

# Shashwat Furnishing Solutions Limited

CIN: L20299RJ2021PLC073899



To,  
BSE Limited  
Listing Department  
P.J. Towers, 1st Floor,  
Dalal Street, Fort, Mumbai - 400 001

Date: September 05, 2024

Scrip Code: 543519; Security ID: SFSL

**Sub: SUBMISSION OF ANNUAL REPORT FOR THE FINANCIAL YEAR 2023-24 AND NOTICE OF THE 04th ANNUAL GENERAL MEETING (AGM) OF THE COMPANY.**

Dear Sir/Madam,

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the Annual Report including Notice of 04<sup>th</sup> Annual General Meeting of the Company for the financial year 2023-24.

This is for your information and records.

Thanking you,  
Yours Faithfully,  
Shashwat Furnishing Solutions Limited

Hitesh  
Karnawat

Digitally signed by  
Hitesh Karnawat  
Date: 2024.09.05  
20:59:40 +05'30'

HITESH KARNAWAT  
Managing Director  
DIN: 09097273

# ANNUAL REPORT

SHASHWAT FURNISHING SOLUTIONS LIMITED

2024

## 04<sup>th</sup> ANNUAL REPORT

121, Mahaveer Nagar, Jain Colony,  
Jodhpur - 342001, Rajasthan, India.  
Tel No.: + 91-9001269000

E-mail: [cs@handicraftsvillage.com](mailto:cs@handicraftsvillage.com)

Website: [www.handicraftsvillage.com](http://www.handicraftsvillage.com)

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**CORPORATE INFORMATION**

**Board of Directors**

Mr. Hitesh Karnawat  
Mr. Lalit Ghewarchand Karnawat  
Mrs. Mayuri Karnawat  
Mr. Adesh Bhansali  
Mr. Praveen Kumar Bokariya  
Mr. Neelabh Gotecha

Chairman cum Managing Director  
Whole-Time Director  
Whole-Time Director  
Non-Executive Independent Director  
Non-Executive Independent Director  
Non-Executive Independent Director

**Contact Person for Investors**

Mrs. Monika Gandhi  
Company Secretary and Compliance Officer

Plot No.120, 121, 122 Khasra No.277/1,  
Salawas Industrial Area, Jodhpur, Rajasthan- 342013, India  
Tel No.: + 91-9001269000  
E-mail: [cs@handicraftsvillage.com](mailto:cs@handicraftsvillage.com)  
Website: [www.handicraftsvillage.com](http://www.handicraftsvillage.com)

**KFin Technologies Limited**

Selenium Building, Tower-B, Plot No 31 & 32,  
Financial District, Nanakramguda, Serilingampally,  
Hyderabad, Rangareddi, Telangana-500032 India.  
Website: [www.kfintech.com](http://www.kfintech.com)  
Email: [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com)  
Contact No. – 91-40-6716-2222  
SEBI Regn. No. INR000000221

**Chief Financial Officer**

Mrs. Mayuri Karnawat

**Company Secretary & Compliance Officer**

Mrs. Monika Gandhi

**Registered Office**

121, Mahaveer Nagar, Jain colony,  
Jodhpur-342001 Rajasthan  
Tel No.: +91-9001269000,  
E-mail: [info@handicraftsvillage.com](mailto:info@handicraftsvillage.com)  
Website: [www.handicraftsvillage.com](http://www.handicraftsvillage.com)  
CIN: L20299RJ2021PLC073899.

**Depositories**

National Securities Depository Limited  
Central Depository Services (India) Limited

**Statutory Auditor**

M/S. A Y & Company,  
Chartered Accountants  
505, Fifth Floor, ARG Corporate Park,  
Gopalbari, Ajmer Road,  
Jaipur – 302006, Rajasthan, India  
Tel No.: +91-9649687300  
E-mail: [info@aycompany.co.in](mailto:info@aycompany.co.in)  
Contact Person: CA Arpit Gupta

**Secretarial Auditor**

M/s MSV & Associates,  
Practicing Company Secretaries  
D-54, Chomu House, C-Scheme,  
Jaipur-302001, Rajasthan  
Tel No.: +91-9001637075  
E-mail: [csviveksharma9@gmail.com](mailto:csviveksharma9@gmail.com)

**Shares Listed at**

BSE Limited (SME)  
P.J. Tower, Dalal Street, Fort,  
Mumbai – 400001, Maharashtra, India

**Bankers**

HDFC Bank Limited

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**BOARD OF DIRECTORS**

**Mr. Hitesh Karnawat, Chairman & Managing Director (DIN: 09097273)**

Mr. Hitesh Karnawat, 34 years is Chairman and Managing Director and also the Promoter of our Company. He holds honours degree in Bachelor of Commerce. He is looking after core management of the company and entrepreneur, active and enthusiastic in business activities. He has been instrumental in taking major policy decision of the Company. He has experience of 10 years in our Industry. He is playing vital role in formulating business strategies and effective implementation of the same. He is responsible for the expansion and overall management of the business of our Company. His leadership abilities have been instrumental in leading the core team of our Company. His dynamism helps us cope with the work pressures efficiently and effectively and in execution of all operations specifically related to production and business activities of our Company.

**Mr. Lalit Ghewarchand Karnawat, Whole-Time Director (DIN: 09097274)**

Mr. Lalit Ghewarchand Karnawat, aged 64 years, is the Whole-Time Director of our Company. He holds matriculation degree. He is having experience of 05 years in our industry. He is involved in the business right from conceptualization stage for Planning and guiding the Business Activities.

**Mrs. Mayuri Karnawat, Whole-Time Director (DIN: 09276591)**

Mrs. Mayuri Karnawat, aged 38 years, is the Whole-Time Director of our Company and also the Promoter of our Company. She is having experience of 06 years in our industry.

**Mr. Adesh Bhansali, Non-Executive & Independent Director (DIN: 09298681)**

Mr. Adesh Bhansali, aged 56 years is Non-Executive Independent Director of our Company. He holds degree in Bachelor of Science having experience of 10 years.

**Mr. Praveen Kumar Bokariya, Non-Executive & Independent Director (DIN: 08028204)**

Mr. Praveen Kumar Bokariya, aged 40 Years is Non-Executive Independent Director of our Company. He is qualified Chartered Accountant having experience of 13 years.

**Mr. Neelabh Gotecha, Non-Executive Independent Director (DIN: 09298749)**

Mr. Neelabh Gotecha, aged 38 years is Non-Executive Independent Director of our Company. He holds degree in Bachelor of Engineering having experience of 09 years.

**LETTER TO THE SHAREHOLDERS**



**Hitesh Karnawat, Managing Director**

Dear Member(s),

With great pleasure, I present the 04<sup>th</sup> Annual report of Shashwat Furnishing Solutions Limited for the Financial Year 2023-24. Incorporated in 2021, the Company has completed 4 years from the year of Incorporation. As we come forward along with four years of our commitment to delivering superior services, our strategic focus on a customer-centric approach which will enable us to leverage new opportunities and positions us to seize emerging opportunities. With your support, I am confident of leveraging opportunities and building a prosperous future for the Company.

I would like to place on record my sincere appreciation to the Board of Directors for their guidance. I would like to express my gratitude to all our stakeholders for their continuing faith in the Company and I look forward for their support, trust and confidence.

At the close, I would like to thank the entire team at Shashwat Furnishing Solutions Limited for an outstanding year which is reflective of their efforts, dedication and commitment to success.

Please do take care of yourself and your family and stay safe.

Wish best wishes  
Sincerely

Hitesh Karnawat  
Managing Director

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**NOTICE**

Notice is hereby given that the 04<sup>th</sup> Annual General Meeting of the members of Shashwat Furnishing Solutions Limited will be held on Monday, September 30, 2024 at 11.00 AM at Plot No.120, 121, 122 Khasra No.277/1 Salawas Industrial Area, Jodhpur, Rajasthan-342013 India, to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2024, together with the Reports of the Board of Directors and the Auditors thereon;
2. To appoint a director in place of Mr. Lalit Ghewarchand Karnawat (DIN- 09097274) who retires by rotation and being eligible, offers himself for re-appointment.

**SPECIAL BUSINESS:**

3. **To make investments, give loans, guarantees and security in excess of limits specified under section 186 of the Companies Act, 2013**

To consider and if thought fit, to pass with or without modification(s), the following Resolution as a **Special Resolution:**

**RESOLVED THAT** pursuant to the provisions of Section 186 of the Companies Act, 2013 (the 'Act') read with the Companies (Meetings of Board and its Powers) Rules, 2014, and other applicable provisions, if any, of the Act (including any statutory modification, amendment or re-enactment thereof for the time being in force) and subject to other applicable laws and such other approvals, consents, sanctions and permissions as may be required in that behalf and in terms of the Articles of Association of the Company, approval of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as 'the Board' which term shall be deemed to include, unless the context otherwise requires, any Committee which the Board may have constituted or hereinafter constitute or any officer(s) authorized by the Board to exercise the powers conferred on the Board by this Resolution) to: (a) give any loan to any person(s) or other body corporate(s);(b)give any guarantee or provide security in connection with a loan to any person(s) or other body corporate(s); and (c) acquire by way of subscription, purchase or otherwise, securities of any other body corporate from time to time in one or more tranches as the Board of Directors as in their absolute discretion deem beneficial and in the interest of the Company however, that the aggregate of the loans and investments so far made, the amount for which guarantees or securities so far provided to or in all other body corporate along with the investments, loans, guarantees or securities proposed to be made or given by the Company, from time to time, shall not exceed, at any time 25,00,00,000 (Rupees Twenty Five Crores Only) over and above the limit of sixty per cent of the paid up share capital, free reserves and securities premium account of the Company or one hundred per cent of free reserves and securities premium account of the Company, whichever is more.

**RESOLVED FURTHER THAT** the consent of the Company be and is hereby accorded to the Board to invest in the Subsidiaries, Associates, Related Parties, whether Indian or overseas, give loans to them; provide guarantee/security on their behalf, within the limits, if any, as may be applicable from time to time and on such terms and conditions as may be deemed fit and expedient.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to negotiate the terms and conditions of the above said investments, loan(s), or guarantee(s) or securities as they deem fit and in the best interest of the Company and take all such steps as may be necessary to complete the same.

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**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary and with power to settle questions, difficulties or doubts that may arise in this regard without requiring the Board to secure any further approval of the members of the Company.”

**By order of the Board of Directors**  
**For Shashwat Furnishing Solutions Limited**

**Sd/-**

**Monika Gandhi**  
**Company Secretary**

**Date – September 05, 2024**  
**Place – Jodhpur, Rajasthan**



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**NOTES:**

1. Pursuant to the provisions of the Act, a member entitled to attend and vote at the AGM and is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company.

A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting power. A member holding more than 10% of the total share capital of the company may appoint single person as proxy and such person shall not act as a proxy for any other shareholder. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting.

Corporate members intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.

Members and Proxies attending the Meeting should bring the attendance slip duly filled in for attending the Meeting. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification for attendance at the Meeting.

2. Members are informed that in case of joint holders attending the meeting, only such Joint holder who is higher in the order of the names will be entitled to vote.
3. The Annual Report including Notice of the 4<sup>th</sup> AGM of the Company inter alia indicating the process and manner of e-voting is being sent only by email, to all the Shareholders whose Email IDs are registered with the Company/ Depository Participant(s)/RTA for communication purposes to the Shareholders and to all other persons so entitled. Further, in terms of the applicable provisions of the Act, SEBI Listing Regulations read with the said Circulars issued by MCA and SEBI Circulars, the Annual Report including Notice of the 4<sup>th</sup> AGM of the Company will also be available on the website of the Company at [www.handicraftsvillage.com](http://www.handicraftsvillage.com). The same can also be accessed from the website of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) respectively and on the website of NSDL at [www.evoting.nsdl.com](http://www.evoting.nsdl.com)
4. Electronic copy of the Notice of the 4<sup>th</sup> Annual General Meeting of the Company indicating, inter alia, the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company / Depository Participant(s)/RTA for communication purposes unless any member has requested for a hard copy of the same.
5. The Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013, as amended ('Act') and brief Resume of the Director(s) seeking re-appointment, as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 {SEBI (LODR) Regulations, 2015} and Secretarial Standard on General Meeting (SS-2) as amended issued by the Institute of Company Secretaries of India (ICSI) is annexed hereto and forms part of Notice.
6. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, September 21, 2024 to Monday, September 30, 2024 (both days will be inclusive).
7. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details such as bank account number, name of the bank and branch details, MICR code and IFSC code, mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their depository participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrars and Transfer Agents, KFin Technologies Limited ('the RTA') to provide efficient and better services.

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The Securities and Exchange Board of India (“SEBI”) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their depository participants with whom they are maintaining their demat accounts.

8. Members may now avail the facility of nomination by nominating, in the prescribed form, a person to whom their shares in the Company shall vest in the event of their death. Interested Members may write to the Registrars and Share Transfer Agents for the prescribed form.
9. The documents referred to in the proposed resolutions are available for inspection at the Registered Office of the Company during working hours between 10:00 a.m. to 5:00 p.m. except on holidays.
10. Members seeking any information with regard to the accounts, are requested to write to the Company at an early date, so as to enable the Management to keep the information ready at the AGM.
11. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned DP and holdings should be verified.
12. The Company’s Registrar and Transfer Agent for its Share Registry Work (Physical and Electronic) is KFin Technologies Limited having their office at Selenium Building, Tower-B, Plot No 31 & 32 Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddi, Telangana-500032 India.
13. There is no record date for the purpose of Dividend as the same is not recommended by the Board of Directors for the financial year 2023-24.
14. All the documents referred to in the accompanying Notice and the statement pursuant to Section 102(1) of the Act shall be available for inspection through electronic mode without any fee by the Members from the date of circulation of this Notice up to the date of AGM. Members are requested to write to the Company at [cs@handicraftsvillage.com](mailto:cs@handicraftsvillage.com) for an inspection of said documents.

**VOTING THROUGH ELECTRONIC MEANS:**

15. In terms of the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015 (as amended from time to time) and Regulation 44 of the SEBI Listing Regulations and the said Circulars, the Company is pleased to provide the facility of “e-voting” to its Shareholders, to enable them to cast their votes on the resolutions proposed to be passed at the AGM, by electronic means. The instructions for e-voting are given herein below. The Company has engaged the services of NSDL, who will provide the e-voting facility of casting votes to a Shareholder using remote e-voting system (e-voting from a place other than venue of the AGM) (“remote e-voting”).

Further, in accordance with Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015, the Company has fixed Friday, September 20, 2024 as the “cut-off date” to determine the eligibility to vote by remote e-voting or e-voting at the AGM.

16. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date, i.e. Friday, September 20, 2024, shall be entitled to avail the facility of remote e-voting. Only those Shareholders, who will be present at the AGM and who would not have cast their vote by remote e-voting prior to the AGM and are otherwise not barred from doing so, shall be eligible to vote at the AGM.

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**17. The instructions for shareholders voting electronically are as under:**

- (i) The remote e-voting period begins on Friday, September 27, 2024 from 9.00 A.M and ends on Sunday, September 29, 2024 at 5.00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Friday, September 20, 2024, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Friday, September 20, 2024
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.



Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

- (iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

**Pursuant to abovesaid SEBI Circular, Login method for e-Voting for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:**

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li>1. Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the “<b>Beneficial Owner</b>” icon under “<b>Login</b>” which is available under ‘<b>IDeAS</b>’ section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “<b>Access to e-Voting</b>” under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2. If you are not registered for IDeAS e-Services, option to register</li> </ol>

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	<p>is available at <a href="https://eservices.nSDL.com">https://eservices.nSDL.com</a>. Select “<b>Register Online for IDeAS Portal</b>” or click at <a href="https://eservices.nSDL.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nSDL.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nSDL.com/">https://www.evoting.nSDL.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>4. Shareholders/Members can also download NSDL Mobile App “<b>NSDL Speede</b>” facility by scanning the QR code mentioned below for seamless voting experience.</p> <p style="text-align: center;"><b>NSDL Mobile App is available on</b></p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  </div> <div style="text-align: center;">  </div> </div> <div style="display: flex; justify-content: space-around; align-items: center; margin-top: 10px;">   </div>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<p>1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab and then user your existing my easi username &amp; password.</p> <p>2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to</p>

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	<p>access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.</p> <p>3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</p> <p>4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>
<p>Individual Shareholders (holding securities in demat mode) login through their depository participants</p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL**

<b>Login type</b>	<b>Helpdesk details</b>
<p>Individual Shareholders holding securities in demat mode with NSDL</p>	<p>Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.com">evoting@nsdl.com</a> or call at 022 - 4886 7000</p>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<p>Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800-21-09911</p>

**B) Login Method for e-Voting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section
3. A new screen will open. . You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*

4. Your User ID details are given below:

<b>Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical</b>	<b>Your User ID is:</b>
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
  - If you are already registered for e-Voting, then you can user your existing password to login and cast your vote.
  - If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
  - How to retrieve your ‘initial password’?
    - If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit

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client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

- If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
    - Click on "**Forgot User Details/Password?**"(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
    - **Physical User Reset Password?**" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
    - If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
    - Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
  7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
  8. Now, you will have to click on "Login" button.
  9. After you click on the "Login" button, Home page of e-Voting will open.

**Step 2: Cast your vote electronically on NSDL e-Voting system.**

**How to cast your vote electronically on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [cspuneetsahtani@gmail.com](mailto:cspuneetsahtani@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney /

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Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "[Forgot User Details/Password?](#)" or "[Physical User Reset Password?](#)" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.

