

HOME ZONE RUBBER SOLUTIONS LIMITED

DIRECTORS REPORT OF HOME ZONE RUBBER SOLUTIONS LIMITED -2023-24

Dear Members,

Your directors have pleasure in presenting the 4th Annual Report together with the Audited Statement of Accounts of your Company for the financial Year ended March 31, 2024.

1. FINANCIAL SUMMARY:

The Company's financial performance for the financial year ended March 31, 2024

(Amount in Lakh)

Particulars	Year ended March 31, 2023	Year ended March 31, 2024
Revenue from Operations	2888.86	4437.23
Profit Before Tax	4.33	72.09
Less: Current Tax	-1	18.74
Deferred Tax	-5.54	2.43
Income Tax earlier years	-	-
Profit For the Year	10.87	55.78

2. PERFORMANCE DURING THE FY 23-24:

The Board of Director's were pleased and delighted to share the progress and success of the Company during the Financial Year ('FY') 2023-24. We are pleased to inform you that the Company has achieved stability in its operations and progressed on its way for substantial growth, widening of business and will do landmark performance in coming years. The potential of robust and substantial performance is feasible in view of investment by a number of investors, who believe in the ability of the management and their ability to operate the world class plant in most efficient and effective manner in coming years.

India's tyre and recycling sector are witnessing significant growth, with tyre production rising as part of economic growth and expansion. The growing popularity of recycled material to reduce the consumption of limited natural resources and to lower the unwanted and unwarranted CO2 emissions are pushing the adoption of innovative approaches to deal with such global challenges. Reprocessing and recycling of old and end of life scrap tyres is turning out as a perfect solution for reducing the environmental pollution and also strengthening the economic condition of the country. The Company's manufacturing facilities for recycled rubber-material and state of the art processing machinery from Eldan, Germany has ability to process the recycled rubber to more than 99.50% of the chips, granules and powder which has a very wide application in the areas of road infrastructure, rubber moulded goods, tyre manufacturing. Conveyor

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belting industry, rubber turf and mats industry, floor tiles, speed breakers and many more. The Company has manufacturing facilities strategically located at Vapi, Gujarat, which is just around 170 Kms from the Port City of Mumbai. We believe the only way to create value for the investors is to create value-added products for the Company's customers and value for stakeholders. The Company is committed to keeping the customers central to its decision-making process, this approach is likely to substantially expand margin in FY2024-25.

The Company has become one the most advanced tyre recycling company in India. During the Current Year, Company has raised the fund by way of issue Equity Shares. The Company is likely to double its sales revenue for the year FY2024-25 with Gross Margins in excess of 25%. As the business is highly working capital intensive, the investors funds will help the Company to increase in tyre crushing volume, demonstrating enhanced operational efficiency and validation of the Company's business model. At the manufacturing facilities at Vapi, in Gujarat, the Company has embarked on expansion, apart from installing capacity balancing equipment with objective of enhancing the capacity as well as the operational efficiency.

The new plant and machinery are likely to be delivered at the plant site at Vapi in Gujarat in another 3 - 4 months and the installation process and trial runs are expected to be completed in not more than six months.

3. SHARE CAPITAL

Authorized Share Capital:

During the Financial Year 23-24 company has increased authorized capital from Rs. 5 (Five) Cr. to Rs. 6.10 Cr. and as on June 08, 2024 the authorized share capital was further increased to Rs. 10 Cr.

Paid-Up Share Capital:

During the financial year 23-24, the Company has issued 7.00 (Seven) Lakh nos. of Equity Shares and increased Paid-Up capital of Rs. 70.00 lakhs from Rs. 4,89,61,000 (Rupee Four Crore Eighty-Nine Lakh Sixty-One Thousand Only) to Rs. 5,59,61,000 (Rupee Five Crores Fifty-Nine Lakh and Sixty-One Thousand Only).

