

# Corporate Governance Report

The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2022, in terms of Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Ahmedabad Steel Craft Limited is committed to the highest standards of Corporate Governance in all its activities.

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

Your Company believes in providing highest transparency and ethical value in Corporate Governance. Your Company also believes in taking into confidence all the stakeholders viz. Shareholders, Employees, Creditors, Customers etc. Your Company is committed to take the torch of Corporate Governance forward, so that every stakeholder of the Company synchronizes and synergies their efforts in their growth along with the growth of their Company.

Our Corporate Governance framework ensures that we make timely disclosures and share accurate information regarding our financials and performance, as well as disclosure related to leadership and governance of the Company.

*As on 31<sup>st</sup> March, 2022, Paid up equity share capital of the Company is not exceeding rupees (ten) 10 crore and Net Worth is not exceeding rupees (twenty five) 25 crore, hence, the provisions of Regulation 15 of SEBI (LODR) is applicable and therefore corporate governance provisions as specified in regulations 17, 39[17A,] 18, 19, 20, 21,22, 23, 24, 40[24A,] 25, 26, 27 and clauses (b) to (i)41[and (t)] of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V shall not be applicable to the Company but as a good practice the management is fulfilling the most of the requirement of Corporate Governance Regulation to provide proper transparency in the affairs of the Company.*

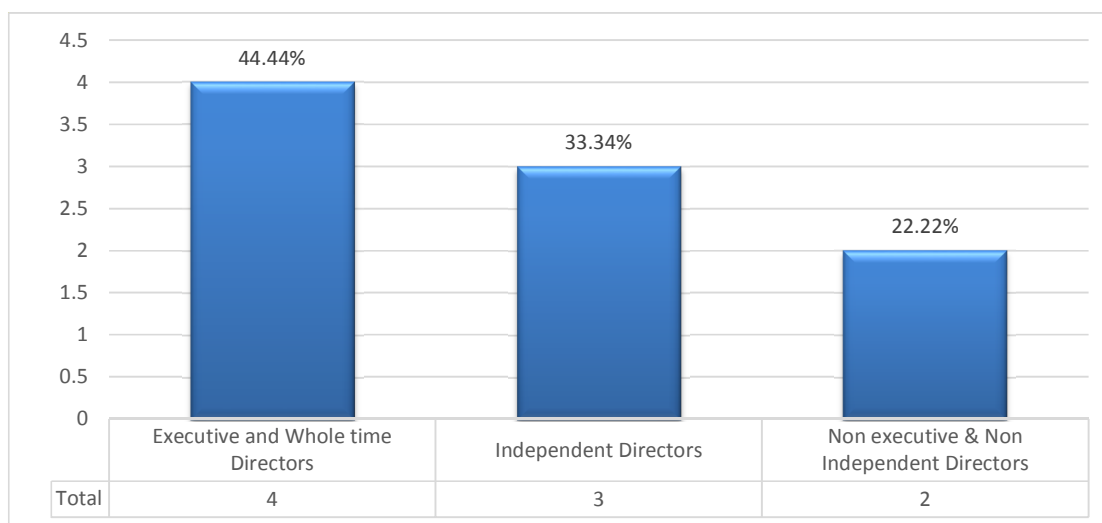
## 2. BOARD OF DIRECTORS

### A. COMPOSITION OF BOARD AS ON 31<sup>ST</sup> MARCH, 2022

- The Board of Directors comprises of nine experts drawn from diverse fields/professions as on 31<sup>st</sup> March, 2022 as below

SR. NO.	DIN	NAME	DESIGNATION
1.	00022507	Ashok Chandrakant Gandhi	Chairman & Independent Director
2.	00489773	Darshan Ashokbhai Jhaveri	Managing Director
3.	00489833	Anand Navinchandra Jhaveri	Whole time Director
4.	00545449	Shashank Indulal Shah	Whole time Director
5.	03225876	Nitaben Girishchandra Shah	Whole time Director
6.	00009350	Shreyas Chinubhai Sheth	Independent Director
7.	02087840	Shrujal Sudhirbhai Patel	Independent Director
8.	01988972	Kartikeya Shashankbhai Shah	Non-Executive & Non-Independent Director
9.	08076497	Aniruddh Darshanbhai Jhaveri	Non-Executive & Non-Independent Director

- On resignation of Shri Anand Vipinchandra Shah as Chief Executive Officer, the Board in consultation with Audit Committee has appointed him as Additional Director and also proposed him as Managing Director. The Board recommend to confirm him as Director and also proposes to appoint him as Managing Director at the ensuing Annual General Meeting.
- The Board has proposed Shri Kartikeya Shashank Shah as Whole Time Director designated as Executive Director with effect from 1<sup>st</sup> October 2022. The Board recommend his appointment at ensuing Annual General Meeting.
- The Board proposes to promote Shri Viral Anil Jhaveri as Chief Executive Officer at ensuing Annual General Meeting and Shri Arjun Anand Shah as Chief Financial Officer at the ensuing Annual General Meeting.
- Shri Shashank Indulal Shah tender his retirement with effect from 13<sup>th</sup> August 2022. The Board appreciate the guidance and services provided by him during his tenure.
- The term of the Managing Director/Executive Director namely Shri Darshan Ashok Jhaveri Managing Director and Shri Shashank Indulal Shah, Shri Anand Navinchandra Jhaveri, and Smt. Nita Girishchandra Shah Whole-time Directors of the Company will expire on 30<sup>th</sup> September, 2022. Taking into consideration the devotion of time for the development of business of the Company, the Nomination and Remuneration Committee and Audit Committee had suggested the Board to recommend their appointments at the ensuing Annual General Meeting with revised salary for further five years commencing from 1<sup>st</sup> October, 2022. Accordingly, the Board recommends their appointments at ensuing Annual General Meeting. The details of the Qualification, Experience and Remuneration are annexed to the Notice of Annual General Meeting which is as per Schedule-V Companies Act, 2013, SEBI Guidelines and SEBI (LODR), 2015.
- All the appointees referred herein above have concern or interest in the resolution set out in Item No. 5 to 12 of Notice convening Annual General Meeting
- The 'Board of Directors' is constituted with appropriate combination of Executive Directors, Non-executive Directors, Independent Directors and Woman Director, as per the prevailing regulatory requirements. The Board is in conformity with the provisions of section 149 of the Companies Act, 2013 ("the Act") and regulation 17 of SEBI (LODR) regulations, 2015.



### **Key Managerial Personnel Upto 31<sup>st</sup> March 2022**

SR.NO	NAME	DESIGNATION
1.	Anand Vipinchandra Shah	CEO
2.	Viral Anilbhai Jhaveri	CFO
3.	Vinita Ravikumar Bhatia	CS & Compliance Officer

The Board is in conformity with the provisions of section 149 of the Companies Act, 2013 ("the Act") and regulation 17 of SEBI (LODR) regulations, 2015.

- None of the Directors on the Board is a member of more than 10 committees or a Chairperson of more than 5 committees [as stipulated in Regulation 26(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations')] across all the Indian Public Companies, in which he/she is a Director. Net worth of the Company is less than Twenty Five Crores and therefore is entitled for benefits under regulation 15 of (Listing Obligations and Disclosure Requirements) Regulations, 2015
- The names and categories of the Directors on the Board, their attendance at Board Meetings, last Annual General Meeting held during the year, number of directorships held by them in Indian Companies and committee chairmanship / membership held by them in Indian Public Companies are given below. For reckoning the maximum number of chairmanships / memberships in committees, only two committees viz. 'Audit Committee' and 'Stakeholders' Relationship Committee' of the Board are considered.