In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on : 022 - 4886 7000 and 022 - 2499 7000 or send a request to Pallavi Mhatre at [evoting@nsdl.com](mailto:evoting@nsdl.com)

**Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAAR (self-attested scanned copy of Aadhaar Card) by email to [cs@handicraftsvillage.com](mailto:cs@handicraftsvillage.com).
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAAR (self-attested scanned copy of Aadhaar Card) to ([cs@handicraftsvillage.com](mailto:cs@handicraftsvillage.com)). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

**Process for Those Shareholders Whose Email/Mobile No. Are Not Registered with The Company/Depositories.**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to Company/RTA email id.
2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)



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18. Any person who acquired shares of the company and becomes shareholders of the company after dispatch of the Notice of AGM and holds shares as of the cut-off date i.e. Friday, September 20, 2024, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) of Issuer/RTA.
19. The voting rights of Members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut off dated Friday, September 20, 2024.
20. The board of directors has appointed Mr. Puneet Sahtani (Membership No. - 50271), Practicing Company Secretary as the Scrutinizer to scrutinize the voting at the meeting and remote e-voting process in a fair and transparent manner.
21. The Scrutinizer shall after the conclusion of voting at the general meeting will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e- voting in the presence of at least two witnesses not in the employment of the company and shall make, not later than two working days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favor or against, if any to the chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
22. The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.handicraftsvillage.com](http://www.handicraftsvillage.com) after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to Stock Exchange.
23. The entire Annual Report is also available on the Company's website [www.handicraftsvillage.com](http://www.handicraftsvillage.com).

**By order of the Board of Directors**  
**For Shashwat Furnishing Solutions Limited**

**Sd/-**  
**Monika Gandhi**  
**Company Secretary**

**Date –September 05, 2024**  
**Place – Jodhpur, Rajasthan**

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**ANNEXURE TO NOTICE OF AGM**

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

**Item No.3**

Members may note that pursuant to Section 186 of the Companies Act, 2013 (“Act”), the Company can give loan or give any guarantee or provide security in connection with a loan to any other body corporate or person and acquire securities of any other body corporate, in excess of 60% of its paid up share capital, free reserves and securities premium account or 100% of its free reserves and securities premium account, whichever is more, with the approval of Members by special resolution passed at the general meeting.

In view of the aforesaid, it is proposed to take approval under Section 186 of the Companies Act, 2013, by way of special resolution, up to a limit of Rs.25 Crores, as proposed in the Notice. The above proposal is in the interest of the Company and the Board recommends the Resolution as set out at Item No. 3 for approval by the members of the Company as Special Resolution.

None of the Directors or Key Managerial Personnel or their relatives are in any way concerned with or interested, financially or otherwise in the said resolution except to the extent of their shareholding in the Company, if any

**BRIEF RESUME OF THE DIRECTOR SEEKING RE-APPOINTMENT AT THE 4<sup>TH</sup> ANNUAL GENERAL MEETING TO BE HELD AT SEPTEMBER 30, 2024**

**Pursuant to Regulation 36 (3) of the Listing Regulations and Secretarial Standard on General Meetings issued by Institute of Company Secretaries of India (ICSI)**

<b>Particulars</b>	<b>Mr. Lalit Ghewarchand Karnawat</b>
Date of Birth	20/09/1959
Date of First Appointment on the Board	08/03/2021
Qualifications	Matriculation
Expertise in specific functional areas	Mr. Lalit Ghewarchand Karnawat is the Whole-Time Director of our Company w.e.f. September 04, 2021. He is involved in the business right from conceptualization stage for Planning and guiding the Business Activities
Directorship/Committee memberships in other companies:	None
Directorships held in other listed companies (excluding foreign companies and Section 8 companies)	None
Memberships/ Chairmanships of committees of other public companies (includes only Audit Committee and Stakeholders’ Relationship Committee.)	None
Chairperson/ Members of the Statutory Committee (s) of Board of Directors of the Company as on date	None
Number of shares held in the Company	72,250 Shares

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Relationships with other Directors, Manager and other Key Managerial personnel	The appointee and Managing Director are related to each other as Father and Son, the appointee and Mrs. Mayuri Karnawat, Whole-Time Director are related to each other as father-in-law and daughter-in-law
Details of remuneration sought to be paid	7,20,000/- per annum
Remuneration last drawn	Rs. 60,000 per month
Number of meetings of the Board attend during the year	4 Board Meetings
DIN	09097274
Terms and conditions of Appointment-Re-appointment	Whole-Time Director liable to retire by rotation
The skills and capabilities required for the role and the manner in which the proposed person meets such requirements	The capabilities required for being the director is having experience in the industry in which the company operates. He is having sound and rich experience of our Industry.

**By order of the Board of Directors**  
**For Shashwat Furnishing Solutions Limited**

**Sd/-**

**Monika Gandhi**  
**Company Secretary**

**Place – Jodhpur, Rajasthan**  
**Date – September 05, 2024**

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**BOARD'S REPORT**

To

The Shareholders,

Your Directors have pleasure in presenting the 4<sup>th</sup> (Fourth) Annual Report together with the Audited Financial Statements of your Company for the financial year ended March 31, 2024.

**1. FINANCIAL RESULTS:**

The Company's financial performance for the year ended March 31, 2024 is summarized as below:

Based on Standalone Financial Statement: -

(Amount in Lakhs)

Particulars	Current Year (2023-24)	Previous Year (2022-23)
Revenue from operations	306.13	456.80
Other income (net)	1.54	1.18
<b>Total Income</b>	<b>307.67</b>	<b>457.98</b>
<b>Less:</b>		
Operating & Administrative expenses	358.18	435.41
<b>Profit/(Loss) Before Depreciation, Interest &amp; Tax</b>	<b>(50.51)</b>	<b>22.57</b>
<b>Less:</b>		
Depreciation and amortization expense	23.44	2.58
Finance costs	16.69	4.62
<b>Profit/(Loss) before exceptional item and tax</b>	<b>(90.47)</b>	<b>15.36</b>
Exceptional item	-	-
<b>Profit/(Loss) before tax (PBT)</b>	<b>(90.47)</b>	<b>15.36</b>
Tax expense (Deferred Tax Charge)	1.96	(5.79)
<b>Profit/(Loss) after tax for the year (PAT)</b>	<b>(92.44)</b>	<b>21.15</b>

**2. OPERATION & REVIEW:**

Revenue from the operations of your Company for the year 2023-24 was Rs. 306.13 Lakhs as against Rs. 456.80 Lakhs in the previous year. Profit/(Loss) before Depreciation Interest & Tax for the current year was Rs. (50.51) Lakhs against Rs. 22.57 Lakhs in the previous year. Profit/(Loss) after tax for the current year at Rs. (92.44) Lakhs against Rs. 21.15 Lakhs in the previous year.

Your company is leading Indian handicrafts manufacturer and supplier. We provide the platform to both artisans and enthusiasts of art. We come with a wide array of highly beautiful handicrafts in India made by highly skilled and professional team of artisans. Our highly skilled craftsmen are expert in crafting structures using several material including metal, marble, glass, paper, wood, and many others.

Your company specializes in developing a qualitative range of Hotel, Restaurant and Café, Canteen, Bar, Banquet, Industrial and Outdoor Furniture and Vintage Furniture, Mirror Frames, Wall clocks and various other decoration & handicrafts objects. We are instrumental in presenting a wide assortment of exclusively designed products, such as Restaurant Furniture, Cafe Furniture, and Metal Furniture. Our expert professionals are devoted to developing an exclusive product range capable to gain a nationwide appreciation for its remarkable finish, unique designs, trendy colour combinations, flawless detailing, unbreakable quality and higher durability.

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**3. SHARE CAPITAL**

As on 31 March, 2024, The Authorized Capital of the Company was Rs.500 Lakhs (Rupees Five crores only) consisting of 50.00 Lakhs (Fifty Lakh) equity shares of Rs.10 each and the Issue and Paid-up Capital of the Company was 208.80 Lakhs (Rupees two crore eight lakh eighty thousand only) consisting of 20,88,000 (Twenty lakh eighty-eight thousand) equity shares of Rs.10 each.

**4. STATEMENT OF UTILIZATION OF FUNDS RAISED THROUGH IPO UNDER REGULATIONS 32 (1) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.**

Pursuant to Regulation 32(1)(a) and 32(1)(b) of The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company hereby states that:

- There was no deviation(s) in the utilization of public issue proceeds from the objects as stated in the prospectus dated April 11, 2022.
- There has been no variation(s) in the use of proceeds from the objects stated in the prospectus dated April 11, 2022.

**5. DIVIDEND**

Your Directors have not recommended any Dividend for the financial year under review.

**6. TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND**

During the period under review, there is no unpaid/unclaimed dividend which is required to transfer in IEPF (Investor Education and Protection Fund) as per the provisions of the Companies Act, 2013.

**7. TRANSFER TO RESERVES**

Your Directors do not propose to transfer any amount to its reserves for the year under review.

**8. DEPOSITS FROM PUBLIC**

During the financial year, the Company has not accepted deposits from the public falling within the ambit of Sections 73 and 74 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014 and hence no amount on account of principal or interest on public deposits was outstanding as on the date of the Balance Sheet.

**9. CHANGE IN NATURE OF THE BUSINESS**

There was no change in the nature of business of the Company during the year under review.

**10. MATERIAL CHANGES AND COMMITMENTS**

There is no material changes and commitments affecting the Financial Position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

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

Information on conservation of Energy, Technology absorption, Foreign Exchange earnings and outgo required to be disclosed under Section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 are provided hereunder:

PARTICULARS	REMARKS
<b>A) CONSERVATION OF ENERGY:</b>	
<ul style="list-style-type: none"> <li>• the steps taken or impact on conservation of energy;</li> </ul>	<p>The Corporation is taking due care for using electricity in the office and its factory. The Company has strict control systems to monitor day to day power consumption. The Company has replaced the conventional lights with the LED lights which are highly efficient in power consumption and the increase in brightness has led to better working conditions. Optimum lightings have helped in reducing the stress on eyes of workers in the factory. The Company has achieved a reduction in energy consumption with the use of transparent insulated roof top.</p>
<ul style="list-style-type: none"> <li>• the steps taken by the company for utilizing alternate sources of energy;</li> </ul>	
<ul style="list-style-type: none"> <li>• the capital investment on energy conservation equipments;</li> </ul>	
<b>B) TECHNOLOGY ABSORPTION:</b>	
<ul style="list-style-type: none"> <li>• the efforts made towards technology absorption;</li> </ul>	NIL
<ul style="list-style-type: none"> <li>• the benefits derived like product improvement, cost reduction, product development or import substitution;</li> </ul>	NIL
<ul style="list-style-type: none"> <li>• 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; (b) the year of import; (c) whether the technology been fully absorbed; (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; Not applicable since 5 years period is over</li> </ul>	NIL
<ul style="list-style-type: none"> <li>• the expenditure incurred on Research and Development</li> </ul>	<p>During the financial year, the Company has not spent any amount towards research &amp; development activity.</p>
<b>C) FOREIGN EXCHANGE EARNINGS AND OUTGO</b>	
<ul style="list-style-type: none"> <li>• The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows</li> </ul>	Nil

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**12. SUBSIDIARY COMPANIES:**

No company become or/ceased to be its Subsidiaries, Joint Venture or Associate Companies during the year. There are no subsidiaries, associate companies and joint venture companies of the Company as on the date of the closure of the financial year. Accordingly, the reporting on the performance and financial position of the Subsidiaries, joint ventures & associate companies is not applicable.

**13. RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM**

As a global enterprise, the company is exposed to a range of external as well as internal risks that have a significant impact on its performance. In order to efficiently manage such risk, the Company has established a well-defined process of risk management, wherein the identification, analysis and assessment of the various risks, measuring of the probable impact of such risks, formulation of risk mitigation strategy and implementation of the same takes place in a structured manner. 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. Our robust internal control system, for minimizing the risk, propels our culture of informed and responsible risk handling for attaining the organizational objectives with optimum utilization of resources.

**14. TRANSACTIONS WITH RELATED PARTIES**

All the Related Party Transactions entered into are in the ordinary course of business and at arms' length and are in compliance with the applicable provisions of the Companies Act, 2013 and SEBI Listing Regulations. Further, the disclosure of transactions with related party for the year, as per Accounting Standard 18 is given in Note 2.23 of the Notes forming part of Financial Statement for the year ended on March 31, 2024.

All transactions with related parties were reviewed and approved by the Audit Committee of the Company. Prior omnibus approval is obtained for Related Party Transactions for transactions which are of repetitive nature and entered in the ordinary course of business and are at arm's length.

There were no material contracts or arrangements with related parties during the year under review. Accordingly, no transactions are being reported in Form AOC-2 in accordance with Section 134(3)(h) of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014.

**15. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS**

During the Financial Year 2023-24, the particulars of Loan given, Guarantees given, securities provided and Investments made are provided in the audited financial statements of the Company read with noted on accounts forming part of the financial statements.

**16. DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**Board of Directors**

The Board comprises highly experienced persons of repute and eminence. The Board composition is in conformity with the applicable provisions of the Act and the Listing Regulations, as amended from time to time. As on date of this Annual Report, the Board of the Company comprises of Six (06) Directors; One Managing Director, two Whole-Time Directors and remaining three being Independent Directors. As on the date of this report, the Board of the company constitutes of the following directors:

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S.No	Name of Director	DIN Number	Designation
1.	Mr. Hitesh Karnawat	09097273	Chairman and Managing Director
2.	Mr. Lalit Ghewarchand Karnawat	09097274	Whole-Time Director
3.	Mrs. Mayuri Karnawat	09276591	Whole-Time Director
4.	Mr. Adesh Bhansali	09298681	Independent Director
5.	Mr. Neelabh Gotecha	09298749	Independent Director
6.	Mr. Praveen Kumar Bokariya	08028204	Independent Director

During the year under review, there are no changes occurred on the Board of the company.

### **Change in Designation**

During the year under review, there was no change in designation of any Director of the Company.

### **Key Managerial Personnel**

During the year under review In terms of Section 203 of the Act, the Company has the following Key Managerial Personnel :

- Mr. Hitesh Karnawat - Managing Director ,
- Mr. Lalit Ghewarchand Karnawat- Whole-Time Director,
- Mrs. Mayuri Karnawat -Whole-Time Director & Chief Financial Officer
- Mrs. Ratika Khandelwal- Company Secretary and Compliance officer (resigned w.e.f 23/07/2024)

During the year under review, there are no changes occurred in the Key Managerial Personnel of the Company:

#### **i. Retire by Rotation- Mr. Lalit Ghewarchand Karnawat**

Pursuant to Sections 149, 152 and other applicable provisions of the Companies Act, 2013, one-third of the directors of the company are liable to retire by rotation, and if eligible, they can offer themselves for the re-appointment. In this Annual General Meeting Mr. Lalit Ghewarchand Karnawat (DIN: 09097274), Whole-Time Director of the Company is liable to retire by rotation and being eligible to offer himself for re-appointment.

#### **ii. Nomination and Remuneration Policy**

The policy on nomination and remuneration of Directors, Key Managerial Personnel and other employees has been formulated in terms of the provision of The Companies act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in order to pay equitable remuneration to the Directors, Key Managerial Personnel and employees of the Company and to harmonize the aspiration of human resources consistent with the goals of the Company.

The Remuneration Policy has been updated on the website of the Company at <https://www.handicraftsvillage.com/index.php?page=investors>. The statement containing particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate Annexure-II forming part of this report. In terms of Section 136 of the Act, the said annexure is open for inspection at the Registered Office of your Company. Any member interested in obtaining a copy of the same may write to the Company Secretary.



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**iii. Details of Director's Remuneration**

The information relating to remuneration paid to directors as required under Section 197(12) of Companies Act, is given under Annexure-I.

**iv. Independent Directors**

The Company has received declarations from all the Independent Directors confirming that they meet the 'Criteria of Independence' as specified under Section 149(6) of the Act and the Rules made thereunder and applicable provisions of Regulation 16(1)(b) of the Listing Regulations and are independent of the management.

**v. Certificate of Practicing Company Secretary**

The Company has obtained a certificate from M/s MSV & Associates, Practicing Company Secretary, Jaipur stating that none of the Directors on the Board of the Company have been debarred/ disqualified from being appointed /continuing as Directors of any company, by the SEBI and Ministry of Corporate Affairs or any such Statutory authority, under Annexure- VI.

**17. BOARD EVALUATION**

Pursuant to the provisions of the Companies Act, 2013 and the corporate governance requirements as prescribed by the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 ("SEBI Listing Regulations") The Board has adopted a process for evaluating its performance and effectiveness as well as that of its Committees and carried out an annual evaluation of its own performance, Board Committees and the Directors individually.

The Board and the Nomination & Remuneration Committee reviewed the performance of the individual Directors on the basis of the criteria and framework adopted by the Board. The evaluation criteria included various aspects such as, functionality of Board, compositions, process & procedures including adequate & timely information, attendance, delegation of responsibility, decision making, roles & responsibility including monitoring, benchmarking, feedback relationship with the stakeholders and as provided by the Guidance Note on Board Evaluation issued by SEBI dated January 05, 2017.

In a separate meeting of the Independent Directors, performance of the Non-Independent Directors, the Board as a whole and the Chairman was also evaluated, on the basis of pre-set criterion.