During the Current Financial Year, the Company has issued another 7.00 lakhs (Seven lakh only) nos. of Equity Shares and paid-up share capital of the company was further increased by Rs. 70 Lakhs (Rupee Seventy Lakhs Only) aggregating to Rs. 6.29 Crores by making preferential allotment to various investors as follow;

1. 75,000 Equity Shares @ Rs-200/- each with a premium of Rs- 190/- each.
2. 125000 Equity Shares @ Rs-200/- each with a premium of Rs- 190/- each.
3. 200000 Equity Shares @ Rs-350/- each with a premium of Rs- 340/- each.
4. 300000 Equity Shares @ Rs-350/- each with a premium of Rs- 340/- each.

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Accordingly, the Company has raised total fund of Rs. 21.50 Crores (Rupee Twenty-One Crores Fifty lakhs only) which included Security Premium of Rs. 20.80 Crores (Rupee Twenty Crores Eighty Lakhs only) used for operational expenses, Capital Assets and for working capital of the company.

4. WEB LINK OF ANNUAL RETURN:

Website of the company is under process and will be completed in due course.

5. MEETINGS OF BOARD OF DIRECTORS:

13 Board Meetings were held during the Financial Year ended March 31, 2024 the maximum gap between any two Board Meetings was less than one Hundred and Twenty days.

The names of members of the Board, their attendance at the Board Meetings are as under:

Name of Directors	Number of Meetings attended/ Total Meetings held during the F.Y. 2023-24
Mr. Jitendra Ramesh Agarwal	13
Mr. Radheshyam Madanlal Sharma	13

6. DETAILS IN RESPECT OF FRAUD:

The Auditor's Report doesn't contain any information in relation to fraud.

7. BOARD'S COMMENT ON THE AUDITORS' REPORT:

The observations of the Statutory Auditors, when read together with the relevant notes to the accounts and accounting policies are self-explanatory.

8. MATERIAL CHANGES AND COMMITMENTS:

There have been no material changes and commitments, which affect the financial position of the company which have occurred between the end of the financial year to which the financial statements relate and the date of this Report.

9. APPOINTMENT OF NEW DIRECTORS IN THE COMPANY:

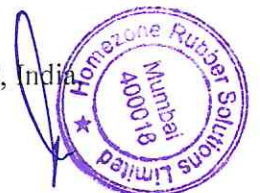
During the Financial Year 2023-24 there is no change in the directorship of the company but followings Directors were appointed after 31st March, 2024.

1. Mrs. Sujata Chattopadhyay appointed w.e.f. 15-05-2024 as an Additional Director of Company.
2. Mr. Abhijeet Ashok Deshpande appointed w.e.f. 30-08-2024 as an Additional Director of Company.

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10. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS, COURTS AND TRIBUNALS:

No significant and material order has been passed by the regulators, courts, tribunals impacting the going concern status and Company's operations in future.

11. CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES:

All related party transactions that were entered into during the financial year ended March 31, 2024, were on an arm's length basis and were in the ordinary course of business. Therefore, the provisions of Section 188 of the Companies Act, 2013 were not attracted.

There are no materially significant related party transactions during the financial year under review made by the Company with Promoters, Directors, or other designated persons which may have a potential conflict with the interest of the Company at large. Thus, disclosure in Form AOC-2 is not required.

However, the disclosure of transactions with related parties for the financial year, as per Accounting Standard -18 Related Party Disclosures is given in Note no 4 to the Balance Sheet as on 31st March, 2024.

12. COMPLIANCE WITH SECRETARIAL STANDARD:

The Company has Complied with the applicable Secretarial Standards (as amended from time to time) on meetings of the Board of Directors issued by The Institute of Company Secretaries of India and approved by Central Government under section 118 (10) of the Companies Act, 2013.

13. PARTICULARS OF LOANS AND INVESTMENT:

The Company has not made any Investment, given guarantee and securities during the financial year under review. There for no need to comply provisions of section 186 of Companies Act, 2013.

14. TRANSFER TO GENERAL RESERVE:

During the Financial Year 23-24, the Board has not transferred any amount to the general reserve of the company.

15. DIVIDEND:

The Board of Directors of your company, after considering holistically the relevant circumstances, has decided that it would be prudent, not to recommend any Dividend for the financial year under review.

