**MITTAL SECTIONS LIMITED**

**CIN:** U27109GJ2009PLC056527

**Regd. Office**: 01, Sona Roopa Apartment, Opp. Lal Bunglow, C.G. Road,

Navrangpura, Ahmedabad-380009, Gujarat.

**Email:** mittalsections@gmail.com **Ph.:**(079) 07926405484

# DIRECTORS' REPORT

To,

The Members,

Your Directors’ have pleasure to present herewith the 15th Annual Report together with the Audited Financial Statements and Auditors’ report thereon for the financial year ended on 31st March, 2024.

# FINANCIAL RESULTS /STATE OF COMPANY’S AFFAIRS:

The Financial Results of the Company for the year ended on 31st March, 2024 are as follows: -

# (Rs. In Lakhs)

|  |  |  |
| --- | --- | --- |
| **Particulars** | **2023-24** | **2022-23** |
| ***Total Revenue*** | 16148.18 | 16,730.30 |
| Profit / (loss) Before Depreciation, Amortization and Taxation | 356.21 | 166.08 |
| Depreciation and Amortization | 95.76 | 89.76 |
| ***Profit/(Loss)before Taxation*** | **260.45** | **76.32** |
| Current Tax | 46.46 | 12.07 |
| MAT credit entitlement | (43.47) | (11.91) |
| Deferred Tax | 67.96 | 20.20 |
| Earlier year | 0.16 | 0.11 |
| ***Net Profit/(Loss)after Taxation*** | **189.34** | **55.85** |

**PERFORMANCE OF THE COMPANY & FUTURE PROSPECTS:**

Total revenue of the Company during the year is Rs. 16,148.18 Lakhs as compared to Rs. 16,730.30 Lakhs of previous year.

The Company has earned profit of Rs. 189.34 lakhs during the year as compared to profit of   
Rs. 55.85 Lakhs during the previous year.

# MATERIAL CHANGES AFFECTING THE FINANCIAL POSITION OF THE COMPANY BETWEEN THE DATE OF FINANCIAL STATEMENT AND THE BOARD REPORT:

There were no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year and the date of this report.

# DIVIDEND AND TRANSFER TO RESERVES:

# In order to conserve resources, your directors do not recommend any dividend for the year ended on March 31, 2024. Further the Company has not transferred any amount to reserves during the year.

# DIRECTORS/KEY MANAGERIAL PERSONNEL:

Pursuant to the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under Mr. Atul Balwantrai Mittal (DIN: 02282605) Wholetime Director of the Company will retire by rotation at the ensuing Annual General Meeting and he being eligible offers himself for re-appointment in accordance with the provisions of Companies Act, 2013. Your Director recommend his re-appointment.

After the closure of the year under review:

1. Mr. Atul Balwantrai Mittal was appointed as Whole Time Director for the term of 3 years w.e.f. 1st August, 2024. He is also appointed as and Chief Financial Officer (Key Managerial Personnel) of the company w.e.f. August 1, 2024.
2. Mr. Parthik Jitendrabhai Shah (DIN: 01616057), resigned as an Independent Director with effect from 31st July, 2024 due to other commitments and personal reasons. The Board places appreciation for the services rendered by him during her tenure with the Company.
3. Mr. Pranav Gokulbhai Patel (DIN: 07226291), resigned as an Independent Director with effect from 31st July, 2024 due to other commitments and personal reasons. The Board places appreciation for the services rendered by him during her tenure with the Company.
4. Ms. Aishwarya Surendra Singhvi (DIN: 10241207) was appointed as an Independent Director of the Company with effect from 31st July, 2024.
5. Mrs. Dhruvi Shyam Kapadia (DIN: 10683926) was appointed as an Independent Director of the Company with effect from 31st July, 2024.

The shareholders at their meeting held on 1st August, 2024 has approved the appointment of   
Mr. Atul Balwantrai Mittal as Whole time Director, Ms. Aishwarya Surendra Singhvi and Mrs. Dhruvi Shyam Kapadia as Independent Directors.

The constitution of the Board is in compliance of Section 149 of the Companies Act, 2013.

# DEPOSITS:

The Company has not accepted any deposit within the meaning of Section 73 of the Companies Act, 2013 during the year under review.

# ANNUAL RETURN:

Pursuant to Section 134(3)(a) and Section 92(3) of the Act, the Copy of Annual Return of the Company for the financial year ended March 31, 2024 will be placed on the Company’s website at www.mittalsections.com.

# DIRECTORS’ RESPONSIBILITY STATEMENT:

Pursuant to the provisions of Section 134(5) of the Companies Act, 2013 with respect to the Directors' responsibility Statement, the Directors confirm that:

1. in the preparation of the Annual Financial Statements, the applicable accounting standards have been followed and that no material departures have been made for the same;
2. they have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the Profits of the Company for the financial year;
3. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. they have prepared the annual accounts on a going concern basis;
5. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

# NUMBER OF BOARD AND COMMITTEE MEETINGS:

During the year under review, the Board of Directors duly met six times.

Audit Committee of the Board met two times and Nomination and Remuneration Committee of the Board met one time during the year under review.