During the year, Board Evaluation cycle was completed by the Company internally which included the Evaluation of the Board as whole, Board Committees and Peer Evaluation of the Directors. The Board was satisfied with the contribution of directors, in their respective capacities and as a team.

**18. MEETING OF BOARD OF DIRECTORS AND COMPLIANCE TO SECRETARIAL STANDARD**

The Board of Directors of the Company met Four (4) times during the year i.e. on 30.05.2023, 04.09.2023, 09.11.2023 and 29.02.2024. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013. The Company has complied with the provisions of Secretarial Standard 1 (relating to meetings of the Board of Directors) and Secretarial Standard 2 (relating to General meetings) during the year.

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Attendance of Directors during the Board Meeting

S. No	Name of Director	No. of meeting attended	No. of meeting entitled to attend
1.	Mr. Hitesh Karnawat	4	4
2.	Mr. Lalit Ghewarchand Karnawat	4	4
3.	Mrs. Mayuri Karnawat	4	4
4.	Mr. Adesh Bhansali	4	4
5.	Mr. Neelabh Gotecha	4	4
6.	Mr. Praveen Kumar Bokariya	4	4

**19. GENERAL MEETING**

During the period under review, the Annual general meeting of the company was held on 28<sup>th</sup> September, 2023.

**20. BOARD COMMITTEES**

With a view to have more focused attention on business and for better governance and accountability, the Board has the following mandatory committees:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholders Relationship Committee

The terms of reference of these Committees are determined by the Board and their relevance reviewed from time to time. Meetings of each of these Committees are convened by the respective Chairman of the Committee. The Board supervises the execution of its responsibilities by the Committees and is responsible for their action. The minutes and proceedings of the meetings of all Committees are placed before the Board for review. The Minutes of the Committee Meetings are sent to all members of the Committee individually and tabled at the Board Meetings. Following are the details of Board Committees;

**1. Audit Committee**

Our Company has constituted an Audit Committee (“Audit Committee”), vide Board Resolution dated September 08, 2021, as per the applicable provisions of the Section 177 of the Companies Act, 2013 and also to comply with Regulation 18 of SEBI Listing Regulations, 2015 applicable upon listing of the Company’s Equity shares on SME platform of BSE, the constituted Audit Committee comprises following members:

Name of the Director	Status in Committee	Nature of Directorship
Mr. Adesh Bhansali	Chairman	Non-Executive Independent Director
Mr. Praveen Kumar Bokariya	Member	Non-Executive Independent Director
Mr. Hitesh Karnawat	Member	Chairman cum Managing Director

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The Company Secretary of our Company shall act as a Secretary to the Audit Committee. The Chairman of the Audit Committee shall attend the Annual General Meeting of our Company to answer shareholder queries. The scope and function of the Audit Committee and its terms of reference shall include the following:

**A. Tenure:** The Audit Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board, to carry out the functions of the Audit Committee as approved by the Board.

**B. Meetings of the Committee:** The committee shall meet at least four times in a year and not more than 120 days shall elapse between any two meetings. The quorum for the meeting shall be either two members or one third of the members of the committee, whichever is higher but there shall be presence of minimum two Independent members at each meeting.

**C. Role and Powers:** The Role of Audit Committee together with its powers as Part C of Schedule II of SEBI Listing Regulation, 2015 as amended and Companies Act, 2013 shall be as under:

1. Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval;
5. Reviewing, with the management, the half yearly financial statements before submission to the board for approval, with particular reference to;
  - matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
  - changes, if any, in accounting policies and practices and reasons for the same;
  - major accounting entries involving estimates based on the exercise of judgment by management;
  - significant adjustments made in the financial statements arising out of audit findings;
  - compliance with listing and other legal requirements relating to financial statements;
  - disclosure of any related party transactions;
  - modified opinion(s) in the draft audit report;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the listed entity with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the listed entity, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;

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15. The Audit Committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the company.
16. Discussing with the statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
18. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
19. The Audit Committee shall have authority to investigate into any matter in relation to the items specified in section 177(4) of Companies Act 2013 or referred to it by the Board.
20. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
21. To review the functioning of the whistle blower mechanism;
22. Approving the appointment of the Chief Financial Officer (i.e. the whole time finance director or any other person heading the finance function) after assessing the qualifications, experience and background, etc., of the candidate; and;
23. Audit committee shall oversee the vigil mechanism.
24. Audit Committee will facilitate KMP/auditor(s) of the Company to be heard in its meetings.
25. Carrying out any other function as is mentioned in the terms of reference of the audit committee or containing into SEBI Listing Regulations 2015.

Further, the Audit Committee shall mandatorily review the following:

- a) Management discussion and analysis of financial condition and results of operations;
- b) Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- c) Management letters / letters of internal control weaknesses issued by the statutory auditors;
- d) Internal audit reports relating to internal control weaknesses; and
- e) The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
- f) Statement of deviations:
  - Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
  - Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

## 2. Stakeholders Relationship Committee

Our Company has formed the Stakeholders Relationship Committee as per Regulation 20 of SEBI Listing Regulations, 2015 as amended vide Resolution dated September 08, 2021. The constituted Stakeholders Relationship Committee comprises the following:

Name of the Director	Status in Committee	Nature of Directorship
Mr. Praveen Kumar Bokariya	Chairman	Non-Executive Independent Director
Mr. Neelabh Gotecha	Member	Non-Executive Independent Director
Mr. Mayuri Karnawat	Member	Whole- Time Director

The Company Secretary of our Company shall act as a Secretary to the Stakeholders Relationship Committee. The scope and function of the Stakeholders Relationship Committee and its terms of reference shall include the following:

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- A. Tenure:** The Stakeholders Relationship Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board, to carry out the functions of the Stakeholders Relationship Committee as approved by the Board.
- B. Meetings:** The Stakeholders Relationship Committee shall meet at least four times a year with maximum interval of four months between two meetings and shall report to the Board on a quarterly basis regarding the status of redressal of complaints received from the shareholders of the Company. The quorum shall be two members present.
- C. Terms of Reference:** Redressal of shareholders' and investors' complaints, including and in respect of:
- Allotment, transfer of shares including transmission, splitting of shares, changing joint holding into single holding and vice versa, issue of duplicate shares in lieu of those torn, destroyed, lost or defaced or where the space at back for recording transfers have been fully utilized.
  - Issue of duplicate certificates and new certificates on split/consolidation/renewal, etc.;
  - Review the process and mechanism of redressal of Shareholders' /Investor's grievance and suggest measures of improving the system of redressal of Shareholders' /Investors' grievances.
  - Non-receipt of share certificate(s), non-receipt of declared dividends, non-receipt of interest/dividend warrants, non-receipt of annual report and any other grievance/complaints with Company or any officer of the Company arising out in discharge of his duties.
  - Oversee the performance of the Registrar & Share Transfer Agent and also review and take note of complaints directly received and resolved them.
  - Oversee the implementation and compliance of the Code of Conduct adopted by the Company for prevention of Insider Trading for Listed Companies as specified in the Securities & Exchange Board of India (Prohibition of insider Trading) Regulations, 2015 as amended from time to time.
  - Any other power specifically assigned by the Board of Directors of the Company from time to time by way of resolution passed by it in a duly conducted Meeting, and
  - Carrying out any other function contained in the equity listing agreements as and when amended from time to time.

### **3. Nomination and Remuneration Committee**

Our Company has formed the Nomination and Remuneration Committee as per Regulation 19 of SEBI Listing Regulations, 2015 as amended vide Resolution dated September 08, 2021. The Nomination and Remuneration Committee comprise the following:

<b>Name of the Director</b>	<b>Status in Committee</b>	<b>Nature of Directorship</b>
Mr. Neelabh Gotecha	Chairman	Non-Executive Independent Director
Mr. Adesh Bhansali	Member	Non-Executive Independent Director
Mr. Praveen Kumar Bokariya	Member	Non-Executive Independent Director

The Company Secretary of our Company shall act as a Secretary to the Nomination and Remuneration Committee. The scope and function of the Committee and its terms of reference shall include the following:

**A. Tenure:** The Nomination and Remuneration Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board.

**B. Meetings:** The committee shall meet as and when the need arises for review of Managerial Remuneration. The quorum for the meeting shall be one third of the total strength of the committee or two members, whichever is higher. The Chairperson of the nomination and remuneration committee may be present at the annual general meeting, to answer the shareholders queries; however, it shall be up to the chairperson to decide who shall answer the queries.

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**C. Role of Terms of Reference:**

- Identify persons who are qualified to become directors and may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance;
- Formulate the criteria for determining the qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration for directors, KMPs and other employees;
- Formulation of criteria for evaluation of performance of independent directors and the board of directors;
- Devising a policy on diversity of board of directors;
- Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- Determine our Company's policy on specific remuneration package for the Managing Director / Executive Director including pension rights;
- Decide the salary, allowances, perquisites, bonuses, notice period, severance fees and increment of Executive Directors;
- Define and implement the Performance Linked Incentive Scheme (including ESOP of the Company) and evaluate the performance and determine the amount of incentive of the Executive Directors for that purpose.
- Decide the amount of Commission payable to the Whole Time Directors;
- Review and suggest revision of the total remuneration package of the Executive Directors keeping in view the performance of the Company, standards prevailing in the industry, statutory guidelines etc; and
- To formulate and administer the Employee Stock Option Scheme.

**21. EXTRACT OF ANNUAL RETURN**

In accordance with the provisions of Section 134(3) read with Section 92(3) of the Companies Act, 2013, the Annual Return as on March 31, 2024 is available on website of the Company and can be viewed [www.handicraftsvillage.com](http://www.handicraftsvillage.com). By virtue of amendment to Section 92(3) of the Companies Act, 2013, the Company is not required to provide extract of Annual Return (Form MGT-9) as part of the Board's report.

**22. DIRECTORS' RESPONSIBILITY & SUSTAINABILITY STATEMENT**

As required by Section 134 (5) of the Companies Act, 2013, the Directors hereby confirm:

- (i) in the preparation of the annual financial statements, applicable accounting standards have been followed and there are no material departures from the said standards;
- (ii) such accounting policies have been selected and applied consistently and judgments and estimates made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at March 31, 2024 and of the profit of the company for the year ended on that date;
- (iii) proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for prevention and detection of fraud and other irregularities;
- (iv) the annual financial statements have been prepared on a going concern basis;
- (v) proper internal financial controls are in place and are adequate and are operating effectively; and
- (vi) the systems to ensure compliance with the provisions of all applicable laws are in place and are adequate and operating effectively.

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**23. STATUTORY AUDITORS**

Pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof), the company has reappointed M/s. A Y and Company, Chartered Accountants, as the Statutory Auditors of the Company for a period of 5 years, to hold office from the conclusion of 2<sup>nd</sup> Annual General meeting until the conclusion of the 7th Annual General Meeting of the Company to be held for the financial year to be ended on March 31, 2027.

The reports given by the Statutory Auditor on the financial statement of the Company are forming part of this Annual Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Statutory Auditor in their Report for the financial year ended March 31, 2024.

**24. SECRETARIAL AUDITORS**

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s MSV & Associates, Company Secretary in practice to undertake the Secretarial Audit of the Company for the year under review. The Board has duly reviewed the Secretarial Auditor's Report and the comments, appearing in the report are self-explanatory and do not call for any further explanation by the Board of Directors as provided under section 134 of the Act. The Secretarial Audit Report is annexed herewith as "Annexure-V".

**25. INTERNAL AUDITORS**

In terms of Section 138 of the Companies Act, 2013 and Rules made there under, M/s. Singhvi Mehta and Associates, Chartered Accountants, have been appointed as an Internal Auditors of the Company for Financial Year 2023-24. During the year, the Company continued to implement their suggestions and recommendations to improve the control environment. Their scope of works includes, Review of the accuracy and reliability of the Corporation accounting records and financial reports, review of operational efficiency, effectiveness of systems and processes, and assessing the internal control strengths, opportunities for cost saving and recommending company for improving cost efficiencies.

**26. REPORT ON CORPORATE GOVERNANCE**

Your company provides utmost importance at best Governance Practices and are designated to act in the best interest of its stakeholders. Better governance practice enables the company to introduce more effective internal controls suitable to the changing nature of business operations, improve performance and also provide an opportunity to increase stakeholders understanding of the key activities and policies of the organization.

Your Company has incorporated the appropriate standards for corporate governance. Pursuant to Regulation 15(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is not required to mandatorily comply with the provisions of certain regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Hence, company is not filing Corporate Governance Report to stock exchange quarterly and not providing the Corporate Governance Report as the part of this Annual Report.

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**27. MANAGEMENT AND DISCUSSION ANALYSIS REPORT:**

A Separate report on Management Discussion and Analysis Report as required under clause 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been presented in a separate section forming part of this Annual Report.

**28. VIGIL MECHANISM/WHISTLE BLOWER POLICY**

As per the provisions of Section 177 (9) & (10) of the Companies Act, 2013 read with Regulation 22 of Securities and Exchange Board Of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, your Company has a Whistle Blower Policy with a view to provide vigil mechanism to Directors, employees and other stakeholders to disclose instances of wrong doing in the workplace and report instances of unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. The Whistle Blower Policy also states that this mechanism should also provide for adequate safeguards against victimization of Director(s)/ Employees who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases. The Policy is available on the Company's website at [www.handicraftsvillage.com](http://www.handicraftsvillage.com).

**29. DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

Your Company has zero tolerance towards any action on the part of any of its officials, which may fall under the ambit of "Sexual Harassment" at workplace. Pursuant to the provisions of Section 21 of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition, Redressal) Act, 2013, the Company formulated a Policy on Prevention of Sexual Harassment at Workplace. All employees (permanent, contractual, temporary, trainees, etc) are covered under this policy. An Internal Complaints Committee (ICC) was constituted which is responsible for redressal of complaints related to sexual harassment at the workplace.

Pursuant to the requirements of Section 22 of Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act 2013 read with Rules thereunder, the Internal Complaints Committee of the Company has not received any complaint of Sexual Harassment during the year under review and no complaint was pending as of 31st March, 2024.

Pursuant to the said Act, the details regarding the number of complaints received, disposed and pending during the FY 2023-24, pertaining to incidents under the above framework/ law are as follows:

<b>Particulars</b>	<b>Numbers</b>
Number of complaints pending at the beginning of the financial year	Nil
Number of complaints received during the financial year	Nil
Number of complaints disposed off during the financial year	Nil
Number of complaints those remaining unresolved at the end of the financial year	Nil

**30. BUSINESS RESPONSIBILITY REPORT**

As stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Business Responsibility Report describing the initiatives taken by the Company from an environmental, social and governance perspective is not applicable to your company being SME listed company, as per the exemptions provided under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.



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**31. EQUAL EMPLOYMENT OPPORTUNITIES**

Being an equal opportunity employer, the company will do its utmost to ensure that all of its employees are treated fairly during the period of their employment irrespective of their race, religion, sex (including pregnancy), color, creed, age, national origin, physical or mental disability, citizenship status, ancestry, marital status, veteran status, political affiliation, or any other factor protected by law. All decisions regarding employment will be taken based on merit and business needs only.

**32. CODE OF CONDUCT AND ETHICS**

Being a SME listed Company exemption has been provided to the Company from formulating of Code of Conduct for Board of Directors and Senior Management Personnel. However, Board of Directors has formulated and adopted Code of Business Conduct Ethics for Director & Senior Management Executive policy. As an organization your Company places a great importance in the way business is conducted and the way each employee performs his/her duties. Your Company encourages transparency in all its operations, responsibility for delivery of results, accountability for the outcomes of our actions, participation in ethical business practices and being responsive to the needs of our people and society. Towards this end, your Company has laid down a Code of conduct applicable to all the employees of your Company and conducted various awareness sessions across the Company. The Code provides for the matters related to governance, compliance, ethics and other matters. In this regard certificate from Managing Director as required under Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been received by the Board and the same is attached herewith as per Annexure – IV.

The detailed Code of Business Conduct Ethics for Director & Senior Management Executive policy available on below link: [www.handicraftsvillage.com](http://www.handicraftsvillage.com).

**33. DISCLOSURE WITH RESPECT TO MAINTENANCE OF COST RECORDS**

Your Company doesn't fall within the scope of Section 148(1) of the Companies Act, 2013 and hence does not require to maintain cost records as specified by the Central Government.

**34. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

The provisions of Section 135 of the Companies Act, 2013 are not applicable to your Company. However, the Company constantly strives to ensure strong corporate culture which emphasizes on integrating CSR values with business objectives.

**35. MD AND CFO CERTIFICATION**

In terms of Regulation 17(8) of the Listing Regulations, the Managing Director and CFO has certified to the Board of Directors of the Company with regard to the financial statements and other matters specified in the said regulation for the financial year 2023-24. The certificate received is attached herewith as per Annexure – IV.

**36. LISTING FEES**

The Company affirms that the annual listing fees for the year 2024-25 to the BSE Limited (BSE SME) have been duly paid.

**37. HUMAN RESOURCE DEVELOPMENT**

The Company sees its employees as critical to the future and believes that every employee needs to possess apart from competence, capacity and capabilities, sustainable values, current and contemporary which would make them useful and relevant and competitive in managing the change constructively for overall growth of the organization. To this end the company's approach and efforts are directed towards creating a congenial work atmosphere for individual growth,

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creativity and greater dedicated participation in organizational development. The Company believes that the success of an organization largely depends on the quality of its workforce. Employee relations remained cordial and peaceful throughout the year.

