



**AMRAPALI INDUSTRIES LIMITED**

# **Annual Report 2021-22**



SMART SAFE & SECURE.

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**CORPORATE INFORMATION  
AMRAPALI INDUSTRIES LIMITED  
CIN: L91110GJ1988PLC010674**

<b>BOARD OF DIRECTORS</b>	<b>AUDIT COMMITTEE</b>	<b>BANKERS</b>
<b>Mr. Yashwant Amratlal Thakkar</b> Chairman and Managing Director (DIN:00071126) <b>Mr. Rashmikant Amratlal Thakkar</b> Executive Director (DIN:00071144) <b>Ms. Bhumi Atit Patel</b> Non-Executive - Non Independent Director (DIN: 07473437) <b>Mr. Mayur Rajendrabhai Parikh</b> Non-Executive-Independent Director (DIN: 00005646) <b>Mr. Haresh Jashubhai Chaudhari</b> Non-Executive-Independent Director (DIN:06947915) <b>Mrs. Urshita Mittalbhair Patel</b> Non-Executive-Independent Director (DIN:07891320)	<b>Mr. Haresh Jashubhai Chaudhari</b> (Chairperson) <b>Mr. Mayur Rajendrabhai Parikh</b> (Member) <b>Mrs. Urshita Mittalbhair Patel</b> (Member)	Indian Bank HDFC Bank Limited Yes Bank Limited Axis Bank Limited Corporation Bank ICBC Bank Limited IndusInd Bank Limited Kotak Mahindra Bank Limited RBL Bank Limited
	<b>NOMINATION AND REMUNERATION COMMITTEE</b> <b>Mr. Haresh Jashubhai Chaudhari</b> (Chairperson) <b>Mr. Mayur Rajendrabhai Parikh</b> (Member) <b>Mrs. Urshita Mittalbhair Patel</b> (Member)	
<b>CHIEF EXECUTIVE OFFICER</b> <b>Mr. Rajendra Bholabhai Patel</b> - Entertainment Division of the Company <b>Mr. Satish Amratlal Patel</b> -Bullion Division Activities of the Company  <b>CHIEF FINANCIAL OFFICER</b> <b>Mr. Satish Amratlal Patel</b>	<b>STAKEHOLDERS' RELATIONSHIP COMMITTEE</b> <b>Mr. Haresh Jashubhai Chaudhari</b> (Chairperson) <b>Mr. Mayur Rajendrabhai Parikh</b> (Member) <b>Mrs. Urshita Mittalbhair Patel</b> (Member)	<b>REGISTERED OFFICE</b> Unit No. PO5-02D, 5th Floor Tower A WTC Gift City Gandhinagar GJ 382355 <b>Tel</b> :+91-79-2658 1329; <b>Email</b> :ail@amrapali.com; <b>Web</b> : <a href="http://www.amrapalispot.com">www.amrapalispot.com</a>
<b>COMPANY SECRETARY</b> Mrs. Ekta Jain		<b>CORPORATE OFFICE</b> 19,20,21 Narayan Chambers, 3rd Floor, B/h. Patang Hotel, Ashram Road, Ahmedabad- 380009
<b>STATUTORY AUDITOR</b> M/s. B. B. Gusani & Associates Chartered Accountants (Firm Registration No. 140785W) Address:- 215-A, Manek Center, P.N.Marg, Jamnagar-361008	<b>CORPORATE SOCIAL RESPONSIBILITY COMMITTEE</b> <b>Mr. Yashwant Amratlal Thakkar</b> (Chairperson) <b>Mr. Haresh Jashubhai Chaudhari</b> (Member) <b>Mr. Mayur Rajendrabhai Parikh</b> (Member)	<b>REGISTRAR AND SHARE TRANSFER AGENT (RTA)</b> <b>Purva Sharegistry (India) Private Limited</b> Unit No. 9, Shiv Shakti Industrial Estate, J. R. Boricha Marg, Lowe Parel (EAST), Mumbai, Maharashtra - 400 011 <b>Tel</b> : 91-22-2301 6761/8261 <b>Email</b> :support@purvashare.com <b>Web</b> : <a href="http://www.purvashare.com">www.purvashare.com</a>
<b>SECRETARIAL AUDITOR</b> M/s. Payal Dhamecha & Associates Practicing Company Secretary Ahmedabad		

## REPORT OF BOARD OF DIRECTORS

### To the Members(s)

The Board of Directors hereby submits the report of the business and operations of Amrapali Industries Limited ("the Company"), along with the audited financial statements, for the financial year ended March 31, 2022.

