

**SUCHITRA FINANCE &
TRADING CO. LTD.**

**ANNUAL REPORT
2019-2020**

Forward- looking statements:

The report contains forward-looking statements that involve risks and uncertainties. When used in this discussion, the words like ‘plans’, ‘expects’, ‘anticipates’, ‘believes’, ‘intends’, ‘estimates’ or any other similar expressions as they relate to Company or its business are intended to identify such forward-looking statements. Forward Looking statements are based on certain assumptions and expectations of future events. The Company’s actual results, performance or achievements could differ materially from those expressed or implied in such forward-looking statements. The Company undertakes no obligation or responsibility to publicly amend, update, modify or revise any forward-looking statements, on the basis of any new information, future event, subsequent development or otherwise.

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CORPORATE INFORMATION

CIN: L65910MH1981PLC234305

BOARD OF DIRECTORS:

1. Mr. Vinod Kumar Sodani Chairman & Non Executive Director
2. Mrs. Anjana Soni Thakur Whole Time Director
3. Mr. Mahesh C. Lakhotiya Non- Executive Director
4. Mr. Ratan Lal Samriya Independent Director
5. Mr. Arjun Agal Independent Director
6. Mr. Suratram Dhakhera Non- Executive Director
(Additional Director w.e.f 14th August, 2020)

COMPANY SECRETARY & CHIEF FINANCIAL OFFICER:

Mr. Govinda Soni

AUDITORS:

M/s. S. S. Rathi & Co.,
Chartered Accountants
502, Shree Shiv dutta Apartment,
Near Lalit Restaurant, Station Road,
Goregaon (W), Mumbai - 400062

BANKER'S NAME:

Corporation Bank
HDFC Bank

REGISTRAR & SHARE TRANSFER AGENT:

M/s. Niche Technologies Pvt. Ltd.,
3A, Auckland Place, 7th Floor,
Room No. 7A & 7B,
Kolkata – 700 017

REGISTERED OFFICE ADDRESS:

B/306-309, Dynasty Business Park,
Opp. Sangam Cinema, A. K. Road,
Andheri (E), Mumbai (M.H.) - 400059
Phone No: 022-61115222, Fax No: 022-28227865
Email Id: suchitra@sangamgroup.com
Website: www.sftc.co.in

Directors' Profile:

**MR. V. K.
SODANI**

Mr. Vinod Kumar Sodani is the Chairman and the Non-Executive Director of the Company and a Fellow Member of the Institute of Chartered Accountants of India. He is also the President of Mewar Institute of Commerce & Industry since 2011 besides Memberships in several esteemed organizations. He has experience in varied areas such as Audit, Accounts, Treasury, Capital Markets, Corporate finance, Project Finance and General Management.

**MRS.
ANJANA
SONI
THAKUR**

She is the Whole Time Director of the company. She has completed her graduation from Bentley College, U.K. and has a Degree in Masters in Business Administration from University of Phoenix, Boston. She has experience in Risk management, System Administration and Corporate Governance.

**MR.
MAHESH
CHAND
LAKHOTIYA**

Mr. Mahesh Chand Lakhotiya is a Bachelor of commerce and having vast experience in Business and Financial Management.

**MR. RATAN
LAL
SAMRIYA**

Mr. Ratan Lal Samriya has been appointed as Independent Director of the Company and he has Completed his B.A. and has rich experience in accounts field.

**MR. ARJUN
AGAL**

Mr. Arjun Agal has been appointed as Independent Director of the Company. He is a Member of the Institute of Chartered Accountants of India and he has completed his graduation from MDS University, Ajmer having rich & varied experience in Corporate Finance and Business Management.

**MR.
SURATRAM
DHAKHERA**

Mr. Suratram Dhakhera has been appointed as Non-Executive Director of the Company. He is graduated in B.Sc (Maths) from Rajasthan University and Fellow Chartered Accountant with over 30 years of rich and extensive management Experience Across various Industries. . He acts as a mentor & advisor and Being a Techno-Commercial person, dynamically involved and direct all the departmental operation in accordance with company mission and motivate staff members to reach departmental and organisational goals.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 37th (Thirty seven) Annual General Meeting (AGM) of the members of **Suchitra Finance & Trading Co. Ltd.** will be held through Video Conferencing (VC) / Other Audio Visual Means (OAVM), on **Wednesday**, the **30th September, 2020** at 11:00 a.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company consisting of the Balance Sheet as at **March 31st, 2020**, the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date and the Explanatory Notes annexed to, and forming part of, any of the said documents together with the reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Mahesh C. Lakhotiya, (DIN: 00128889) who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

3. **To appoint Mr. Suratram Dakhera (DIN: 02274186) as the Director (Non-Executive) of the Company designated as Non-Executive Director:**

To consider and, if thought fit, to pass the following resolutions as Ordinary Resolution:

RESOLVED THAT pursuant to the provision of Section 149, 152 and other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Qualifications of Directors) Rules, 2014 and others Rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) and applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force) and the Articles of Associations of the Company, and as recommended by the Nomination and Remuneration Committee as per Section 178 of the Companies Act, 2013, Mr. Suratram Dakhera (DIN: 02274186) who was appointed as Additional Director of the Company, designated as Non-Executive Director with effect from August 14th, 2020 and who holds office up to the date of this Annual General Meeting, and in respect of whom the Company has received notice in writing under Section 160 of the Act from the Director proposing his candidature for the office of Director be and is hereby appointed as a Director of the Company, designated as Non-Executive Director, liable to retire by rotation.

RESOLVED FURTHER THAT any Director or Key Managerial Personnel of the Company be and are hereby severally authorized on behalf of the Company to do all such acts, matters and things to give effect to this resolution.”

4. Shifting of Registered Office of the Company from the State of Maharashtra to the State of Rajasthan :

To consider and, if thought fit, to pass the following resolution(s) as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 12, 13 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 30 of the Companies (Incorporation) Rules, 2014, the Reserve Bank of India Act, 1934 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and subject to the approval of Central Government (Power delegated to the Regional Director) and such other approval(s), permission(s) and sanction(s), as may be required under the provisions of the said Act or under any other law for the time being in force, the consent of the members of the Company be and is hereby accorded to shift the Registered Office of the Company from the State of Maharashtra (i.e. from the jurisdiction of Registrar of Companies, Mumbai) to the State of Rajasthan (i.e. to the jurisdiction of Registrar of Companies, Rajasthan at Jaipur).

RESOLVED FURTHER THAT the existing Clause No. II of the Memorandum of Association of the Company be and is hereby altered by substituting it with the following clause:

II. The Registered Office of the Company will be situated in the State of Rajasthan.

RESOLVED FURTHER THAT upon the confirmation from the Central Government the registered office of the Company be shifted from the State of Maharashtra to the State of Rajasthan.

RESOLVED FURTHER THAT Board of Directors of the Company be and is hereby authorized to make necessary application with the relevant authority, file and execute related forms and to do all such acts, deeds, matters and things as may be required or deemed expedient for and on behalf of the Company for the aforesaid purpose.”

**By order of Board of Directors
For Suchitra Finance & Trading Co. Ltd.**

Date: 5th September, 2020

Place: Mumbai

CIN: L65910MH1981PLC234305

REGISTERED OFFICE:

B/306-309, Dynasty Business Park,

Opp. Sangam cinema, Andheri (E), Mumbai – 400059

Email id: suchitra@sangamgroup.com, website: www.sftc.co.in

**Sd/-
Vinod Kumar Sodani
Chairman
(DIN: 00403740)**

NOTES:

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM. The deemed venue for the Annual General Meeting (AGM) shall be the Registered Office of the Company i.e. B/306-309, Dynasty Business Park, Opp. Sangam cinema, Andheri (E), Mumbai – 400059.
2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e- voting.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.sftc.co.in. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and The Calcutta Stock Exchange Limited at www.bseindia.com and www.cse-india.com respectively. The AGM Notice is also disseminated on the website of CDSL

(agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.

7. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No.20/2020 dated May 05, 2020.
8. The Companies Statutory Auditor, M/s. S. S. Rathi & Co., Chartered Accountants (Firm Registration No. 108726W), were appointed as Statutory Auditors of the Company for a period of five consecutive years at the Annual General Meeting (“AGM”) of the Members held on 28th September, 2018 on a remuneration mutually agreed upon by the Board of Directors and the Statutory Auditors.

Their appointment was subject to ratification by the Members at every subsequent AGM. Pursuant to the amendments made to Section 139 of the Companies Act, 2013 by the Companies (Amendment) Act, 2017 effective from 7th May, 2018, the requirement of seeking ratification of the Members for the appointment of the Statutory Auditors has been withdrawn from the Statute.

In view of the above, ratification by the Members for continuance of their appointment at this AGM is not being sought. The Statutory Auditors have given a confirmation to the effect that they are eligible to continue with their appointment and that they have not been disqualified in any manner from continuing as Statutory Auditors.

9. The Explanatory Statement as required under Section 102 of the Companies Act, 2013 in respect of the Business referred to under Item No. 3 & 4 is annexed hereto.
10. **The business set out in the Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means.** Instructions and other information relating to e-voting are given in this Notice under Note No. 22. The Company will also send communication relating to remote e-voting which inter alia would contain details about User ID and password along with a copy of this Notice to the members, separately.
11. In case of joint holders attending the Meeting, only such joint holder who is higher in order of names will be entitled to vote.
12. A statement giving the details of the Directors seeking appointed / reappointed, nature of their expertise in specific functional areas, names of the Companies in which they hold directorships, memberships / chairmanships for Board / Committees, shareholding and relationship between Directors inter-se as stipulated in Regulation 36 of the SEBI (Listing obligation and Disclosure Requirements), 2015 are provided in the Annexure.
13. Pursuant to Regulation 42 of the SEBI (Listing obligation and Disclosure Requirements), 2015, The Register of Members & Share Transfer Books will be closed from **Thursday, 24th September, 2020 to Wednesday, the 30th September, 2020** (both days inclusive).

14. 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 their PAN to the Depository Participants with whom they maintain their Demat accounts. Members holding shares in physical form should submit their PAN to the Registrar /Company.
15. Members desirous of seeking any information concerning the Accounts of the Company are requested to address their queries in writing to the Company at least seven days before the date of the meeting so that the requested information can be made available at the time of the meeting.
16. The Company's shares are listed on BSE Limited and The Calcutta Stock Exchange Ltd.
17. Members holding shares in physical form are requested to notify immediately any change in their address with PIN CODE to the Registrar and Transfer Agent of the Company at the address given below AND in case their shares are held in Demat, this information should be passed on directly to their respective Depository Participants and not to the Company.

M/s. Niche Technologies Private Limited

3A, Auckland Place, 7th Floor,

Room No. 7A & 7B, Kolkata – 700 017

Phones: (033) 2280 6616 / 6617 / 6618, **Fax:** (033) 2280 6619

E-Mail: nichetechpl@nichetechpl.com, **Website:** <https://www.nichetechpl.com>

18. Members who are holding shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification at the meeting.
19. In all correspondence with the Company, members are requested to quote their Folio Number and in case their shares are held in Demat form, they must quote their DP ID and Client ID Number.
20. In terms of SEBI Circular No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20 April, 2018 read with SEBI press release PR No.: 51/2018 dated 3 December, 2018, effective from 1 April, 2019, Company's shares can be transferred in dematerialized form only. Hence members, who hold shares in physical form, are requested to dematerialize their shares, so they can transfer their shares in future, if so desire. However, members can continue to hold shares in physical form.
21. Process for those Shareholders Whose Email Addresses are not Registered With the Depositories for Obtaining Login Credentials for e-voting for the Resolutions Proposed in this notice:
 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 provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy

of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to Company/RTA email id.

22. VOTING THROUGH ELECTRONIC MEANS:

I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM (“remote e-voting”) will be provided by Central Depository Services (India) Limited (CDSL).

II. The process and manner for remote e-voting are as under:

- (i) The remote e-voting period commences on **27th September, 2020 at 9:00 a.m. (IST)** and ends on **29th September, 2020 at 5:00 p.m. (IST)**. During this period members’ of the Company, holding shares either in physical form or in dematerialized form as on the cut-off date of **23rd September, 2020** may cast their vote by remote e-voting. The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com during the voting period.
- (iii) Click on “Shareholders” tab.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

OR

Alternatively, if you are registered for CDSL’s EASI/EASIEST e-services, you can log-in at <https://www.cdslindia.com> from Login - Myeasi using your login credentials. Once you successfully log-in to CDSL’s EASI/EASIEST e-services, click on e- Voting option and proceed directly to cast your vote electronically.

- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.