**38. PARTICULARS OF EMPLOYEES**

The information required pursuant to Section 197 read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as Annexure I to this Report.

**39. REPORTING OF FRAUDS**

During the year under review, neither the Statutory Auditors nor the Secretarial Auditor has reported to the Audit Committee under Section 143(12) of the Companies Act, 2013, any instances of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in boards report.

**40. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS OF THE COMPANY:**

There are no significant and material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status and the Company's future operations.

**41. DISCLOSURE IN REFERENCE OF SUB RULE 1 CLAUSE (C) SUB CLAUSE (VIII) OF RULE 2 OF COMPANIES (ACCEPTANCE OF DEPOSITS) RULES 2014**

During the period under review the company has accepted unsecured loan from its director (s), the particulars of loan from director(s) are provided in the financial statement of the company for the Financial year ended 31 March, 2024.

**42. AFFIRMATION ON COMPLIANCE OF SECRETARIAL STANDARDS**

The Company hereby affirms that during the year under review the Company has complied with all the applicable mandatory secretarial standards (including any modifications or amendments thereto) issued by the Institute of Company Secretaries of India. The Company has complied with applicable Secretarial Standards issued by the Institute of Company Secretaries of India on Board and General Meetings

**43. PREVENTION OF INSIDER TRADING**

The Company has adopted a Code of conduct for prevention of Insider Trading ("the Code") in accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 (The PIT Regulations). The Code is applicable to Promoters and Promoter's Group, all Directors and such Designated Employees who are expected to have access to unpublished price sensitive information relating to the Company and connected persons. The Company Secretary is the Compliance Officer for monitoring adherence to the said PIT Regulations. The copy of the same is available on the website of the Company at the [www.handicraftsvillage.com](http://www.handicraftsvillage.com).

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**44. INVESTOR GRIEVANCE REDRESSAL**

As per regulation 13 of SEBI (Listing Obligation & disclosure Requirements), Regulations 2015 the number of complaints received and resolved to the satisfaction of investors during the year under review. There were no pending complaint or share transfer cases as on 31<sup>st</sup> March 2024, as per the certificate given by RTA.

**45. 'THINK GREEN, GO GREEN' INITIATIVE**

The Companies Act, 2013 permits companies to send documents like Notice of Annual General Meeting, Annual Report and other documents through electronic means to its members at their registered email addresses, besides sending the same in physical form.

As a responsible Corporate Citizen, the Company has actively supported the implementation of 'Green Initiative' of Ministry of Corporate Affairs (MCA) and effected electronic delivery of Notices and Annual Reports to those shareholders whose email ids were already registered with the respective Depository Participants (DPs) and who have not opted for receiving such documents in physical form.

**Members, who have not registered their e-mail addresses so far, are requested to register their e-mail address with the Registrar and Share Transfer agent (R&TA) of the Company/Depository participant (DP) of respective member and take part in the Green Initiative of the Company, for receiving electronic communications and support the "THINK GREEN, GO GREEN" initiative.**

Further, pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is providing e-voting facility to all members to enable them to cast their votes electronically in respect of resolutions set forth in the Notice of Annual General Meeting (AGM). The detailed instructions for e-voting are provided in the Notice of AGM.

**46. CAUTIONARY NOTE**

Statements in this Board's Report and Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make difference to the Company's operations include raw material availability and its prices, cyclical demand and pricing in the Company's principle markets, changes in Government regulations, Tax regimes, economic developments in the Country and other ancillary factors.

**47. OTHER DISCLOSURES**

The Board state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

- a) As per rule 4(4) the Companies (Share Capital and Debentures) Rules, 2014, the Company has not issued equity shares with differential rights as to dividend, voting or otherwise.
- b) As per rule 8(13) the Companies (Share Capital and Debentures) Rules, 2014, the Company has not issued shares (including sweat equity shares) to employees of the Company under any scheme;
- c) As per rule 12(9) the Companies (Share Capital and Debentures) Rules, 2014, the Company has not issued equity shares under the scheme of employee stock option;
- d) No application has been made under the Insolvency and Bankruptcy Code; hence the requirement to disclose the details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the financial year is not applicable; and

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- e) There was no revision of financial statements and Board's Report of the Company during the year under review.
- f) The requirement to disclose the details of difference between amount of the valuation done at the time of onetime settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof, is not applicable.
- g) Since the Company has not formulated any scheme of provision of money for purchase of own shares by employees or by trustee for the benefits of employees in terms of Section 67(3) of the Act, no disclosures are required to be made;

**48. ACKNOWLEDGEMENT**

The Directors would like to express their appreciation and thank the Government of India and concerned Government departments and agencies for the continued help and cooperation extended by them. The Directors also gratefully acknowledge all stakeholders of the Company viz. clients, members, vendors, banks and other business partners for the excellent support received from them during the year and look forward to their continued support in future. The Directors place on record their sincere appreciation to all employees of the Company for their unstinted commitment and continued contribution to the Company

**For and on behalf of the Board**  
**Shashwat Furnishing Solutions Limited**

Sd/-

**Lalit Ghewarchand Karnawat**  
**Whole-Time Director**  
**DIN – 09097274**

Sd/-

**Hitesh Karnawat**  
**Chairman & Managing Director**  
**DIN – 09097273**

**Date: September 05, 2024**  
**Place: Jodhpur, Rajasthan**

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

The Management of the Company is pleased to present its report on the Industry Scenario including on the Company's performance during the financial year 2023-24.

## **1. INDUSTRY STRUCTURE AND DEVELOPMENTS**

**Market Dynamics:** The Indian furniture market continues to witness robust growth, driven by rapid urbanization, rising disposable incomes, and a growing middle class. The market is expected to expand at a compound annual growth rate (CAGR) of 12% over the next five years. Additionally, the shift towards e-commerce and the demand for compact, modular furniture in urban areas have opened new avenues for growth

**Trends:** Key trends influencing the market include the increasing preference for sustainable and eco-friendly products, the popularity of modular and space-saving furniture, and the rise of online furniture shopping. Additionally, there is a growing demand for customized furniture solutions, especially in urban areas

**Challenges:** The furniture industry in India faces several challenges, including fluctuations in raw material prices, intense competition from both organized and unorganized sectors, and supply chain disruptions. Additionally, consumer preferences are rapidly changing, necessitating continuous innovation and adaptation.

### **SUMMARY OF OUR BUSINESS**

Our company is leading Indian handicrafts manufacturer and supplier. We provide the platform to both artisans and enthusiasts of art. We come with a wide array of highly beautiful handicrafts in India made by highly skilled and professional team of artisans. Our highly skilled craftsmen are expert in crafting structures using several material including metal, marble, glass, paper, wood, and many others.

Our company specializes in developing a qualitative range of Hotel, Restaurant and Café, Canteen, Bar, Banquet, Industrial and Outdoor Furniture and Vintage Furniture, Mirror Frames, Wall clocks and various other decoration & handicrafts objects. We are instrumental in presenting a wide assortment of exclusively designed products, such as Restaurant Furniture, Cafe Furniture, and Metal Furniture. Our expert professionals are devoted to developing an exclusive product range capable to gain a nationwide appreciation for its remarkable finish, unique designs, trendy colour combinations, flawless detailing, unbreakable quality and higher durability.

As our company is planning to expand into the Direct-to-Consumer (D2C) business, the development of a comprehensive, user-friendly website is a pivotal step in our strategy. The new website will serve as a digital storefront, offering customers direct access to our full range of furniture products, including customizable options. It will feature an intuitive design, allowing for easy navigation, product search, and a seamless shopping experience across devices. The website will also integrate advanced features such as personalized recommendations based on customer preferences. With secure payment gateways and efficient logistics management, our D2C platform aims to deliver a convenient, personalized shopping experience, enhancing customer satisfaction and fostering brand loyalty.

### **OUR COMPETITIVE STRENGTHS**

We believe that the following are our primary competitive strength:

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### **1. Diverse Product Range**

- Offering a wide variety of furniture designs and styles, catering to different customer segments (e.g., hotel, office, luxury, and budget-friendly options) ensures that the company can meet diverse consumer needs and preferences.

### **2. Customization and Personalization**

- The ability to offer customizable furniture options allows customers to tailor products to their specific requirements, creating a unique value proposition that enhances customer satisfaction and loyalty.

### **3. Strong Brand Reputation**

- A well-established brand with a reputation for quality, durability, and design excellence can create strong customer trust and preference, leading to repeat business and positive word-of-mouth marketing.

### **4. Advanced Manufacturing Capabilities**

- Investing in state-of-the-art manufacturing technology and efficient production processes enables the company to maintain high product quality, reduce costs, and improve delivery times, providing a competitive edge in the market.

### **5. Sustainability and Eco-Friendly Practices**

- A commitment to sustainability through the use of eco-friendly materials, ethical sourcing, and environmentally responsible production processes can attract environmentally conscious consumers and differentiate the company in the market.

### **6. Strong Distribution Network**

- A well-established distribution network, including retail stores, e-commerce platforms, and logistics partners, ensures broad market reach and timely delivery, enhancing customer convenience and satisfaction.

### **7. Innovation and Design Excellence**

- A focus on innovation in design and product development allows the company to stay ahead of trends and offer unique, stylish furniture that appeals to modern consumers, setting the brand apart from competitors.

### **8. Effective Digital Presence**

- A strong online presence, including an optimized website, active social media engagement, and digital marketing strategies, can drive traffic, increase sales, and build a loyal online customer base, particularly in the D2C market.

### **9. Customer Service Excellence**

- Providing exceptional customer service, including after-sales support, easy return policies, and responsive customer care, can significantly enhance customer experience, leading to higher customer satisfaction and retention.

### **10. Strategic Partnerships and Collaborations**

- Collaborations with designers, interior decorators, and other industry stakeholders can enhance product offerings, increase brand visibility, and open up new market opportunities, further strengthening the company's competitive position.

## **2. OPPORTUNITIES AND THREATS**

### **Opportunities**

#### **1. Expansion into Online Sales and D2C Market**

The growth of e-commerce presents a significant opportunity for furniture companies to reach a broader audience, including customers in remote areas. Direct-to-Consumer (D2C) models allow companies to bypass intermediaries, offering competitive pricing and building direct relationships with customers.

#### **2. Growing Demand for Customization**

Increasing consumer interest in personalized and customized furniture provides an opportunity to offer tailor-made solutions that cater to specific customer needs, enhancing brand differentiation and customer loyalty.

#### **3. Rising Urbanization and Housing Development**

As urbanization continues to rise, especially in emerging markets like India, the demand for residential and office furniture is expected to grow, presenting an opportunity to expand market share in these areas.

#### **4. Sustainability and Eco-Friendly Products**

There is a growing consumer preference for sustainable and eco-friendly products. Furniture companies that invest in sustainable materials and environmentally friendly production processes can tap into this trend, attracting environmentally conscious consumers.

#### **5. Technological Advancements**

The adoption of new technologies such as augmented reality (AR) for virtual furniture placement, 3D printing for custom designs, and AI-driven customer personalization can enhance the shopping experience and streamline production processes, offering a competitive edge.

#### **6. Expansion into New Markets**

Entering untapped or underdeveloped markets, both domestically (e.g., Tier 2 and Tier 3 cities) and internationally, presents a significant growth opportunity. These markets often have less competition and growing consumer spending power.

#### **7. Strategic Collaborations and Partnerships**

Collaborating with interior designers, real estate developers, or lifestyle brands can open new channels for product distribution and enhance brand visibility, leading to increased sales and market penetration.

## **Threats**

### **1. Intense Competition**

The furniture industry is highly competitive, with both organized players and a large unorganized sector. Increased competition can lead to price wars, reduced margins, and the potential loss of market share.

### **2. Fluctuating Raw Material Prices**

The prices of raw materials like wood, metal, and upholstery can be volatile, affecting production costs and profit margins. Unpredictable fluctuations in these costs pose a significant threat to profitability.

### **3. Supply Chain Disruptions**

Disruptions in the supply chain due to geopolitical tensions, natural disasters, or pandemics can lead to delays in production and delivery, impacting customer satisfaction and revenue.

### **4. Changing Consumer Preferences**

Rapid shifts in consumer tastes and preferences, driven by trends, economic conditions, or cultural factors, can render certain product lines obsolete or less desirable, posing a threat to sales.

### **5. Economic Slowdown**

An economic downturn or slowdown in key markets can lead to reduced consumer spending on non-essential items like furniture, negatively impacting sales and profitability.

### **6. Regulatory and Compliance Risks**

Changes in government regulations related to environmental standards, labor laws, or trade tariffs can increase operational costs or limit market access, posing a threat to business operations.

### **7. Technological Disruption**

The rapid pace of technological change can be both an opportunity and a threat. Companies that fail to adopt new technologies or keep up with digital transformation may fall behind competitors who leverage these innovations to enhance their operations and customer experience.

### **8. Cyber security Risks**

As the company expands its online presence, it becomes more vulnerable to cyber security threats, including data breaches and fraud. These risks can damage the company's reputation and lead to financial losses.

## **3. SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE**

The Company's business activities fall within single or primary business segment. Accordingly, disclosures under Accounting Standard 17, Segment Reporting as mandated under Section 133 of Companies Act, 2013 read with rules framed thereunder are not required to be made



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#### 4. OUTLOOK

**Growth Projections:** The outlook for the Indian furniture industry remains positive, with expected growth driven by urbanization, rising incomes, and increasing demand for modern living spaces. Our company is well-positioned to capitalize on these trends, with a focus on expanding our product range and market reach.

**Strategic Goals:** Our long-term goals include expanding our presence in Tier 2 and Tier 3 cities, enhancing our online platform, and continuing to innovate in product design and sustainability.

**Investment Plans:** Over the next three years, we plan to expand our manufacturing capacity, enhancing our retail presence, and adopting new technologies. This includes launching an exclusive range of luxury furniture.

#### 5. RISK AND CONCERNS

The Company is concerned about prevailing exposure norms, financial position, entry of new players in the market, rising competition from banks & multilateral agencies, uncertain business environment, fluctuation in rupee, likely increase in cost of capital due to volatile market conditions. Further, the state of business and policy environment in the country also has a cascading effect on the interest-rate regime, cost and availability of raw materials and gestation period & capital outlays required for raw material.

#### 6. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company maintains an adequate system of Internal Controls including suitable monitoring procedures to ensure accurate and timely financial reporting of various transactions, efficiency of operations and compliance with statutory laws, regulations and Company policies. Suitable delegation of powers and guidelines for accounting have been issued for uniform compliance. In order to ensure that adequate checks and balances are in place and internal control systems are in order, regular and exhaustive Internal Audit of Office/plant are conducted by the in-house Internal Audit Division and external professional audit firm. The Internal Audit covers all major areas of operations, including identified critical/risk areas, as per the Annual Internal Audit Programme. The Audit Committee of Directors periodically reviews the significant findings of different Audits, as prescribed in the Companies Act, 2013 and in the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

#### 7. FINANCIAL AND OPERATIONAL PERFORMANCE

Particulars	Current Year (2023-24)	Previous Year (2022-23)
Revenue from operations	306.13	456.80
Other income (net)	1.54	1.18
<b>Total Income</b>	<b>307.67</b>	<b>457.98</b>
<b>Less:</b>		
Operating & Administrative expenses	358.18	435.41
<b>Profit/(Loss) Before Depreciation, Interest &amp; Tax</b>	<b>(50.51)</b>	<b>22.57</b>
<b>Less:</b>		
Depreciation and amortization expense	23.44	2.58
Finance costs	16.69	4.62
<b>Profit/(Loss) before exceptional item and tax</b>	<b>(90.47)</b>	<b>15.36</b>
Exceptional item	-	-
<b>Profit/(Loss) before tax (PBT)</b>	<b>(90.47)</b>	<b>15.36</b>
Tax expense (Deferred Tax Charge)	1.96	(5.79)
<b>Profit/(Loss) after tax for the year (PAT)</b>	<b>(92.44)</b>	<b>21.15</b>

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**8. HUMAN RESOURCES / INDUSTRIAL RELATIONS**

The Company gives utmost importance to the capacity-building and well-being of its employees. The Industrial Relations in the Company continued to be on a cordial note. There are regular interactions between the management and the representative-associations on issues pertaining to employee welfare. The Company has an atmosphere of trust and cooperation, which results in a motivated work force and consistent growth in the performance.

**9. ANALYSIS OF SIGNIFICANT CHANGES IN FINANCIAL RATIOS**

As per the recent amendments to the SEBI Listing Obligations & Disclosure Requirements (LODR), we give below additional information in respect of financial parameters that are applicable to our company:

Detail of Significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios, along with detailed explanation therefore as under:

- a) **Debtor Turnover Ratio:** The Debtor Turnover ratio as on March 31, 2024 is 2.87 times as compared to 4.33 times in the previous year. (Due to decrease in sales)
- b) **Inventory Turnover Ratio:** The Inventory Turnover Ratio as on March 31, 2024 is 1.78 times as compared to 5.26 times in the previous year. (Due to decrease in turnover)
- c) **Interest Coverage Ratio:** The Interest Coverage Ratio as on March 31, 2024 is -4.42 times as compared to 4.32 times in the previous year. (Due to increase in interest component)
- d) **Current Ratio:** The Current Ratio as on March 31, 2024 is 2.58 times as compared to 9.22 times in the previous year. (Due to Decrease in Working Capital)
- e) **Debt Equity Ratio:** The Debt Equity Ratio as on March 31, 2024 is 0.49 times as compared to 0.29 times in the previous year. (Due to Increase in Debt)
- f) **Operating Profit Margin:** The Operating Profit Margin Ratio as on March 31, 2024 is 20.35% as compared to 27.70% in the previous year. (Due to decrease in sales)
- g) **Net Profit Margin:** The Net Profit Margin Ratio as on March 31, 2024 is -30.20 % as compared to 4.63 % times in the previous year. (Due to decrease in turnover)

**Cautionary Note**

Certain statements in “Management Discussion and Analysis” section may be forward looking and are stated as required by applicable laws and regulations. Many factors may affect the actual results, which could be different from what the Management envisages in terms of future performance and outlook.