### **ATTENDANCE & DIRECTORS' DIRECTORSHIPS/COMMITTEE MEMBERSHIPS**

In accordance with Regulation 26 of the Listing Regulations, none of the Directors are members in more than 10 committees excluding private limited companies, foreign companies and companies under Section 8 of the Companies Act, 2013 or act as Chairperson of more than 5 committees across all listed entities in which he/she is a Director. The Audit Committee and Stakeholders' Relationship Committee are only considered in computation of limits. Further all Directors have informed about their Directorships, Committee Memberships/Chairmanships including any changes in their

positions. Relevant details of the Board of Directors as on March 31, 2022 are given below:

Name	No. of Board Meetings Held in FY 2021-22		Attendance At The Last AGM	No of Directorship in listed entities including this listed entity (Refer Regulation 17A of Listing Regulations)		Committee Of Public Limited Company including this listed entity - Listed		No. Of Equity Shares Held On 31 <sup>st</sup> March, 2022
	Held	Attended		Directorship	Chairmanship	Membership	Chairmanship	
Mr. Ashok Gandhi	5	5	Yes	3	1	6	0	0
Mr. Darshan Jhaveri	5	5	Yes	1	0	2	0	238119
Mr. Shashank Shah	5	5	Yes	1	0	0	0	93763
Mr. Anand Jhaveri	5	5	Yes	1	0	0	0	281500
Mrs. Neetaben Shah	5	5	Yes	1	0	0	0	123500
Mr. Shreyas Sheth	5	5	Yes	1	0	0	0	0
Mr. Shrujal Patel	5	5	Yes	1	0	2	2	0
Mr. Kartikeya Shah	5	5	Yes	1	0	0	0	138750
Mr. Aniruddh Jhaveri	5	3	Yes	1	0	1	0	14532

**Note:**

1. Directorships exclude Private Limited Companies, Foreign Companies and Section 8 Companies.
2. Membership of Committee only includes Audit Committee and Stakeholders Relationship Committee in Indian Listed Public Limited companies

**Relationship between the Directors inter-se**

- Mr. Darshan Jhaveri is Father of Mr. Aniruddh Darshanbhai Jhaveri.
- Mr. Shashankbhai Shah is Father of Mr. Kartikeya Shashankbhai Shah.
- None of the other Directors are related to each other.

**The names of the listed entities where the person is a director and the category of directorship**

Sr. No.	Name	Indian Listed Companies	Category of Directorship
		Name of the Company	
1	Ashok Chandrakant Gandhi	Dishman Carbogen Amcis Limited.	Non-Executive - Independent Director
		Aarvee Denims & Exports Limited.	Non-Executive - Independent Director
		Ahmedabad Steelcraft Limited.	Non-Executive - Independent Director- Chairperson
2	Shreyas Chinubhai Sheth	Ahmedabad Steelcraft Limited.	Non-Executive - Independent Director
3	Shrujal Sudhirbhai Patel	Ahmedabad Steelcraft Limited.	Non-Executive - Independent Director
4	Darshan Ashokbhai Jhaveri	Ahmedabad Steelcraft Limited.	Executive Director – MD
5	Anand Navinchandra Jhaveri	Ahmedabad Steelcraft Limited.	Executive Director – WTD
6	Shashank Indulal Shah	Ahmedabad Steelcraft Limited.	Executive Director – WTD
7	Nitaben Girishchandra Shah	Ahmedabad Steelcraft Limited.	Executive Director – WTD
8	Kartikeya Shashankbhai Shah	Ahmedabad Steelcraft Limited.	Non-Executive– Non-Independent Director
9	Aniruddh Darshanbhai Jhaveri	Ahmedabad Steelcraft Limited.	Non-Executive– Non-Independent Director

### 3. BOARD & INDEPENDENT DIRECTORS' MEETING

#### **Board Meetings**

The Board meets at regular intervals to discuss and decide on business strategies/policies and review the financial performance of the Company and its subsidiaries. The Board Meetings are pre-scheduled and a tentative annual calendar of the Board Meeting is circulated to the Directors well in advance to facilitate them to plan their schedules accordingly. In case of business exigencies, the Board's approval is taken through circular resolutions. The circular resolutions are noted at the subsequent Board Meeting.

The notice and detailed agenda along with the relevant notes and other material information are sent in advance separately to each Director and in exceptional cases tabled at the Meeting with the approval of the Board. This ensures timely and informed decisions by the Board. The Board reviews the performance of the Company vis-à-vis the budgets/targets.

Minimum four prescheduled Board meetings are held every year (one meeting in every calendar quarter). Additional meetings are held to address specific needs, if any, of the Company. During the Financial Year 2021-22, the Board of Directors met Five (5) times i.e., on **29/06/2021, 10/08/2021, 23/10/2021, 11/02/2022, 30/03/2022**. The maximum gap between any two consecutive meetings was less than 120 (one hundred

and twenty) days, as stipulated under Section 173(1) of the Act, and Regulation 17(2) of the Listing Regulations and the Secretarial Standard by the Institute of Company Secretaries of India.

### **Independent Directors' Meeting**

Board Meeting and Meeting of Independent Directors in terms of Regulation 29(1), 25(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and schedule IV (Section 149) of the Companies Act, 2013 was scheduled 30/03/2022.

### **BOARD SUPPORT**

The Company Secretary attends the Board Meetings and advises the Board on Compliances with applicable laws and governance.

#### **4. FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS**

An appropriate Induction Programme for new Directors and ongoing familiarisation with respect to the business/working of the Company for all Directors is a major contributor for meaningful Board level deliberations and sound business decisions.

In Compliance with the requirement of the Listing Agreement with the Stock Exchanges, the Company has formulated Familiarization Programme for Independent Director. The said Programme aims to provide to the Independent Directors an insight into the Company's functioning, and to help them understand its business in depth so as to help them contribute significantly during the deliberations in the Board/Committee meetings.

Further, on an ongoing basis as a part of Agenda of Board/Committee Meetings, presentations are regularly made to the Independent Directors on various matters covering the Company's business and Operations, Industry and Regulatory updates, Strategy, Finance, Risk Management framework, etc.

At the time of appointing a Director, a formal Letter of Appointment is given to him/her, which explains the role, function, duties and responsibilities expected of him as a Director of the Company. The details of the familiarisation programme for Directors are available on the Company's website, viz. [www.steelcraft.co.in](http://www.steelcraft.co.in)

#### **5. POLICY ON BOARD DIVERSITY**

The Company has over the years had eminent persons from diverse fields as Directors on its Board. Pursuant to the applicability of the revised Listing Agreement, 'Policy on Board Diversity' was formulated by the Company. The Board Diversity Policy sets out the necessity and the approach towards achieving diversity in the Board of Director

The Company believes that benefits of a professional Board that possesses a balance of skills, experience, and expertise will enhance the decision making power of the Board which in turn will benefit the stakeholders of the Bank.

#### **6. CODE OF BUSINESS CONDUCT AND ETHICS**

The Company has adopted a policy on Code of Conduct and Ethics for the Board Members and Senior Management Personnel. The same has also been posted on the website of the Company viz. [www.steelcraft.co.in](http://www.steelcraft.co.in). A declaration by the Managing Director affirming the compliance on the Code of Conduct applicable to the Board Members and the Senior Management Personnel for the Financial Year 2021-22 forms part of this report.

## 7. COMMITTEES OF THE BOARD

The Board of Directors have constituted Board Committees to deal with specific areas and activities which concern the Company and requires a closer review. The Board Committees are formed with approval of the Board and function under their respective Charter. These Committees play an important role in the overall Management of day-to-day affairs and governance of the Company. The Board Committees meet at regular intervals and take necessary steps to perform its duties entrusted by the Board. The Minutes of the Committee Meetings are placed before the Board for noting.

The Board at present has Three (3) committees viz.

- A. Audit Committee,
- B. Nomination and Remuneration Committee and
- C. Stakeholders Relationship Committee.

The Board fixes the terms of reference of committees and also delegates powers from time to time.

### A. AUDIT COMMITTEES.

#### (i) Composition

The Audit Committee consists of three Directors, two of them are Independent Director. The committee is headed by. Mr. Shrujal S. Patel (DIN: 02087840), an Independent Director. Other Members of the Committee include Ashok C. Gandhi, Independent Director & Darshan A Jhaveri, Executive Director. All the member of the Audit Committee are financially literate.

#### (ii) Audit Committee Charter

The Audit Committee provides the Board with additional assurance as to the adequacy of the Company's internal control systems and financial disclosures. The Audit Committee acts as a link between the Management, Statutory Auditors, Internal Auditors and the Board of Director. The composition, powers and functions of the Audit Committee meet the requirements of the Listing Regulations and Section 177 of the Companies Act, 2013.

#### (iii) Meetings

The Audit Committee met four times during the year under review **29/06/2021, 10/08/2021, 23/10/2021, 11/02/2022**, Table below gives the composition and attendance record of Audit Committee.