# DECLARATION BY INDEPENDENT DIRECTORS:

Pursuant to the provisions of Section 134 of the Companies Act, 2013 with respect to the declaration given by the Independent Directors of the Company under Section 149 (6) of the Companies Act, 2013, the Board hereby confirms that all the Independent Directors have given declarations and further confirms that they meet the criteria of Independence as per the provisions of Section 149(6).

# POLICY ON DIRECTORS’ APPOINTMENT AND POLICY ON REMUNERATION:

Pursuant to the requirements of Section 134 and 178 of the Companies Act, 2013, the policy on appointment of Board Members and policy on remuneration of the Directors, KMPs and other employees is attached as **Annexure-I** to this report.

# PERFORMANCE EVALUATION OF THE BOARD, COMMITTEES AND INDEPENDENT DIRECTORS:

Pursuant to the provisions of Companies Act, 2013 and on recommendation of Nomination and Remuneration Committee (NRC), the Board of Directors of the Company has laid down the criteria for evaluation of its own performance, its Committees and individual directors including independent Directors.

The Directors expressed their satisfaction with the evaluation process and the performance of the Directors.

# CONTRACTS OR AGREEMENTS WITH RELATED PARTIES:

During the year under review, all transactions entered into with related parties during the financial year were in the ordinary course of business and on an arm’s length basis.

Details of contracts or arrangements with related parties referred to in 188 (1) are as per **Annexure - II**.

# INTERNAL FINANCIAL CONTROL AND THEIR ADEQUACY:

The existing internal financial control is adequate and commensurate with the nature, size, complexity and the business processes followed the Company.

The Company has a well-placed, proper and adequate internal financial control system which ensures that all assets are safeguarded and protected and that the transactions are authorized, recorded and reported correctly.

# RISK MANAGEMENT POLICY:

The Management is regularly reviewing the risk and is taking appropriate steps to mitigate the risk. The company has in place the Risk Management policy. The Risk management Policy is designed to safeguard the organization from various risks through adequate and timely actions. It is designed to mitigate the risk in order to minimize the impact of the risk on the Business.

In the opinion of the Board there has been no identification of element of Risk that may threaten the existence of the Company.

# PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013:

Details of loans, security, guarantee, if any provided and investments made are given in the Notes to the financial statements. The same are in compliance with Section 186 of the Companies Act, 2013.

# STATUTORY AUDITORS:

During the year under review, the M/s. Nirav D. Shah & Co., Proprietorship Firm, Chartered Accountants (Firm Reg. No. 119132W) resigned as a statutory auditors of the Company and with the approval of shareholders M/s. Milind Nyati & Co., Chartered Accountants (Firm Registration No. 014455C) were appointed as Statutory Auditors of the Company.

M/s. Milind Nyati & Co., Chartered Accountants (Firm Registration No. 014455C) Statutory Auditors of the Company retires at the forthcoming Annual General Meeting and being eligible offers themselves for re-appointment.

It is also proposed to appoint them for further term of five consecutive years to hold office from the conclusion of this Annual General Meeting (AGM) to the conclusion of the AGM to be held for the financial year ending on 31st March, 2029. Necessary consent and eligibility letter have been received from statutory auditors.

# AUDITORS’ OBSERVATIONS:

There are no qualifications, reservations or adverse remarks or disclaimers made by the Statutory Auditors in their report on the Financial Statements of the Company for the financial year ended on 31st March, 2024.

**AUDIT COMMITTEE**:

The Board of Directors has re-Constituted an Audit Committee in compliance of the provision of Section 177 of the Companies Act, 2013.

Members of Audit Committee are as follows:

1. Ms. Aishwarya Singhavi (Independent Director)-Chairman
2. Mrs. Dhruvi Kapadia (Independent Director)-Member
3. Mr. Atul Mittal (Wholetime Director)-Member

**NOMINATION & REMUNERATION COMMITTEE**:

The Board of Directors has re-constituted Nomination and Remuneration Committee in compliance of the provision of Section 178 of the Companies Act, 2013.

Members of Nomination and Remuneration Committee are as follows:

1. Mrs. Dhruvi Kapadia (Independent Director)- Chairman
2. Ms. Aishwarya Singhavi (Independent Director)- Member
3. Mrs. Sushiladevi Mittal (Non-Executive Non-Independent Director)-Member

**STAKEHOLDER RELATIONSHIP COMMITTEE:**

The Board of Directors has constituted Stakeholder Relationship Committee in compliance of the provision of Section 178 of the Companies Act, 2013.