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**ANNEXURE I**

**Particulars Pursuant to Section 197 of the Companies Act, 2013 Read with Rule 5 of the Companies  
(Appointment & Remuneration of Managerial Personnel) Rules, 2014:**

- (i) The percentage increase in remuneration of each director, Chief Financial Officer and Company secretary during the financial year 2023-24, ratio of the remuneration of the employees of the company for the financial year 2023-24 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the company are as under:

S.No	Name of Director, KMP and Designation	Remuneration of Director/ KMP for F.Y.2023-24 (in Lacs)	% increase in Remuneration in F.Y.2023-24	Ratio of remuneration of each director/to median remuneration of employees
1.	Hitesh Karnawat Chairman & Managing Director	12.96	-	4.8
2.	Lalit Ghewarchand Karnawat Whole-Time Director & Chief Financial Officer	7.20	-	2.66
3.	Mayuri Karnawat Whole-Time Director	7.80	-	2.88
4.	Adesh Bhansali Non-executive Independent Director	-	-	-
5.	Praveen Kumar Bokariya Non-executive Independent Director	-	-	-
6.	Neelabh Gotecha Non-executive Independent Director	-	-	-
7.	Ratika Khandelwal Company Secretary	1.44	-	0.53

**Note:**

- Independent Directors were not paid any remuneration during the financial year under review. Hence, their ratio to Median Remuneration has been shown as Nil.
- The median remuneration of employee of the company during the Financial Year was 2.70
- In the Financial Year, the median remuneration of employees is increased by 70.89 %
- There were 08 Permanent employees on the rolls of company as on March 31, 2024.
- Average percentage increase made in the salaries of employees other than the managerial personnel in comparison of the last financial year is Nil. New employees have been appointed in FY 2023-24
- The remuneration is as per the recommendations of the Nomination Remuneration Committee.
- It is hereby affirmed that the remuneration paid is as per the remuneration policy for Directors, Key Managerial Personnel and other Employees.

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(ii) A. The list of top 10 employees are as follows:

S.No	Particulars	a) Designation b) Date of Commencement of Employment c) Age	Educational qualifications	Experience (in year)	Remuneration in fiscal 2024 including perks (□ in lakhs pa)	Previous employment and designation
1.	Hitesh Karnawat	a) Chairman & Managing Director b) 04/09/2021 c) 34 Years	B.com	10 Years	12.96	First employment is with SFSL
2.	Mayuri Karnawat	a) Whole-Time Director & Chief Financial Officer b) 04/09/2021 c) 38 Years	B.com	06 Years	7.80	First employment is with SFSL
3.	Lalit Ghewarchand Karnawat	a) Whole-Time Director b) 04/09/2021 c) 64 Years	10 <sup>th</sup>	05 Years	7.20	First employment is with SFSL
4.	Ratika Khandelwal	a) Company Secretary b) 08/09/2021 c) 36 Years	CS	05 Years	1.44	First employment is with SFSL
5.	Pappu Ahari	a) Office Assistant b) 01/04/2022 c) 35 Years	7 <sup>th</sup>	08 Years	1.80	Minex Steel Company and office assistant
6.	Rishab Jain	a) Marketing Executive b) 01/04/2022 c) 22 Years	B.Com	02 Years	1.20	First employment is with SFSL
7.	Govind Panwar	a) Upholstery Manager b) 01/08/2023 c) 40 Years	12 <sup>th</sup>	01 Year	2.40	Mahesh Handicraft and Upholstery Manager
8.	Puneet Mawar	a) Supervisor b) 01/10/2023 c) 38 Years	M.B.A.	01 Year	3.00	Ritu Road Lines and Manager

B. Employed throughout the financial year and was in receipt of remuneration for the year in aggregate of not less than Rs.1,02,00,000/— NIL

C. Employed for a part of the financial year and was in receipt of remuneration at a rate in aggregate not less than Rs. 8,50,000/- per month – NIL

D. Employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company - N. A.

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**For and on behalf of the Board  
Shashwat Furnishing Solutions Limited**

**Sd/-**

**Lalit Ghewarchand Karnawat  
Whole-Time Director  
DIN – 09097274**

**Sd/-**

**Hitesh Karnawat  
Chairman & Managing Director  
DIN – 09097273**

**Date: September 05, 2024  
Place: Jodhpur, Rajasthan**

**ANNEXURE II**

**NOMINATION AND REMUNERATION POLICY**

**Introduction:**

This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Committee, in compliances with Section 178 of the Companies Act, 2013 read along with applicable rules and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**Objectives of the Committee:**

The Committee shall:

1. Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of Directors, key managerial personnel and other employees.
2. Formulation of criteria for evaluation of the Independent Director and to carry out evaluation of every Director's performance and to provide necessary report to the Board for further evaluation.
3. Devising a policy on Board diversity.
4. Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.
5. To provide to Key Managerial Personal and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
6. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
7. Ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
8. 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.
9. To perform such other functions as may be necessary or appropriate for the performance of its duties.
10. To develop a succession plan for the Board and to regularly review the plan.

**Definitions:**

- "Act":- Act means the Companies Act, 2013 and Rules framed there under, as amended from time to time.
- "Board":-Board means Board of Directors of the Company.
- "Director":-Directors means Directors of the Company.
- "Committee":-Committee means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board, from time to time.
- "Company":- Company means Shashwat Furnishing Solutions Limited.
- "Independent Director":- As provided under the Companies Act, 2013, 'Independent director' shall mean a non-executive director, other than a nominee director of the Company:
  - a. who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
  - b. (i) who is or was not a promoter of the Company or its holding, subsidiary or associate company;
  - (iii) who is not related to promoters or directors in the company, its holding, subsidiary or associate company;
  - c. apart from receiving director's remuneration, has or had no pecuniary relationship with the Company, its holding, subsidiary or associate Company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
  - d. none of whose relatives has or had pecuniary relationship or transaction with the Company, its holding, subsidiary or associate Company, or their promoters, or directors, amounting to two percent. or more of its gross turnover or total

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income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;

e. who, neither himself nor any of his relatives —

i. holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;

ii. is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed; of-

(A). a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate Company; or

(B). any legal or a consulting firm that has or had any transaction with the Company, its holding, subsidiary or associate Company amounting to ten per cent or more of the gross turnover of such firm;

iii. holds together with his relatives two per cent or more of the total voting power of the Company; or

iv. is a Chief Executive or director, by whatever name called, of any non-profit organization that receives twenty-five per cent or more of its receipts from the Company, any of its promoters, directors or its holding, subsidiary or associate Company or that holds two per cent or more of the total voting power of the Company; or f. who possesses such other qualification as may be prescribed under the applicable statutory provisions/ regulations

g. is a material supplier, service provider or customer or a lessor or lessee of the Company; h. who is not less than 21 years of age.

- “Key Managerial Personnel”:- Key Managerial Personnel (KMP) means- (i) the Chief Executive Officer or the managing director or the manager; (ii) the Whole-Time Director; (iii) the Company Secretary; 3 (iv) the Chief Financial Officer; and (v) such other officer as may be prescribed under the applicable statutory provisions/ regulations.
- “Senior Management”:- The expression “senior management” means personnel of the Company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.
- “Nomination and Remuneration Committee” shall mean a Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Companies Act, 2013.
- “Policy or This Policy” means, “Nomination and Remuneration Policy”.
- “Remuneration” means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961. Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein. Guiding Principles

The Policy ensures that

- i. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully.
- ii. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- iii. Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

**Applicability:**

The Policy is applicable to:

- i. Directors (Executive and Non-Executive)
- ii. Key Managerial Personnel
- iii. Senior Management Personnel
- iv. Employees

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**Constitution of the Nomination and Remuneration Committee:**

The Board has the power to constitute/ reconstitute the Committee from time to time in order to make it consistent with the Company's policy and applicable statutory requirement. At present, the Nomination and Remuneration Committee comprises of following Directors:

1. Mr. Neelabh Gotecha, Chairman Non-Executive Independent Director;
2. Mr. Adesh Bhansali, Member Non-Executive Independent Director;
3. Mrs. Praveen Kumar Bokariya, Member Non-Executive Director.

**Membership:**

- a. The Committee shall consist of a minimum 3 non-executive directors, majority of them being independent.
- b. Minimum two (2) members shall constitute a quorum for the Committee meeting.
- c. Membership of the Committee shall be disclosed in the Annual Report.
- d. Term of the Committee shall be continued unless terminated by the Board of Directors.

**Chairman:**

- a. Chairman of the Committee shall be an Independent Director.
- b. Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.
- c. In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.
- d. Chairman of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

**Frequency of Meetings:**

The Committee shall meet at such regular intervals as may be required.

**Committee Members' Interests:**

- a. A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- b. The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

**Secretary:**

- a. The Company Secretary of the Company shall act as Secretary of the Committee.

**Voting:**

- a. Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.
- b. In the case of equality of votes, the Chairman of the meeting will have a casting vote.



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**General Appointment Criteria:**

- i. The Committee shall consider the ethical standards of integrity and probity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and accordingly recommend to the Board his / her appointment.
- ii. The Company should ensure that the person so appointed as Director/ Independent Director/ KMP/ Senior Management Personnel shall not be disqualified under the Companies Act, 2013, rules made there under or any other enactment for the time being in force.
- iii. The Director/ Independent Director/ KMP/ Senior Management Personnel shall be appointed as per the procedure laid down under the provisions of the Companies Act, 2013, rules made there under, or any other enactment for the time being in force.
- iv. The Company shall not appoint or continue the employment of any person as Managing Director/Whole-time Director/Manager who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

**Term / Tenure:**

The Term / Tenure of the Directors shall be governed as per provisions of the Companies Act, 2013 and rules made there under as amended from time to time.

1. Managing Director/Whole-time Director/Manager (Managerial Person):- The Company shall appoint or re-appoint any person as its Managerial Person for a term not exceeding five years at a time. No reappointment shall be made earlier than one year before the expiry of term.
2. Independent Director: - An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's Report. No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves as an Independent Director.

**Evaluation:**

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management at regular interval (yearly).

**Removal:**

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made there under or under any other applicable Act, rules and regulations or any other reasonable ground, the Committee may recommend to the Board for removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

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### **Retirement:**

The Director, KMP and Senior Management shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

### **Criteria for Evaluation of the Board:**

Following are the Criteria for evaluation of performance of the Board:

#### 1. Executive Directors:

The Executive Directors shall be evaluated on the basis of targets/Criteria given to executive Directors by the Board from time to time

#### 2. Non-Executive Director:

The Non-Executive Directors shall be evaluated on the basis of the following criteria i.e. whether they:

- (a) act objectively and constructively while exercising their duties;
- (b) exercise their responsibilities in a bona fide manner in the interest of the Company;
- (c) devote sufficient time and attention to their professional obligations for informed and balanced decision making;
- (d) do not abuse their position to the detriment of the company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- (e) refrain from any action that would lead to loss of his independence
- (f) inform the Board immediately when they lose their independence,
- (g) assist the Company in implementing the best corporate governance practices.
- (h) strive to attend all meetings of the Board of Directors and the Committees;
- (i) participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- (j) strive to attend the general meetings of the Company;
- (k) keep themselves well informed about the Company and the external environment in which it operates;
- (l) do not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- (m) moderate and arbitrate in the interest of the Company as a whole, in situations of conflict between management and shareholder's interest.
- (n) abide by Company's Memorandum and Articles of Association, Company's policies and procedures including code of conduct, insider trading etc.

### **Policy on Board diversity:**

The Board of Directors shall have the optimum combination of Directors from the different areas/fields like production, Management, Quality Assurance, Finance, Sales and Marketing, Supply chain, Research and Development, Human Resources etc or as may be considered appropriate. The Board shall have at least one Board member who has accounting or related financial management expertise and financially literate.

### **Remuneration:**

The Committee will recommend the remuneration to be paid to the Managing Director, Whole Time Director, KMP and Senior Management Personnel to the Board for their approval. The level and composition of remuneration so determined by the Committee shall be reasonable and sufficient to attract, retain and motivate directors, Key Managerial Personnel and Senior Management of the quality required to run the Company successfully. The relationship of remuneration to performance should be clear and meet appropriate performance benchmarks. The remuneration should also involve a

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balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals:

**General:**

1. The remuneration / compensation / commission etc. to Managerial Person, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
2. The remuneration and commission to be paid to Managerial Person shall be as per the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force.
3. Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Managerial Person. Increments will be effective from the date of reappointment in respect of Managerial Person and 1st April in respect of other employees of the Company.
4. Where any insurance is taken by the Company on behalf of its Managerial Person, KMP and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

**Remuneration to Managerial Person, KMP and Senior Management:**

1. Fixed pay: Managerial Person, KMP and Senior Management shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee in accordance with the statutory provisions of the Companies Act, 2013, and the rules made there under for the time being in force. The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.
2. Minimum Remuneration: If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managerial Person in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the prior approval of the Central Government.
3. Provisions for excess remuneration: If any Managerial Person draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

**Remuneration to Non-Executive / Independent Director:**

1. Remuneration / Commission: The remuneration / commission shall be in accordance with the statutory provisions of the Companies Act, 2013, and the rules made there under for the time being in force.
2. Sitting Fees: The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed the maximum amount as provided in the Companies Act, 2013, per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.
3. Limit of Remuneration /Commission: Remuneration /Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the net profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

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**ANNEXURE-III**

**Declaration in respect of compliance with the code of Conduct**

It is hereby declared that all Board Members, Key Managerial Personnel and Senior Management Personnel of the company have affirmed Compliance with the Code of Conduct of the Company, for the financial year ended March 31, 2024.

**Sd/-**

**Hitesh Karnawat**  
**Chairman & Managing Director**  
**DIN – 09097273**

**Date: September 05, 2024**  
**Place: Jodhpur, Rajasthan**

**ANNEXURE- IV**

**MD AND CFO CERTIFICATION**

**To,  
The Board of Directors  
Shashwat Finishing Solutions Limited**

We, Managing Director and Chief Financial Officer of Shashwat Furnishing Solutions Limited, to the best of our knowledge and belief, certify that:

1. We have reviewed the Balance Sheet, Statement of Profit and Loss and Cash Flow of the Company and all the notes on accounts and the Board's report for the year ended March 31, 2024.
2. These statements do not contain any materially untrue statement or omit to state a material fact necessary to make the statement made, in light of the circumstances under which such statement was made, not misleading with respect to the period covered by this report.
3. The financial statements, and other financial information included in this report, present in all material respects a true and fair view of the Company's affairs, the financial condition, results of operations and cash flows of the Company as at, and for, the periods presented in this report, and with the existing accounting standards and/or applicable laws and regulations.
4. There are no transactions entered into by the company during the year that are fraudulent, illegal or violate the Company's Code of Conduct and Ethics, except as disclosed to the Company's audit committee of Board of Director's.
5. We are responsible for establishing and maintaining disclosure controls over financial reporting for the Company, and we have:
  - a. Designed such disclosure controls and procedures or caused such disclosure controls and procedures to be designed under our supervision to ensure that material information relating to the Company is made known to us by others within those entities, particularly during the period in which this report is being prepared.
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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 (GAAP) in India.
  - c. Evaluated the effectiveness of the Company's disclosure, controls and procedures.
  - d. Disclosed in this report, changes, if any, in the Company's internal control over financial reporting that occurred during the Company's most recent fiscal year that has materially affected or is reasonably likely to materially affect, the Company's internal control over financial reporting.
6. We have displayed, based on our most recent evaluation of the Company's internal control over financial reporting, wherever applicable, to the Company's auditors and the audit committee of the Company's Board (and persons performing the equivalent functions):
  - a. Any deficiencies in the design or operation of internal controls, that could adversely affect the Company's ability to record, process, summarize and report financial data, and have confirmed that there have been no material

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weaknesses in internal controls over financial reporting including any corrective actions with regard to deficiencies.

- b. Any significant changes in internal controls during the year covered by this report.
  - c. All significant changes in internal controls during the year covered by this report.
  - d. Any Instances of significant fraud of which we are aware, that involve the management or other employees who have a significant role in the Company's internal control system.
7. We affirm that we have not denied any personnel access to the audit committee of the Company (in respect of matters involving alleged misconduct) and we have provided protection to whistle-blowers from unfair termination and other unfair or prejudicial employment practices.
8. We further declare that all Board members and senior management personnel have affirmed compliance with the Code of Conduct and Ethics for the year covered by this report.