(vii) If you are a first time user follow the steps given below:

| | For Members holding shares in Demat Form and Physical Form |
|---|---|
| PAN | Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none">Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA. |
| Dividend Bank Details OR Date of Birth (DOB) | Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none">If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv). |

(viii) After entering these details appropriately, click on “SUBMIT” tab.

(ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the ‘New Password’ field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN for the relevant Company name i.e. **SUCHITRA FINANCE & TRADING CO. LTD.** on which you choose to vote.

(xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.

(xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Institutional Shareholders & Custodians:
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a compliance user which should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

III. INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Shareholders are encouraged to join the Meeting through Laptops / iPads for better experience.
3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.

6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

IV. INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
3. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
4. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be

uploaded in PDF format in the system for the scrutinizer to verify the same.

- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; suchitra@sangamgroup.com (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or contact Mr. Nitin Kunder (022-23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

- 23.** Institutional Members / Bodies corporate (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. together with attested specimen signature of the duly authorized signatory (ies) who are authorized to vote, through e-mail at suchitra@sangamgroup.com with a copy marked to helpdesk.evoting@cdslindia.com without which the vote shall not be treated as valid.
- 24.** The voting rights of the shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of **23rd September, 2020**. A person who is not a member as on cut off date should treat this notice for information purpose only.
- 25.** The notice of the Annual General Meeting will be sent to the members, whose names appear in the register of members / register of beneficial owners maintained by depositories as at closing hours of business on **Friday, 21st August, 2020**.
- 26.** The shareholders shall have one vote per equity share held by them as on the cut-off date of **23rd September, 2020**. The facility of e-voting would be provided once for every folio / client id, irrespective of the number of joint holders.
- 27.** Since the Company is required to provide members the facility to cast their vote by electronic means, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of **23rd September, 2020** and not casting their vote electronically, may only cast their vote at the Annual General Meeting.

- 28.** Investors who became members of the Company subsequent to the dispatch/email of the Notice and holds the shares as on the cut-off date **23rd September, 2020** are requested to send the written/email communication to the Company at suchitra@sangamgroup.com by mentioning their Folio No./DP ID and Client ID to obtain the Login-ID and Password for e-voting.
- 29. M/s. R. Mahadeshwar & Co.,** (C.P. No. 13797) Practicing Company Secretary, Mumbai has been appointed as the Scrutinizer for providing facility to the member of the Company to scrutinize the e-voting process in a fair and transparent manner. The Scrutinizer, after scrutinizing the votes cast at the meeting through poll papers and remote e-voting, will not later than 48 hours of conclusion of the Meeting, makes a consolidated scrutinizer's report and submit the same to the chairman. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company and on the website of the CDSL. The results shall also be immediately forwarded to BSE Limited and The Calcutta Stock Exchange Ltd.
- 30.** The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.sftc.co.in and on the website of CDSL. The same will be communicated to the listed stock exchanges viz. BSE Limited and The Calcutta Stock Exchange Ltd.
- 31.** The Company has listed its shares on:
- i)** BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001.
 - ii)** The Calcutta Stock Exchange Ltd., 3A, Auckland Place, 7th Floor, Room No. 7A & 7B, Kolkata – 700 017.
- 32.** The Listing Fees of these Exchanges have been paid regularly.
- 33.** Since the AGM will be held through VC / OAVM, the Route Map is not being annexed to the notice.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF COMPANIES ACT, 2013

ITEM NO 3:

Mr. Suratram Dakhera (DIN: 02274186) was appointed as an Additional Director, designated as Non-Executive Director, of the Company by the Board of Directors, on recommendation of the Nomination and Remuneration Committee with effect from August 14th, 2020 in terms of Section 161(1) of the Companies Act, 2013 and Article 151 of the Articles of Association of the Company and holds office upto the date of the forthcoming Annual General Meeting.

The Company has received a notice in writing under Section 160 of the Act from the Director proposing his candidature for the office of a Director designated as Non-Executive Director, liable to retire by rotation.

Details of Mr. Suratram Dakhera are provided in the “Annexure” to the Notice pursuant to the provisions of (i) the Listing Regulations and (ii) Secretarial Standard on General Meetings (“SS-2”), issued by the Institute of Company Secretaries of India.

The Board of Directors, at the recommendation of the Nomination and Remuneration Committee, at their meeting held on August 14th, 2020, have approved appointment of Mr. Suratram Dakhera as the Non-Executive Director of the Company, subject to the approval of members.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Suratram Dhakhera as the Non-Executive Director. Accordingly, the Board recommends passing of the Ordinary Resolution in relation to appointment of Mr. Suratram Dhakhera as the Director of the Company designated as Non-Executive Director, for the approval by the Members of the Company.

Except Mr. Suratram Dhakhera, being an appointee and his relatives, none of the Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No.3 of the Notice.

This statement may also be regarded as an appropriate disclosure under the Listing Regulations.

ITEM NO 4:

The Board of Directors at their meeting held on 05th September, 2020 had discussed and deliberated to shift the Registered Office of the Company from the State of Maharashtra to the State of Rajasthan. It is considered appropriate by the Board to have the Registered Office of the Company in the State of Rajasthan in order to carry on the business of the Company more economically and efficiently and with better operational convenience and to explore the business opportunity available in the market. Majority of the directors and senior management are located at the in Rajasthan, therefore, the proposed shifting of Registered Office to Rajasthan will also provide administrative convenience and ,moreover, important business operations, decisions are undertaken in the state of Rajasthan. As a whole, it would be in the interest of the Company and its members to shift the registered office of the Company from the jurisdiction of the Registrar of Companies, Mumbai to the jurisdiction of the Registrar of Companies, Rajasthan at

Jaipur and hence the decision was deliberated upon. Further, process of shifting of Registered Office from the State of Maharashtra to State of Rajasthan of Marigold Investrade Private Limited, holding company (also, significant Shareholder having registered office at Mumbai) of the Company has been initiated.

The shifting of the Registered Office as aforesaid is in the best interests of the company, its shareholders, creditors and all concerned. The proposed shifting will in no way be detrimental to the interest(s) of any member of the public, employees or other associates of the Company in any manner whatsoever.

As per section 13(4) of the Companies Act, 2013 the registered office of the Company may be shifted from one state to another, on the authority of the special resolution passed by the Company and subject to the confirmation of the Central Government (power delegated to the Regional Director), therefore, it has become necessary to seek your consent by way of special resolution to give effect to such provision.

Draft amended copy of the Memorandum of Association will be available electronically for inspection by the members during the AGM.

None of the Directors and Key Managerial Personnel of the Company are in any way interested or concerned, financial or otherwise, in the special resolution, except to the extent of their shareholding in the Company, if any.

The members are, therefore, requested to accord their approval authorizing the Board to shift the registered office of the Company as set out in the resolution proposed as Item no. 4 of this Notice.

ANNEXURE TO THE NOTICE

Pursuant to Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and of Secretarial Standard - 2 (SS-2) issued by ICSI on General Meetings, the particulars of the aforesaid Directors seeking appointment/ re-appointment at the AGM are given below:

| Name | Mr. Mahesh C. Lakhotiya | Mr. SuratRam Dhakhera |
|--|--|---|
| Directors Identification Number (DIN) | 00128889 | 02274186 |
| Date of Birth | 30 th June, 1968 | 05 th July, 1961 |
| Original Date of Appointment | 08 th November, 2010 | 14 th August, 2020 |
| Qualification | Bachelor of Commerce | Chartered Accountant, B.Sc (Maths) |
| Experience in special functional area | He has vast experience in Business and Financial Management. | He has management Experience Across various Industries. |
| List of Directorship held in other Companies | 1. Rajasthan Vanaspati Products Limited | 1. Mahalaxmi TMT Private Limited |
| | 2. Sangam Infratech Limited | |
| | 3. Parishray Elegancy Private Limited | |
| | 4. Parkview Investments Private Limited | |
| | 5. Sahyog finance. Limited. | |
| | 6. Scorpio Credits Private Limited | |
| | 7. Khetan Tradelink Private Limited | |
| Relationship with other Directors, Managers and KMPs | Not Related | Not Related |
| No. of Board Meetings attended during Financial Year 2019-20 | 8 (Eight) | NA |

| | | |
|---|-----|-----|
| Chairman/ Member of Committees of other Companies | Nil | Nil |
| No. of shares held in the Company | Nil | Nil |

**By order of Board of Directors
For Suchitra Finance & Trading Co. Ltd.**

**Date: 5th September, 2020
Place: Mumbai**

**Sd/-
Vinod Kumar Sodani
Chairman
(DIN: 00403740)**

DIRECTORS' REPORT

[(Under Section 134(3) of the Companies Act, 2013)
{Read with Companies (Accounts) Rules, 2014}]

To,
The Members,

The Board of Directors of **Suchitra Finance & Trading Co. Ltd.** (“your Company” or “the Company”) are pleased to present the 37th Annual Report and the Audited Financial Statements of your Company for the financial year ended **31st March, 2020** (“financial year under review”).

Pursuant to the notification issued by Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (“Ind AS”) notified under the Companies (Indian Accounting standards) Rule, 2015 with effect from 01st April, 2019.

FINANCIAL HIGHLIGHTS:

The Company’s financial performance for the financial year ended 31st March, 2020 as compared to the previous financial year ended 31st March, 2019 is summarized below:

(Rs. in Lakhs)

| Particulars | For the year ended 31st March, 2020 | For the year ended 31st March, 2019 |
|--|---|---|
| Revenue from Operation | 2159.81 | 3306.05 |
| Other Income | 0.71 | 0.62 |
| Total Revenue | 2160.51 | 3306.68 |
| Profit before Depreciation & Amortization Expenses, Finance Cost and Tax | 2095.36 | 3220.74 |
| Less: Depreciation and Amortization Expenses | NIL | 0.002 |
| Finance Cost | 872.63 | 1887.70 |
| Profit/Loss before Tax | 1222.73 | 1333.04 |
| Less: Provision for Tax | 316.50 | 399.70 |
| Profit/(Loss) after Tax | 906.22 | 933.34 |
| Other Comprehensive Income | 28.81 | (32.70) |
| Total Comprehensive Income | 935.03 | 900.64 |

Note: The above figures are extracted from the financial statements for the financial year ended on 31st March, 2020.

OPERATIONAL REVIEW:

Your Company is non-deposit taking NBFCs. Some of the key highlights of your Company's performance during the year under review are:

- **Revenue:**

Company's Revenue from operations as on 31st March, 2020 stand at Rs. 2159.81/- Lakhs against Rs. 3306.05/- Lakhs recorded in the previous year.

- **Net worth:**

The Net Worth of the Company increased from Rs. 9917.78/- Lakhs to Rs. 8982.75/- Lakhs.

- **Profit before tax:**

Profit before taxation is Rs. 1222.73/- Lakhs as against Rs. 1333.05/- Lakhs in the last year.

- **Net profit after tax:**

Net profit after taxation is Rs. 906.22/- Lakhs as against Rs. 933.34/- Lakhs in the last year.

The Financial Statements of your Company have been prepared in accordance Indian Accounting Standards (Ind-AS) as prescribed under Section 133 of the Companies Act, 2013, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 and Companies Act, 1956 / Companies Act, 2013, as applicable and Regulation 48 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'SEBI Listing Regulations, 2015'). Accounting policies have been consistently applied except where a newly issued accounting standard, if initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. Management evaluates all recently issued or revised accounting standards on an ongoing basis. Your Company discloses standalone unaudited financial results on a quarterly basis, which are subjected to limited review, and standalone audited financial results on an annual basis.

PANDEMIC COVID-19:

The pandemic virus Covid-19 reached India by March 2020. The lockdown and restrictions imposed by the Government on various activities due to the Virus posed challenges to the business of the Company and its subsidiaries. The business operations were shut down and adversely impacted. For ensuring safety of employees, work from home policy was immediately implemented. All the government advisories/compliances and disciplines were followed meticulously. The management continued to work very hard for keeping the company ready and fit for operations as and when the normalcy returns post lifting of lockdown.

DIVIDEND:

Given the growth requirements of the business, your Directors think it prudent to plough back the profits and therefore do not recommend any dividend on equity shares for the financial year 2019-2020.

TRANSFER TO RESERVES:

The Company has transferred Rs. 184.15/- Lakhs to Special Reserve in terms of Section 45-IC of the Reserve Bank of India Act, 1934 and the Company has transferred Rs. 230.19/- Lakhs to General Reserve Or Impairment Reserve.

