

MAYANK ARORA & Co.

COMPANY SECRETARIES

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2024

[Pursuant to Section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,

CRESCENT FINSTOCK LIMITED

A/12, Sneh Kunj CHS, Residential Plot No.374

Koparli Road, Near Ambaji Mandir, GIDC,

Vapi Gujarat- 396195

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Crescent Finstock Limited**, (hereinafter called "the Company"). Secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts statutory compliance and expressing our opinion thereon.

Based on my examination as aforesaid and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2024, 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:

- (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) Reserve Bank of India Act, 1934;
- (v) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment (**not applicable to the Company during the Audit period**);
- (vi) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Regulations, 2009, and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on 28th October 2014 (**not applicable to the Company during the Audit period**);

- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(not applicable to the Company during the Audit period)**;
- (f) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993; and
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(not applicable to the Company during the Audit period)**; and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(not applicable to the Company during the Audit period)**;

(vii) Other Laws applicable to the Company as per the representations made by the Company are as follows:

- (a) The Shops & Establishment Act, 1948 and rules made thereunder;
- (b) Bombay/Indian Stamp Act
- (c) Professional Tax Act, 1975.
- (d) Negotiable Instruments Act, 1881.

In case of Direct and Indirect Tax Laws like Income Tax Act, Service Tax Act, Excise & Custom Acts I have relied on the Reports given by the Statutory Auditors of the Company.

I have also examined compliance with the applicable clause of the following:

- (a) Secretarial Standards issued by The Institute of Company Secretaries of India; and
- (b) The (Listing Obligation and Disclosure Requirements) Regulations, 2015.

During the period under review and as per the explanations and representations made by the management and subject to clarification given to us, the company has generally complied with the provisions of Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

1. *For the quarters ending in March and September 2023, the Listed Entity has submitted the Intimation for the trading window closing on the third day following the end of the quarter. The Company Secretary of the company has indicated that the reason for the delay is because weekends and national holidays come between the days.*
2. *Pursuant to Regulation 23 of SEBI LODR, the Material Subsidiary of the Company had done transaction with other Entity over which Promoter are able to exercise significant influence, which exceeded the limit, i.e., more than 10% of the annual consolidate turnover, for which the Company had not taken the prior approval of Shareholders, however, the company had taken the audit committee's prior approval and the Company has explained us that they will take necessary action for the same.*

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. 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.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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 following specific events / actions having major bearing on the Company's affairs had taken place:

a. Pursuant to the approval of the Members of the Company, accorded at their Extra-ordinary General Meeting held on Friday September 29, 2023, the Company had done issue of 6,15,000 (Six Lakh Fifteen thousand only) number of equity shares of face value of Rs 10/- each at a price of Rs. 15.90/- per share fully paid for cash at a price as arrived at in accordance with the ICDR Regulations, by way of preferential allotment on a private placement basis, which were subsequently allotted by Board of Directors of the Company at a meeting held on October 18, 2023.

This report is to be read with my letter of even date which is annexed as **Annexure I** and form an integral part of this report.

**For Mayank Arora & Co.,
Company Secretaries**

**Mayank Arora
Partner
Membership No.: F10378
COP No.: 13609
PR No: 5923/2024
UDIN: F010378F000864924**

**Place: Mumbai
Date: 31/07/2024**

Notes:

1. While reviewing all of the company's filings with the Metropolitan Stock Exchange of India Limited, there are no filings or XBRL in the section results. The company secretary has confirmed that the stock exchange has been contacted about this and has acknowledged that the issue occurred on their end.

ANNEXURE-I TO SECRETARIAL AUDIT REPORT

To,
The Members
CRESCENT FINSTOCK LIMITED
A/12, Sneh Kunj CHS, Residential Plot No.374
Koparli Road, Near Ambaji Mandir, GIDC,
Vapi Gujarat- 396195.

Our report of even date is to 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 provided a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Book of Accounts of the Company.
4. Wherever 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, regulation, standards is the responsibility of management. Our examination was limited to the verification of procedures on the test basis.
6. The Secretarial audit report 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.
7. We have reported, in our audit report, only those non-compliance, especially in respect of filing of applicable forms/documents, which, in our opinion, are material and having major bearing on financials of the Company.

**For Mayank Arora & Co.,
Company Secretaries**

Mayank Arora
Partner
Membership No.: F10378/ CP No: 13609
PR No: 5923/2024
UDIN: F010378F000864924

Place: Mumbai
Date: 31/07/2024