#### **Audit Committee attendance during the Financial Year 2021-22**

<b>Name of The Member</b>	<b>DIN</b>	<b>Status</b>	<b>Category</b>	<b>No .Of Meeting Held</b>	<b>No. of Meeting Attended</b>	<b>Sitting fees (Rs)</b>
Shrujal S. Patel	02087840	Chairman	Independent	4	4	40,000
Ashok C. Gandhi	00022507	Member	Independent	4	4	40,000
Darshan A Jhaveri	00489773	Member	Managing Director	4	4	--

**(iv) Attendees:**

The Audit Committee invites such of the executive, as it considers appropriate to be present at its meetings. The Statutory Auditor and Internal Auditor are also invited to these meetings.

**(v) The terms of reference of the Audit Committee**

The terms of reference and the role of the Audit Committee is to overview the accounting systems, financial reporting and internal controls of the Company. The powers and role of Audit Committee are as set out in the Listing Regulation and Section 177 of the Companies Act, 2013. All the recommendations of the Audit Committee were noted by the Board of Director

**B. NOMINATION AND REMUNERATION COMMITTEE:**

**(i) Composition:**

The Nomination and Remuneration Committee was constituted by the Board with 3 Directors, All are Independent Director. Nomination and Remuneration Committee is headed by Mr. Shrujal Patel (DIN: 02087840). The Composition of Nomination and Remuneration Committee is in accordance with the provisions of Section 178(1) of the Companies Act, 2013 and Regulation 19 of the Listing Regulations.

Composition of the Committee is given below:

<b>Name of the Director</b>	<b>Status</b>	<b>Category</b>
Shrujal Patel (DIN:02087840)	Chairperson	Independent Director
Ashok C. Gandhi (DIN: 00022507)	Member	Independent Director
Shreyas Chinubhai Sheth (DIN:00009350)	Member	Independent Director

**(ii) Brief description of terms of reference**

- a. To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and/or removal
- b. To carry out evaluation of every Director's performance
- c. To formulate the criteria for determining qualifications, positive attributes and independence of a Director, and recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees
- d. To formulate the criteria for evaluation of Independent Directors and the Board
- e. To decide whether to extend or continue the term of appointment of Independent Director, on the basis of the report of performance evaluation of independent directors.
- f. To devise a policy on Board diversity



- g. To recommend/review remuneration of the Managing Director(s) and Whole-time Director(s) based on their performance and defined assessment criteria
- h. To recommend to the board, all remuneration, in whatever form, payable to senior management.
- i. To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable;

**(iii) Meetings**

The Committee has met once during the year on 10<sup>th</sup> August, 2021.

**(iv) The details of meetings held and attended by its members are given below:**

Name of Director	Designation	Number of Meetings	
		Held	Attended
Ashok C. Gandhi (DIN: 00022507)	Independent Director	1	1
Shrujal Patel (DIN:02087840)	Independent Director	1	1
Shreyas Chinubhai Sheth (DIN:00009350)	Independent Director	1	1

**(v) Nomination and Remuneration Policy**

The composition of the Executive Directors comprises of fixed component. The compensation is determined based on the remuneration prevailing in the industry and the performance of the Company. The remuneration package of the Executive Directors is periodically reviewed and suitable revision is recommended to the Board and Committee. The Non-executive Directors are paid sitting fees for attending meetings of Board/Committee.

**(vi) Details of sitting fees paid to the Non-Executive Directors for attending Board and Committee Meetings for the year ended on 31<sup>st</sup> March, 2022:**

Name of the Non-Executive Director	Amount (₹)
Ashok C. Gandhi (DIN: 00022507)	1,40,000
Shrujal S. Patel (DIN:02087840)	1,40,000
Shreyas Chinubhai Sheth (DIN:00009350)	1,00,000
Kartikeya Shashankbhai Shah(DIN: 01988972)	1,00,000
Aniruddh Darshanbhai Jhaveri (DIN: 08076497)	60,000

**(vii) The Remuneration paid to the Whole-time Directors/Managing Directors and CEO & CFO during the year is as follows:**

<b>Name of the Director</b>	<b>Designation</b>	<b>Salary</b>
DARSHAN A. JHAVERI(DIN: 00489773)	Managing Director	7,20,000
ANAND N. JHAVERI(DIN: 00489833)	Whole-time Director	7,20,000
SHASHANK I. SHAH(DIN: 00545449)	Whole-time Director	7,20,000
NITA G. SHAH(DIN: 03225876)	Whole-time Director	7,20,000
ANAND V. SHAH	CEO	7,20,000
VIRAL A. JHAVERI	CFO	7,20,000

There were no severance fees or stock option plan for the Executive/Non-executive Director The appointment of Whole-time Directors is made for a period of 5 years on the terms and conditions contained in the respective resolutions passed by the members in the General Meetings.

**C. STAKEHOLDERS RELATIONSHIP COMMITTEE:**

**(i) Composition**

The committee consists of the following Directors:

<b>Name of Director</b>	<b>Designation</b>
Shrujal S. Patel (DIN: 02087840)	Chairman
Darshan A. Jhaveri(DIN:00489773)	Member
Aniruddh Darshanbhai Jhaveri (DIN: 08076497)	Member

**(ii) Stakeholders Relationship Committee Meetings**

During the period from 1<sup>st</sup> April, 2021 to 31<sup>st</sup> March, 2022 Stakeholders relationship committee Meetings were held on

<b>SR.NO</b>	<b>QUARTER</b>	<b>MEETING</b>
1.	2	10-08-2021
2.	3	05-10-2021
3.	3	20-10-2021
4.	3	01-11-2021
5.	3	15-11-2021
6.	3	03-12-2021
7.	3	14-12-2021
8.	4	10-01-2022
9.	4	28-01-2022
10.	4	28-02-2022
11.	4	16-03-2022
12.	4	21-03-2022
13.	4	29-03-2022

**(iii) The Details of Meetings held and attended by its members are given below:**

Name of Director	Designation	Number of Meetings	
		Held	Attended
Shrujal S. Patel (DIN: 02087840)	Chairman	13	13
Darshan A. Jhaveri (DIN:00489773)	Member	13	13
Aniruddh D. Jhaveri (DIN: 08076497)	Member	13	12

**(iv) Name and Designation of Compliance Officer:**

Vinita Ravikumar Bhatia  
(Maiden Name: Vinita Bansilal Bhojwani)  
Company Secretary and Compliance Officer  
**Email-Id for Investor Grievances:** [cs@steelcraft.co.in](mailto:cs@steelcraft.co.in)

**Report on number of shareholder complaints received and resolved by the Company during the year ended 31<sup>st</sup>March, 2022**

No. of complaints pending as on 1st April, 2021	0
No. of complaints identified and reported during FY 2021-22	0
No. of Complaints disposed of during the year ended 31st March, 2022	0
No. of pending complaints as on 31st March, 2022	0

**D. Corporate Social Responsibility Committee (CSR)**

The Company is not falling within the criteria of Section 135 of the Companies Act, 2013 and hence the Company is not required to form CSR committee.

**8. CRITERIA OF MAKING REMUNERATION TO NON-EXECUTIVE DIRECTORS**

With changes in the corporate governance norms brought by the Companies Act, 2013 as well as the SEBI (Listing Obligation Disclosure Requirement) Regulation 2015, the role of Non-Executive Directors (NED) and the degree and quality of their engagement with the Board and the Company has undergone significant changes over a period of time. The Company is being hugely benefited from the expertise, advice and inputs provided by the NEDs. They devote their valuable time in deliberating on the strategic and critical issues in the course of the Board and Committee meetings of the Company and give their valuable advice, suggestion and guidance to the management of the Company from time to time. Levels of remuneration to the NEDs are determined such that they attract, retain and motivate directors of the quality and ability required to run the Company successfully.

Under the SEBI (Listing Obligation Disclosure Requirement) Regulation 2015, requires every company to publish its criteria of making payments to NEDs in its annual report. Alternatively, this may be put up on the company's website and reference may be drawn thereto in its annual report. Section 197 of the Companies Act, 2013 and Regulation 17(6)(a) of SEBI (Listing Obligation Disclosure Requirement) Regulation 2015 require the prior approval of the shareholders of a company for making payment to its NEDs.