SHARE CAPITAL OF THE COMPANY:

The Paid up Equity Share Capital, as at 31st March, 2020 was Rs. 9,32,25,500/- Share capital comprised of 93,22,550 Equity Shares with a face value Rs. 10/- each. There was no increase in equity capital compared to the previous year.

CHANGES IN THE NATURE OF BUSINESS OF THE COMPANY:

The Company continues to operate in the same business of lending and receiving loans & advances, there was no change in business activity. No material changes of the Company occurred between end of the financial year and the date of this report.

PUBLIC DEPOSITS:

Being a non-deposit taking Company, your Company has not accepted any deposits from the public / members under Section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014 during the year and within the meaning of the provisions of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016.

SUBSIDIARIES, HOLDING & ASSOCIATE COMPANIES:

‘**Marigold Investrade Private Limited**’ is the Holding Company and holds 63.08% of the Company’s Equity Share Capital as on 31st March, 2020.

During the financial year under review, no new Company became Subsidiary/Joint Venture/Associate of the Company.

SEGMENT REPORTING:

Based on the risks and returns associated with business operations and in terms of Accounting Standard-17 (Segment Reporting), the Company is predominantly engaged in a single reportable segment of ‘Financial Services’.

EXTRACT OF ANNUAL RETURN:

An extract of Annual Return in MGT - 9 as provided under Section 92(3) of the Companies Act, 2013 is appended to this Report as **Annexure ‘A’**.

Copy of Annual Return will be uploaded on the website of the Company (i.e. www.sftc.co.in).

LISTING OF SHARES:

The Shares of the Company are listed on BSE Limited and The Calcutta Stock Exchange Limited.

DIRECTORS:

In accordance with the Articles of Association of the Company and in view of the provisions of Section 152 of the Companies Act, 2013 read with Companies (Management & Administration) Rules, 2014, **Mr. Mahesh C. Lakhota (DIN: 00128889)**, director of the Company retire at the ensuing Annual General Meeting and being eligible offer herself for re-appointment.

DECLARATION BY INDEPENDENT DIRECTORS:

The Company has received declaration from all the Independent Directors of the Company confirming that they meet the criteria of Independent Director prescribed both under section 149 (6) of the Companies Act, 2013 and as per SEBI (Listing obligation and Disclosure Requirement) Regulations, 2015.

PARTICULARS OF LOANS GIVEN, INVESTMENT MADE, GUARANTEES GIVEN OR SECURITY PROVIDED:

The Company, being a non-banking finance company registered with the Reserve Bank of India and engaged in the business of giving loans, is exempt from complying with the provisions of section 186 of the Companies Act, 2013 in respect of loans and guarantees.

The particulars of loans, guarantees and investments made under provisions of Section 186 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014 are given under notes to the Financial Statements, which forms part of this Annual Report.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS:

There are no significant and material orders passed by the Regulators or Courts that would impact the going status of the Company and its future operations.

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION:

There is no such material change and commitment affecting the financial position of your Company which have occurred between the end of the financial year of your Company to which the financial statements relate and the date of the Report.

DIRECTOR'S RESPONSIBILITY STATEMENT:

To the best of our knowledge and belief and according to the information and explanations obtained, Directors make the following statement in terms of Section 134 (3) (c) of the Companies Act, 2013:

- (a) that in the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- (b) that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- (c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the Directors had prepared the annual accounts on a going concern basis;
- (e) the Directors, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- (f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

KEY MANAGERIAL PERSONNEL:

During the year under review, the Company has the following persons as the Key Managerial Personnel.

- Mrs. Anjana Soni Thakur : Whole Time Director (WTD)
- Mr. Govinda Soni : Company Secretary (CS) & Chief Financial Officer

FORMAL EVALUATION OF THE PERFORMANCE OF THE BOARD, COMMITTEES OF THE BOARD AND INDIVIDUAL DIRECTORS:

Pursuant to the provisions of Section 134(3)(p) the Companies Act, 2013 the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Committees. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

Criteria adopted for evaluation:

The Board shall evaluate the roles, functions, duties of Independent Directors (ID's) of the Company. Each ID shall be evaluated by all other directors' not by the Director being evaluated. The board shall also review the manner in which ID's follow guidelines of professional conduct.

- Performance review of all the Non-Independent Directors of the Company on the basis of the activities undertaken by them, expectation of board and level of participation;
- Performance review of the Chairman of the company in terms of level of competence of chairman in steering the Company;
- The review and assessment of the flow of information by the company to the board and manner in which the deliberations take place, the manner of placing the agenda and the contents therein;
- The review of the performance of the directors individually, its own performance as well as evaluation of working of its committees shall be carried out by the board;
- On the basis of performance evaluation, it shall be determined by the Nomination and Remuneration Committee and the Board whether to extend or continue the term of appointment of ID subject to all other applicable compliances.

NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS:

The details of the number of meetings of the Board held during the Financial Year 2019-2020 forms a part of the Corporate Governance Report.

COMMITTEES OF THE BOARD:

Currently there are following Committees which are as follows:

1. Audit Committee
2. Stakeholders Relationship committee
3. Nomination and Remuneration Committee
4. Investment Committee
5. Corporate Social Responsibility Committee

Details of all the committees along with their charters, composition and meetings held during the year, are provided in the Report on Corporate Governance, forming part of this Annual Report.

VIGIL MECHANISM / WHISTLE BLOWER POLICY:

In compliance with the provisions of Section 177(9) of the Act read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 22 of the SEBI Listing Regulations, the Company has formulated a vigil mechanism for Directors and Employees. The Vigil Mechanism / Whistle Blower policy has been posted on the website of the Company (www.sftc.co.in).

PREVENTION OF SEXUAL HARASSMENT:

Your Company has in place an appropriate policy which is in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013. An Internal Complaints Committee has been set up to redress complaints, if any, received regarding sexual harassment. All

employees (permanent, contractual, temporary, trainees) are covered under this policy.

We further state that during the financial year under review, there were no complaints received/cases filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

RISK MANAGEMENT:

Your Company recognizes that risk is an integral part of business and is committed to managing the risks in a proactive and efficient manner; your Company periodically assesses risks in the internal and external environment, along with the cost of treating risks and incorporates risk treatment plans in its strategy, business and operational plans.

The Company has a Risk Management Policy (a) to ensure that all the Current and future material risk exposures of the company are indentified, assessed, quantified, appropriately mitigated, minimized and managed i.e. to ensure adequate systems for risk management process (b) to establish a framework for the company's risk management process and to ensure its implementation (c) to enable compliance with appropriate regulations, wherever applicable, through the adoption of best practices (d) to assure business growth with financial stability.

There are no risks which threaten the existence of the company.

RELATED PARTY TRANSACTIONS:

Your Company has entered into transactions with related parties as defined under Section 2(76) of the Companies Act, 2013 read with Companies (Specification of Definitions Details) Rules, 2014, which were in the ordinary course of business and on arms' length basis and in accordance with the provision of the Companies Act, 2013, Rules issued there under. Thus the disclosure in AOC-2 is not required. Further, there are no materially significant related party transactions made by the Company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the company at large.

DEPOSITORY SERVICES:

The Company's Equity Shares have been admitted to the depository mechanism of the National Securities Depository Limited (NSDL) and also the Central Depository Services (India) Limited (CDSL). As a result the investors have an option to hold the shares of the Company in a dematerialized form in either of the two Depositories. The Company has been allotted ISIN No. INE475D01010.

Shareholders therefore are requested to take full benefit of the same and lodge their holdings with Depository Participants [DPs] with whom they have their Demat Accounts for getting their holdings in electronic form.

INTERNAL FINANCIAL CONTROL:

Your Company has in place an adequate internal control system commensurate with the size of its operations. The Internal control system comprising of policies and procedures is designed to ensure sound management of your Company's operations, safekeeping of its assets, optimal utilisation of resources, reliability of

its financial information and compliance. Clearly defined roles and responsibilities have been institutionalised. Systems and procedures are periodically reviewed to keep pace with the growing size and complexity of your Company's operations.

During the financial year under review, no material or serious observation has been received from the Statutory Auditors and the Internal Auditors of the Company on such controls.

CODE OF CONDUCT:

Your Company is committed to conducting its business in accordance with the applicable laws, rules and regulations and highest standards of business ethics. In recognition thereof, the Board of Directors has implemented a Code of Conduct for adherence by the Directors, Senior Management Personnel and Employees of the Company. This will help in dealing with ethical issues and also foster a culture of accountability and integrity. The Code with revision made in accordance with the requirements of Listing Regulations has been posted on the Company's website www.sftc.co.in.

All the Board Members and Senior Management Personnel have confirmed compliance with the Code.

STATUTORY AUDITOR:

The members of the Company at its Annual General Meeting held on 28th September, 2018 appointed **M/s. S. S. Rathi & Co.**, Chartered Accountants (Firm Registration No. 108726W), as Statutory Auditors of the Company to hold the office of the Statutory Auditors of the Company until the conclusion of 40th Annual General Meeting. The auditors confirmed that their appointment shall be in compliance with Section 139 and 141 of the Companies Act, 2013 subject to ratification at the ensuing AGM by the shareholders.

The Company had received certificate from the Statutory Auditors confirming their eligibility and willingness for their appointment pursuant to Section 139(1) of the Act.

In accordance with the Companies Amendment Act, 2017, enforced on 7th May, 2018 by the Ministry of Corporate Affairs, the appointment of Statutory Auditors is not required to be ratified at every Annual General Meeting and M/s. S. S. Rathi & Co., Chartered Accountants, will continue to act as auditor of the Company till **financial Year 2022-2023**.

The Report given by the Auditors on the Financial Statement of the company is part of this report.

INTERNAL AUDIT:

Pursuant to the provision of Section 138 of the Companies Act, 2013, read with Companies (Accounts) Rules, 2014, the Board on recommendation of the Audit committee re-appointed **M/s. Kavita Birla & Co.**, (M. No. 405577), Practicing Chartered Accountant, Mumbai as an Internal Auditor of the Company. The Internal Auditor submits his reports to the Audit Committee.

Based on the report of Internal Audit, Management undertakes corrective action in their respective areas and thereby strengthens the controls. Significant audit observations and Corrective actions thereon are presented to the Audit Committee of the Board.

SECRETARIAL AUDIT REPORT:

Your Company appointed **M/s. Reena S. Modi & Associates**, Practicing Company Secretary, holding membership of The Institute of Company Secretaries of India (Membership No. A-25346, Certificate of Practice No. 12621) as the Secretarial Auditor of your Company to conduct the Secretarial Audit pursuant to Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The Secretarial Audit report is will be annexed as **Annexure 'B'** and forms an integral part to this Report.

In addition to the above and pursuant to SEBI circular dated 8th February 2019, a report on secretarial compliance by **M/s. Reena S. Modi & Associates** (Membership No. 25346), a firm of Company Secretaries in Practice for the FY 2019-2020 has been submitted with Stock exchanges.

EXPLANATIONS OR COMMENTS BY BOARD ON EVERY QUALIFICATION, RESERVATION OR ADVERSE REMARK OR DISCLAIMER :

The Statutory Auditors Report and Secretarial Auditors Report is self explanatory.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit function is defined by the Audit Committee. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board & to the Chairman & Whole Time Director.

The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies of the Company.

Based on the report of internal audit function, the Company undertakes corrective action in their respective areas and thereby strengthens the controls. Significant audit observations and recommendations along with corrective actions thereon are presented to the Audit Committee of the Board.

The Company has in place adequate policies and procedures for ensuring the orderly business, including adherence to the 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.

CORPORATE GOVERNANCE:

The Company is committed in maintaining the highest standards of Corporate Governance and adhering to the Corporate Governance requirements set out by the Securities and Exchange Board of India (SEBI).

All Board Members and Senior Management have affirmed compliance with the Code of Conduct for the financial year under review. A declaration to this effect signed by the Chief Executive Officer of the Company forms part of the Corporate Governance Report.

The Chief Executive Officer and Chief Financial Officer have certified to the Board with regard to the Financial Statements and other matters as required under Regulation 17(8) of the SEBI Listing Regulations which forms part of the Corporate Governance Report.

The Corporate Governance Report, which form an integral part of this Report, are set out as a separate Annexures, together with the Certificate from the Auditors of the Company regarding compliance with the requirements of Corporate Governance as stipulated in SEBI (LODR) Regulation, 2015.

MANAGEMENT DISCUSSION & ANALYSIS REPORTS:

Pursuant to Regulation 34 of SEBI Listing Regulations, the Management Discussion and Analysis Report for the financial year under review, is presented as a separate section forming part of this Annual Report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING:

Considering the Company's activities as a non-banking finance company (NBFC), particulars with respect to the conservation of energy and technology absorption as required to be disclosed pursuant to provision of Section 134(3)(m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014 are not relevant to the Company.