Members of Stakeholder Relationship Committee are as follows:

1. Ms. Aishwarya Singhavi (Independent Director)-Chairman
2. Mr. Ajay Mittal (Managing Director)-Member
3. Mr. Atul Mittal(Wholetime Director)-Member

# CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUT GO:

# Conservation of Energy

|  |  |
| --- | --- |
| Steps taken or impact on conservation of energy | The Company has taken measures and applied strict control system to monitor day to day power consumption, to endeavour to ensure the optimal use of energy with minimum extent possible wastage as far as possible. The day-to-day consumption is monitored and various ways and means are adopted to reduce the power consumption in an effort to save energy. |
| Steps taken by the company for utilizing alternate sources of energy | None |
| Capital investment on energy conservation equipments | Company is continuously monitoring and making effort for optimum utilization of equipments which ensures to conserve energy during routine operations itself. There is no specific investment plan for energy conservation. |

# Technology Absorption

|  |  |
| --- | --- |
| Efforts made towards technology absorption | Company has always been making best effort towards technology absorption, adaptation and innovation to improve the quality. |
| Benefits derived like product improvement, cost reduction, product development or import substitution | It improves the quality of company’s products being manufactured and reduce the cost of production. |
| In case of imported technology (imported during the last three years reckoned from the beginning of the financial year:- | |
| the details of technology imported | NA. |
| the year of import | NA. |
| whether the technology been fully absorbed  if not fully absorbed, areas where | NA |
| absorption has not taken place, and the reasons thereof | NA |
| Expenditure incurred on Research and Development | Nil |

# Foreign Exchange Earning and Outgo: NIL

# SECRETARIAL STANDARDS:

The Board of Directors of the Company confirms to the best of their knowledge and belief that the Company has complied with the applicable provisions of the Secretarial Standards issued by the Institute of Company Secretaries of India as amended from time to time and made applicable by the Ministry of Corporate Affairs during the financial year under review.

# SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS:

During the year under review, there were no significant or material order passed by any regulatory authority, court or tribunal which shall affect the going concern status and Company’ operation in future.

# DISCLOSURE UNDER RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014:

During the year under review, there are no employees drawing remuneration which is in excess of the limit as prescribed under Section 197 of the Companies Act, 2013 read with rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

# PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE:

The Company is committed to provide a safe and conducive work environment to its employees during the year under review.

An Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. Your Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

# INDUSTRIAL RELATIONS:

The Company has maintained cordial relations with the employees of the Company during the year under review.

# MAINTENANCE OF COST RECORDS:

The Directors of the Company to the best of their knowledge and belief state that the Company has maintained adequate Cost records as required to be maintained by the Company under the provisions of Section 148 of the Companies Act, 2013 read with the relevant Rules framed there under.

The Company has appointed of M/s. Devang Patel & Associates, Cost Accountant (Firm Registration No. 101976), as Cost Auditor of the Company for conducting audit of the cost accounting records for the financial year ending on 31st March, 2024.

Necessary resolution is placed at ensuing Annual General Meeting for getting approval of the members for ratification of payment of remuneration to Cost Auditors for Financial Year 2024-25.

The Audit report on the cost records of the Company for the year ended 31st March, 2024 will be submitted to the Central Government in due course. The Audit report on the cost records of the Company for the year ended 31st March, 2023 had been submitted to the Central Government with in prescribed time limit.

# ACKNOWLEDGEMENT:

Your directors are gratified for Company’s employees and vendors for their continuous support.

The Directors are also thankful to the Regulatory, Government authorities and bankers of the Company for their co-operation.

# FOR AND ON BEHALF OF THE BOARD

**Date: 12/08/2024 FOR MITTAL SECTIONS LIMITED**

# Place: Ahmedabad

**Registered Office:**

01, Sona Roopa Apartment, **AJAYKUMAR BALWANTRAI MITTAL**

Opp. Lal Bunglow C.G. Road, **CHAIRMAN AND MANAGING DIRECTOR**

Navrangpura, Ahmedabad–380009. **DIN: 01760444**

# Annexure II

**FORM NO. AOC -2**

**(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.**

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

1. **Details of contracts or arrangements or transactions not at Arm’s length basis.**

All contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 are at arms’ length basis.

1. **Details of material contracts or arrangement or transactions at arm’s length basis:**

**(Rs.)**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Details** | | | | | | |
| **Name (s) of the related party** | **Nature of relationship** | **Nature of contracts/**  **arrangements/**  **transaction** | **Duration of the contracts/**  **arrangements/**  **transaction** | **Salient terms of the contracts or arrangements or transaction including the value, if any** | **Date of approval by the Board, if any** | **Amount paid as advances, if any** |
| Aroo Industries | Associate Entity | Sales | 01/04/2023 to 31/03/2024 | 23,56,224 | NA | NA |
| Associate Entity | Purchase | 01/04/2023 to 31/03/2024 | 11,06,19,175 | NA | NA |
| Mittal Steel | Associate Entity | Sales | 01/04/2023 to 31/03/2024 | 1,84,41,902 | NA | NA |
| Associate Entity | Purchase | 01/04/2023 to 31/03/2024 | 43,18,60,637 | NA | NA |

Note: Appropriate approvals have been taken for related party transactions wherever required. No amount was paid as advance.

# FOR AND ON BEHALF OF THE BOARD

**Date: 12/08/2024 FOR MITTAL SECTIONS LIMITED**

# Place: Ahmedabad

**Registered Office:**

01, Sona Roopa Apartment, **AJAYKUMAR BALWANTRAI MITTAL**

Opp. Lal Bunglow C.G. Road, **CHAIRMAN AND MANAGING DIRECTOR**

Navrangpura, Ahmedabad–380009. **DIN: 01760444**