### FINANCIAL RESULTS:

(AMOUNT IN LAKH)

Particulars	F.Y. 2021-22	F.Y. 2020-21
Revenue from operations	30,17,287.60	21,32,721.81
Other Income	159.07	407.82
<b>Total Income</b>	<b>30,17,446.68</b>	<b>21,33,129.63</b>
Operating expenditure before Finance cost, depreciation and amortization	30,16,731.56	21,31,737.89
Earnings before Finance cost, depreciation and amortization (EBITDA)	715.12	1,391.74
Less: Finance costs	571.42	884.50
Less: Depreciation and amortization expense	167.54	181.16
<b>Profit/(Loss) before tax</b>	<b>(23.84)</b>	<b>326.08</b>
Less: Tax expense	18.19	86.42
<b>Profit/(Loss) for the year (PAT)</b>	<b>(42.02)</b>	<b>239.66</b>

### YEAR AT A GLANCE

#### FINANCIAL PERFORMANCE

The revenue from operations is increased from Rs. 21,32,721.81 Lakh to Rs. 30,17,287.60 Lakh as compared to the previous Year. The revenue from operation was increased by 41.48% over the previous year.

The Loss before Tax for the current year is Rs. (23.84) Lakh as against the profit before tax of Rs.326.05 Lakh in the previous year resulted into Loss after tax expense of Rs. (42.02) Lakh as compared to profit after tax of previous year Rs.239.66 Lakh. Loss for FY 2021-22 is due to increase in Operating Expenditure.

The board of directors of the company in their meeting held on Thursday, April 1, 2021, has approved Revenue Sharing Arrangement with Amrapali Fincap Limited ('AFL') w.e.f April 1, 2021 and entered into Revenue Sharing Agreement, wherein AFL is giving Business Advances of Rs. 40.00 crores (Rupees Forty Crores Only) to our company for the developments of Amusement business/Amrapali Funland (situated at Ahmedabad - Kankaria Lake Front and related facilities in and around it) and against the said advances our company has agreed to share 5% of gross revenue earned from such Amusement Business/Amrapali Funland for a period of Ten Years with AFL.

#### DIVIDEND

Due to losses in FY 2021-22, your Directors regret to declare any dividend for the financial year 2021-22 (previous year Nil).

The Company does not have any amount of unclaimed or unpaid Dividend as on March 31, 2022.

#### AMOUNT TRANSFERRED TO RESERVE

During the year, the Company has not apportioned any amount to other reserve. The loss incurred during the year has been adjusted against the carry forward credit balance of Profit and Loss account.

#### CHANGE IN NATURE OF BUSINESS

During the year, your Company has not changed its business or object and continues to be in the same line of business as per main object of the Company.

#### SUBSIDIARIES, ASSOCIATE AND JOINT VENTURE COMPANIES:

The Board of Directors at its meeting held on Monday, February 07, 2022 has approved the incorporation of a wholly owned subsidiary of the company namely Amrapali Industries Global IFSC Limited (WOS) by subscribing 1,50,000 (One Lakh and fifty thousand) shares of Rs. 10/- each in the paid-up share capital of the Company. The wholly owned subsidiary will leverage the growth opportunities in the evolving mobility space by functioning as Bullion Trading Member. Bullion Trading Clearing member, capital market intermediary and Portfolio management consultant as International Financial Service Centre Unit. WOS was incorporated via Certificate of Incorporation dated February 15, 2022. However WOS has not yet commenced operations.

The Company does not have any joint venture or associate companies.