PARTICULARS OF EMPLOYEES:

The prescribed particulars of remuneration of employees pursuant to Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are set out as **Annexure "C"** to the Directors' Report and forms part of this Annual Report.

None of the employees have drawn remuneration more than Rs. 10 lakhs p.m., if employed for the part of the year and Rs. 120 lakhs p.a. if employed throughout the year.

CORPORATE SOCIAL RESPONSIBILITY:

Pursuant to Section 135 of the Companies Act, 2013 and the relevant rules, the Board has constituted the Corporate Social Responsibility (CSR) Committee under the Chairmanship of Mrs. Anjana Soni Thakur. The other members of the Committee are Mr. Ratan Lal Samriya and Mr. Arjun Agal.

A detailed CSR Policy has been framed which is placed on the Company's Website. As a part of its initiative under the CSR drive, the company has undertaken CSR activities by giving contribution to various permitted entities.

These CSR Projects are in accordance with Schedule VII of the Companies Act, 2013 and the Company's CSR Policy. Details of the CSR activities as required under Section 135 of the Companies Act, 2013 and rules framed thereunder are given in the CSR Report framed thereunder are given in the CSR Report as **Annexure 'D'** forming part of this Report.

ACKNOWLEDGMENT:

The Directors place on record their appreciation to all those people, who have so willingly placed their trust in the company & management and to all customers across all area, shareholders, Financial Institutions, Banks, Government, and Local Authorities under our operation, who have given the company an opportunity to serve them.

It is worth mentioning that, working with many NBFCs has been a very encouraging experience especially in being catalyst to their sustainability and growth. The company looks forward to further strengthening the synergies.

The entire Team of the Company deserves the appreciation for their sincere efforts and determination to excel. The core teams of the plays a pivotal role in articulating and implementing the strategic decisions and thus contributing to the development of the company. I take this opportunity to express my heartfelt appreciation for their continuous support, hard work and dedication.

**By order of the Board of Directors
For Suchitra Finance & Trading Co. Ltd.**

**Sd/-
Vinod Kumar Sodani
Chairman
(DIN: 00403740)**

Date: 25th June, 2020

Place: Mumbai

REGISTERED OFFICE:

B/306-309, Dynasty Business Park,
Opp. Sangam cinema, Andheri (E), Mumbai – 400059
Email id: suchitra@sangamgroup.com, website: www.sftc.co.in

ANNEXURE TO DIRECTORS' REPORT**“ANNEXURE A”****EXTRACT OF ANNUAL RETURN****Form No. MGT-9**(As on the Financial Year ended on 31st March, 2020)

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS :

| | | |
|------|---|---|
| i. | CIN | L65910MH1981PLC234305 |
| ii. | Registration Date | 09/12/1981 |
| iii. | Name of the Company | SUCHITRA FINANCE & TRADING COMPANY LIMITED |
| iv. | Category/Sub-Category of the Company | Public Company, Limited by shares, NBFC. |
| v. | Address of the Registered office and contact details | B/306-309, Dynasty Business Park, Opp. Sangam Cinema, A. K. Road, Andheri (E), Mumbai (M.H.) - 400059 Phone No: 022-61115222 E-mail Id: suchitra@sangamgroup.com |
| vi. | Whether listed Company | Yes (BSE & CSE) |
| vii. | Name, Address and Contact details of Registrar and Transfer Agent, if any | M/s. Niche Technologies Pvt. Ltd. 3A, Auckland Place, 7th Floor, Room No. 7A & 7B, Kolkata – 700 017 Phones: (033) 2280 6616 / 6617 / 6618 E-Mail: nichetechpl@nichetechpl.com |

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:-

| Sr. No. | Name and Description of main products/ services | NIC Code of the Product/ | % to total turnover of the Company |
|----------------|--|---------------------------------|---|
| 1 | Interest Income & Syndication Fees | 649 | 100 |

| | | | | | | | | | |
|--|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|-------------|
| 2. Non-Institutions | | | | | | | | | |
| a) Bodies Corp. | | | | | | | | | |
| (i) Indian | 3095464 | 2000 | 3097464 | 33.22 | 3095464 | 2000 | 3097464 | 33.22 | 0.00 |
| (ii) Overseas | | | | | | | | | |
| Individuals | | | | | | | | | |
| (i) Individual shareholders holding nominal share capital upto Rs. 1 lakh | 116109 | 75190 | 191299 | 2.05 | 105330 | 75190 | 180520 | 1.94 | -0.11 |
| (ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh | 109085 | 0 | 109085 | 1.17 | 163723 | 0 | 163723 | 1.76 | 0.59 |
| Clearing Member | 44152 | 0 | 44152 | 0.47 | 229 | 0 | 229 | 0.00 | -0.47 |
| Others (Specify)- NRI | 300 | Nil | 300 | 0.003 | 364 | 0 | 364 | 0.004 | 0.001 |
| Sub-total (B)(2) | 3365110 | 77190 | 3442300 | 36.92 | 3365110 | 77190 | 3442300 | 36.92 | 0.00 |
| Total Public Shareholding (B)=(B)(1)+(B)(2) | 3365110 | 77190 | 3442300 | 36.92 | 3365110 | 77190 | 3442300 | 36.92 | 0.00 |

| | | | | | | | | | |
|--|----------------|--------------|----------------|------------|----------------|--------------|----------------|------------|------------|
| Shares held by Custodian for GDRs & ADRs | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| Grand Total (A+B+C) | 9245360 | 77190 | 9322550 | 100 | 9245360 | 77190 | 9322550 | 100 | Nil |

i. Shareholding of Promoters:

| Sr. No. | Shareholder's Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | % change in share holding during the year |
|---------|--------------------------------|---|----------------------------------|---|-------------------------------------|----------------------------------|--|---|
| | | No. of Shares | % of total Shares of the Company | % of Shares Pledged / encumbered to total | No. of Shares | % of total Shares of the Company | % of Shares Pledged / encumbered to total shares | |
| 1. | Marigold Investrad e Pvt. Ltd. | 5880250 | 63.08 | Nil | 5880250 | 63.08 | Nil | Nil |
| | Total | 5880250 | 63.08 | Nil | 5880250 | 63.08 | Nil | Nil |

ii. Change in promoters' shareholding:

| Sr. no | Particulars | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|--------|--|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the Company | No. of shares | % of total shares of the Company |
| 1. | At the beginning of the year | *NO CHANGE* | | | |
| | Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat | | | | |

| | |
|-------------------------------|--|
| equity etc): | |
| At the End of the year | |

iii. Share holding pattern of top ten share holders (other than, Directors Promoters and Holders of GDRS, ADRS):

| Sr. No. | Name | Shareholding | | Date | Increasing / Decreasing in shareholding | Reason | Cumulative Shareholding during the year | |
|---------|--|--|----------------------------------|------|---|--------|---|----------------------------------|
| | | No. of Shares at the beginning of the year | % of total Shares of the Company | | | | No. of Shares | % of total Shares of the Company |
| 1 | Fantastic Vyapaar Pvt. Ltd. | 464000 | 4.98 | - | - | - | 464000 | 4.98 |
| 2 | Gawarja Merchants Pvt. Ltd. | 411000 | 4.41 | - | - | - | 411000 | 4.41 |
| 3 | Seawoods Hospitality & Realty Pvt. Ltd. | 410000 | 4.40 | - | - | - | 410000 | 4.40 |
| 4 | Sukaniya Properties Pvt. Ltd. | 363000 | 3.89 | - | - | - | 363000 | 3.89 |
| 5 | Nouveau Cotspin Pvt. Ltd. | 300000 | 3.22 | - | - | - | 300000 | 3.22 |
| 6 | Kelvin Merchants Pvt. Ltd. | 266750 | 2.86 | - | - | - | 266750 | 2.86 |

| | | | | | | | | |
|----|-----------------------------------|--------|------|---|---|---|--------|------|
| 7 | Intime Realty Pvt. Ltd. | 250000 | 2.68 | - | - | - | 250000 | 2.68 |
| 8 | Novelty Tie Up (P) Ltd. | 197000 | 2.11 | - | - | - | 197000 | 2.11 |
| 9 | Laxmi Management Pvt. Ltd. | 149500 | 1.60 | - | - | - | 149500 | 1.60 |
| 10 | Vinayak Vinimay (P) Ltd. | 149000 | 1.60 | - | - | - | 149000 | 1.60 |

iv. Shareholding of Directors and Key Managerial Personnel:

| Sr. No. | For each of the Directors and KMP | Shareholding at the beginning of the Year | | Shareholding at the end of the year | |
|---------|---|---|----------------------------------|-------------------------------------|----------------------------------|
| | Name of the Director/KMP | No of Shares | % of Total shares of the Company | No of Shares | % of Total shares of the Company |
| 1. | Mrs. Anjana Soni Thakur (Director) | - | - | - | - |
| 2. | Mr. V. K. Sodani (Director) | - | - | - | - |
| 3. | Mr. Mahesh. C. Lakhotiya (Director) | - | - | - | - |
| 4. | Mr. Govinda Soni (Company Secretary & Compliance officer) | - | - | - | - |
| 5. | Mr. Ratan Lal Samriya (Director) | - | - | - | - |
| 6. | Mr. Arjun Agal (Director) | - | - | - | - |

v. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Rs. In Lakhs)

| Particulars | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|-------------|----------------------------------|-----------------|----------|--------------------|
| | | | | |

| | | | | |
|--|----------------|------------------|------------|------------------|
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount & | 3157.89 | 30881.95 | NIL | 34039.84 |
| ii) Interest due but not paid | | | | |
| iii) Interest accrued but not | | | | |
| Total (i+ii+iii) | 3157.89 | 30881.95 | NIL | 34039.84 |
| Change in Indebtedness during the financial year | | | | |
| - Addition | --- | 702.61 | | 702.61 |
| - Reduction | (718.26) | (27350.16) | NIL | (28068.42) |
| Net Change | -718.26 | -26647.60 | NIL | -27365.81 |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount & | 2439.63 | 4234.40 | NIL | 6674.03 |
| ii) Interest due but not paid | | | | |
| iii) Interest accrued but not due | | | | |
| Total (i+ ii+ iii) | 2439.63 | 4234.40 | NIL | 6674.03 |

V. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration to Managing Director, Whole time Directors and/or Manager:

(Amt. In Lakhs)

| Sr. no. | Particulars of Remuneration | Name of MD/WTD/Manager | |
|---------|---|------------------------|-------|
| | | Anjana Soni Thakur | Total |
| 1. | Gross Salary | | |
| (a) | Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 24.00 | 24.00 |
| (b) | Value of perquisites u/s. 17(2) of the Income-tax Act, 1961 | NIL | NIL |

| | | | |
|-----|---|-------|-------|
| (c) | Profits in lieu of salary under section 17(3) of the Income tax Act, 1961 | NIL | NIL |
| 2. | Stock Option | NIL | NIL |
| 3. | Sweat Equity | NIL | NIL |
| 4. | Commission | NIL | NIL |
| | -as % of profit | | |
| | -Others, Specify.... | | |
| 5. | Others | NIL | NIL |
| | Total | 24.00 | 24.00 |

B. Remuneration to other directors: N.A.**C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD**

(Amt. in Lakhs)

| Sr. no. | Particulars of Remuneration | Key Managerial personnel | |
|---------|---|--------------------------|-------------|
| | | Company Secretary & CFO | Total |
| | Name | Govinda Soni | |
| 1. | Gross Salary | | |
| (a) | Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 8.09 | 8.09 |
| (b) | Value of perquisites u/s. 17(2) of the Income-tax Act, 1961 | NIL | NIL |
| (c) | Profits in lieu of salary under section 17(3) of the Income tax Act, 1961 | NIL | NIL |
| 2. | Stock Option | NIL | NIL |
| 3. | Sweat Equity | NIL | NIL |
| 4. | Commission | NIL | NIL |
| | -as % of profit | | |
| | -Others, Specify.... | | |
| 5. | Others | NIL | NIL |
| | Total | 8.09 | 8.09 |

VI. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

| Type | Section of the companies Act | Brief description | Details of Penalty/Punishment/ Compounding fees imposed | Authority[RD/NCLT/ Court] | Appeal made. If any(give details) |
|-------------------------------------|-------------------------------------|--------------------------|--|-----------------------------------|--|
| A. Company | | | | | |
| Penalty | Nil | Nil | Nil | Nil | Nil |
| Punishment | Nil | Nil | Nil | Nil | Nil |
| Compounding | Nil | Nil | Nil | Nil | Nil |
| B. Directors | | | | | |
| Penalty | Nil | Nil | Nil | Nil | Nil |
| Punishment | Nil | Nil | Nil | Nil | Nil |
| Compounding | Nil | Nil | Nil | Nil | Nil |
| C. Other Officers In Default | | | | | |
| Penalty | Nil | Nil | Nil | Nil | Nil |
| Punishment | Nil | Nil | Nil | Nil | Nil |
| Compounding | Nil | Nil | Nil | Nil | Nil |

**“Annexure - B” (to change when we received. The reference of note to change)
Form No. MR-3**

SECRETARIAL AUDIT REPORT

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

To,

The Members,

SUCHITRA FINANCE & TRADING CO. LTD.