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HOME ZONE RUBBER SOLUTIONS LIMITED**16. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO:**

A. Conservation of Energy, Technology Absorption Conservation of energy is of utmost significance to the Company. Operations of the Company are not energy intensive. However, every effort is made to ensure optimum use of energy by using energy- efficient computers, processes and other office equipment. Constant efforts are made through regular/ preventive maintenance and upkeep of existing electrical equipment to minimize breakdowns and loss of energy.

The Company is continuously making efforts for induction of innovative technologies and techniques required for the business activities.

- Steps taken by company for utilizing alternate sources of energy: NIL
- Capital investment on energy conservation equipment's: NIL

B. Foreign Exchange earnings and Outgo

Earnings	NIL
Outgo	Rs. 3.91 Crores

17. RISK MANAGEMENT POLICY

Risk Management is the process of identification, assessment and prioritization of risks followed by coordinated efforts to minimize, monitor and mitigate/control the probability and/or impact of unfortunate events or to maximize the realization of opportunities. The Company has laid down a comprehensive Risk Assessment and Minimization Procedure which is reviewed by the Board from time to time. These procedures are reviewed to ensure that executive management controls risk through means of a properly defined framework. The major risks have been identified by the Company and its mitigation process/measures have been formulated in the areas such as business, project execution, dg event, financial, human, environment and statutory compliance.

18. PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE [“POSH”]:

Our Company has always believed in providing a safe and harassment free workplace for every individual working in the Company premises. Company always endeavors to create and provide an environment that is free from any discrimination and harassment.

The policy on prevention of sexual harassment at workplace aims at prevention of harassment of employees {whether permanent, temporary, ad-hoc, consultants, interns or contract workers irrespective of gender} and lays down the guidelines for identification, reporting and prevention of undesired behaviour. The Company has duly constituted internal complaints committee as per the said Act.

During the financial year ended 31st March, 2024, no complaints received pertaining to sexual harassment.

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19. DETAILS OF SUBSIDIARY, JOINT VENTURE OR ASSOCIATE COMPANIES:

As on 31st March, 2024 Company doesn't have any Subsidiary & Joint Venture and Associate Companies at the end of the year.

20. INTERNAL FINANCIAL CONTROL:

The Company has in place adequate internal financial controls with reference to financial statements. During the financial year, such controls were tested and no reportable material weakness in the design or operation was observed.

21. AUDITOR:

Statutory Auditors

As per provisions of Section 139(1), 141, 142 and other applicable provisions of the Companies Act, 2013, the Company appointed M/s. Aniket Kulkarni & Associates, Chartered Accountants as Statutory Auditors for a period of One Year from the conclusion of 4th Annual General Meeting till the conclusion of 5th Annual General Meeting of the Company. Further, M/s. Aniket Kulkarni & Associates, Chartered Accountants have confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

Details in respect of frauds reported by auditors, there were no instances of fraud reported by the auditors.

Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act 2013 and rules made thereunder; the Secretarial Audit Report is not applicable to the Company.

22. DIRECTOR'S RESPONSIBILITY STATEMENT:

The Directors would like to inform the Members that the Audited Accounts for the financial year ended 31st March, 2024, are in full conformity with the requirement of the Companies Act, 2013. The Financial Accounts are audited by the Statutory Auditors, M/s. Aniket Kulkarni & Associates, Chartered Accountants, with the Institute of Chartered Accountants of India (ICAI) bearing registration number 130521W. The Directors further confirm that: -

a) In the preparation of the annual accounts for the year ended March 31, 2024 the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same.

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- b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2024 and of the profit of the Company for the year ended on that date.
- c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) The Directors have prepared the annual accounts on a 'going concern' basis.
- e) The Company being unlisted, sub clause (e) of section 134(3) of the Companies Act, 2013 pertaining to laying down internal financial controls is not applicable to the Company.
- f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

23. DEPOSITS:

The company has not accepted any deposits during the financial year under review.

24. COST RECORD:

The provision of Cost audit as per section 148 doesn't applicable on the Company.

25. STATEMENT ON DECLARATION FROM INDEPENDENT DIRECTORS:

The Company has received necessary declarations from all Independent Directors of the Company in accordance with the provisions of Section 149(7) of the Companies Act, 2013 confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013.