## **SHARE CAPITAL:**

The present Authorized Capital of the Company is Rs. 26,00,00,000 divided into 5,20,00,000 Equity Shares of Rs.5.00 each.

The present Issued, Subscribed & Paid-up Capital of the Company is Rs. 25,70,52,820 divided into 5,14,10,564 Equity Shares of Rs. 5.00 each.

During the year under review, no change took place in the authorized and paid-up share capital of the Company.

## **BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

### **Constitution of Board**

The Constitution of the Board of Directors and other disclosure related to the Board of Directors are given in the Report on Corporate Governance.

### **Board Meeting**

Regular meetings of the Board are held at least once in a quarter, inter-alia, to review the quarterly results of the Company. Additional Board meetings are convened, as and when required, to discuss and decide on various business policies, strategies and other businesses. The Board meetings are generally held at corporate office of the Company.

During the year under review, Board of Directors of the Company met 14 (Fourteen) times, viz April 01, 2021, April 08, 2021, April 26, 2021, June 30, 2021, August 14, 2021, September 06, 2021, October 08, 2021, November 13, 2021, November 24, 2021, January 18, 2022, January 24, 2022, February 7, 2022, February 14 2022, and March 30, 2022.

The details of attendance of each Director at the Board Meetings and Annual General Meeting are given in the Report on Corporate Governance.

### **Independent Directors**

In terms of Section 149 of the Companies Act, 2013 and rules made there under and Listing Regulations, the Company has three Non-Promoter Independent Directors. In the opinion of the Board of Directors, all three Independent Directors of the Company meet all the criteria mandated by Section 149 of the Companies Act, 2013 and rules made there under and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and they are Independent of Management.

A separate meeting of Independent Directors was held on March 30, 2022 to review the performance of Non-Independent Directors and Board as whole and performance of Chairperson of the Company including assessment of quality, quantity and timeliness of flow of information between Company management and Board that is necessary for the board of directors to effectively and reasonably perform their duties.

The terms and conditions of appointment of Independent Directors and Code for Independent Director are incorporated on the website of the Company at [www.amrapalispot.com](http://www.amrapalispot.com).

The Company has received a declaration from the Independent Directors of the Company under Section 149(7) of Companies Act, 2013 and 16(1)(b) of Listing Regulations confirming that they meet criteria of Independence as per relevant provisions of Companies Act, 2013 for financial year 2021-22. The Board of Directors of the Company has taken on record the said declarations and confirmation as submitted by the Independent Directors after undertaking due assessment of the veracity of the same. In the opinion of the Board, they fulfill the conditions as Independent Directors and are independent of the Management. Further, all the Independent Directors have registered themselves with Independent Directors' Data Bank. All our Independent Directors possess requisite qualifications, experience, expertise including the Proficiency and hold high standards of integrity for the purpose of Rule 8(5)(iia) of the Companies (Accounts) Rules, 2014.

None of Independent Directors have resigned during the year.

### **Information on Directorate**

As on date of this report, your Company's Board comprises 6 Directors viz., (1) Non-Executive Director, (3) Non- executive Independent Directors and (2) Executive Director.

#### **i. Change in Board Composition.**

Changes in Board Composition during the financial year 2021-22 and up to the date of this report is furnished below.

- Ms. Bhumi Atit Patel was appointed as Additional (Non-Executive) Director and Designated Director of the Company by the Board of Directors w.e.f April 26, 2021 at its Board meeting held on April 26, 2021, for which necessary approval from stock exchange received as on April 23, 2021 and was regularized as on 33rd Annual General Meeting ('AGM') as Non- Executive Director of your company, liable to retire by rotation.
- On recommendation of Nomination and Remuneration Committee and Board of Directors, Members in 33<sup>rd</sup> Annual General Meeting held on September 28, 2021 approved Change in Designation of Mr. Rashmikan Amratlal Thakkar (00071144) from Whole-Time Director to Executive Director of the Company.

#### **ii. Retirement by rotation and subsequent re-appointment.**

- Mr. Rashmikan Amratlal Thakkar (DIN: 00071144), Executive Director, is liable to retire by rotation at the ensuing Annual General Meeting, pursuant to Section 152 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and being eligible have offered herself for re-appointment.