B/306-309, Dynasty Business Park,
OPP: Sangam Cinema A.K. Road, Andheri (E),
Mumbai-400069

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **SUCHITRA FINANCE & TRADING CO LTD** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my/our opinion, the company has, during the financial year ended 31st March, 2020 have 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 have examined the books, papers, minute books, forms and returns filed and other records maintained by **SUCHITRA FINANCE & TRADING CO LTD** for the financial year ended on 31st March, 2020 ,_ 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 (Not applicable to the Company during the audit period);
- (v) 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;- Not applicable during Audit period;
 - (d) The Securities and Exchange Board of India (Employee Stock

Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 - Not applicable during Audit period;

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;- Not applicable during Audit period

(f) 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;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations,2009; - Not applicable during Audit period and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations,1998;- Not applicable during Audit period

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India and the same has been complied.

(ii) The Listing Agreements entered into by the Company with Calcutta Stock Exchange and Bombay Stock Exchange.

I 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 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. During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards.

Point to note

- Last year during the Audit it has been found that the Company has not submitted the Online Annual Report within 21 days from Annual General Meeting. The Company has received email dated 19th November, 2018 from BSE with the letter of notice dated 16th November, 2018 with fine amounting to 37,760 including GST. The Company has submitted the Annual Report on 19th November, 2018 the matter is still pending.

**For Reena S Modi & Associates
Practicing Company Secretary**

Sd/-

Date: 31/08/2020

Place: Mumbai

ACS No- A25346

CP No- 12621

UDIN-A025346B000639201

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

Annexure A to the Secretarial Audit Report

Annexure –A

To,

The Members,

SUCHITRA FINANCE & TRADING CO. LTD.

B/306-309, Dynasty Business Park,
OPP: Sangam Cinema A.K. Road, Andheri (E),
Mumbai-400069

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on our audit.
2. I 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 the random test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, followed provide a reasonable basis for opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on the random test basis.
5. 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. The report has been issued based on facts and documents presented before me during Audit

**For Reena S Modi & Associates
Practicing Company Secretary**

Sd/-

Date: 31/08/2020
Place: Mumbai

**ACS No- A25346
CP No- 12621
UDIN-A025346B000639201**

Annexure 'C'**Pursuant to Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

| Sr. No. | Particulars | Status |
|----------------|--|--------------------------------------|
| 1 | Ratio of the remuneration to each executive Director to the median remuneration of the employees of the Company for F.Y. 2019-20 | NA |
| 2 | % increase in remuneration Executive Directors, CFO and CS during the F.Y. 2019-20 | 10% |
| 3 | % increase in median remuneration of the employees for the F.Y. 20019-20 | 10% |
| 4 | Total employees on role of Company as on 31 st March, 2020 | 3 |
| 5 | Relationship between average increase in remuneration and Company's performance | NA |
| 6 | Comparison of the remuneration of the KMPs against the performance of the Company | NA |
| 7 | Variations in the market capitalization of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer | NA |
| 8 | Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration | 10 (No exceptional increment) |
| 9 | Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company | As per market trend |
| 10 | The key parameters for any variable component of remuneration | NA |
| 11 | The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year | NA |
| 12 | Affirmation that the remuneration is as per the remuneration policy of the Company | Yes |

“Annexure-D”**Corporate Social Responsibility:**

We submit that Section 135(1) of the Companies Act, 2013 provides that every Company having net worth of Rs. 500 Crore or more, or turnover of Rs. 1,000 Crore or more or a net profit of Rs. 5 Crore or more during any financial year shall constitute a Corporate Social Responsibility (“CSR”) Committee.

In accordance with the requirements of Section 135 of Companies Act, 2013, your Company has already formed Corporate Social Responsibility Committee, which comprises Mrs. Anjana Soni Thakur, Mr. Ratan Lal Samriya and Mr. Arjun Agal, Directors of the Company. Your Company has also formulated a Corporate Social Responsibility Policy (CSR Policy).

The Company has made the relevant provisions for CSR activities as per Section 135 of the Companies Act in pursuance of CSR Policy formulated by its CSR Committee in accordance with the Companies (Corporate Social Responsibility) Rules 2014.

The average net profit of the Company, computed as per Section 198 of the Companies Act, 2013, during the three immediately preceding financial years was Rs. 1010.22 lakhs. It was hence required to spend Rs. 20.20 lakhs on CSR activities during the Financial Year 2019-20 being 2% of the average net profits of the three immediately preceding financial years.

The Board of Directors of the Company evaluated various options and projects like rural development foundation, improving the quality of life in rural area like backward people & adiwasi people, promoting of education along with adequate facilities and other areas of activities mentioned in the CSR Policy of the Company. The Company will spend said amount of Rs.20.20 lakhs in financial 2020-21.

CSR- Disclosure required pursuant clause (0) of sub-section (3) of Section 134 of the Companies Act 2013 and The Companies (Corporate Social Responsibility Policy) Rules, 2014

| Sr. No | Particulars | Remarks |
|--------|--|--|
| 1 | A Brief outline of the Company’s CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and project or programs. | <p>The Company evaluated various options and projects like rural development foundation, improving the quality of life in rural area like backward people & adiwasi people, promoting of education along with adequate facilities and other areas of activities mentioned in the CSR Policy of the Company.</p> <p>During the year company has incurred CSR activities in education Area through an Agency who is Constructing a Hostel for Students who comes to Mumbai / or nearby Area for pursuing Education. This hostel will provide accommodation & food at concession rate to Students for</p> |

| | | |
|---|---|--|
| | | unprivileged students (Other words can be inserted). |
| 2 | The Composition of the CSR Committee. | CSR Committee comprises Mrs. Anjana Soni Thakur, Mr. Ratan Lal Samriya and Mr. Arjun Agal. |
| 3 | Average net profit of the Company for last three financial years. | Rs. 1010.22 lakhs |
| 4 | Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above). | Rs. 20.20 lakhs for the Current Financial year |
| 5 | Details of CSR spent during the financial year: a) Total amount to be spent for the financial year b) Amount unspent, if any; | Rs.20.20/- lakhs Rs.20.20/- lakhs |

c) Manner in which the amount spent during the financial year is detailed Below:

| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
|---------------|---|---|---|--|---|--|---|
| Sr. No | CSR Project or activity identified | Sector in which the product is covered | Project or Programs 1. Local area or other 2. Specify the state and district where projects or programs was undertaken | Amount outlay (Budget) Project or Programs wise | Amount spent on the Projects or Programs Sub-heads: 1.Direct Expenditure on Projects or programs 2.Over-heads: | Cumulative Expenditure up to the reporting period | Amount spent direct or through implementing agency |

Not Spent

| | | |
|---|---|--|
| 6 | In case the company has failed to spend the two per cent of | Company could not spend the budget amount for the desired CSR activities due to difficulty |
|---|---|--|

| | | |
|---|--|---|
| | the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report. | to in finding out other suitable implementing agency. Same will be spend in FY 2020-21 |
| 7 | Responsibility statement of the CSR Committee | We hereby declare that implementation and monitoring of CSR Policy are in Compliance with CSR Objectives and Policy of the Company. |

REPORT ON CORPORATE GOVERNANCE

1. CORPORATE GOVERNANCE:

Corporate Governance refers to a set of laws, regulations and good practices that enable an organization to perform efficiently and ethically generate long term wealth and create value for all its stakeholders.

2. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE:

The Company's essential character revolves around the values based on transparency, integrity, professionalism and accountability. At the Highest level, the Company continuously endeavors to improve upon these aspects on an ongoing basis and adopts innovative approaches for leveraging resources, converting opportunities into achievements through proper empowerment and motivation, fostering a healthy growth and development of human resources to take the Company forward.

3. BOARD OF DIRECTORS:

The Board of Directors provides strategic directions and thrust to the operations of the Company, thereby enhancing the value of the stakeholders.

(a) COMPOSITION:

The Board of Directors of the Company has an optimum combination of executive and non-executive and independent directors. There are 5 Directors on Board of the Company, comprising of 1 Whole Time Director, 2 Independent Directors and 2 Non- Executive Directors as on **March 31st, 2020**. The Chairman of the Board is Non - Executive Director. The directors have made necessary disclosures regarding positions occupied by them in other companies.

The Composition of the Board of Directors of the Company as on **31st March, 2020** are as under with details of other directorships and committee memberships:-

| Sr. No. | Name | Status | No. of other Directorships and Committee Memberships | |
|---------|--------------------------|--------------------------------------|--|----------------------|
| | | | Other Directorships | Committee Membership |
| 1. | Mr. V. K. Sodani | Chairman (Non-Executive Director) | 05 | - |
| 2. | Mr. Mahesh. C. Lakhotiya | Non-Executive Director | 07 | - |
| 3. | Mrs. Anjana Soni Thakur | Whole Time Director | 05 | - |
| 4. | Mr. Arjun Agal | Independent Director | - | - |
| 5. | Mr. Ratan Lal Samriya | Independent Director | 01 | - |

(b) MEETINGS OF THE BOARD AND ATTENDANCE OF THE DIRECTORS:

Attendance at Board meetings during the year and last Annual General Meetings are as follows:

- 8 meetings of the Board are held on 05th April, 2019, 30th May, 2019, 20th June, 2019, 29th August, 2019, 04th September, 2019, 13th September, 2019, 13th December, 2019 & 14th February, 2020.
- The Last Annual General Meeting was held on 30th September, 2019

| Sr. No. | Name of the Director | No. of Board Meeting attended | Whether attended Last AGM |
|----------------|-----------------------------|--------------------------------------|----------------------------------|
| 1. | Mr. V. K. Sodani | 8 | No |
| 2. | Mr. Mahesh. C. Lakhotiya | 8 | Yes |
| 3. | Mrs. Anjana Soni Thakur | 8 | Yes |
| 4. | Mr. Ratan Lal Samriya | 8 | Yes |
| 5. | Mr. Arjun Agal | 8 | Yes |

None of the above directors are related inter-se.

(c) BOARD PROCEDURE:

The annual calendar of board meetings is agreed upon at beginning of the year. The Agenda is circulated in advance to the Board Members. The items in the Agenda are backed by comprehensive background information to enable the Board to take appropriate decisions.

(d) CODE OF CONDUCT & DECLARATION:

The Company has adopted a Code of Conduct for the Directors, Senior Management Personnel and Employees of the Company. The Members of the Board and Senior Management of the Company have submitted their affirmation on compliance with the code for the effective period. Declaration from Mrs. Anjana Soni Thakur, Whole Time Director affirming compliance of the said code by all the Board Members and members of senior management of the company to whom the code is applicable is annexed separately to this report.

(e) OBLIGATIONS OF INDEPENDENT DIRECTORS:

As mandated by Regulation 25 of the Listing Regulations, the Independent Directors on the Company's Board held a meeting on 14th February, 2020 without the presence of Non-Independent Directors and Members of the management to:

- (a) review the performance of non-independent Directors and the Board of Directors as a whole;

- (b) review the performance of the chairperson of the listed entity, taking into account the views of executive Directors and non-executive Directors;
- (c) Assess the quality, quantity and timeliness of flow of information between the management of the listed entity and the Board of Directors that is necessary for the Board of Directors to effectively and reasonably perform their duties.

Accordingly, the performance evaluation of the Chairman & Managing Director and Whole-time Director was carried out by the Independent Directors. The Board of Directors expressed their satisfaction with the evaluation process.

(f) FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS:

The Company has in place a policy for Familiarization Programme for Independent Director and the same is disclosed on the website of the company i.e. www.sftc.co.in.

INFORMATION PLACED BEFORE BOARD OF DIRECTORS:

The Board has complete access to all information with the Company.