In keeping with the above, any fee/remuneration payable to the NEDs of the Company shall abide by the following:

- **Sitting Fee:**  
Such director(s) may receive remuneration by way of fee for attending meetings of the Board or Committee thereof or any other meeting as required by Companies Act, 2013, SEBI (Listing Obligation Disclosure Requirement) Regulation 2015 or other applicable law or for any other purpose whatsoever as may be decided by the Board;
- **Commission:**  
Under the Companies Act, 2013, Section 197 allows a company to pay remuneration to its NEDs either by way of a monthly payment or at a specified percentage of the net profits of the company or partly by one way and partly by the other. Further, the section also states that where the company has either managing director or whole-time director or manager, then a maximum of 1% of its net profits can be paid as remuneration to its NEDs. In case there is no managing director or whole-time director or manager, then a maximum of 3% of net profit can be paid. Thus, the basis of payment to the NEDs is the net profit of the Company.

Within the parameters prescribed by law, the payment of sitting fees and commission will be recommended by the NRC and approved by the Board. However the Company is however not obligated to remunerate its NEDs.

- **Payment to Independent Directors:**  
An independent director shall not be entitled to any stock option and shall receive Sitting fees for attending meetings of the Board or Committee thereof or any other meeting as required by Companies Act, 2013, SEBI (Listing Obligation Disclosure Requirement) Regulation 2015 or other applicable law as amended from time to time. Further they may also be paid / reimbursed such sums incurred as actuals for travel, incidental and / or actual out of pocket expenses incurred by such Director / Member for attending Board / Committee Meetings.

## 9. BOARD EVALUATION

During the year, the Board adopted a formal mechanism for evaluating its performance and as well as that of its Committees and individual Directors, including the Chairman of the Board. The exercise was carried out through a structured evaluation process covering various aspects of the Boards functioning such as composition of the Board & committees, experience & competencies, performance of specific duties & obligations, governance issues etc. Separate exercise was carried out to evaluate the performance of individual Directors including the Board Chairman who were evaluated on parameters such as attendance, contribution at the meetings and otherwise, independent judgment, safeguarding of minority shareholders interest etc.

The evaluation of the Independent Directors was carried out by the entire Board and that of the Chairman and the Non-Independent Directors were carried out by the Independent Directors. The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees with the Company.

## 10. SKILLS/EXPERTISE/ COMPETENCE OF THE BOARD OF DIRECTORS OF THE COMPANY

Your Board aims to be comprised of Directors with the appropriate mix of skills, experience, expertise and diversity relevant to the Company's business and the Board's responsibilities. The objectives of the skills matrix adopted by the Board are to:

- Identify the skills, knowledge, experience and capabilities that are considered to be desirable by Board as a whole, in order for the Board to fulfill its role and in light of the Company's strategic direction;
- Ascertain the current skills, knowledge, experience and capabilities of the Board, and provide the incumbent Directors with an opportunity to reflect upon and discuss the current composition of the Board; and
- Identify any gaps in skills or competencies that can be addressed in future Director Appointments.

Your Board considers the following key skills set out in the matrix collectively, which it considered to be desired of the Board of Ahmedabad Steelcraft Limited:

### Board skills and experience

<b>S1- Industry expertise (Telecommunication and Satellite Technologies)</b>								
<b>S2- Executive leadership and Board experience</b>								
<b>S3- Expertise in financial matters</b>								
<b>S4- Corporate Governance</b>								
<b>S5- Strategy &amp; Risk Management;</b>								
<b>S6- Health, safety, environment and sustainability</b>								
<b>S7- M&amp;A/Capital Markets;</b>								
<b>S8- Sales, Marketing and Market Strategy;</b>								
<b>Board Competency Matrix:</b>								
<b>Board of Directors</b>	<b>S1</b>	<b>S2</b>	<b>S3</b>	<b>S4</b>	<b>S5</b>	<b>S6</b>	<b>S7</b>	<b>S8</b>
Mr. Ashok Chandrakant Gandhi	√	√	√	√	√	√	√	√
Mr. Shreyas Chinubhai Sheth	√	√	√	√	√	√	√	√
Mr. Shrujal Sudhirbhai Patel	√	√	√	√	√	√	√	√
Mr. Darshan Ashokbhai Jhaveri	√	√	√	√	√	√	√	√
Mr. Anand Navinchandra Jhaveri	√	√	√	√	√	√	√	√
Mr. Shashank Indulal Shah	√	√	√	√	√	√	√	√
Mrs. Nitaben Girishchandra Shah	-	√	-	√	√	√	-	-
Mr. Kartikeya Shashankbhai Shah	√	√	√	√	√	√	√	√
Mr. Aniruddh Darshanbhai Jhaveri	√	√	√	√	√	√	√	√

The current composition of your Company's Board includes directors with core industry experience and has all the key skills and experience set out above.

## 11.DISCLOSURES:

### (i) Related party transactions

As per Regulation 24 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. There were no materially significant related party transactions, which had potential conflict with the interests of the Company at large. The transactions with related parties are disclosed in the Notes on Accounts in the Financial Statements as at 31<sup>st</sup> March, 2022.

The Company has laid down a policy for dealing with Related Party Transactions. The Policy on Related Party Transactions can be accessed on the Company's website at [www.steelcraft.co.in](http://www.steelcraft.co.in)

### (ii) Details of non-compliance etc.,

There have not been any Non-Compliance by the Company in general and no penalties or strictures imposed on the Company by Stock Exchanges, SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

The Queries raised by the Stock Exchange has been resolved satisfactorily & there are nil.

The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) During the year under review.

Sr. No.	Action taken by	Details of violation	Details of action taken E.g. fines, warning letter, debarment, etc.	Observations/ remarks of the Practicing Company Secretary, if any.
NIL				

### (iii) Accounting Standards

The Company has followed the accounting standards in the preparation of its financial statements.

### (iv) Whistle Blower Policy

The Board of Directors of the Company had adopted the Whistle Blower Policy and appointed a designated person. Employees can report to the Management concerned unethical behaviour, act or suspected fraud or violation of the Company's Code of Conduct Policy.

The Audit Committee reviews periodically the functioning of Whistle Blower mechanism.

No employee has been denied access to the Audit Committee. A copy of the Whistle Blower Policy is also hosted on the website of the Company: [www.steelcraft.co.in](http://www.steelcraft.co.in)

The designated person had not received any complaint during the Financial Year ended 31<sup>st</sup> March, 2022.

Email-Id for designated person: [ascsteelad1@gmail.com](mailto:ascsteelad1@gmail.com)

**(v) Risk Management**

We have an integrated approach to managing risks inherent in various aspects of our business.

**(vi) Subsidiary Companies**

The Company do not have any material unlisted subsidiaries in India.

**(vii) CEO and CFO certification**

As required by Regulation 17(8) of SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015, the CEO and CFO certification was submitted to the Board.

**(viii) Proceeds from public issues, rights issues, preferential issues etc.**

During the year ended 31<sup>st</sup> March, 2022, there were no proceeds from public issues, rights issues, preferential issues, etc.

**(ix) Management's discussion and analysis**

The Management's discussion and analysis report forms part of this Annual Report and is provided elsewhere in this report.

**(x) Details of compliances with mandatory requirements and adoption of the non- mandatory requirements of this Regulation**

The company has complied with all the mandatory requirements of the Regulation 27 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Separate persons to the post of chairman and Managing Director and reporting of internal auditor to the audit committee have been from non-mandatory requirements.

**(xi) Details about familiarization of programme**

Senior Management Personnel of the company make presentations to the Board Members on a periodical basis, briefing them on the operation of the Company, plans, strategy, risks involved, new initiatives, etc. and seek their opinions and suggestions on the same. Also, the directors briefed on their specific responsibilities and duties that may arise from time to time. Any new director who joins the Board is presented with a brief background of the Company , its operations and is informed of the important policies of the Company including the Code of Conduct for prevention of Insider Trading , Policy on related party transactions, Policy on Remuneration, Policy on material events as per Regulation 30 of SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015, Policy on material events as per Regulation 30 of SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015, Policy on material

subsidiaries, Whistle Blower Policy , Risk Management Policy and Corporate Social Responsibility Policy.

**(xii) Determination of Material Related Party Transactions**

In terms of Regulation 24 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors has adopted a policy to determine Related Party Transactions.

**(xiii) Disqualification of Directors**

As on March 31, 2022, none of the Directors of the Company was disqualified under Section 164(2) of the Companies Act, 2013.