- Appropriate business for his re-appointment is being placed for the approval of the shareholders of the Company at the ensuing AGM. The brief Profile of the Director and other related information has been detailed in the Notice convening the ensuing AGM of the Company.

### iii. Cessation

Ms. Komal Parekh resigned from the Position of Non-Executive and Designated Director pursuant to approval of Stock Exchange dated April 23, 2021.

The relevant details, as required under Regulation 36 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standards-II issued by ICSI, of the person seeking reappointment as Directors are annexed to the Notice convening the 34th Annual general meeting.

### Key Managerial Personnel

In accordance with Section 203 of the Companies Act, 2013, the Company has already appointed Mr. Yashwant Amratlal Thakkar as Chairman and Managing Director of the Company, Mr. Satish Amratlal Patel as Chief Financial Officer and Chief Executive Officer (Bullion Division), Mrs. Ekta Jain as Company Secretary of the Company, Mr. Rajendra Bholabhai Patel as Chief Executive Officer- Entertainment Division of the Company.

### PERFORMANCE EVALUATION

The Board of Directors has carried out an annual evaluation of its own performance, board committees and individual directors pursuant to the provisions of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 in the following manners;

- ✚ The performance of the board was evaluated by the board, after seeking inputs from all the directors, on the basis of the criteria such as the board composition and structure, effectiveness of board processes, information and functioning etc.
- ✚ The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc.
- ✚ The board and the nomination and remuneration committee reviewed the performance of the individual directors on the basis of the criteria such as the contribution of the individual director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc.
- ✚ In addition, the chairman was also evaluated on the key aspects of his role.

Separate meeting of independent directors was held to evaluate the performance of non-independent directors, performance of the board as a whole and performance of the chairman, taking into account the views of executive directors and non-executive directors. Performance evaluation of independent directors was done by the entire board, excluding the independent director being evaluated.

### DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to section 134(5) of the Companies Act, 2013, the board of directors, to the best of their knowledge and ability, confirm that:

- (a). In preparation of annual accounts for the year ended March 31, 2022, the applicable accounting standards have been followed and that no material departures have been made from the same;
- (b). The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that year;
- (c). The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d). The Directors had prepared the annual accounts for the year ended March 31, 2022 on going concern basis.
- (e). The Directors had laid down the internal financial controls to be followed by the Company and that such Internal Financial Controls are adequate and were operating effectively; and
- (f). The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### PROPOSED DE-MERGER OF COMPANY.

- The change of Appointed Date of the Scheme of demerger from April 01, 2020 to April 01, 2021. Apart from the said change, all other clauses of the Scheme (including consideration clause) remained same.
- Changes in the Scheme as per Observation of Stock Exchange and SEBI Observation letter dated march 30, 2021 was approved by Board of Directors in their Meeting held on June 30, 2021.
- The NCLT convened separate meetings of equity shareholders and unsecured creditors of the Company were held on Monday, December 27, 2021 at 03:00 p.m. (IST) and 04:30 p.m. (IST) respectively for approving the Scheme of Arrangement pursuant to Sections 230 and 232 of the Companies Act. 2013 for demerger of the Entertainment Business ("Demerged Undertaking") of Amrapali Industries Limited into Amrapali Asset Reconstruction Company Private Limited. ("Scheme") and their respective members and creditors.
- Scheme of Arrangement pursuant to Sections 230 and 232 of the Companies Act 2013 for demerger of the Entertainment Business ("Demerged Undertaking") of Amrapali Industries Limited into Amrapali Asset Reconstruction Company Private limited. ("Scheme") was approved by the respective meetings of the equity shareholders and the unsecured creditors was approved with requisite majority.



## COMMITTEES OF BOARD

The Board of Directors, in line with the requirement of the act, has formed various committees, details of which are given hereunder.

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholder's Grievance & Relationship Committee
4. Corporate Social Responsibility Committee

The composition of each of the above Committees, their respective role and responsibility are detailed in the Report on Corporate Governance annexed to this Report.