All Board meetings are governed by a structured agenda which is backed by comprehensive background information. Inter-alia, the following information is regularly provided to the Board, as part of the agenda papers well in advance of the Board meetings, or is tabled in the course of the Board meeting:

- a. Annual operating plans and budgets and any updates.
- b. Quarterly results for the Company.
- c. Minutes of meetings of audit committee and other committees of the board.
- d. The information on recruitment and remuneration of senior officers just below the board level, including appointment or removal of Chief Financial Officer and the Company Secretary.
- e. Show cause, demand, prosecution notices and penalty notices which are materially important.
- f. Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- g. Any material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company.
- h. Any issue, which involves possible public or product liability claims of substantial nature, including any judgment or order which, may have passed structures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company.
- i. Details of any joint venture or collaboration agreement.
- j. Any transactions that involves substantial payment towards goodwill, brand equity, or intellectual property.
- k. Sale of material, nature of investments, subsidiaries, assets, which is not in normal course of business.
- l. Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as nonpayment of dividend, delay in share transfer etc.

The Board has an effective post meeting follow up procedure. The Action taken report on the decisions taken in a meeting is placed at the immediately succeeding meeting for information of the Board.

The Board has established procedures to enable the Board to periodically review compliance reports of all laws applicable to the Company, prepared by the Company, as well as steps taken by the Company to rectify instances of non-compliance.

4. BOARD COMMITTEES:

The Board currently has following Committees:

- (a) Audit Committee.
- (b) Nomination & Remuneration Committee.
- (c) Shareholders'/Investors' Grievance Committee.
- (d) Investment Committee
- (e) Corporate Social Responsibility Committee

(a) AUDIT COMMITTEE:

(i) TERMS OF REFERENCE:

1. Oversight of the Company's financial reporting process, review of internal control system and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
2. Recommending the appointment of the Statutory Auditors and fixation of their remuneration.
3. Reviewing the major accounting policies and practices and adoption of applicable Accounting Standards.
4. Reviewing the management, the annual financial statements before submission to the board for approval.
5. Reviewing with the management, the quarterly financial statements before submission to the Board for approval, with particular reference to:-
 - a) Matters required being 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.
 - b) Changes, if any, in accounting policies and practices and reasons for the same.
 - c) Major Accounting entries involving estimates based on the exercise of judgment by management.
 - d) Significant adjustments made in the financial statements arising out of audit findings.
 - e) Compliance with listing and other legal requirements relating to financial statements.
 - f) Disclosure of any related party transactions.
 - g) Qualifications in the draft audit report.
6. Discussion with the internal/statutory auditors on any significant finding and follow-up there on.

7. Reviewing the risk management mechanisms of the Company.

8. Approval of the appointment of the Chief Executive officer (CEO).

Minutes of the Audit Committee Meetings are circulated to the Members of the Board of Directors and taken care of.

(ii) COMPOSITION:-

The composition of Audit Committee as on **31st March, 2020** is as follows:-

| Sr. No. | Name of the Director | Composition |
|----------------|-----------------------------|--|
| 1. | Mr. Ratan Lal Samriya | Chairman (Independent Director) |
| 2. | Mr. V. K. Sodani | Member (Chairman & Non-Executive Director) |
| 3. | Mr.Arjun Agal | Member (Independent Director) |

(iii) MEETING AND ATTENDANCE:

The Committee met 5 times during the year on 30th May, 2019, 20th June, 2019, 13th September, 2019, 13th December, 2019 & 14th February, 2020.

The attendances of the Members at the meetings were as follows:-

| Name of the Director | Status | No. of Meetings during the year | No. of Meetings Attended |
|-----------------------------|---------------|--|---------------------------------|
| Mr. Ratan Lal Samriya | Chairman | 5 | 5 |
| Mr. V. K. Sodani | Member | 5 | 5 |
| Mr.Arjun Agal | Member | 5 | 5 |

All the members of the Audit Committee are financially literate and have Accounting or related financial management expertise. The Chief Financial Officer and Head of the Corporate Audit Services are permanent invitees to the meetings of the Audit Committee. The Company Secretary is the Secretary to the Committee.

(b) NOMINATION & REMUNERATION COMMITTEE:

The Company is having “Nomination and Remuneration Committee” constituted in accordance with section 178 of Companies Act, 2013 and Regulation 19 of the SEBI (LODR) Regulation, 2015.

(i) TERMS OF REFERENCE:

The Remuneration Committee is there to identify persons qualified to become directors & KMPs, formulate and recommend to the Board the compensation/ remuneration structure for managing director/whole time directors & KMPs, their evaluation & removal. However, at present, no compensation or remuneration is paid to Executive & Non-Executive directors.

(ii) COMPOSITION:-

The composition of the Nomination & Remuneration Committee as on **31st March, 2020** is as follows:-

| Sr. No. | Name of the Director | Composition |
|----------------|-----------------------------|--|
| 1. | Mr. Ratan Lal Samriya | Chairman (Independent Director) |
| 2. | Mr. V. K. Sodani | Member (Chairman & Non-Executive Director) |
| 3. | Mr.Arjun Agal | Member (Independent Director) |

(i) MEETING AND ATTENDANCE:

The Committee met 1 times during the year on 14th February, 2020.

The attendances of the Members at the meetings were as follows:-

| Name of the Director | Status | No. of Meetings during the year | No. of Meetings Attended |
|-----------------------------|---------------|--|---------------------------------|
| Mr. Ratan Lal Samriya | Chairman | 1 | 1 |
| Mr. V. K. Sodani | Member | 1 | 1 |
| Mr.Arjun Agal | Member | 1 | 1 |

All the members of the Nomination & Remuneration Committee are financially literate and have Accounting or related financial management expertise. The Company Secretary is the Secretary to the Committee.

(c) SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE:**(i) TERMS OF REFERENCE:**

The Committee oversees redressal of shareholders/investors grievances, transfers of shares, non-receipt of balance sheets and related matters. It also reviews the system of dealing with and responding to correspondence from the Investors viz- shareholders and the reporting of the same to the Board periodically.

(ii) COMPOSITION:-

The composition of the Shareholders/Investors Committee as on **31st March, 2020** is as follows:-

| Sr. No. | Name of the Director | Composition |
|----------------|-----------------------------|--|
| 1. | Mr. Ratan Lal Samriya | Chairman (Independent Director) |
| 2. | Mr. V. K. Sodani | Member (Chairman & Non-Executive Director) |
| 3. | Mr.Arjun Agal | Member (Independent Director) |

(iii) MEETING AND ATTENDANCE:

The Committee met 5 times during the year on 20th June, 2019, 29th August, 2019, 13th September, 2019, 13th December, 2019 & 14th February, 2020.

The attendances of the Members at the meetings were as follows:-

| Name of the Director | Status | No. of Meetings during the year | No. of Meetings Attended |
|-----------------------------|---------------|--|---------------------------------|
| Mr. Ratan Lal Samriya | Chairman | 5 | 5 |
| Mr. V. K. Sodani | Member | 5 | 5 |
| Mr. Arjun Agal | Member | 5 | 5 |

All the members of the Shareholders/Investors Grievance Committee are financially literate and have Accounting or related financial management expertise. The Company Secretary is the Secretary to the Committee.

(d) INVESTMENT COMMITTEE:

(i) TERMS OF REFERENCE:

The Company formed "Investment Committee" on 20th February, 2016 & Reconstituted with effect from 14th February, 2019. The Committee Re-consist of Mrs. Anjana Soni Thakur, Chairman (WTD), Mr. Govinda Soni, Member (CFO) and Mrs. Sejal Sagar Modi, Member (Independent Financial Consultant) to meet as and when necessary to take Investment decision required by the Company being Non Banking Financial Company.

(ii) COMPOSITION:-

The composition of the Shareholders/Investors Committee as on **31st March, 2020** is as follows:-

| Sr. No. | Name of the Director | Composition |
|----------------|-----------------------------|---|
| 1. | Mrs. Anjana Soni Thakur | Chairman (Whole Time Director) |
| 2. | Mr. Govinda Soni | Member (Chief Financial Officer) |
| 3. | Mrs. Sejal Sagar Modi | Member (Independent Financial Consultant) |

(iii) MEETING AND ATTENDANCE:

The Committee met 1 time during the year on 14th February, 2020.

The attendances of the Members at the meetings were as follows:-

| Name of the Director | Status | No. of Meetings during the year | No. of Meetings Attended |
|-----------------------------|---------------|--|---------------------------------|
| Mrs. Anjana Soni Thakur | Chairman | 1 | 1 |

| | | | |
|-----------------------|--------|---|---|
| Mr. Govinda Soni | Member | 1 | 1 |
| Mrs. Sejal Sagar Modi | Member | 1 | 1 |

All the members of the Investment Committee are financially literate and have Accounting or related financial management expertise. The Company Secretary is the Secretary to the Committee.

(e) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

(i) TERMS OF REFERENCE:

The Board of Directors of the Company had constituted the Corporate Social Responsibility Committee in accordance with section 135 of Companies Act, 2013 comprising of three Directors.

(ii) COMPOSITION:

The composition of the Corporate Social Responsibility Committee as on **31st March, 2020** is as follows:-

| Sr. No. | Name of the Director | Composition |
|---------|-------------------------|-------------|
| 1. | Mrs. Anjana Soni Thakur | Chairman |
| 2. | Mr. Ratan Lal Samriya | Member |
| 3. | Mr. Arjun Agal | Member |

(iii) MEETING AND ATTENDANCE:

The Committee met 1 time during the year on 14th February, 2020.

The attendances of the Members at the meetings were as follows:-

| Name of the Director | Status | No. of Meetings during the year | No. of Meetings Attended |
|-------------------------|----------|---------------------------------|--------------------------|
| Mrs. Anjana Soni Thakur | Chairman | 1 | 1 |
| Mr. Ratan Lal Samriya | Member | 1 | 1 |
| Mr. Arjun Agal | Member | 1 | 1 |

All the members of the Corporate Social Responsibility Committee are financially literate and have Accounting or related financial management expertise. The Company Secretary is the Secretary to the Committee.

(f) RISK MANAGEMENT POLICY:

During the Year, your Directors have formulated the Risk Management Policy at Board Meeting, which has been entrusted with the responsibility to assist the Board:

1. To ensure that all the current and future material risk exposures of the Company are identified, assessed, quantified, appropriately mitigated,

minimized and managed i.e. to ensure adequate systems for risk management and

2. To establish a framework for the Company's risk management process and to ensure its implementation
3. To enable compliance with appropriate regulations, wherever applicable.
4. To assure business growth with financial stability.

5. **SHAREHOLDERS MEETINGS:**

The date, time and venue of the Annual General Meetings of last three years are given below:

| Financial Year | Date | Time | Venue |
|----------------|------------|------------|-------------------|
| 2016-2017 | 28.09.2017 | 11:00 a.m. | Registered Office |
| 2017-2018 | 28.09.2018 | 11:00 a.m. | Registered Office |
| 2018-2019 | 30.09.2019 | 11:00 a.m. | Registered Office |

All resolutions moved at the Last Annual General Meeting were passed with requisite majority.

6. **SECRETARIAL AUDIT:**

Secretarial Audit is being carried out by Company Secretary in practice to reconcile the total admitted capital with the National Securities Depository Limited (NSDL) & Central Depository Services Ltd. (CDSL) and the total issued and listed capital. The audit confirms that the total issued and listed capital. The audit confirms that the total issued/paid up capital is in agreement with the total number in physical form and total number of dematerialized shares held with NSDL & CDSL.

7. **CERTIFICATE FROM PRACTISING COMPANY SECRETARY:**

A certificate from **M/s. Abhik Jain & Associates, Practicing** Company Secretary (Membership No.: 37412, CP No.: 20056) to the effect that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of the Company by the Ministry of Corporate Affairs or any other statutory authority. The same forms a part of this Report.

8. **DISCLOSURES:**

- i) The Company did not have any material significant related party transaction having a potential conflict with the interest of the Company at large.
- ii) The financial statements have been prepared in accordance with the Accounting Standards and policies generally accepted on India.
- iii) The Company has implemented the mandatory requirements of Corporate Governance as set out in SEBI (LODR) Regulation, 2015. The annual financial results are published in English and Marathi newspapers.

iv) The Company has a Risk Management Policy Framework for risk identification, assessment and control to effectively manage risks associated with the business of the Company.

v) Vigil Mechanism/ Whistle Blower Policy:

Pursuant to Section 177 (9) of the Companies Act, 2013 and Regulation 22 of SEBI (LODR) Regulation, 2015 the Company has adopted a Vigil Mechanism/ Whistle Blower Policy. The Company believes in professionalism, transparency, integrity and ethical behavior and had thus 'Whistle Blower Policy' to facilitate employees to report concerns of any unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. No employee of the Company has been denied access to the Audit Committee of the Board of Directors. The same is also posted on the website of the Company.

vi) **Proceeds From Public Issue:**

The Company has not made any Public issue during the financial year March 31, 2020.

vii) **CEO/CFO Certification:**

As required under Regulation 17(8) of the SEBI (LODR) Regulation, 2015, the CEO/CFO certification is annexed.

viii) **Compliance certificate of the Auditors on Corporate Governance:**

The Company has obtained a certificate from the Statutory Auditors regarding compliance of conditions of Corporate Governance laid down in the SEBI (LODR) Regulation, 2015. This certificate is annexed to the Report.