**(xiv) Discretionary requirements under Listing Regulations:**

The Company has complied with all the discretionary requirements of Corporate Governance stipulated under Part E of Schedule V of the Listing Regulations. Certificate to this effect has been issued by M/s Nautam R Vakil & CO., Chartered Accountants and the same has been incorporated in the Annual Report.

## **12.COMPLIANCE WITH DISCRETIONARY REGULATIONS UNDER SEBI REGULATIONS**

The status on the Compliance with the discretionary requirements in the SEBI Regulations is as under:

- i) The Company endeavours to remain in a regime of unqualified statements.
- ii) The Chairman of the Board is a Non-Executive Director and his position is separate from that of the Managing Director and CEO.
- iii) The Internal Auditor reports directly to the Audit Committee.
- iv) The Company hosted its Quarterly/Annual Financial Results on its Website which is accessible to the public at large. Besides this, the financial results are published in the newspapers, apart from being reported on the websites of the Stock Exchanges. Therefore, the Company does not find it expedient to send individual communications to the Shareholders regarding significant events and financial performance every half year.

## **13.CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING**

In accordance with the requirements of the Securities and Exchange Board of India (Prohibition of Insider Trading Regulations, 2015, the Company has formulated a comprehensive Code of Conduct for Prevention of Insider Trading in securities of the Company.

The Insider Trading Code is applicable to Promoters, Directors, Designated Employees, Connected Persons and to their immediate relatives as defined under Clause 2(1)(f) of the SEBI (Prohibition of Insider Trading Regulations, 2015) and to any other person in possession of or having access to the Unpublished Price Sensitive Information.

The Company has subscribed to the Employees Self Service Module (ESS Module), a fully automated web based portal for enabling compliances prescribed under the Insider Trading Code of the Company read with SEBI(Prohibition of Insider Trading Regulations, 2015)



**(i) Quarterly Results**

The quarterly and half-yearly financial results and the annual audited financial results are published normally in the Financial Express and Indian Express.

**(ii) Other Information**

The Company has its own website [www.steelcraft.co.in](http://www.steelcraft.co.in) wherein other related information is available. Information can be communicated through e-mail at [ascsteelad1@gmail.com](mailto:ascsteelad1@gmail.com).

**14. GENERAL BODY MEETINGS****i. Details of Last Three Annual General Meetings Held**

The Annual General Meetings (AGMs) of the Company have been held at the following places in the last three year

<b>For the Year</b>	<b>Venue</b>	<b>Day &amp; Date</b>	<b>Time</b>
2021	Through Video Conferencing (VC) / Other Audio Visual Means (OAVM)	21-09-2021	12:00 Noon
2020	Through Video Conferencing (VC) / Other Audio Visual Means (OAVM)	27-08-2020	12:00 Noon
2019	Sports Club Of Gujarat, Stadium, Ahmedabad	22-08-2019	12.00 Noon

**15. MEANS OF COMMUNICATION TO SHAREHOLDERS**

- i) The Un-audited quarterly/ half yearly results are announced within forty-five days of the close of the quarter. The audited annual results are announced within sixty days from the closure of the financial year as per the requirement of the Listing Regulations.
- ii) The approved financial results are forthwith sent to the Stock Exchanges and are published in Indian Express and Financial Express, within forty-eight hours of approval thereof. Presently the same are not sent to the shareholders separately.
- iii) The Company's financial results and official press releases are displayed on the Company's Website- [www.steelcraft.co.in](http://www.steelcraft.co.in).
- iv) Any presentation made to the institutional investors or/and analysts are also posted on the Company's website.
- v) Management Discussion and Analysis report forms part of the Annual Report, which is sent to the shareholders of the Company.
- vi) The quarterly results, shareholding pattern, quarterly compliances and all other corporate communication to the Stock Exchanges viz. BSE Limited are filed electronically. The Company has complied with filing submissions through BSE's BSE Listing Centre.
- vii) A separate dedicated section under "Shareholder Communication", on the Company's website gives information on unclaimed dividends, shareholding

pattern, quarterly/half yearly results and other relevant information of interest to the investors / public.

- viii) SEBI processes investor complaints in a centralized web based complaints redressal system i.e. SCORES. Through this system a shareholder can lodge complaint against a company for his grievance. The Company uploads the action taken on the complaint which can be viewed by the shareholder. The Company and shareholder can seek and provide clarifications online through SEBI.
- ix) The Company has designated the email id: [cs@steelcraft.co.in](mailto:cs@steelcraft.co.in) for investor relation, and the same is prominently displayed on the Company's website [www.steelcraft.co.in](http://www.steelcraft.co.in)

## 16.SHAREHOLDER INFORMATION

### i. Annual General Meeting for the Financial Year 2021-22

<b>Day, Date and Time</b>	20/09/ 2022 Tuesday 12.00 Noon
<b>Mode</b>	Video Conferencing (VC) / Other Audio Visual Means (OAVM)
<b>Financial Year</b>	April 1, 2021 To March 31, 2022

### ii. Tentative Calendar for Financial Year ending March 31, 2023

The tentative dates for Board Meetings for consideration of quarterly financial results are as follows:

Last quarter of 2021-22	30 <sup>th</sup> May 2022
First Quarter Results	On or before the 14 <sup>th</sup> of August 2022.
Second Quarter & Half Yearly Results	On or before 14 <sup>th</sup> November, 2022.
Third Quarter & Nine-months ended Results	On or before 14 <sup>th</sup> February, 2023.
Fourth Quarter & Annual Results	On or before last week of May 2023.

### iii. Book Closure

<b>Opening Date:</b> 14/09/2022	<b>Closing Date:</b> 20/09/2022
---------------------------------	---------------------------------

### iv. Dividend

Due to covid -19, Company wants to conserve the reserves and as there is no profitability, it has been decided not to recommend Dividend by the Directors of the Company for the year under review.

## Dividend History for the last 10 Financial Years

The Table below highlights the history of Dividend declared by the Company in the last 10 Financial Years:

Sr. No.	Financial Year	Amount declared per share
1.	2011-12	₹ 1.00 (10%)Dividend
2.	2012-13	₹ 1.00 (10%)Dividend
3.	2013-14	₹ 1.00 (10%)Dividend
4.	2014-15	Nil
5.	2015-16	₹ 0.75 (7.5%)Dividend
6.	2016-17	₹ 0.50 (5%)Dividend
7.	2017-18	₹ 0.50 (5%)Dividend
8.	2018-19	₹ 0.50 (5%)Dividend
9.	2019-20	Nil
10.	2020-21	Nil

### Receipt of dividend through Electronic mode

Shareholders can opt for receiving dividend credit facility directly into their accounts by way of updating their Bank Account details with the Depository Participant (DP) in case the shares are held in demat mode or with the Registrar and Share Transfer Agent viz. Link Intime India Pvt Ltd. In case the shares are held in physical form.

To avail of this facility, shareholders can approach their DPs or send a request letter to the Registrar and Share Transfer Agent, viz. Link Intime India Pvt Ltd. Duly signed by the shareholder mentioning particulars of Bank Account, Folio Number and attaching Self attested Copies of PAN card, Residence proof (Not older than two months), cancelled cheque leaf along with signature attestation letter from their Bank.

### Unclaimed Dividend

Section 124 of the Companies Act, 2013, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the Rules"), mandates that companies transfer dividend that has remained unclaimed for a period of seven years from the unpaid dividend account to the Investor Education and Protection Fund (IEPF). Further, the Rules mandate that the shares on which dividend has not been paid or claimed for seven consecutive years or more be transferred to the IEPF.

The following table provides a list of years for which unclaimed dividends and their corresponding shares would become eligible to be transferred to the IEPF on the dates mentioned below

Year	Dividend per share	Date of declaration	Due date for transfer
2014-15	Nil		
2015-16	₹ 0.75 (7.5%)	08-09-2016	13-10-2023
2016-17	₹ 0.50 (5%)	04-09-2017	09-10-2024
2017-18	₹ 0.50 (5%)	19-09-2018	24-10-2025
2018-19	₹ 0.50 (5%)	22-08-2019	02-08-2026

In order to educate the shareholders and with an intent to protect their rights, the Company also sends regular reminders to shareholders to claim their unclaimed dividends / shares before it is transferred to IEPF. Shareholders may note that both the unclaimed dividends and corresponding shares transferred to IEPF, including all benefits accruing on such shares, if any, can be claimed from IEPF following the procedure prescribed in the Rules. No claim shall lie in respect thereof with the Company.