## AUDIT COMMITTEE

The Company has formed Audit Committee in line with the provisions Section 177 of the Companies Act, 2013 and Regulation 18 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

As at March 31, 2022, the Audit Committee comprised Mr. Haresh Jashubhai Chaudhari (Non-Executive Independent Director) as Chairperson and Mr. Mayur Rajendrabhai Parikh (Non-Executive Independent Director) and Mrs. Urshita Mittalbai Patel (Non-Executive Independent Director) as Members.

Recommendations of Audit Committee, wherever/whenever given, have been accepted by the Board of Directors.

## VIGIL MECHANISM

The Company has established a vigil mechanism and accordingly framed a Whistle Blower Policy. The policy enables the employees to report to the management instances of unethical behavior, actual or suspected fraud or violation of Company's Code of Conduct. Further the mechanism adopted by the Company encourages the Whistle Blower to report genuine concerns or grievances and provide for adequate safe guards against victimization of the Whistle Blower who avails of such mechanism and also provides for direct access to the Chairman of the Audit Committee, in exceptional cases. The functioning of vigil mechanism is reviewed by the Audit Committee from time to time. None of the Whistle blowers, has been denied access to the Audit Committee of the Board. The Whistle Blower Policy of the Company is available on the website of the Company at

<http://www.amrapalispot.com/investors.php>

## NOMINATION AND REMUNERATION POLICY

Nomination and Remuneration Policy in the Company is designed to create a high performance culture. It enables the Company to attract motivated and retained manpower in competitive market, and to harmonize the aspirations of human resources consistent with the goals of the Company. The Company pays remuneration by way of salary to its Executive Directors and Key Managerial Personnel. Annual increments are decided by the Nomination and Remuneration Committee within the salary scale approved by the members and are effective from April 1, of each year.

The Nomination and Remuneration Policy, as adopted by the Board of Directors, is placed on the website of the Company at [http://www.amrapalispot.com/investors/upload/NominationandRemunerationPolicy\\_20210419152529.pdf](http://www.amrapalispot.com/investors/upload/NominationandRemunerationPolicy_20210419152529.pdf)

## REMUNERATION OF DIRECTORS

The details of remuneration/sitting fees paid during the financial year 2021-22 to Executive Directors/Directors of the Company is provided in Form MGT-7 available on our Website, i.e. <http://www.amrapalispot.com/investors.php> and in Report on Corporate Governance which is the part of this report as **Annexure C**.

## CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Pursuant to Section 135 of Companies Act, 2013, the Company has constituted Corporate Social Responsibility Committee ("the CSR Committee") with object to recommend the Board a Policy on Corporate Social Responsibility and amount to be spent towards Corporate Social Responsibility. As at March 31, 2022, the CSR Committee comprised Mr. Yashwant Amratlal Thakkar (Chairman and Managing Director) as Chairman and Mr. Mayur Rajendrabhai Parikh (Non-Executive Independent Director) and Mr. Haresh Jashubhai Chaudhari (Non-Executive Independent Director) as Members of the Committee.

The CSR Committee is responsible for indicating the activities to be undertaken by the Company, monitoring the implementation of the framework of the CSR Policy and recommending the amount to be spent on CSR activities.

During the year under review, CSR Committee Meeting was held on September 06, 2021, March 30, 2022 in which requisite quorum were present. The meetings were held to review and approve the expenditure incurred by the Company towards CSR activities.

Main focus of the Company with respect to CSR Contribution is to provide the grocery items for the benefit of needy and poor people. The Company is purchasing the grocery and other necessary items from "Jay Jalaram Stores" and "Jalaram Provision Stores" and provides same to the orphan children and also providing the facilities like food, household items etc. to the needy and poor people.

The CSR Policy may be accessed at the web link

<http://www.amrapalispot.com/investors.php>

The Annual Report on CSR activities in prescribed format is annexed as an **Annexure-A**.