9. MEANS OF COMMUNICATION:

i) The quarterly/annual financial results are regularly submitted to the Stock Exchanges and published in one English daily and one Marathi daily.

ii) The Management Discussion and Analysis Report, in compliance with requirements of SEBI (LODR) Regulation, 2015 is annexed to the Directors' Report and forms part of the Annual Report being sent to all the members of the Company.

i) website of Company: www.sftc.co.in

10. DISCLOSURE OF EVENTS OR INFORMATION:

In accordance with Regulation 30(4)(ii) of SEBI (LODR) Regulation, 2015, the Company has framed a policy for determination of materiality, based on criteria specified in Regulation 30(4)(i), duly approved by the Board of Directors, which shall be disclosed on the Company's Website www.sftc.co.in

Further, the Company has authorized KMP'S for the purpose of determining the materiality of an event or information and for the purpose of making disclosure to stock exchange(s) under the said Regulation and the contact details of such personnel has been disclosed to the stock exchange(s) and as well is placed on the Company's Website www.sftc.co.in

11. DISCLOSURE OF THE COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS SPECIFIED IN REGULATION 17 TO 27 AND CLAUSE (B) TO (I) OF SUB-REGULATION (2) OF REGULATION 46 SHALL BE MADE IN THE SECTION ON CORPORATE GOVERNANCE OF THE ANNUAL REPORT:

Company has complied with the corporate Governance Requirements specified in Regulation 17 to 27 and in accordance with Regulation 46(2) of SEBI (LODR) Regulation, 2015 required information has been hosted on the Company's website www.sftc.co.in.

12. GENERAL SHAREHOLDER INFORMATION:

| | | |
|----|--|--|
| 1. | 37 th Annual General Meeting | |
| | - Date & Time | 30 th September, 2020 & 11:00 a.m. |
| | - Venue | Through Video Conferencing |
| 2. | Financial Year | The Company follows the period of 1 st April to 31 st March, as the Financial Year |
| 3. | The listing fees has been paid up to the date to all the stock exchanges | Yes |
| 4. | Scrip Code: BSE Ltd. (BSE) Calcutta Stock Exchange Ltd. (CSE) | 538714 029400 |

13. STOCK MARKET DATA:

The reported high and low prices of equity shares of Suchitra Finance & Trading Co. Ltd. traded during the Financial Year 2019-20 on BSE are set out in the following table:

| Months | Bombay Stock Exchange Limited (BSE) | |
|-----------------|-------------------------------------|-------|
| | Share Price (Rs.) | |
| | High | Low |
| April, 2019 | 74.15 | 64.90 |
| May, 2019 | 78.25 | 73.15 |
| June, 2019 | 69.50 | 66.05 |
| July, 2019 | 69.35 | 67.00 |
| August, 2019 | 63.65 | 63.65 |
| September, 2019 | 63.30 | 57.50 |
| October, 2019 | 63.15 | 63.15 |

| | | |
|----------------|-------|-------|
| November, 2019 | 61.00 | 61.00 |
| December, 2019 | 61.00 | 47.05 |
| January, 2020 | 44.70 | 36.50 |
| February, 2020 | 56.75 | 31.35 |
| March, 2020 | 63.10 | 57.85 |

14. DISTRIBUTION OF EQUITY SHARE AS ON 31ST MARCH, 2020:

| Sr. No. | Category | Shareholders | | Shareholding | |
|--------------|-----------------|--------------|-----------------|------------------|-----------------|
| | | Number | % | Number | % |
| 1. | 1 to 500 | 581 | 91.0658 | 74,594 | 0.8001 |
| 2. | 501 to 1000 | 13 | 2.0376 | 10,695 | 0.1147 |
| 3. | 1001 to 5000 | 20 | 3.1348 | 48,488 | 0.5201 |
| 4. | 5001 to 10000 | 7 | 1.0972 | 62,550 | 0.6710 |
| 5. | 10001 to 50000 | 3 | 0.4702 | 40,111 | 0.4303 |
| 6. | 50001 to 100000 | 2 | 0.3135 | 1,23,612 | 1.3259 |
| 7. | 100001 to above | 12 | 1.8809 | 89,62,500 | 96.1379 |
| Total | | 638 | 100.0000 | 93,22,550 | 100.0000 |

15. PATTERN OF SHAREHOLDING AS ON 31ST MARCH, 2020:

| CATEGORY | NO. OF SHARES HELD | % OF SHAREHOLDING |
|---|--------------------|-------------------|
| PROMOTERS HOLDINGS | | |
| a) Individual | Nil | Nil |
| b) Body Corporate | 5880250 | 63.08% |
| PUBLIC HOLDINGS | | |
| a) Institutions | Nil | Nil |
| b) <u>Non Institutions</u> | | |
| i) Body Corporate | 3097464 | 33.23% |
| ii) <u>Individuals</u> | | |
| a) Shareholders Nominal Shares upto 1 Lakh | 180520 | 1.94% |
| b) Shareholders Nominal Shares more than 1 Lakh | 163723 | 1.75% |
| iii) Clearing Member | 229 | 0.002% |
| iv) NRI | 364 | 0.004% |
| TOTAL | 9322550 | 100% |

16. DETAILS OF DEMAT SHAREHOLDING:

As notified by SEBI, the Company's Equity shares have been included in

the compulsory trading in electronic form (Demat mode). As on 31st March, 2020, the total percentage of shares in Demat form was 99.17% i.e. 92,45,360. Efforts for converting the remaining Physical Shareholding in Demat mode are in place.

Dematerialization of shares as on **31st March, 2020** is as follows:-

| Mode of Holding | No. of Shares held | % of Shares |
|------------------------|---------------------------|--------------------|
| NSDL | 1038418 | 11.14% |
| CDSL | 8206942 | 88.03% |
| Total Demat Holdings | 9245360 | 99.17% |
| Physical Holding | 77190 | 0.83% |
| Total Shareholding | 9322550 | 100% |

17. REGISTRARS AND TRANSFER AGENTS:

The Niche Technologies Private Limited,

3A, Auckland Place, 7th Floor,
Room No. 7A & 7B, Kolkata – 700 017

Phones: (033) 2280 6616 / 6617 / 6618, **Fax:** (033) 2280 6619

E-Mail: nichetechpl@nichetechpl.com,

Website: <https://www.nichetechpl.com>

18. ADDRESS FOR CORRESPONDENCE:

Requests or complaints in other matters such as Unpaid/Unclaimed Dividend/Change of Address/Splitting of shares etc. are sent to:-

Suchitra Finance & Trading Co. Ltd.

B/306-309, Dynasty Business Park,
Opp. Sangam Cinema, A. K. Road,
Andheri (E), Mumbai - 400059.

Tel.: 022 - 61115216

Email: suchitra@sangamgroup.com, Website: www.sftc.co.in

19. DECLARATION:

All the members of the Board and senior Management Personnel of the Company have affirmed due observation of the code of the conduct, framed pursuant to Regulation 26(3) of the SEBI (LODR), Regulation, 2015 with Stock Exchange is so far as it is applicable to them and there is no non-compliance thereof during the year ended **31st March, 2020**.

**By order of the Board of Directors
For Suchitra Finance & Trading Co. Ltd.**

Date: 25th June, 2020

Place: Mumbai

**Sd/-
Vinod Kumar Sodani
Chairman
(DIN: 00403740)**

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDIAN ECONOMY OVERVIEW:

India is emerging as one of the fastest growing economies in the World. Government push in the form of its robust initiatives along with measures such as implementation of GST, Make in India move, revision of Corporate tax, revisions with respect to FDI & FII policy & other key reforms have propelled faster economic development.

However, due to outbreak of the novel coronavirus (Covid-19) across globe, which World Health Organisation (WHO) has declared same as Global Pandemic, the viral outbreak comes at a difficult time for the Indian economy which has further slowed down the already struggling economy. To combat with COVID- 19, on 24th March, 2020, Indian Government declared nationwide lockdown for the entire country until 3rd May, with a conditional relaxation after 20th April for the regions where the spread had been contained. Covid-19 no doubt disrupted human lives across globe. The revised Gross Domestic Product (GDP) is estimated for India for the fiscal year 2020 as 4.8% as compared to 6.8% in F.Y. 2018-19.

OUR RESPONSE TO THE LOCKDOWN:

We are living in unprecedented times with the global pandemic bringing India to a lockdown for the first time in our known history. Keeping the safety of our employees in mind, we started shutting down our offices before the national lockdown was announced and our Company started work from home (WFH) facilities.

HEALTH SEAFETY AND PADNEMIC RISK:

In addition to serious implications for people's health and the healthcare services, corona virus (COVID-19) is having a significant impact on the world-wide economy including India in terms of business growth and business models. The disruption has pushed the Financial sector to adopt digital model for sustenance and growth. The company has been proactive enough to switch over to fully digital mode since the Covid-19 ensuring employees the best health safety measures and uninterrupted service to the stakeholders. However, the performance of the company may be impacted in future because of the lasting effect of this disruption on the economy.

INDUSTRY STRUCTURE AND REVIEW:

Your Company is a NBFC registered with the RBI to carry out NBFC activities under Section 45(IA) of the Reserve Bank of India Act, 1934 and it is engaged primarily in the business of investing / trading in securities and advancing loans. The Company is also involved in providing fund based financial services and funding solutions to the Indian Corporate, institutions, SME's etc.

NBFCs have been playing a complementary role to the other financial institutions including banks in meeting the funding needs of the economy. They help fill the gaps in the availability of financial services that otherwise occur in bank-dominated

financial systems. NBFCs have traditionally focused on customer segments which were not served by banks like MSMEs, construction, mining and farm equipment, commercial vehicles (new and used) and plant and machinery; etc. NBFCs typically are specialized vehicles both in terms of products and the geographies in which they operate. This specialization provides them a unique framework to assess the risk in the undertaken business. The ability of NBFCs to produce innovative products in consonance with needs of their clients is well recognized. This, in addition to the proximity to the clients, makes the NBFCs distinct from its banking sector counterparts.

In May 2020, Government, adding to its past measures and that of RBI, announced a consolidated stimulus package of INR 20 lakh crore. The stimulus package was pivoted on “Atma Nirbhar Bharat”, wherein Micro, Small and Medium Enterprises (MSMEs) received a huge financial package in terms of collateral free debt, guarantee for subordinate debt through Funds-of-Funds, and interest subvention scheme. Besides, the definition of MSME was changed to remove hindrance against their investment and expansion.

The Company’s future results will depend on how fast the businesses, other commercial and economical activities come back on track. Your company is constantly trying various avenues of business viz. Financial Consultancy, MSME Financing, Small Financing which will improve the performance of your company besides Strategic Investment.

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:

Share Capital:

The paid up equity share capital of the Company as on 31st March 2020 stands at Rs. 9,32,25,500 divided into 9,322,550 equity shares of Rs. 10/- each fully paid up.

Net Worth:

The Net Worth of the Company increased from 8982.75/- Lakhs to Rs. 9917.78/- Lakhs.

Secured Loans:

The secured loans decreased from Rs. 3157.89/- Lakhs to Rs. 2439.63/- Lakhs.

Revenue & Profit:

Company’s Revenue from operations as on 31st March, 2020 stand at Rs. 2159.81/- Lakhs against Rs. 3306.05/- Lakhs recorded in the previous year.

Considerable decrease in the Revenue, the Company has been able to post Net Profit of Rs. 906.22/- Lakhs as against Net Profit of Rs. 933.34/- Lakhs of previous year.

DEBT STRUCTURE:

The Company has taken Secured and unsecured loan from Body Corporate.

SEGMENT WISE PERFORMANCE:

The Company is engaged in the business of financing industrial enterprises and accordingly this is the only single reportable segment.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has set up internal control procedures commensurate with its size and nature of the business. These business procedures ensure optimum use and protection of the resources and compliance with the policies, procedures and statutes. The internal control systems provide for well-defined policies, guidelines and authorizations and approval procedures. The prime objective of such audits is to test the adequacy and effectiveness of the internal controls lay down by management and to suggest improvements.