#### Dividend remitted to IEPF

Financial Year	Date of declaration	Date of transfer to IEPF	Amount transferred to IEPF
2010-11	28-09-2011	26/09/2019	152,513
2011-12	21-09-2012	06/11/2019	177,973
2012-13	22-08-2013	07/10/2020	1,80,997
2013-14	04-09-2014	12/10/2021	1,83,748

#### Shares transferred to IEPF

During the year, the Company transferred 11760 (F.Y. 2013-14) shares on November 16, 2021 due to dividend remained unclaimed for seven consecutive years, in accordance with IEPF rules.

#### v. Listing on Stock Exchanges

<b>Stock Exchange on which Company's equity shares are listed</b>	The BSE Limited
<b>Address of the Stock Exchanges</b>	P.J Towers , Dalal Street, Fort, Mumbai
<b>Listing Fees</b>	₹3,54,000/-
<b>The Stock Code of the Company</b>	522273
<b>The ISIN for Company's Equity Shares in Demat Form</b>	INE868C01018
<b>Depositories Connectivity</b>	CDSL/NSDL

**vi. Stock Market Data**

Monthly high and low quotations and volume of shares traded on the Bombay Stock Exchange Limited

Month	BSE		
	High(Rs)	Low (Rs)	No of Shares Traded
April,2021	18.02	13.78	14,101
May, 2021	16.95	13.25	38,168
June, 2021	18.75	14.00	33,405
July, 2021	17.75	14.75	47,744
August, 2021	22.55	16.00	49,497
September, 2021	18.45	16.30	13,719
October, 2021	17.95	15.35	18,838
November, 2021	18.75	15.05	23,518
December, 2021	25.20	15.70	1,60,751
January,2022	25.65	18.00	1,50,125
February,2022	22.70	18.30	20,302
March,2022	23.00	17.40	36,866

**vii. Registrar and Transfer Agent**

Link-in Time India Private Limited

506-508, 5th Floor, Amarnath Business Center-I (ABC-I)

Besides Gala Business Center,

Nr. St.Xavier's College Corner

Off C.G. Road,

Navrangpura, Ahmedabad-380009

Email: [ahmedabad@linkintime.com](mailto:ahmedabad@linkintime.com)

**viii. Share Transfer System**

Share Transfers are processed and Share Certificates duly endorsed are delivered within a period of seven days from the date of receipt, subject to documents being valid and complete in all respects. The Company obtains from a Company Secretary in Practice half-yearly certificate of compliance with the share transfer formalities as required under Regulation 40(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and file a copy of the said certificate with Stock Exchanges

**Standardization and simplification of procedure for transmission of securities**

In Compliance with the guidelines issued by SEBI regarding standardization and simplification of procedures for transmission of securities, the Company's Board has empowered the Share Transfer Committee for approving transmission of securities held in physical mode for market value of securities of upto ₹ 10,00,000/- (Rupees Ten Lakhs only) subject to completion of simplified documentation procedure prescribed by SEBI.

**ix. Distribution of Shareholding and Shareholding Pattern as on 31.03.2022**

**Distribution of Shareholding**

No of Shares held	No of Shareholders
1 - 500	2782
501-1000	96
1001-2000	48
2001-3000	22
3001-4000	10
4001-5000	10
5001-1,0000	19
10001 and Above	46
<b>Total</b>	<b>3033</b>

**Table: Shareholding Pattern**

Category	No of Shares	% Shareholding
<b>A. Promoters</b>	2710212	66.23
<b>B. Public</b>		
• Individuals	1123320	27.45
• FIIs/NRIs/OCBs	70186	1.72
• Bodies Corporate	27073	0.66
• HUF	33039	0.81
• IEPF	120030	2.93
• Clearing Members	2469	0.06
• Office Bearers	5071	0.12
• LLP	600	0.02
<b>Total(A+B)</b>	<b>40,92,000</b>	<b>100.00</b>

**x. Status of Dematerialisation of shares**

As on 31st March, 2022, all except 1,74,553 equity shares of the Company are held in dematerialised form. The breakup of the equity shares held in dematerialised and physical form as on 31st March, 2022 is as follows:

Particulars	No. of shares
NSDL	18,56,295
CDSL	20,61,152
Physical	1,74,553
<b>Total</b>	<b>40,92,000</b>

**xi. Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, conversion date and likely impact on equity**

The Company has not issued any GDRs/ADRs There were no outstanding convertible warrants as on 31<sup>st</sup> March, 2022.

## **17.SHARE CAPITAL AUDIT**

Pursuant to Regulation 40(9) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (Clause 47 (c) of the erstwhile Listing Agreement), the Practicing Company Secretary has examined the records relating to Share Transfer Deeds, Registers, and other related documents on a half yearly basis and has certified compliance with the provisions of the above clause. The Certificates are forwarded to the Stock Exchange where the shares are listed.

As required by SEBI, Share Capital Audit is conducted by a Practicing Company Secretary on a quarterly basis for the reconciliation of the total admitted Equity Share Capital with the Depositors in the physical form with the total Issues/Paid up Capital of the Company. The Auditors Certificate in this regard has been submitted to BSE Limited.

## **18.CONOLIDATION OF FOLIOS**

Shareholders holding shares in different Folios but in identical names are requested to get their shareholdings consolidated into one folio by requesting the Bank/Registrar for the same. The request may please be accompanied with Proof of Identity and the Share Certificates.

## **19.REDRESSAL OF INVESTORS GRIEVANCES**

In order to service the investors in an efficient manner and to attend to their grievances, the Company has constituted 'Investors Service Cell' at its under mentioned Office at Ahmedabad. Members are requested to contact:

## **20.MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION.**

The Company is engaged in trading of angles and most of the operational activities in trading is through export.

The Company has also contributed in capital of Limited Liability Partnership(s) engaged in real estate business. The substantial part of the profit of the Company is from the profit sharing from this Limited Liability Partnership(s) most of which are engaged in real estate business.

### **A. Financial Analysis**

The Financial Statements have been prepared in accordance with the guideline as laid out in the Companies Act, 2013 and Generally Accepted Accounting Principles (GAAP) in India. The management of Ahmedabad Steel Craft Limited accepts responsibility for the integrity and objectivity of these Financial Statements. The Financial Statements reflect in a true and fair manner, the form and substance of transactions, and reasonably present the Company's state of affairs and profits for the year.

#### **a) Operational Performance**

The Company maintained steady growth during the year with exports contributing in a major way.

**b) Business Outlook**

The trading activities of the Company mostly comprises of export of angles which are subject to Government policies and other Global factor which has direct effect on the operational activities of trading. However the Company has proved its image in global market and has enough capacity to face the uneven situation in the course of its operation which is within its control.

The Company has also made capital contribution in Limited Liability Partnership engaged in real estate and may independently start this activities, considering the fact that the demand for private capital for real estate investment and supporting infrastructure has increased enormously. This is due to great migration to the cities, growing population and swelling middle class creating the urge for more urban real estate. Real Estate as an asset class is changing fast. Mega real estate manager are emerging, which are building and investing in real estate on an epic scale, yet small specialist manager are also playing significant part. The landscape is becoming more wide spread and complex with the wider range of risk and return then ever, plus new drivers of value. However high energy prices, climate change and Government Regulations may impact and disturb the real estate economy but future is far better as gradually the real estate sector will be reshaped and would play greater role in financial ecosystem, in part moving into space left by the bank.

The management is however optimist once the policies of Government in respect of revenue in Real Estate are implemented which will enhance the Profitability of the Company. The Management is also willing to explore the domestic market which is mainly with regard to mild stream window section. The Domestic market will get boost once the steel policy by the Government is executed giving various Incentives for Local traders and manufacturers of Steel Industry. Besides that the implementation of Goods and Service Tax will help in improving the margins of the Company.



## Financial Condition

### 1. Share Capital

At present Company have only one class of shares-equity shares of ₹10/- each, par value. The paid up capital on 31.03.2022 is ₹ 4,09,20,000

### 2. Reserves and Surplus

The change in reserves and surplus represents transfers from the profits derived during the year after making provisions for taxation and equity dividend.

### 3. Loan Funds

The Company has not taken long terms/short term loans during the year 2021-22.