## PUBLIC DEPOSITS

The Company has not accepted any deposits from Shareholders and Public falling within the ambit of Section 73 of the Companies Act, 2013 and rules made there under. There were no deposits, which were claimed and remained unpaid by the Company as on March 31, 2022.

## PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statement for the year ended on March 31, 2022.

## ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on March 31, 2022 is available on the Company's website on <http://www.amrapalispot.com/investors.php>

## TRANSACTIONS WITH RELATED PARTIES

During the year under review, transactions with related party were executed in terms of Section 188 of the Companies Act, 2013 which were in ordinary course of business and on Arms' Length Basis, details of which are as under;

Sr. No.	Particulars	RPT – 1
1.	Name(s) of the related party and nature of relationship	Amrapali Online Venture LLP - Enterprise in which partners are relative of KMP
2.	Nature of contracts/ arrangements/ transactions	Sales
3.	Duration of the contracts / arrangements/ transactions	F.Y. 2021-22
4.	Salient terms of the contracts or arrangements or transactions including the value, if any	In ordinary Course of Business and at arms' length basis – at Market Rate. Total Transaction Value of Sale – Rs. 65.39 Lakh
5.	Date(s) of approval by the Board	April 01,2021
6.	Amount paid as advances, if any	-

There was no contracts, arrangements or transactions which was executed not in ordinary course of business and/or at arm's length basis.

Further, there were no related party transactions with the Company's Promoters, Directors, Management or their relatives, which could have had a potential conflict with the interests of the Company.

Members may refer to the notes to the accounts for details of related party transactions entered as per Indian Accounting Standard-24. The Board of Directors of the Company has, on the recommendation of the Audit Committee, adopted a policy to regulate transactions between the Company and its Related Parties, in compliance with the applicable provisions of the Companies Act 2013, the Rules thereunder and the SEBI LODR Regulations.

The Policy on Materiality of and dealing with Related Party Transactions as approved by the Board is uploaded on the Company's website and can be accessed at the Web-link:

[http://www.amrapalispot.com/investors/upload/RelatedPartyTransactionPolicy\\_20210419152753.pdf](http://www.amrapalispot.com/investors/upload/RelatedPartyTransactionPolicy_20210419152753.pdf)

## INTERNAL FINANCIAL CONTROL (IFC) SYSTEMS AND THEIR ADEQUACY

Though the various risks associated with the business cannot be eliminated completely, all efforts are made to minimize the impact of such risks on the operations of the Company. Necessary internal control systems are also put in place by the Company on various activities across the board to ensure that business operations are directed towards attaining the stated organizational objectives with optimum utilization of the resources. Apart from these internal control procedures, a well-defined and established system of internal audit is in operation to independently review and strengthen these control measures, which is carried out by a reputed firm of Chartered Accountants. The audit is based on an internal audit plan, which is reviewed each year in consultation with the statutory auditor of the Company and the audit committee. The conduct of internal audit is oriented towards the review of internal controls and risks in its operations.

M/s. D G M S & CO., Chartered Accountants (FRN: 0112187W), the statutory auditors of the Company has audited the financial statements included in this annual report and has issued an report annexed as an Annexure B to the Audit Report of the Company on our internal control over financial reporting as defined in section 143 of Companies Act, 2013.

The audit committee reviews reports submitted by the management and audit reports submitted by internal auditors and statutory auditor. Suggestions for improvement are considered and the audit committee follows up on corrective action. The audit committee also meets the statutory auditors of the Company to ascertain, inter alia, their views on the adequacy of internal control systems and keeps the board of directors informed of its major- observations periodically. Based on its evaluation (as defined in section 177 of Companies Act 2013), our audit committee has concluded that, as of March 31, 2022, our internal financial controls were adequate and operating effectively.



## **MATERIAL CHANGES AND COMMITMENT**

There are no material changes and commitments, affecting the financial position of the Company, have occurred between the ends of financial year of the Company i.e. March 31, 2022 to the date of this Report.

## **PARTICULAR OF EMPLOYEES**

The ratio of the remuneration of each director to the median of employees' remuneration as per Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed to this Report as **Annexure-B**.