26. ESTABLISHMENT OF VIGIL MECHANISM/WHISTLE BLOWER POLICY:

Pursuant to the provisions of section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meeting of Board and it powers) Rules, 2014, the Company has adopted Whistle Blower Policy/Vigil Mechanism for directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of the Code of Conduct. It also provides for adequate safeguards against victimization of directors /employees who avail of the Mechanism.

27. CORPORATE GOVERNANCE:

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The Company has adopted corporate practices and is committed to conducting its business in accordance with the applicable laws, rules and regulations and adopted following policies;

1. ANNUAL EVALUATION POLICY FOR BOARD OF DIRECTORS: The Board of Directors shall conduct an annual self-evaluation to assess its performance, effectiveness, and contribution to the company's goals.
2. CODE OF CONDUCT: The company's Code of Conduct shall define the ethical and professional standards expected of all employees, officers, and directors.
3. CSR POLICY: The Corporate Social Responsibility (CSR) policy outlines the company's commitment to social and environmental responsibility and the framework for CSR activities.
4. DETAILS OF FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS: The company shall provide an orientation and familiarization program for independent directors to help them understand their roles, responsibilities, and the company's operations.
5. INSIDER TRADING POLICY: This policy defines guidelines and restrictions on insider trading to prevent unlawful trading by individuals with access to non-public information.
6. MATERIAL SUBSIDIARIES: The company shall identify and define Material Subsidiaries, and the policy shall govern their operations and reporting.
7. NRC POLICY (Remuneration Policy for Directors): The Nomination and Remuneration Committee shall oversee and determine the remuneration policy for directors and key management personnel.
8. PRESERVATION OF DOCUMENTS POLICY: This policy outlines the requirements for preserving and maintaining important documents and records.
9. POLICY ON MATERIALITY OF RELATED PARTY TRANSACTIONS: The policy shall define and regulate related party transactions based on their materiality and the need for approvals.
10. RISK MANAGEMENT POLICY: The company shall establish a Risk Management Policy to identify, assess, and manage various risks affecting the organization.
11. SEXUAL HARASSMENT POLICY: The company shall maintain a policy against sexual harassment to provide a safe and inclusive work environment.
12. TERMS AND CONDITIONS OF APPOINTMENT OF INDEPENDENT DIRECTORS: The terms and conditions for the appointment of independent directors shall be established based on the best corporate governance practices.
13. WHISTLEBLOWER POLICY: This policy ensures that employees can report any unethical or illegal conduct without fear of retaliation.
14. DIVIDEND POLICY: The company's Dividend Policy shall set guidelines for the distribution of dividends to shareholders.
15. ANTI-CORRUPTION ANTI-BRIBERY POLICY: A policy against corruption and bribery shall be established to uphold integrity and legality.
16. ARCHIVAL POLICY: This policy defines the retention and archival of corporate records and information.
17. DETERMINATION OF MATERIAL EVENTS: The process to determine material events and the requirement for timely disclosure shall be outlined.

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18. POLICY FOR BOARD DIVERSITY: A policy for promoting diversity on the Board of Directors shall be instituted.
19. POLICY FOR ORDERLY SUCCESSION OF BOARD OF DIRECTORS AND SENIOR MANAGEMENT: The company shall define a policy for the orderly succession of the Board of Directors and Senior Management.

28. PROCEEDINGS PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016:

No application has been made or any proceeding is pending under the IBC, 2016.

ACKNOWLEDGMENT

Your directors place on the record their appreciation of the Contribution made by employees, consultants at all levels, who with their competence, diligence, solidarity, co-operation and support have enabled the Company to achieve the desired results.

The Board of Directors gratefully acknowledge the assistance and co-operation received from the Central and State Governments Departments, Shareholders and Stakeholders.

For Home Zone Rubber Solutions Limited



Mr. Jitendra Ramesh Agarwal
Chairman & Managing Director
DIN: 01962790



Date: September 05, 2024
Place: Mumbai

CIN : U51909MH2020LTC347814

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