### 4. Deferred Tax

The deferred tax liability pertains to difference in the depreciation claimed in the books and tax purposes.

### 5. Fixed Assets

Particulars	As of March 31 (Amount ₹)	
	2022	2021
Office at 637 & One42	3,75,14,164	3,75,14,164
Motor cars	59,44,400	71,22,350
Air Conditioner	12,77,563	12,77,563
Furniture	64,46,002	64,46,002
Office equipment	358,963	358,963
Computer	80,280	80,280
Less: Accumulated depreciation	119,47,008	1,08,79,516
Net block	396,74,364	4,19,19,806

### 6. Investments

The surplus fund of the Company is regularly invested in the securities fetching higher rate of return.

### 7. Sundry Debtors

Sundry Debtors amounts to ₹ 139,20,990 at the end of the year as compared to ₹ 154,46,025 for the Previous Year.

### 8. Cash and cash equivalents

The Company is operating with one Bank and the surplus funds if any are parked with them in Profitable Instruments. For meeting certain statutory requirements the Company is maintaining current accounts. The Company's cash and cash equivalents is as follows.

Particulars	2022	2021
Cash and cash equivalents	16,90,046	2,262,465
Other Bank Balance	164,83,555	14,85,306
<b>Total</b>	<b>181,73,601</b>	<b>37,47,771</b>

## **9. Loans and Advances**

The Company has not advanced any Loans & Advances to any party. However the outstanding of Loans and Advances to Light works LLC is reflected in the Balance Sheet. During the year no such advances have been given.

## **10. Current Liability**

Sundry Creditors represents the amount due at the end of the year for the goods purchased for trading and other working expenses. Sundry Creditors for services and expenses represent the amount due and payable for various expenses including the accrued salaries and other benefits of the employees.

## **11. Provisions**

Provisions represent provisions made for taxation, dividend, gratuity, leave encashment etc. Taxation provisions are shown net of advance tax for the years for which the assessments are pending.

## **B. Others**

### **Internal control systems and adequacy**

The company is committed to maintaining an effective system of internal control.

The Company functions with well-defined budgets and has an effective management information system to enable the management to regularly review actual performance. The Company has also put in place a well-defined organization structure, clear authority levels and internal guidelines for conduction of business transactions.

To achieve full effectiveness, the scope of the internal audit function has an unrestricted range of coverage of the organizations operations and the internal auditor was given sufficient authority to access such records, assets and personnel as are necessary for proper fulfilment of his responsibilities. The Audit Committee of the Board of Directors reviews the Internal Audit Reports at regular intervals and suggests implementation of best practices based on observations therein.

**For, Ahmedabad Steel Craft Limited**

**Date: 13.08.2022**  
**Place: Ahmedabad**

**Darshan A. Jhaveri**  
**Managing Director**  
**(DIN: 00489773)**

**Anand N. Jhaveri**  
**Whole-time Director**  
**(DIN: 00489833)**

**MANAGING DIRECTOR'S DECLARATION ON CODE OF BUSINESS CONDUCT AND ETHICS**

**To,  
The Members  
AHMEDABAD STEEL CRAFT LIMITED,  
Ahmedabad**

As provided under Regulation 26 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, this is to certify that all Board Members and Senior Management Personnel have affirmed compliance with the Code of Business Conduct and Ethics applicable to them for the Financial Year 2021-22.

**For, Ahmedabad Steel Craft Limited**

**Date: 13.08.2022  
Place: Ahmedabad**

**Darshan A. Jhaveri  
Managing Director  
(DIN: 00489773)**

**COMPLIANCE CERTIFICATE UNDER REGULATION 17(8) Under SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

With the undersigned CEO & CFO certify that:

- A. We have reviewed Financial Statements for the quarter ended 31<sup>st</sup> March,2022 and to the best of our knowledge and belief:
- (1) These statements do not contain any material untrue statement or omit any material fact or contain statements that might be misleading;
  - (2) These statements together present a true and fair view of the listed entity's affairs and are in Compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the listed entity pertaining to the financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the Auditors and the Audit Committee
- (1) Significant changes in internal control over financial reporting during the year;
  - (2) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the Financial Statements; and
  - (3) Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

**For, Ahmedabad Steelcraft Limited**

**Date: 13.08.2022**  
**Place: Ahmedabad**

**Anand Shah**  
**CEO**

**Viral Jhaveri**  
**CFO**

## Annexure III to the Directors Report

Secretarial Compliance Report of **Ahmedabad Steel Craft Limited** for the year ended  
**31<sup>st</sup> March, 2022.**

I, Dilip N. Motwani, Practicing Company Secretary have examined:

- a) all the documents and records made available to us and explanation provided by Ahmedabad Steel Craft Limited (“the listed entity”),
- b) The filings/ submissions made by the listed entity to the stock exchanges,
- c) Website of the listed entity,
- d) Any other document/ filing, as may be relevant, which has been relied upon to make this certification,

For the year ended 31<sup>st</sup> March, 2022 in respect of compliance with the provisions of:

- a) The Securities and Exchange Board of India Act, 1992 (“SEBI Act”) and the Regulations, circulars, guidelines issued thereunder; and
- b) the Securities Contracts (Regulation) Act, 1956 (“SCRA”), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India (“SEBI”);

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

- a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - d) (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - e) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - f) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013;
  - g) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- and circulars/ guidelines issued thereunder;

and based on the above examination, I/~~We~~ hereby report that, during the Review Period:

- a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:-

<b>Sr. No</b>	<b>Compliance Requirement (Regulations/ circulars / guidelines including specific clause)</b>	<b>Deviations</b>	<b>Observations/ Remarks of the Practicing Company Secretary</b>
NIL			

- b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder in so far as it appears from my/our examination of those records.
- c) The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:

<b>Sr. No.</b>	<b>Action taken by</b>	<b>Details of violation</b>	<b>Details of action taken E.g. fines, warning letter, debarment, etc.</b>	<b>Observations/ remarks of the Practicing Company Secretary, if any.</b>
NIL				

d) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No.	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended. (The years are to be mentioned)	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
N.A.				

**UDIN: A005016D000307307**

**Date: 12/05/2022**

**Place: Ahmedabad**

**For D.N. Motwani & Co.  
Company Secretaries**

**Dilip N. Motwani  
Proprietor  
Membership No. 5016  
COP No. 2431**

**CERIFICATE TO THE MEMBERS OF AHMEDABAD STEELCRAFT LIMITED ON CORPORATE GOVERNANCE FOR FINANCIAL YEAR 2021-22 BY PRACTICING COMPANY SECRETARY**

1. We have examined the Compliance of conditions of Corporate Governance by **AHMEDABAD STEELCRAFT LIMITED** (“the Company”) for the year ended on March 31, 2021. Pursuant to the Regulation 15(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. We have examined the relevant records of the Company in accordance with the Guidance Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of Company Secretaries of India.
4. In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representations made by the Directors and the Management, We certify that the Company has complied with the conditions of Corporate Governance during the year ended March 31, 2022.
5. We state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**Restriction on use:**

This Certificate is issued solely for the purpose of complying with the aforesaid Regulations and may not be suitable for any other purpose.

**Place: Ahmedabad**  
**Date: 30/05/2022**  
**UDIN: A005016D000422763**

**For, D.N. Motwani and Co.**  
**Company Secretaries**

**D.N. Motwani**  
**(Proprietor)**  
**(ACS NO. 5016)**  
**(C.P. No.2431)**



## **CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

*(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)*

**To,**  
**The Members of**  
**Ahmedabad Steel Craft Limited**  
**N.T. 604 ONE-42 Complex,**  
**Bh. Ashok Vatika, Nr. Jayantilal Park BRTS**  
**Ambli Bopal Road,**  
**Ahmedabad - 380058**

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Ahmedabad Steel Craft Limited** having CIN: **L27109GJ1972PLC011500** and having registered office situated at **N.T. 604 ONE-42 Complex, B/h Ashok Vatika, Nr. Jayantilal Park BRTS, Ambli Bopal Road, Ahmedabad - 380058** (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, **New Delhi** or any such other Statutory Authority.