The statement containing top ten employees in terms of remuneration drawn and the particulars of employees as required under Section 197(12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report.

## **SEXUAL HARASSMENT OF WOMEN AT WORKPLACE**

To foster a positive workplace environment, free from harassment of any nature, we have institutionalized the Anti-Sexual Harassment Initiative (ASHI) framework, through which we address complaints of sexual harassment at the all workplaces of the Company. Our policy assures discretion and guarantees non-retaliation to complainants. We follow a gender-neutral approach in handling complaints of sexual harassment and we are compliant with the law of the land where we operate. The Company has setup an Internal Complaints Committee (ICC) for redressal of Complaints.

During the financial year 2021-22, the Company has received Nil complaints on sexual harassment, out of which Nil complaints have been disposed of and Nil complaints remained pending as of March 31, 2022.

## **RISK MANAGEMENT**

A well-defined risk management mechanism covering the risk mapping and trend analysis, risk exposure, potential impact and risk mitigation process is in place. The objective of the mechanism is to minimize the impact of risks identified and taking advance actions to mitigate it. The mechanism works on the principles of probability of occurrence and impact, if triggered. A detailed exercise is being carried out to identify, evaluate, monitor and manage both business and non-business risks.

## **ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

### **A. CONSERVATION OF ENERGY –**

- i.) The steps taken or impact on conservation of energy: Company ensures that the operations are conducted in the manner whereby optimum utilisation and maximum possible savings of energy is achieved.
- ii.) The steps taken by the Company for utilizing alternate sources of energy: No alternate source has been adopted.
- iii.) The capital investment on energy conservation equipment: No specific investment has been made in reduction in energy consumption.

### **B. TECHNOLOGY ABSORPTION –**

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

### **C. FOREIGN EXCHANGE EARNINGS & EXPENDITURE:**

- i.) Details of Foreign Exchange Earnings: Nil
- ii.) Details of Foreign Exchange Expenditure: Nil

## **CORPORATE GOVERNANCE**

Your Company strives to incorporate the appropriate standards for corporate governance. As stipulated in Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Report on Corporate Governance and Certificate of the Practicing Company Secretary with regards to compliance with the conditions of Corporate Governance is annexed to the Board's Report as **Annexure-C**.

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Management Discussion and Analysis Report for the year under review, as stipulated under Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is presented in a separate section forming part of this Annual Report as **Annexure-F**.

## **STATUTORY AUDITOR AND THEIR REPORT**

M/s. DGMS & Co., Chartered Accountants (Firm Registration number: 0112187W), Statutory Auditors of the Company had tendered their resignation vide their letter dated June 30, 2022 informing their inability to continue as the Statutory Auditors of the Company.

The Board of Directors of the Company at its meeting held on July 29, 2022 noted resignation of M/s. DGMS & Co., Chartered Accountants (Firm Registration number: 0112187W), who have tendered their resignation vide their letter dated June 30, 2022 informing their inability to continue as the Statutory Auditors of the Company. The Audit Committee noted that statutory auditors have not raised any concern or issue and there is no other reason other than as mentioned in the resignation letter. The Audit Committee and Board at their respective meetings, placed on record their appreciation to M/s. DGMS & Co., Chartered Accountants, for their contribution to the Company with their audit processes and standards of auditing. Further, the Board of Directors at their meeting held on July 29, 2022, on the recommendation of the Audit Committee, has approved the appointment of M/s. Raichura & Co, Chartered Accountants (FRN: 126105W), (Peer Review Number: 011301), as Statutory Auditors of the Company. The said appointment is pursuant to applicable provisions of the Companies Act 2013 and the SEBI Listing Regulations, 2015. M/s. Raichura & Co., Chartered Accountants (FRN: 126105W) vide their consent letter dated July 28, 2022 have confirmed their eligibility for appointment.

