Qualifications:

Your Company has always tried to have financial results without any audit qualifications and it is our pleasure to inform you that there are no audit qualifications in the results of the financial year under review.

e. Whistle Blower Policy:

The Board has established a mechanism for employees to report to the management- concerns about any unethical behavior, actual or suspected fraud or violation of Company's code of conduct or ethics policy.

Further, the employees have direct access to the Chairman of the audit committee in exceptional circumstances and proper safeguards have been put in place to protect the interest of the whistle blower.

**CODE OF CONDUCT:**

The Board of Directors of the Company has laid down a code of conduct for all the Board members and senior Management Personnel of the Company.

**GENERAL SHAREHOLDERS INFORMATION:**

p Means of Communication with Shareholders:

In compliance with the requirements of the Listing Agreement, the Company regularly intimates financial results to the Stock Exchanges immediately after they are approved by the Board of Directors.

Further Quarterly and Half- Yearly results are also published in National and Local Dailies such as "Business Standard" (English newspapers) and "Loksatta" (Gujarati newspaper), having wide circulation.

p Annual General Meeting:

Date : 29<sup>th</sup> September, 2012.

Time : 9.00 a.m.

Venue: Shop No. 323, Golden Point, 3<sup>rd</sup> Floor, Ring Road, Surat- 395002.

p Book Closure:

The Register of Members and the Share Transfer Books shall be closed from **26<sup>th</sup> September, 2012 to 28<sup>th</sup> September, 2012**, (both days inclusive) for the purpose of the Annual General Meeting of the Company.

p Financial Calendar:

Financial Results schedule for the FY 2012-13:

Particulars	Tentative Schedule
Financial Reporting for the quarter ending 30/06/2012	Second week of August, 2012
Annual General Meeting for the year ending 31/03/2012	September, 2012.
Financial Reporting for the quarter ending 30/09/2012	Second week of November, 2012
Financial Reporting for the quarter ending 31/12/2012	Second week of February, 2013.
Financial Reporting for the quarter ending 31/03/2013	Second week of May, 2013.