<b>Sr. No.</b>	<b>Name of Director</b>	<b>DIN</b>	<b>Date of Appointment in Company</b>
1.	Mr. Ashok Chandrakant Gandhi	00022507	10/06/1994
2.	Mr. Darshan Ashokbhai Jhaveri	00489773	29/06/1995
3.	Mr. Anand Navinchandra Jhaveri	00489833	20/03/1995
4.	Mr. Shashank Indulal Shah	00545449	21/09/2012
5.	Mrs. Nitaben Girishchandra Shah	03225876	03/09/2015
6.	Mr. Shreyas Chinubhai Sheth	00009350	29/05/2018
7.	Mr. Shrujal Sudhirbhai Patel	02087840	24/07/2018
8.	Mr. Kartikeya Shah	01988972	17/05/2019
9.	Mr. Aniruddh Jhaveri	08076497	17/05/2019
10.	Mr. Anand Vipinchandra Shah* Appointed as Additional Director	00017452	13/08/2022

Ensuring the eligibility of the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**Place:Ahmedabad**  
**Date: 30/05/2022**  
**UDIN: A005016D000422774**

**For, D.N. Motwani and Co.**  
**Company Secretaries**

**D.N. Motwani**  
**(Proprietor)**  
**(ACS NO. 5016)**  
**(C.P. No.2431)**

## **Independent Auditor's Report**

To

The Members of Ahmedabad Steel Craft Limited,

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the financial statements of Ahmedabad Steel Craft Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, and the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and its loss (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Key Audit Matters**

We have determined that there are no key audit matters to communicate in our report.

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

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Management's Responsibility for the Financial Statements:**

The Company's management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern assumption. Page 89

concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors is also responsible for overseeing the Company's financial reporting process.

### **Auditors' Responsibility for the Audit of the Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions

that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

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

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b) 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.
  - c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with relevant rules issued thereunder.
  - e) On the basis of written representations received from the directors as on March 31, 2022, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022, from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**" and
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- 1) The Company does not have any pending litigations which would impact its financial position.
  - 2) The Company did not have any long-term contract including derivative contracts for which there were any material foreseeable losses; hence the company need not make any provision.
  - 3) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
  - 4) (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice



that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

**For, NAUTAM R VAKIL & CO.  
Chartered Accountants  
(FRNO:106980W)**

**Place :Ahmedabad  
Dated : 30.05.2022**

**MANAN VAKIL  
(Partner)  
Membership No. :102443  
UDIN: 22102443AJVSNK1794**

## **“Annexure-A” to the Independent Auditor’s Report**

The Annexure referred to in Independent Auditors’ Report to the members of the Company on the financial statements for the year ended as on March 31, 2022, we report that:

- i) In respect of the Company’s Property, Plant and Equipment and Intangible Assets:
  - (a) (A) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant & Equipment and relevant details of right-of-use assets.
  - (B) The Company has maintained proper records showing full particulars of intangible assets.
  - (b) The Company has a regular program of physical verification of Property, Plant and Equipment and right-of-use assets so to cover all the assets which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - (c) Based on our examination of the Conveyance Deed provided to us, we report that, the title in respect of Offices (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in the financial statements included under Property, Plant and Equipment are held in the name of the Company as at the balance sheet date.
  - (d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.
  - (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii) (a) The Company does not have any inventory and hence reporting under clause 3(ii)(a) of the Order is not applicable.
- (b) The Company has not taken loan for working capital from banks or financial institution during the year. Thus paragraph 3(ii)(b) of the order is not applicable to the Company.

- iii) The Company has made investments in, companies, firms, Limited Liability Partnerships, and has granted unsecured loans to other parties, during the year, in respect of which:

According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has made investments in firms & limited liability partnerships during the year. The Company has not provided guarantees, security, granted loans and advances in the nature of loans during the year to companies, firms, limited liability partnership and other parties, in respect of which

- (a) The Company has not provided any loans or advances in the nature of loans or stood guarantee, or provided security to any other entity during the year, the details of which is as under:

- (A) Based on the audit procedures carried out by us and as per the information and explanations given to us, the Company has not granted loans to subsidiaries, joint venture & associate during the year, the details of the same is as under:

Particulars	Loan Amount in Rs.
<b>Aggregate amount during the year</b> Associate*	Nil
<b>Balance outstanding at balance sheet date</b> Associate*	1,84,10,459

\* As per the Companies Act, 2013

- (B) Based on the audit procedures carried out by us and as per the information and explanations given to us, the Company has not granted loans to other parties during the year, the details of the same is as under:

Particulars	Advances in the nature of loans – Employee advances
<b>Aggregate amount during the year</b> Other Parties	Nil
<b>Balance outstanding at balance sheet date</b> Other Parties	56,500

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion, the investments made during the year are, prima facie, not prejudicial to the Company's interest. During the year the Company has not provided guarantees, security, loans and advances in the nature of loans.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion, during the year the Company has not granted any loans and advances in the nature of loans and hence reporting under clause 3(iii)(c) is not applicable.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are following overdue amount for more than ninety days in respect of loans and advances in the nature of loans given.

Particulars	Amount in Rs.
<b>Balance outstanding at balance sheet date</b> Associate*	1,84,10,459
<b>Balance outstanding at balance sheet date</b> Other Parties (i.e. Advances in the nature of loans – Employee advances)	56,500

- (e) No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.
- (f) The Company has granted loans or advances in the nature of loans without specifying any terms or period of repayment. The details of the same is as under:

Type of Borrower	Aggregate amount of loan granted during the year	Aggregate amount outstanding at balance sheet date	% to the total loans granted
Related parties as defined u/s 2(76) of Companies Act 2013	-	1,84,10,459	97.51%

- iv) The Company has complied with the provisions of Sections 185 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided and the Company has complied with the provisions of Sections 186 of the Companies Act, 2013 except the charging of interest during the year.
- v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.
- vi) The maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of the Order is not applicable to the Company.
- vii) In respect of Statutory dues:
- (a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, duty of Custom, and other material statutory dues applicable to it with the appropriate authorities.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, duty of Custom, and other material statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no dues of Income tax, Provident Fund, Employees' State Insurance, Goods and Service tax, duty of Customs, which have not been deposited with the appropriate authorities on account of any dispute.
- viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- ix) (a) The Company has not taken any loans or borrowings from any lender. Hence reporting under clause 3 (ix)(a) of the Order is not applicable to the Company.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.
- (d) The Company has not raised any fund during the year and hence reporting under clause 3(ix)(d) of the Order is not applicable.
- (e) The Company has not raised any loans during the year, hence reporting under clause 3(ix)(e) of the Order is not applicable.
- (f) The Company has not raised any loans during the year, hence reporting under clause 3(ix)(f) of the Order is not applicable.
- x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (x)(a) of the Order is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- xi) (a) According to the information and explanation given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
- (c) The Company has not received any complaints from whistle blower during the year and hence reporting under clause 3(xi)(c) is not applicable.
- xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

- xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.  
  
(b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- xv) In our opinion, during the year the Company has not entered into any non-cash transactions with directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi) (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.  
  
(b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- xvii) The Company has incurred cash loss in the financial year and in the immediately preceding financial year, the details of which is as under:

<b>Financial Year</b>	<b>Amount of Cash Loss</b>
2020-21	(21,69,694)
2021-22	(41,84,908)

- xviii) There has been no resignation of the statutory auditors of the Company during the year.
- xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- xx) The Company is not required to spend amount as per section 135 of the Companies Act,2013 and accordingly para 3(xx) of the Order is not applicable.
- xxi) The Company is not required to prepare Consolidated financial statements and accordingly para 3(xxi) of the Order is not applicable.

**For, NAUTAM R VAKIL & CO.  
Chartered Accountants  
(FR NO: 106980W)**

**Place : AHMEDABAD  
Date: 30.05.2022**

**MANAN VAKIL  
(Partner)  
UDIN : 22102443AJVSNK1794  
Membership No. :102443**

## **“Annexure B” to the Independent Auditor’s Report**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act**

We have audited the internal financial controls over financial reporting of **Ahmedabad Steel Craft Limited** (“the Company”) as of March 31, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

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

#### **Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013 to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.



Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

**Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by ICAI.

**For, NAUTAM R VAKIL & CO.  
Chartered Accountants  
(FR NO: 106980W)**

**Place : Ahmedabad  
Dated : 30.05.2022**

**MANAN VAKIL  
(Partner)  
UDIN : 22102443AJVSNK1794  
Membership No.:102443**