**Sd/-**

**Hitesh Karnawat**  
**Managing Director**  
**DIN - 09097273**

**Sd/-**

**Mayuri Karnawat**  
**Chief Financial Officer**

**Date: September 05, 2024**  
**Place: Jodhpur, Rajasthan**

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**ANNEXURE- V**

**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**  
FOR THE FINANCIAL YEAR ENDED ON 31<sup>ST</sup> MARCH, 2024  
*[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of  
The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

**To,**  
**The Members**  
**SHASHWAT FURNISHING SOLUTIONS LIMITED**  
**121, Mahaveer Nagar, Jain Colony**  
**Jodhpur, Rajasthan-342001**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **SHASHWAT FURNISHING SOLUTIONS LIMITED** (hereinafter called “the Company”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company, the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to us and there presentations made by the Management, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2024 (‘Audit Period’) generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the Company as per Annexure A for the Financial Year ended on 31<sup>st</sup> March, 2024 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’): -
  - i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - ii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - iii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

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- iv. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; (Not applicable to the Company during the period)
- v. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;(Not applicable to the Company during the period)
- vi. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- vii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;(Not applicable to the Company during the period) and
- viii. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;(Not applicable to the Company during the period)
- ix. The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015;

As confirmed by the management, there are no sector specific laws that are applicable specifically to the company.

We have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards with regard to Meetings of Board of Directors (SS-1) and General Meetings (SS- 2) issued by The Institute of Company Secretaries of India.
- ii. The Listing Agreements entered into by the Company with the BSE read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except that, the Company has not timely disseminated the documents/information on the website.

**We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decision of Board and committee meeting were carried with requisite majority.

**We further report that** there are adequate systems and processes in the Company, commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that during** the Audit Period, the Company has not undertaken any specific event / action that can have a bearing on the Company's compliance responsibility in pursuance of the above referred Laws, Rules, Regulations, Guidelines, Standards, etc.



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Place: Jaipur  
Date: 31.08.2024

**For MSV & Associates**  
**Practicing Company Secretaries**  
**FRN: P2018RJ071900**  
**Peer Review Certificate No.: 1924/2022**

**Name of Company Secretary: Vivek Sharma**  
**Partner**  
**FCS No. 10663|CP. No. 14773**  
**UDIN: F010663F001085759**

Note: This report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report.

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**ANNEXURE – A**

To,  
The Members  
SHASHWAT FURNISHING SOLUTIONS LIMITED  
121, Mahaveer Nagar, Jain Colony  
Jodhpur, Rajasthan-342001

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company as well as correctness of the values and figures reported in various disclosures and returns as required to be submitted by the Company under the specified laws, though we have relied to a certain extent on the information furnished in such returns
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. Due to the inherent limitations of an audit including internal, financial, and operating controls, there is an unavoidable risk that some misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with audit practices.
7. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place: Jaipur  
Date: 31.08.2024

**For MSV & Associates**  
**Practicing Company Secretaries**  
**FRN: P2018RJ071900**  
**Peer Review Certificate No.: 1924/2022**

**Name of Company Secretary: Vivek Sharma**  
**Partner**  
**FCS No. 10663|CP. No. 14773**  
**UDIN: F010663F001085759**

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**ANNEXURE- VI**

**CERTIFICATE OF NONDISQUALIFICATION OF DIRECTORS**

[Pursuant to Regulation 34(3) and Schedule V Para C Clause (10) (i) of the Securities Exchange and Board of India  
(Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,  
The Members  
SHASHWAT FURNISHING SOLUTIONS LIMITED  
121, Mahaveer Nagar, Jain Colony Jodhpur, Rajasthan-342001

In Pursuance of sub clause (i) of clause 10 of Part C of schedule V of the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirement) Regulations, 2015; (LODR) in respect of SHASHWAT FURNISHING SOLUTIONS LIMITED (CIN: L20299RJ2021PLC073899), we have examined the relevant disclosures provided by the Directors (as enlisted in Table A).

In our opinion and to the best of our knowledge and based on the following:

- i. Documents available on the website of the Ministry of Corporate Affairs;
- ii. Verification of Directors Identification Number (DIN) status on the website of the Ministry of Corporate Affairs; and
- iii. Disclosures provided by the Directors (as enlisted in Table A) to the Company.

We hereby certify that none of the Directors on the Board of the Company (as enlisted in Table A) has been Debarred or Disqualified from being appointed or continuing as Director of company by the SEBI/ Ministry of Corporate Affairs or any statutory authority as on March 31<sup>st</sup>, 2024.

**List of Directors (Table A)**

S.No.	Name of the Directors	DIN	Date of appointment in the Company	Designation
1.	Lalit Ghewarchand Karnawat	09097274	08/03/2021	Whole-Time Director
2.	Hitesh Karnawat	09097273	13/04/2018	Managing Director
3.	Praveen Kumar Bokariya	08028204	04/09/2021	Independent Director
4.	Neelabh Gotecha	09298749	04/09/2021	Independent Director
5.	Adesh Bhansali	09298681	04/09/2021	Independent Director
6.	Mayuri Karnawat	09276591	12/08/2021	Whole-Time Director

Ensuring the eligibility for 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: Jaipur  
Date: 31-08-2024

For MSV & Associates  
Practicing Company Secretaries  
FRN: P2018RJ071900  
Peer Review Certificate No.: 1924/2022

Name of Company Secretary: Vivek Sharma  
Partner  
FCS No. 10663|CP. No. 14773  
UDIN: F010663F001085748

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**STANDALONE FINANCIAL STATEMENT**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS**

**TO THE MEMBERS OF  
SHASHWAT FURNISHING SOLUTIONS LIMITED**

**OPINION**

We have audited the accompanying Financial Statements of **Shashwat Furnishing Solutions Limited** (“the Company”), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss for the year ended on March 31, 2024, the Statement Cash flow statement for the year ended & and a summary of significant accounting policies and other explanatory information.

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 in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under Section 133 of the Act & other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its Profit/(loss) and its cash flows for the year ended on that date.

**BASIS FOR OPINION**

We conducted our audit of the Financial Statements in accordance with the standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those standards 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 (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provision of the Act, and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

**KEY AUDIT MATTERS**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone financial statements of the current period. These matters were addressed in the context of our audit of the Standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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We have determined the matters described below to be the key audit matters to be communicated in our report.

S.No.	Key Audit Matter
1.	<p><b>Assessment of Trade Receivables:</b> The company has trade receivables amounting to Rs. 91.89 Lakhs (i.e. 16.75% of total assets) at the Balance Sheet Date March 31, 2024.</p> <p>The increasing challenges over the economy and operating environment in the Trading &amp; manufacturing industry during the year have increased the risks of default on receivables from the company's customers. In particular, in the event of insolvency of customers, the company is exposed to potential risk of financial loss when the customers fail to meet their contractual obligations in accordance with the requirements of the agreements.</p> <p>Based on historical default rates and overall credit worthiness of customers, management believes that no impairment allowance is required in respect of outstanding trade receivables as on March 31, 2024.</p> <p>For the purpose of impairment assessment, significant judgements and assumptions, including the credit risks of customers, the timing and amount of realisation of these receivables, are required for the identification of impairment events and the determination of the impairment charge.</p>
	<p><b>Auditor Response to key Audit Matter:</b></p> <p>Principal Audit Procedures: We have performed the following procedures in relation to the recoverability of trade receivables:</p> <ul style="list-style-type: none"> <li>• Tested the accuracy of aging of trade receivables at year end on a sample basis;</li> <li>• Obtained a list of outstanding receivables and assessed the recoverability of the unsettled receivables on a sample basis through our evaluation of management's assessment with reference to the credit profile of the customers, historical payment pattern of customers, publicly available information and latest correspondence with customers</li> <li>• Tested subsequent settlement of trade receivables after the balance sheet date on sample basis.</li> </ul> <p><b>Conclusion:</b> We found the key judgement and assumptions used by management in the recoverability assessment of trade receivables to be supportable based on the available evidence.</p>

**INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON.**

The company's board is responsible for the preparation of the other information. The other information comprises the information included Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report but does not include the Financial Statements and our Auditor's 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 during the course of our 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.

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**MANAGEMENT’S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

The Company’s Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation of these Financial Statements to give a true and fair view of the financial position, financial performance, & cash flows of the Company in accordance with accounting standard & 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 is 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 basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The board of directors are responsible for overseeing the company’s financial reporting process.

**AUDITOR’S RESPONSIBILITY FOR THE AUDIT OF 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 decision of users taken on the basis of these financial statements.

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

- identify and assess the risks of material misstatements 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 controls 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 system 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 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 auditor’s report. However, future events or conditions may cause the company to cease to continue as a going concern.

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- 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 auditor's 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 Section 143(3) of the Act, based on our audit 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 purposes of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) The Balance Sheet, the Statement of Profit and Loss & Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the aforesaid financial statements comply with the accounting standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e) On the basis of the written representations received from the directors as on March 31, 2024, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024, from being appointed as a director in terms of Section 164 (2) of the Act;
  - f) With respect to the adequacy of internal financial control over financial reporting of the company & the operating effectiveness of such controls, refer to our separate report in Annexure "A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the company's internal financial controls over financial reporting.
  - 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.

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- h) With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanation given to us:
- (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
  - (ii) The Company has made provision, as at March 31, 2024 as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
  - (iii) The Company is not liable to transfer any amounts, to the Investor Education and Protection Fund during the year ended March 31, 2022.
  - (iv) 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;
  - (v) The company has not declared & paid any dividend during the year.
  - (vi) Based on our examination, which included test checks, the Company has not used accounting softwares for maintaining its books of account for the financial year ended March 31, 2024, which has a feature of recording audit trail (edit log) facility and the same has not been operated throughout the year for all relevant transactions recorded in the softwares.
- As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.
2. As required by the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

**For A Y & Company**  
**Chartered Accountants**  
**FRN : 020829C**

**Priyanka Gianchandani**  
**Partner**  
**M.NO. : 445912**  
**UDIN :**  
**Place : Jodhpur**  
**Date : 27.05.2024**



***SHASHWAT FURNISHING SOLUTIONS LIMITED***  
***ANNUAL REPORT 2023-24***

**ANNEXURE “A” TO THE AUDITOR’S REPORT**

**Report on the Internal Financial Control under clause (i) of sub section 3 of Section 143 of companies Act , 2013 (‘The Act’)**

We have audited the internal financial control over financial reporting of Shashwat Furnishing Solutions Limited (‘the company’) as of 31st March, 2024 in conjunction with our audit of the financial statement of the company for the year ended on that date.

**Management 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 Control over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 Companies Act, 2013.

**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”) issued by ICAI and the standards on auditing 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

***SHASHWAT FURNISHING SOLUTIONS LIMITED***  
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**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, 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, 2024, 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 Control Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For A Y & Company**  
**Chartered Accountants**  
**FRN : 020829C**

**Priyanka Gianchandani**  
**Partner**  
**M.NO. : 445912**  
**UDIN : 24445912BKFLGJ2884**  
**Place : Jodhpur**  
**Date : 27.05.2024**

***SHASHWAT FURNISHING SOLUTIONS LIMITED***  
***ANNUAL REPORT 2023-24***

**ANNEXURE “B” TO THE AUDITOR’S REPORT**

**Referred to in Paragraph 2 Under “Report on Other Legal and Regulatory Requirements” of Our Report to the member of Shashwat Furnishing Solutions Limited of Even Date**

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- 1) 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 fixed assets;  
  
(B) The Company has maintained proper records showing full particulars of intangible assets.
  - b) The Company has a program of physical verification of Property, Plant and Equipment so to cover all the assets once every three years 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) The title deeds of immovable properties are held in the name of the company.
  - d) The company has not revalued its Property, Plant & Equipment (including Right of use assets) or intangible assets during the year
  - e) No proceeding have been initiated or are pending against the company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- 2)
  - a) The inventories, except goods-in-transit and stocks lying with third parties, have been physically verified by the management during the year. In our opinion and based on information and explanations given to us, the coverage and procedure of such verification by the management is appropriate having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories.
  - b) The Company has not been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.
- 3) In our opinion the investments made by the company are prima facie, not prejudicial to the interest of the company. Further the company has not, provided any guarantee or security, granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, LLP or other parties covered in register maintained under section 189 of the companies act 2013. Hence the question of reporting such loans are not prejudicial to the company’s interest or whether the receipt of the principal amount and interest are regular and whether reasonable steps for recovery of overdues of such loan are taken, does not arise.
- 4) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security.
- 5) 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.

**SHASHWAT FURNISHING SOLUTIONS LIMITED**  
**ANNUAL REPORT 2023-24**

- 6) As informed to us, 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.
- 7) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Goods & Service Tax, Duty of Customs, Cess and any other statutory dues with the appropriate authorities and no statutory dues were outstanding as at 31<sup>st</sup> March, 2022 for a period of more than six months from the date they became payable except as followings:
- b) According to the information and explanation given to us, there are no dues of income tax, Goods & service tax & duty of customs outstanding on account of any dispute.
- 8) 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.
- 9)
- a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
- 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) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- f) The Company has not raised any loans during the year and hence reporting on clause 3(ix)(f) of the Order is not applicable.
- 10) a) The Company has raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and the same has been applied for the purpose for which money was raised
- 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.
- 11) a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- 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 upto the date of this report..
- c) We have taken into consideration the whistle blower complaints received by the Company during the year (and upto the date of this report), while determining the nature, timing and extent of our audit procedures.
- 12) The Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.

**SHASHWAT FURNISHING SOLUTIONS LIMITED**  
**ANNUAL REPORT 2023-24**

- 13) 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.
- 14) a) In our opinion the company has an internal audit system commensurate with the size and nature of its business.  
b) We have not received the internal audit report till the date of signing of this report.
- 15) In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors. and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- 16) (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.
- 17) The company has incurred cash losses in the financial year and not in the immediately preceding financial year.
- 18) During the year under review, there has been no resignation of statutory auditors during the year.
- 19) 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.
- 20) There are no unspent amounts towards Corporate Social Responsibility (CSR) requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.
- 21) The reporting under Clause (xxi) of the Order is not applicable in respect of audit of financial statements. Accordingly, no comment in respect of the said clause has been included in this report.

**For A Y & Company**  
**Chartered Accountants**  
**FRN : 020829C**

**Priyanka Gianchandani**  
**Partner**  
**M.NO. : 445912**  
**UDIN : 24445912BKFLGJ2884**  
**Place : Jodhpur**  
**Date : 27.05.2024**

**SHASHWAT FURNISHING SOLUTIONS LIMITED**  
(Previously Known as Shashwat Furnishing Solutions Private Limited)

Balance sheet as at March 31, 2024

CIN No: L20299RJ2021PLC073899

Particular	Notes	31 March 2024 (Amount in Lakhs)	31 March 2023 (Amount in Lakhs)
<b>I. Equity and Liabilities</b>			
<b>Shareholders Fund</b>			
Share Capital	2.1	208.80	208.80
Reserves & Surplus	2.2	112.54	204.97
		<b>321.34</b>	<b>413.77</b>
<b>Share Application Money Pending Allotment</b>		-	-
<b>Non-current liabilities</b>			
Long Term Borrowings		77.87	106.60
Deferred tax liabilities (Net)		-	-
Other Long Term Liabilities			
		<b>77.87</b>	<b>106.60</b>
<b>Current liabilities</b>			
Short Term Borrowings	2.3	78.74	14.25
Trade payables			
(a) total outstanding dues of micro and small enterprises	2.4	-	-
(b) total outstanding dues other than micro and small enterprises	2.4	42.87	19.93
Other current liabilities	2.5	27.80	22.61
Short term Provisions	2.6	-	1.83
		<b>149.42</b>	<b>58.63</b>
<b>Total</b>		<b>548.61</b>	<b>579.00</b>
<b>II. Assets</b>			
<b>Non-current assets</b>			
Fixed assets			
Property, Plant & Equipments	2.7	139.75	10.79
Intangible Assets		-	-
Capital WIP	2.7	-	-
Long Term Loans & Advances		-	-
Non Current Investments		-	-
Other Non Current Assets	2.9	16.51	19.51
Deferred Tax Assets (Net)	2.10	6.49	8.45
		<b>162.75</b>	<b>38.75</b>
<b>Current Assets</b>			
Investments		-	-
Inventories	2.11	205.48	137.77
Trade Receivables	2.12	91.89	121.44
Cash & Bank Balances	2.13	21.95	55.35
Short Term loans & advances	2.14	27.02	213.65
Other current Assets	2.15	39.53	12.04
		<b>385.86</b>	<b>540.24</b>
<b>Total</b>		<b>548.61</b>	<b>579.00</b>
Notes on significant accounting policies		1	
The accompanying notes are an integral part of the financial statements.			