The Board of Directors of the Company at its meeting held on August 08, 2022:-

- Noted resignation of M/s. Raichura & Co., Chartered Accountants (Firm Registration number: 0126105W), who have tendered their resignation vide their letter dated August 08, 2022 informing their inability to continue as the Statutory Auditors of the Company. The Audit Committee noted that statutory auditors have not raised any concern or issue and there is no other reason other than as mentioned in the resignation letter.
- On the recommendation of the Audit Committee and pursuant to applicable provisions of the Companies Act 2013 and the SEBI Listing Regulations, 2015, Board has approved the appointment of M/s. B.B. Gusani & Associates, Chartered Accountants (FRN: 140785W), (Peer Review Number: 013043), as Statutory Auditors of the Company.

M/s. B.B. Gusani & Associates, Chartered Accountants, Statutory auditors of the Company, hold office till the conclusion of the ensuing 34th Annual General Meeting of the Company.

The Board has recommended the appointment of M/s. B.B. Gusani & Associates, Chartered Accountants (FRN: 140785W), (Peer Review Number: 013043) were appointed as Statutory Auditors of your Company due to casual vacancy caused in the office of Auditors due to resignation of M/s. Raichura & Co., Chartered Accountants and M/s. D G M S & CO, Chartered Accountant, Jamnagar (formerly known as M/s. Doshi Maru & Associates) for a term of five consecutive years, from the conclusion of the ensuing 34th Annual General Meeting of the Company till the conclusion of the 39th Annual General Meeting to be held in the year 2027, for approval of shareholders of the Company, based on the recommendation of the Audit Committee as per provisions of the Companies Act, 2013

The Report given by the Auditors on the financial statement of the Company is part of this Annual Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.

#### **REPORTING OF FRAUD**

The Auditors of the Company have not reported any fraud as specified under Section 143(12) of the Companies Act, 2013.

#### **MAINTENANCE OF COST RECORD**

Since the company is not falling under prescribed class of Companies, our Company is not required to maintain cost record.

#### **INDIAN ACCOUNTING STANDARDS (IND AS) – IFRS CONVERGED STANDARDS**

Your Company had adopted Ind AS with effect from April 1, 2017 pursuant to Ministry of Corporate Affairs notification dated February 16, 2015 notifying the Companies (Indian Accounting Standard) Rules, 2015. Your Company has provided Ind AS Financials for the year ended March 31, 2022 along with comparable as on March 31, 2021.

#### **SECRETARIAL AUDITOR AND THEIR REPORT**

The Company has appointed M/s. Payal Dhamecha & Associates, Practicing Company Secretary, to conduct the secretarial audit of the Company for the financial year 2021-22, as required under Section 204 of the Companies Act, 2013 and Rules thereunder. The Secretarial Audit Report for the financial year 2021-22 is annexed to this report as an **Annexure – E1**.

The Annual Secretarial Compliance Report for the financial year ended March 31, 2022 issued by Ms. Payal Dhamecha & Associates, in relation to compliance of all applicable SEBI Regulations/ Circulars/Guidelines issued thereunder, pursuant to requirement of Regulation 24A of the Listing Regulations read with Circular no. CIR/CFD/CMD1/27/2019 dated 8th February, 2019 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) is annexed to this report as an **Annexure – E2**. The Secretarial Compliance Report has been voluntarily disclosed as a part of Annual Report as good disclosure practice.

There have been few common annotations reported by the above Secretarial Auditors in their Report with respect to: 1) Non Submission of the Limited Review Report within the period prescribed under regulation 33(3)(d)

The Board of Directors hereby states that Limited Review report on Unaudited Financial Results of the Company for the quarter ended on December 31, 2021 was omitted due to oversight in the results which was submitted on February 14, 2022. The Company submitted the same next day, i.e on February 15, 2022 along with Clarification Letter. BSE Limited vide email Dated March 14 2022 had levied a penalty of Rs. 5,000 for delay of 1 day as per SEBI Circular no. SEBI/HO/CFD/CMD/CIR/P/2020/12 dated January 22, 2020, Fine Amount was paid by Company on 22/03/2022. Company will ensure cross checking of requisite compliance related documents properly before submitting the same with exchange.

#### **COMPLIANCE WITH THE PROVISIONS OF APPLICABLE SECRETARIAL STANDARDS**

The Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems are adequate and operating effectively. During the year under