As per our report of even date

For A Y & Company  
Firm Registration No. 020829C  
Chartered Accountants

CA Priyanka Gianchandani  
Partner  
Membership No. 445912  
UDIN : 24445912BKFLGJ2884  
Place : Jodhpur  
Date : 27.05.2024

For and on behalf of the Board of Directors

Hitesh Karnawat  
Managing Director  
DIN : 09097273

Mayuri Karnawat  
Whole Time Director & CFO  
DIN : 09276591

Ratika Khandelwal  
Company Secretary

**SHASHWAT FURNISHING SOLUTIONS LIMITED**  
**(Previously Known as Shashwat Furnishing Solutions Private Limited)**  
**Statement of Profit and Loss for the period ended March 31, 2024**  
**CIN No: L20299RJ2021PLC073899**

Particular	Notes	31 March 2024 (Amount in Lakhs)	31 March 2023 (Amount in Lakhs)
<b>Income</b>			
Revenue from Operations	2.16	306.13	456.80
Other Income	2.17	1.54	1.18
<b>Total Income (I)</b>		<b>307.67</b>	<b>457.98</b>
<b>Expenses</b>			
Cost of Material Consumed	2.18	314.39	348.21
Purchase of Stock in Trade			-
Change in inventories of Finished Goods, WIP & Stock in Trade	2.19	(70.55)	(17.92)
Employee benefit expenses	2.20	33.37	43.72
Finance Cost	2.21	16.69	4.62
Depreciation & Amortization Expense	2.22	23.44	2.59
Other Expenses	2.23	80.80	61.40
<b>Total Expenses (II)</b>		<b>398.13</b>	<b>442.62</b>
<b>Profit/(loss) Before Prior period, exceptional and extraordinary items and tax (I) - (II)</b>		<b>(90.47)</b>	<b>15.36</b>
Prior period items (Net)		-	-
<b>Profit/(Loss) before tax</b>		<b>(90.47)</b>	<b>15.36</b>
<b>Tax Expenses</b>			
Current Tax		-	1.83
Deferred Tax Charge		1.96	(8.20)
Earlier Year Taxes		-	0.57
<b>Total Tax Expense</b>		<b>1.96</b>	<b>(5.79)</b>
<b>Profit/(loss) after tax</b>		<b>(92.44)</b>	<b>21.15</b>
<b>Earnings/(loss) Per Share</b>			
Basic (Nominal value of shares Rs.10 (PY: Rs.NIL))	2.24	(4.43)	1.04
Diluted (Nominal value of shares Rs.10 (PY: Rs.NIL))	2.24	(4.43)	1.04
Notes on significant accounting policies		1	
The accompanying notes are an integral part of the financial statements.			

As per our report of even date  
For A Y & Company  
Firm Registration No. 020829C  
Chartered Accountants

For and on behalf of the Board of Directors  
  
Hitesh Karnawat  
Managing Director  
DIN : 09097273

CA Priyanka Gianchandani  
Partner  
Membership No. 445912  
UDIN : 24445912BKFLGJ2884  
Place : Jodhpur  
Date : 27.05.2024

Mayuri Karnawat  
Whole Time Director & CFO  
DIN : 09276591

Ratika Khandelwal  
Company Secretary

**SHASHWAT FURNISHING SOLUTIONS LIMITED**  
(Previously Known as Shashwat Furnishing Solutions Private Limited)  
CIN No: L20299RJ2021PLC073899

Statement of Cash Flows for the period ended March 31, 2024

**Standalone Statement of Cash Flows for the period ended March 31, 2024**

Cash flow statement as at	31 March 2024 (Amount in Lakhs)	31 March 2023 (Amount in Lakhs)
<b>Cash flow from operating activities</b>		
Net Profit before tax and extraordinary items	(90.47)	15.36
<b>Non-Cash adjustment to reconcile profit before tax to net cash flows</b>		
Depreciation	23.44	2.59
Finance Cost	16.69	4.62
<b>Operating profit before Working Capital changes</b>	<b>(50.34)</b>	<b>22.58</b>
<b>Change in Working Capital</b>	<b>149.10</b>	<b>(303.45)</b>
Increase/(Decrease) in Trade Payables	22.94	(17.37)
Increase/(Decrease) in Other current Liabilities	5.19	10.87
Decrease/(Increase) in Inventories	(67.71)	(101.77)
Decrease/(Increase) in Trade receivables	29.55	(31.93)
Decrease/(Increase) in Short Term Loans & Advances	186.63	(161.02)
Decrease/(Increase) in Other Current Assets	(27.50)	(2.24)
<b>Cash generated from operations</b>	<b>98.77</b>	<b>(280.88)</b>
Income Tax(Paid)/ Refund	(1.83)	(4.37)
<b>Net Cash flow from / (used in) Operating activities (A)</b>	<b>96.94</b>	<b>(285.25)</b>
<b>Cash Flow from/(used in) Investing Activities</b>		
Purchase of Fixed Assets	(152.39)	(10.31)
Increase in Long Term Loans & Advances	-	-
Increase in Other Non Current Assets	3.00	(13.70)
<b>Net Cash (used in) investing activities (B)</b>	<b>(149.39)</b>	<b>(24.01)</b>
<b>Cash Flow from/ (used in) Financing Activities</b>		
Proceeds from Issue of Share Capital	-	55.80
Payment of Finance Cost	(16.69)	(4.62)
(Decrease)/Increase in Long Term Borrowings	(28.74)	106.60
(Decrease)/Increase in Short term Borrowings	64.49	13.40
Proceeds from Security Premium	-	155.30
<b>Net Cash flow from / (used in) financing activities (C)</b>	<b>19.06</b>	<b>326.48</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>(33.39)</b>	<b>17.22</b>
Cash and Cash Equivalents at the beginning of the year	55.35	38.14
<b>Cash and Cash Equivalents at the end of the year</b>	<b>21.95</b>	<b>55.35</b>

As per our report of even date  
For A Y & Company  
Firm Registration No. 020829C  
Chartered Accountants

CA Priyanka Gianchandani  
Partner  
Membership No. 445912  
UDIN : 24445912BKFLGJ2884  
Place : Jodhpur  
Date : 27.05.2024

For and on behalf of the Board of Directors

Hitesh Karnawat  
Managing Director  
DIN : 09097273

Mayuri Karnawat  
Whole Time Director & CFO  
DIN:09276591

Ratika Khandelwal  
Company Secretary



**SHASHWAT FURNISHING SOLUTIONS LIMITED**  
**(Previously Known as Shashwat Furnishing Solutions Private Limited)**  
**Notes to financial Statements for the period ended March 31, 2024**  
**CIN No: L20299RJ2021PLC073899**

**Share Holder Funds**

2.1. Share Capital	31 March 2024 (Amount in Lakhs)	31 March 2023 (Amount in Lakhs)
<b>Authorised Shares</b>		
50,00,000 Equity Shares of Rs. 10 Each (Previous Year 50,00,000 Equity Shares of Rs. 10 Each)	500.00	500.00
<b>Issued Shares</b>		
20,88,000 Equity Shares of Rs. 10 Each (Previous Year 20,88,000 Equity Shares of Rs. 10 Each)	208.80	208.80
<b>Subscribed &amp; Paid up Shares</b>		
20,88,000 Equity Shares of Rs. 10 Each (Previous Year 20,88,000 Equity Shares of Rs. 10 Each)	208.80	208.80
<b>Total Issued, Subscribed and Fully Paid-up Share Capital</b>	<b>208.80</b>	<b>208.80</b>

**A. Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period**

Equity Shares	31.03.2024		31.03.2023	
	Number	Issued Capital (Rs.)	Number	Issued Capital (Rs.)
Shares outstanding at the beginning of the year	2,088,000	208.80	1,530,000	153
Shares Issued during the year	-	-	558,000	55.80
Shares bought back during the year	-	-	-	-
<b>Shares outstanding at the end of the year</b>	<b>2,088,000</b>	<b>208.80</b>	<b>2,088,000</b>	<b>208.80</b>

**B. Shares in the company held by each shareholder holding more than 5 % shares specifying the number of shares held**

Particulars	31.03.2024		31.03.2023	
	Number	% of Holding	Number	% of Holding
Hitesh Karnawat	1,372,750	65.74%	1,372,750	51.88%
Lalit Ghevarchand Karnawat	72,250	3.46%	72,250	2.73%
Mayuri Karnawat	85,000	4.07%	85,000	3.21%

**C. Shares held by holding/ultimate holding company and/or their subsidiaries/associates**

There is no Holding Company of Shashwat Furnishing Solutions Limited

**D. Shares with rights preferences and restrictions attaching to each class including restriction on distribution of dividend and repayment of capital**

**Equity shares**

The company has only one class of Equity having a par value Rs. 10.00 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the board of directors is subject to the approval of the shareholders in ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the Equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

**E. Shareholding of Promoters**

Shares Held by Promoters at the end of year	31.03.2024			31.03.2023		
	No. of Shares	% of Shares	% Change during the year	No. of Shares	% of Shares	% Change during the year
Hitesh Karnawat	1,372,750	65.74%	-	1,372,750	51.88%	0%

**SHASHWAT FURNISHING SOLUTIONS LIMITED**  
(Previously Known as Shashwat Furnishing Solutions Private Limited)

Notes to financial Statements for the period ended March 31, 2024

CIN No: L20299RJ2021PLC073899

**SHAREHOLDERS FUND**

2.2. Reserves & Surplus	31 March 2024 (Amount in Lakhs)	31 March 2023 (Amount in Lakhs)
<b>A. Security Premium</b>		
Opening balance	173.30	18.00
Add: Additions during the Period	-	195.30
Less: Utilized for Issue Expenses	-	40.00
Less: Utilized for Issue of Bonus Share	-	-
	173.30	173.30
<b>B. Surplus</b>		
Opening balance	31.67	10.52
(+) Net Profit/(Net Loss) For the current year	(92.44)	21.15
	(60.76)	31.67
<b>Closing Balance</b>	<b>112.54</b>	<b>204.97</b>

2.3. Long Term Borrowings	31 March 2024 (Amount in Lakhs)	31 March 2023 (Amount in Lakhs)
<b>Secured</b>		
Bank of Baorda	77.87	106.60
<b>Total</b>	<b>77.87</b>	<b>106.60</b>

**Current liabilities**

2.3. Short Term Borrowings	31 March 2024 (Amount in Lakhs)	31 March 2023 (Amount in Lakhs)
<b>Secured</b>		
Bank of Baorda CC	43.94	
<b>Current Maturities of Long Term Debt</b>	28.80	13.40
<b>Unsecured</b>		
Loan from Directors	6.00	0.86
<b>Total</b>	<b>78.74</b>	<b>14.25</b>

2.4. Trade Payables	31 March 2024 (Amount in Lakhs)	31 March 2023 (Amount in Lakhs)
Trade Payables		
Micro, Small & Medium Enterprises	-	-
Other than Micro, Small & Medium Enterprises	42.87	19.93
<b>Total</b>	<b>42.87</b>	<b>19.93</b>

**2.4.1 Disclosure in respect of amount due to Micro, Small & Medium Enterprises:**

The management has initiated the process of identifying enterprises which have provided goods and services to the Company and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31st March 2024 has been made in the financials statements based on information received and available with the Company as on date of financials. The Company has not received any claim for interest from any supplier under the said Act.

2.5. Other Current Liabilities	31 March 2024 (Amount in Lakhs)	31 March 2023 (Amount in Lakhs)
Statutory Dues Payable	0.46	0.63
Expenses Payable	1.34	0.75
Advance from Customers	26.00	21.23
<b>Total</b>	<b>27.80</b>	<b>22.61</b>

2.6. Short Term Provisions	31 March 2024 (Amount in Lakhs)	31 March 2023 (Amount in Lakhs)
Provision for Income Tax Current Year	-	1.83
<b>Total</b>	<b>-</b>	<b>1.83</b>

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Notes to financial Statements for the period ended March 31, 2024  
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**NON CURRENT ASSETS**

2.7. Property, Plant & Equipments	Gross Block				Accumulated Depreciation				Net Block	
Particulars	Balance as at 01st Apr 2023	Additions	Deletion/Sale	Balance as at 31 March, 2024	Balance as at 01st Apr 2023	Depreciation charge for the period	Deletion- Sale/Loss	Balance as at 31 March, 2024	Balance as at 01st Apr 2023	Balance as at 31 March, 2024
(Amount in Lakhs)										
<b>A. Property Plant &amp; Equipment</b>										
Building	1.22	-	-	1.22	0.24	0.10	-	0.34	0.98	0.88
Air Conditioner	1.73	0.80	-	2.52	0.53	0.77	-	1.31	1.20	1.22
Compressor	0.51	-	-	0.51	0.19	0.07	-	0.26	0.32	0.25
Mobile	2.34	0.34	-	2.68	1.15	0.41	-	1.56	1.18	1.12
Plant & Machinery	7.92	149.11	-	157.03	1.14	21.39	-	22.52	6.79	134.51
Furniture & Fixtures	0.43	-	-	0.43	0.22	0.06	-	0.28	0.21	0.15
Computer	0.30	1.13	-	1.43	0.28	0.49	-	0.77	0.01	0.66
Camera	0.12	-	-	0.12	0.11	0.01	-	0.11	0.02	0.01
Vehicles	-	0.77	-	0.77	-	0.04	-	0.04	-	0.73
Cooler	0.12	-	-	0.12	0.12	-	-	0.12	0.00	0.00
Invertor & Batteries	-	0.24	-	0.24	-	0.08	-	0.08	-	0.17
LED TV	0.37	-	-	0.37	0.28	0.03	-	0.32	0.08	0.05
UPS	0.02	-	-	0.02	0.02	-	-	0.02	0.00	0.00
<b>Grand Total</b>	<b>15.08</b>	<b>152.39</b>	<b>-</b>	<b>167.47</b>	<b>4.28</b>	<b>23.44</b>	<b>-</b>	<b>27.73</b>	<b>10.79</b>	<b>139.75</b>

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2.9. Other Non Current Assets	31 March, 2024 (Amount in Lakhs)	31 March, 2023 (Amount in Lakhs)
Security Deposits	16.51	19.51
<b>Total</b>	<b>16.51</b>	<b>19.51</b>

2.10. Deferred Tax Assets/(Liabilities)	31 March, 2024 (Amount in Lakhs)	31 March, 2023 (Amount in Lakhs)
Balance at the Begening of the year	8.45	0.26
Addition During the year	(1.96)	8.20
<b>Closing Balance at the End of the year</b>	<b>6.49</b>	<b>8.45</b>

**CURRENT ASSETS**

2.11. Inventories	31 March, 2024 (Amount in Lakhs)	31 March, 2023 (Amount in Lakhs)
Closing Stock of Raw Material	99.90	102.74
Closing Stock of Finished Goods	105.57	35.03
<b>Total</b>	<b>205.48</b>	<b>137.77</b>

2.12. Trade Receivables	31 March, 2024 (Amount in Lakhs)	31 March, 2023 (Amount in Lakhs)
<b>Unsecured, Considered good</b>		
<b>Debts outstanding other than Related Parties for a period:</b>		
Outstanding for a period more than six months	14.65	21.10
Outstanding for a period less than six months	77.24	100.34
<b>Total</b>	<b>91.89</b>	<b>121.44</b>

2.13. Cash and Bank Balances	31 March, 2024 (Amount in Lakhs)	31 March, 2023 (Amount in Lakhs)
<b>Cash &amp; Cash Equivalent</b>		
Balance with Banks in current Accounts	0.23	32.20
Cash on hand	21.71	23.15
<b>Total</b>	<b>21.95</b>	<b>55.35</b>

2.14. Short Term Loans & Advances	31 March, 2024 (Amount in Lakhs)	31 March, 2023 (Amount in Lakhs)
Advance to Suppliers/Vendors	27.02	213.65
<b>Total</b>	<b>27.02</b>	<b>213.65</b>

2.15. Other Current Assets	31 March, 2024 (Amount in Lakhs)	31 March, 2023 (Amount in Lakhs)
Prepaid Expenses	3.18	-
Caution Money	0.05	-
Balance With Revenue Authorities	36.31	12.04
<b>Total</b>	<b>39.53</b>	<b>12.04</b>

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2.16. Revenue From Operations	31 March, 2024 (Amount in Lakhs)	31 March, 2023 (Amount in Lakhs)
<b>Sale of Goods</b>		
Export Sales	-	50.80
Domestic Sales	306.13	406.00
<b>Total</b>	<b>306.13</b>	<b>456.80</b>

2.17. Other Income	31 March, 2024 (Amount in Lakhs)	31 March, 2023 (Amount in Lakhs)
Drawback Income	-	0.64
Other Misc. Incomes	0.73	0.41
Freight & Cartage Income	0.81	0.13
<b>Total</b>	<b>1.54</b>	<b>1.18</b>

2.18. Cost of Material Consumed	31 March, 2024 (Amount in Lakhs)	31 March, 2023 (Amount in Lakhs)
Opening Stock of Raw Material	102.74	18.89
Add: Purchases	311.55	432.07
Less: Closing Stock of Raw Material	99.90	102.74
<b>Total</b>	<b>314.39</b>	<b>348.21</b>

2.19. Change in Inventory of WIP, Finished Goods & Stock in Trade	31 March, 2024 (Amount in Lakhs)	31 March, 2023 (Amount in Lakhs)
Opening Stock of WIP, Finished goods	35.03	17.11
Closing Stock of WIP, Finished goods	105.57	35.03
<b>Net Change in Inventory of WIP, Finished goods &amp; Stock in Trade</b>	<b>(70.55)</b>	<b>(17.92)</b>

2.20. Employee Benefit Expenses	31 March, 2024 (Amount in Lakhs)	31 March, 2023 (Amount in Lakhs)
Salary & Wages Expenses	5.41	15.76
Staff Welfare Expenses	-	-
Director Remuneration	27.96	27.96
<b>Total</b>	<b>33.37</b>	<b>43.72</b>

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<b>2.21. Finance Cost</b>	<b>31 March, 2024</b> <b>(Amount in Lakhs)</b>	<b>31 March, 2023</b> <b>(Amount in Lakhs)</b>
Interest Expenses	15.12	0.14
Loan Processing Fees	1.57	4.48
<b>Total</b>	<b>16.69</b>	<b>4.62</b>

<b>2.22. Depreciation &amp; Amortization</b>	<b>31 March, 2024</b> <b>(Amount in Lakhs)</b>	<b>31 March, 2023</b> <b>(Amount in Lakhs)</b>
Depreciation Expenses	23.44	2.59
<b>Total</b>	<b>23.44</b>	<b>2.59</b>

<b>2.23. Other Expenses</b>	<b>31 March, 2024</b> <b>(Amount in Lakhs)</b>	<b>31 March, 2023</b> <b>(Amount in Lakhs)</b>
Freight	14.26	3.36
Job Work Expenses	34.05	34.85
Loading Charges	-	0.05
Bank Charges	0.03	0.15
Discount	-	0.33
Electrical Expenses	6.92	6.15
Advertisement Expenses	0.99	2.69
Audit Fees	0.25	0.25
Interst on TDS	0.03	0.54
GST Late Fees and Interest	0.00	0.00
Listing Fees Expenses	1.06	0.80
Commission Expenses	0.21	-
Office Expenses	1.38	0.63
Insurance Expenses	0.05	-
Printing & Stationary	0.22	0.07
Rent Expenses	15.84	2.44
Repair & Maintenance	0.38	0.75
Postage & Courier	0.04	0.27
Container & Shipping Expenses	-	1.74
Legal & Professional Consultancy Charges	1.24	4.08
Sales Promotion	0.61	-
Conveyance Expenses	1.25	1.08
Telephone Expenses	-	0.04
Travelling Expenses	1.94	0.79
Water Expenses	-	0.34
Other Misc. Expenses	0.07	-
<b>Total</b>	<b>80.80</b>	<b>61.40</b>

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Notes to financial Statements for the period ended March 31, 2024  
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2.24. Earnings Per Share	31 March, 2024 (Amount in Lakhs)	31 March, 2023 (Amount in Lakhs)
Profit/(Loss) after tax as per Statement of Profit and Loss	(92.44)	21
Weighted average number of equity shares in calculating basic EPS	20.88	20.42
Basic {Nominal Value of Shares- Rs. 10/- (Previous Year- Rs. 10/-)}	(4.43)	1.04
Diluted {Nominal Value of Shares- Rs. 10/- (Previous Year- Rs. 10/-)}	(4.43)	1.04

**SHASHWAT FURNISHING SOLUTIONS LIMITED**  
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*Notes to financial Statements for the period ended March 31, 2024*

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**2.25 Related Party Disclosures- AS-18**

Relationship with Related party	Name of related parties
Key Managerial Personnel	Hitesh Karnawat
Key Managerial Personnel	Lalit Ghevarchand Karnawat
Key Managerial Personnel	Mayuri Karnawat
Key Managerial Personnel	Ratika Khandelwal
Related to Key Managerial Personnel	Sushila Karnawat
<b>Transactions with Related Party:-</b>	
Name of the Party	31 March 2024 (Amount in Lakhs)
<b><u>Director Remuneration</u></b>	
Hitesh Karnawat	12.96
Mayuri Karnawat	7.80
Lalit Karnawat	7.20
<b><u>Rent Expenses</u></b>	
Lalit Karnawat	0.84
<b><u>Salary Expenses</u></b>	
Ratika Khandelwal	1.44
<b><u>Unsecured Loans</u></b>	
<b><u>Hitesh Karnawat</u></b>	
Loan at the Begining of Period	0.86
Add: Amount Received during the Period	3.00
Less: Amount Repaid During the Period	3.86
<b>Closing Balance</b>	<b>0.00</b>
<b>Closing Balance with related parties:-</b>	
Name of the Party	31 March 2024 (Amount in Lakhs)
<b><u>Credit Balances</u></b>	
Hitesh Karnawat	2.60
Mayuri Karnawat	2.73
Lalit Karnawat	0.27



**SHASHWAT FURNISHING SOLUTIONS LIMITED**  
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*Notes to financial Statements for the period ended March 31, 2024*

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**2.26 Other disclosures**

**(a) Remuneration to Directors**

<b>Particulars</b>	<b>31 March 2024 (Amount in Lakhs)</b>	<b>31 March 2023 (Amount in Rs.)</b>
Salary including Variable Pay	27.96	27.96
<b>Total</b>	<b>27.96</b>	<b>27.96</b>

- (b) As per the best estimate of the management, there is no capital commitment and contingent liability exists as on the date of the financial statement.
- (c) Disclosures required under mandatory accounting standards & Schedule III are given to the extent applicable and possible.
- (d) Additional information as required by para 5 of General Instructions for preparation of Statement of Profit and Loss (other than already disclosed above) are either Nil or Not Applicable.
- (e) Previous year figures are regrouped or rearranged wherever considered necessary.
- (f) Figures have been rounded off to the nearest Lakhs

As per our report of even date  
For A Y & Company  
Firm Registration No. 020829C  
Chartered Accountants

For and on behalf of the Board of Directors

Hitesh Karnawat  
Managing Director  
DIN : 09097273

Mayuri Karnawat  
Whole Time Director & CFO  
DIN : 09276591

CA Priyanka Gianchandani  
Partner  
Membership No. 445912  
UDIN 24445912BKFLGJ2884  
Place : Jodhpur  
Date : 27.05.2024

Ratika Khandelwal  
Company Secretary

**SUMMARY SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS**

**A. COMPANY INFORMATION**

Our Company was originally incorporated on March 08, 2021 as “Shashwat Furnishing Solutions Private Limited” vide Registration No. 073899/2020-21 under the provisions of the Companies Act, 2013 with the Registrar of Companies, Central Registration Centre. Subsequently, our Company has acquired the entire business with the assets and liabilities of M/s Handicrafts Village, sole proprietorship concern of one of our Promoters Mr. Hitesh Karnawat vide Business Transfer Agreement dated June 01, 2021. Further, our Company was converted into Public Limited Company and consequently name of company was changed from “Shashwat Furnishing Solutions Private Limited” to “Shashwat Furnishing Solutions Limited” vide Special resolution passed by the Shareholders at the Extra-Ordinary General Meeting held on August 12, 2021. and a fresh certificate of incorporation dated August 27, 2021 issued by the Registrar of Companies, Jaipur. The Corporate Identity Number of our Company is L20299RJ2021PLC073899.

**SIGNIFICANT ACCOUNTING POLICIES**

**1. Accounting Convention**

The financial statement are prepared under the historical cost convention on the “Accrual Concept” and Going Concern assumption of accountancy in accordance with the accounting principles generally accepted in India and comply with the accounting standards as prescribed by Companies (Accounting Standard) Rules, 2006 and with the relevant provisions of the Companies Act, 2013 and rules made there under.

**2. Use of Estimates**

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities on the date of the financial statement and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which results are known/materialized.

**3. Property, Plant and Equipments**

Property, Plant and Equipment are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises of all expenses incurred to bring the assets to its present location and condition. Borrowing cost directly attributable to the acquisition /construction are included in the cost of fixed assets. Adjustments arising from exchange rate variations attributable to the fixed assets are capitalized.

In case of new projects / expansion of existing projects, expenditure incurred during construction / preoperative period including interest and finance charge on specific / general purpose loans, prior to commencement of commercial production are capitalized. The same are allocated to the respective t on completion of construction / erection of the capital project / fixed assets.

Subsequent expenditures related to an item of tangible asset are added to its book value only if they increase the future economic benefits from the existing asset beyond its previously assessed standard of performance.

Capital assets (including expenditure incurred during the construction period) under erection / installation are stated in the Balance Sheet as “Capital Work in Progress.”

#### **4. Impairment of Assets**

At each balance sheet date, the Company reviews the carrying amount of its fixed assets to determine whether there is any indication that those assets suffered an impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the assets and from its disposal are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of time value of money and the risks specific to the assets.

#### **5. Depreciation**

All fixed assets, except capital work in progress, are depreciated on WDV Method. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013. Depreciation on additions to / deletions from fixed assets made during the period is provided on pro-rata basis from / up to the date of such addition / deletion as the case may be. Further the Land and Building held in the books of the company are treated as Investment Property so that the Depreciation is not provided on them.

#### **6. Investments**

Investments are classified into current investments and non-current investments. Current investments i.e. investments that are readily realizable and intended to be held for not more than a year valued at cost. Any permanent reduction in the carrying amount or any reversals of such, reductions are charged or credited to the Statement of Profit & loss Account.

Non-current investments are stated at cost. Provision for diminution in the value of these investments is made only if such decline is other than temporary, in the opinion of the management.

#### **7. Inventories**

Inventories consist of Finished Goods & Stock in trade are valued at Cost or Net Realizable Value, whichever is lower.

#### **8. Revenue Recognition**

Revenue from the operations is recognized on generally accepted accounting principal and when it is earned and no significant uncertainty exists as to its ultimate collection and includes taxes, wherever applicable.

The capital gain on sale of investments if any are recognized on completion of transaction. No notional profit/loss are recognized on such investments.

Interst income is recognized on time proportion basis, when it is accrued and due for payment.

#### **9. Borrowing Cost**

Borrowing cost that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of such assets. A qualifying assets is one that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

#### **10. Employee Benefits**

Short – term employee benefits are recognized as an expense at the undiscounted amount in the profit & loss account of the year in which the related service is rendered.

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Post employment and other long term employee benefits are recognized as an expense in the profit & loss account for the year in which the liabilities are crystallized.

**11. Taxes on Income**

Income tax expenses for the year comprises of current tax and deferred tax. Current tax provision is determined on the basis of taxable income computed as per the provisions of the Income Tax Act. Deferred tax is recognized for all timing differences that are capable of reversal in one or more subsequent periods subject to conditions of prudence and by applying tax rates that have been substantively enacted by the balance sheet date.

**12. Foreign Currency Translation**

- a) Transaction denominated in foreign currencies are recorded at the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the year end are restated at closing rate..
- b) Any exchange difference on account of settlement of foreign currency transaction and restatement of monetary assets and liabilities denominated in foreign currency is recognized in the statement of Profit & loss Account.

**13. Provision, Contingent Liabilities and Contingent Assets**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.

**14. Trade Payable Ageing Summary**

31.03.2024

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 yr.	1-2 yrs.	2-3 yrs.	More than 3 yrs.	
MSME	--	--	--	--	--
Others	42.87	--	--	--	42.87
Disputed dues - MSME	--	--	--	--	--
Disputed dues - Others	--	--	--	--	--

31.03.2023

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 yr.	1-2 yrs.	2-3 yrs.	More than 3 yrs.	
MSME	--	--	--	--	--
Others	19.93	--	--	--	19.93
Disputed dues - MSME	--	--	--	--	--
Disputed dues - Others	--	--	--	--	--

**15. Trade Receivable Ageing Summary**

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31.03.2024

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months- 1 year	1-2 yrs.	2-3 yrs.	More than 3 yrs.	
(i) Undisputed Trade receivables- considered good	77.24	9.33	--	14.65	--	91.89
(ii) Undisputed Trade Receivables- Considered Doubtful	--	--	--	--	--	--
(iii) Disputed Trade Receivables considered good	--	--	--	--	--	--
(iv) Disputed Trade Receivables considered doubtful	--	--	--	--	--	--

31.03.2023

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months- 1 year	1-2 yrs.	2-3 yrs.	More than 3 yrs.	
(i) Undisputed Trade receivables- considered good	100.34	6.11	14.98	--	--	121.44
(ii) Undisputed Trade Receivables- Considered Doubtful	--	--	--	--	--	--
(iii) Disputed Trade Receivables considered good	--	--	--	--	--	--
(iv) Disputed Trade Receivables considered doubtful	--	--	--	--	--	--

**Various Accounting Ratios:**

**SHASHWAT FURNISHING SOLUTIONS LIMITED**  
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S. No.	Particular	Numerator	Denominator	Ratio		Movement in %	Reason for Movement if movement is more than 25 %
				31.03.2024	31.03.2023		
(a)	Current Ratio	Current Assets	Current Liabilities	2.58	9.22	71.99	Due to Decrease in Working Capital
(b)	Debt-Equity Ratio	Total Debt	Shareholders Equity	0.49	0.29	-66.86	Due to Decrease in Shareholders Equity
(c)	Debt Service Coverage Ratio	Net Operating Income	Total Debt Service	1.45	0.18	-706.08	Due to Repayment of Debt
(d)	Return on Equity Ratio	Profit After Tax	Average Shareholders Equity	-25.15	7.11	-453.71	Due to Loss in Current Year
(e)	Trade Receivables turnover ratio (in times)	Revenue	Average Trade Receivable	2.87	4.33	-33.72	Due to Decrease in Trade Receivables
(f)	Trade payables turnover ratio (in times)	Purchase of Services & other Expenses	Average Trade Payables	9.92	15.10	-34.30	Due to Increase in Trade Payables
(g)	Net capital turnover ratio (in times)	Revenue	Net Working Capital	1.29	0.95	36.50	Due to Decrease in Turnover
(h)	Net profit ratio	Net Profit	Revenue	-30.20	4.63	-752.15	Due to Loss in Current Year.
(i)	Return on Capital employed	Operating Profit	Total Capital Employed	-0.16	0.05	412.27	Due to Loss in Current Year.
(k)	Inventory Turnover Ratio	Revenue	Average Inventory	1.78	5.26	-66.09	Due to Decrease in Turnover

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**Other Disclosures:**

Sr. No.	Particulars	Note in financial statements
(i)	Title deeds of Immovable Property not held in the name of the Company:	The Company do not have any Immovable property which is not held in the name of Company.
(ii)	Loans or advances to specified persons	The Company has not provided any Loan or Advances to specified persons.
(iii)	Details of Benami Property held	The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
(iv)	Borrowings secured against current assets	The Company has availed facilities from banks on the basis of security of current assets.
(v)	Wilful Defaulter	The Company is not declared Wilful Defaulter by any Bank or any Financial Institution.
(vi)	Relationship with Struck off Companies	The Company do not have any transactions with struck-off companies.
(vii)	Undisclosed income	The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
(x)	Details of Crypto Currency or Virtual Currency	The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.

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**SHASHWAT FURNISHING SOLUTIONS LIMITED**  
**Registered office: 121, Mahaveer Nagar, Jain Colony, Jodhpur, Rajasthan, India, 342001.**  
**CIN: U20299RJ2021PLC073899**  
**E-mail: info@handicraftsvillage.com**  
**Tel No.: + +91-9001269000**

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**Attendance Slip 04<sup>th</sup> Annual General Meeting**

Please Fill Attendance Slip and hand it over at The Entrance of the Meeting Hall.  
Joint shareholders may obtain additional slip at the venue of the meeting.

Folio No.	
DP Id	
Client ID	
No. of shares	

I/We hereby record my presence at the 04<sup>th</sup> Annual General Meeting of the Company at Plot No.120, 121, 122 Khasra No.277/1 Salawas Industrial Area, Jodhpur, Rajasthan-342013, India on Monday, September 30, 2024 at 11:00 A.M.

Name of the Shareholder		Signature of shareholder	
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**Notes:**

1. Only Member/Proxy holder can attend the Meeting.
2. Please complete the Folio No./DP ID No., Client ID No. and name of the Member/Proxy holder, sign this Attendance Slip and hand it over, duly signed, at the entrance of the Meeting Hall.



**SHASHWAT FURNISHING SOLUTIONS LIMITED**  
**ANNUAL REPORT 2023-24**

**Form No. MGT-11 Proxy form**  
**[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies**  
**(Management and Administration) Rules, 2014]**

**CIN:** L20299RJ2021PLC073899

**Name of the Company:** SHASHWAT FURNISHING SOLUTIONS LIMITED

**Registered Office:** 121, Mahaveer Nagar, Jain Colony, Jodhpur, Rajasthan, India, 342001

Name of the Member(s):
Registered Address:
No. of Shares held:
Folio No.
Client ID:
DP ID:

I/We, being the member(s) of \_\_\_\_\_ shares of the above named company hereby appoint:

1.	Name:	Signature	
	Address:		
	E-mail ID:		
or failing him/her			
2.	Name:	Signature	
	Address:		
	E-mail ID:		
	E-mail ID:		

as my/ our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 04<sup>th</sup> Annual General Meeting of the company, to be held on the Monday, September 30, 2024 at 11:00 A.M. at Plot No.120, 121, 122 Khasra No.277/1 Salawas Industrial Area, Jodhpur, Rajasthan-342013 and/or at any adjournment thereof in respect of such resolutions as are indicated below:

Sr. No.	Particulars	Vote	
		For	Against
<b>Ordinary Business</b>			
1	To consider and adopt financial statements for the Financial Year ended March 31, 2024.		
2	To re-appoint Mr. Lalit Ghewarchand Karnawat (DIN- 09097274) as Whole-Time Director of who retires by rotation and, being eligible, offers himself for re- appointment.		
<b>Special Business</b>			
3.	To make investments, give loans, guarantees and security in excess of limits specified under section 186 of the Companies Act, 2013		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2024

Signature of Shareholder \_\_\_\_\_ Signature of Proxy holder(s) \_\_\_\_\_

**Notes:**

1. A Proxy need not be a member of the Company.
2. This form of Proxy must be deposited at the Registered Office of the Company 121, Mahaveer Nagar, Jain Colony, Jodhpur, Rajasthan, India, 342001, not less than 48 hours before the commencement of the Meeting.
3. The submission by a member of this form of proxy will not preclude such member from attending in person and voting at the meeting.