An extensive internal audit is carried out by independent firm of Chartered Accountants. Based on the report of internal audit function, the Company undertakes corrective action in their respective areas and thereby strengthens the controls. Significant audit observations and recommendations along with corrective actions thereon are presented to the Audit Committee of the Board.

Transition of Indian Accounting Standards

The Company has prepared financial statements for the year ended March 31, 2020, in accordance with Ind AS for the first time. The Company has adopted Ind AS notified under Section 133 of the Companies Act 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 from April 1, 2019 and the effective date of transition is April 1, 2018.

In preparing these financial statements, the Company's opening balance sheet was prepared as at April 1, 2018 i.e. the transition date to Ind AS for the Company. Accordingly, the impact of transition has been recorded in the opening reserves as at April 1, 2018. The corresponding figures presented in these results have been prepared on the basis of the previously published results under previous GAAP for the relevant periods, duly re-stated according to Ind AS. These Ind AS adjustments have been audited by the statutory auditors.

Detailed explanations capturing areas of differences and reconciliations from previous GAAP to Ind AS have been provided in the Notes to Accounts which form a part of the financial statements.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES:

Your Company has senior qualified professionals in the areas of operations and is looking at fresh recruitment to support the growth and diversification of business i.e. planned, Getting fresh talent is a critical input to ensure and equip the organization to deliver a wide variety of products and services to growing customer base of your Company. It is our endeavor to create an environment where people can use all of their capabilities in support of the business. Therefore, your Company encourages its employees to balance their work and personal responsibilities.

OPPORTUNITIES AND THREATS:

Opportunities:

The company is exploring new opportunity in the line of business where it has expertise. Few opportunities were examined in business. The company will continue its efforts.

Non-Banking Finance Companies (NBFCs) continue to play a important role in making financial Services accessible to a wider set of India's population and are emerging as strong intermediaries in the retail finance space. Going forward, one should expect NBFCs to further strengthen their presence in retail finance and grow at a reasonably healthy pace.

Threats:

The biggest challenge before NBFCs is that they are facing off competition from banks and financial institutions, due to their ability to raise low cost funds which enables them to provide funds at much cheaper rate. More stringent capital adequacy norms have been stipulated by RBI for NBFCs which is making difficult for them to give cheaper finance. Ever-increasing competition on from commercial counterparts whose capacity to absorb losses is higher, counter-party failures, recommendations being made to increase the purview of monitoring by regulatory authorities increase the threat of losing the essence of Non-banking Finance Companies which are specifically designed to reach out and finance certain target groups.

The industry growth is subdued for FY 2019-20 and to be negatively impacted in first half of FY 2020-21 due to effect of the lock down imposed due to COVID – 19. The recovery of the underlying economy will be slow, and it will take around few quarters for normalcy to come back across sectors

INDUSTRY OUTLOOK:

Considering the stiff competition from similar market players, the Company is following a cautious approach in fresh financing and is poised to initiate all possible efforts to recover losses booked in the earlier financial years.

As regards the money changing business, the Company is expecting a consistent profitability from this area of business.

With the Government's commitment and initiatives for the growth of the Financial Sector in India, this arena now poses a very promising growth potential in India in the near future.

The Indian Financial Sector is currently witnessing a structural transformation towards being a complete organized sector on account of multiple initiatives by the Government. Considering the fact that, India is a growing economy, the expected outlook for the Financial Sector continuous to remain positive and improving over time.

Further, believes there are multiple drivers in the vehicle finance and real estate finance segments that will, in the coming years, pose good opportunities for NBFCs

to invest and expand within. The most significant driver of growth will be the ability to create innovative products, delivered efficiently through the use of technology.

CAUTIONARY NOTE:

Management discussion and analysis report contains Statements which are forward looking based on assumptions. Actual results may differ from those expressed or implied due to risk and uncertainties which have been detailed in this report. Several factors as listed in this report could make significant difference to the Company's operations. Investors, therefore, are requested to make their own independent judgments and seek professional advice before taking any investment decisions.

**By order of the Board of Directors
For Suchitra Finance & Trading Co. Ltd.**

**Sd/-
Vinod Kumar Sodani
Chairman
(DIN: 00403740)**

Date: 25th June, 2020

Place: Mumbai

REGISTERED OFFICE:

B/306-309, Dynasty Business Park,

Opp. Sangam cinema, Andheri (E), Mumbai – 400059

Email id: suchitra@sangamgroup.com, website: www.sftc.co.in

ANNEXURE TO CORPORATE GOVERNANCE REPORT

CHIEF EXECUTIVE OFFICER'S DECLARATION ON CODE OF CONDUCT

In terms of the requirements of Regulation 26(3) of SEBI (Listing obligation and Disclosure Requirements) Regulations, 2015. This is to confirm that all the members of the Board and the senior managerial personnel have affirmed compliance with the code of conduct for the year ended **31st March, 2020**.

**By order of the Board of Directors
For Suchitra Finance & Trading Co. Ltd.**

**Sd/-
Anjana Soni Thakur
Whole Time Director
DIN: 00401469**

**Date: 25th June, 2020
Place: Mumbai**

CERTIFICATE

BY CHIEF EXECUTIVE OFFICER/CHIEF FINANCIAL OFFICER

To,
The Board of Directors,
Suchitra finance and Trading Co. Limited
B/306-309, Dynasty Business Park, Opp. Sangam Cinema,
A.K. Road, Andheri (E), Mumbai - 400059

We, Anjana Soni Thakur, Whole Time Director & Govinda Soni, Company Secretary & CFO of Suchitra Finance & Trading Co. Ltd., to the best of our knowledge and belief, certify that:

- a) We have reviewed the Financial statements and the Cash Flow statement of the Company for the year and that to the best of our knowledge and belief:
 - I. These statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading.
 - II. These statements together present a true and fair view of the Company' affairs and are in compliance with the existing Accounting standards, applicable laws and regulations.
- b) These are to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violate of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of Internal Control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware of the steps taken or propose to take to rectify these deficiencies.
- d) We have indicated to the auditors and the Audit committee:-
 - (i) Significant changes in internal controls over financial reporting during the year.
 - (ii) Significant changes in Accounting Policies during the year and that the same have also been disclosed in the notes to the accounts to the Financial statements; and
 - (iii) Instances of significant fraud of which we have become aware and the Involvement therein, if any of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**By order of the Board of Directors
Suchitra Finance & Trading Co. Ltd.**

Date: 25th June, 2020

Place: Mumbai

**Sd/-
Anjana Soni Thakur
Whole Time Director
DIN: 00401469**

**Sd/-
Govinda Soni
CS & CFO**

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS
(As per clause C of Schedule V of the Securities Exchange Board of India
(Listing Obligations and Disclosure Requirement) Regulations, 2015 read with
regulation 34(3) of the said Listing Regulations).

To
 The Members,
 (L65910MH1981PLC234305)
SUCHITRA FINANCE & TRADING CO LTD
 B/306-309, DYNASTY BUSINESS PARK
 OPP. SANGAM CINEMA, A. K. ROAD,
 ANDHERI (E) MUMBAI,
 MH 400059 IN

I/We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of “**SUCHITRA FINANCE & TRADING CO LTD**” having CIN L65910MH1981PLC234305 and having registered office at B/ 306-309, DYNASTY BUSINESS PARK, OPP. SANGAM CINEMA, A. K. ROAD, ANDHERI (E) MUMBAI, Mumbai City MH 400059 IN. (hereinafter referred to as ‘the Company’), produced before me/us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my/our opinion and to the best of my/our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me / us by the Company & its officers, I/We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

| Sr. No. | Name of Director | DIN | DATE OF APPOINTMENT IN COMPANY |
|----------------|-------------------------|------------|---------------------------------------|
| 1. | MAHESH CHAND LAKHOTIYA | 00128889 | 08/11/2010 |
| 2. | RATAN LAL SAMRIYA | 00151077 | 27/07/2016 |
| 3. | ANJANA SONI THAKUR | 00401469 | 08/11/2010 |
| 4. | VINOD KUMAR SODANI | 00403740 | 08/11/2010 |
| 5. | ARJUN AGAL | 07575105 | 27/07/2016 |

Ensuring the eligibility of 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.

For and on behalf of
Abhik Jain & Associates

Sd/-

Abhik Jain

Dated: 31/08/2020
Place: Bhilwara

Address: A-31, Kashipuri,
Bhilwara, Rajasthan-311001
UDIN: A037412B000636813

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of,
Suchitra Finance & Trading Co. Limited

We have examined the Compliance of Corporate Governance by **Suchitra Finance & Trading Co. Ltd.** for the year ended **31st March, 2020**, as stipulated in regulation 17 to 27 , clauses (b) to (i) of sub-section (2) of regulation 46 and paragraph C, D and E of Schedule V of the SEBI (Listing obligations & Disclosure Requirements) Regulations, 2015 ("Listing Regulation").

The compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our examination was limited to the procedures and the implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of the our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement/Listing Regulation as applicable.

We further state that such compliance is neither an assurance as to further viability of the Company nor the efficiency or effectiveness with which the management has conducted the affair of the Company.

For S. S. Rathi & Co
Chartered Accountants
(Firm Regn. No.108726W)

Sd/-
D. P. Rathi
Partner
M.No. 042068
UDIN: 20042068AAAAAZ6742

Place: Mumbai
Date: 25th June, 2020

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SUCHITRA FINANCE AND TRADING COMPANY LIMITED

Opinion

We have audited the accompanying financial statements of Suchitra Finance and Trading Company Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended and notes to financial statements and a summary of the 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 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS"), and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2020, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis of 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 ethical requirements that are relevant to our audit of the financial statements under the provisions 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 obtained by us 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 financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

| Sr. No. | KEY AUDIT MATTERS | HOW ADDRESSED IN AUDIT |
|---------|---|--|
| 1. | <p>The Company has adopted Ind AS notified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, from 1st April, 2019 and the effective date of such transition is 1st April, 2018.</p> <p>Accordingly, for transition to Ind AS, the Company has prepared its Ind AS financial statements for the year</p> | <ul style="list-style-type: none">Assessed the Company's process to identify the impact of adoption and transition to Ind AS.Evaluated the design of internal controls and tested the operating effectiveness of key internal controls around the process of preparation of Ind AS financial statements;Reviewed the mandatory and optional exemptions and exceptions allowed by Ind |

| | | |
|----|---|--|
| | <p>ended 31st March, 2020, togetherwith the comparative financial information for the previous year ended March 31, 2019 and the opening Balance Sheet as at April 1, 2018 under Ind AS.</p> <p>In view of significant degree of management judgment involved in the implementation of Ind AS framework and significance of various disclosures, the transition to Ind AS accounting framework has been identified as an area of key focus in our audit of the Ind AS financial statements.</p> | <p>AS and availed by the Company applying the first-time adoption principles of Ind AS 101;</p> <ul style="list-style-type: none"> • Obtained an understanding of the governance over the determination of key judgments; • Evaluated and tested the key assumptions and judgments adopted by management in line with principles under Ind AS: • Assessed the disclosures made against the relevant Ind AS; and • Determined the appropriateness of the methodologies and models used along with the reasonability of the outputs. |
| 2. | <p>Accuracy in identification and categorisation of receivables from financing activities as performing and non-performing assets including those under securitisation arrangements and in ensuring appropriate asset classification, existence of security, income recognition, provisioning/ write off thereof and completeness of disclosure including compliance in accordance with the applicable extant guidelines issued by Reserve Bank of India (RBI).</p> | <p>We have assessed the systems and processes laid down by the Company to appropriately identify and classify the receivables from financing activities including those in place to ensure correct classification, income recognition and provisioning/write off including of Non-performing assets as per applicable RBI guidelines. The audit approach included testing the existence and effectiveness of the control environment laid down by the management and conducting of detailed substantive verification on selected samples of continuing and new transactions in accordance with the principles laid down in the Standards on Auditing and other guidance issued by Institute of Chartered Accountants of India. Agreements entered into regarding significant transactions including related to corporate loans and securitization/assignment arrangements have been examined to ensure compliance. We have also reviewed the reports generated from management information systems, audit reports issued by the internal/secretarial auditors. The impact of all significant external and internal events including those if any, subsequent to balance sheet date have been taken into consideration for the above purposes. Compliance with material disclosure requirements prescribed by RBI guidelines and other statutory requirements have been verified.</p> |

| | | |
|----|---|---|
| 3. | Completeness in identification, accounting and disclosure of related party transactions in accordance with the applicable laws and financial reporting framework. | We have assessed the systems and processes laid down by the Company to appropriately identify, account and disclose all material related party transactions in accordance with applicable laws and financial reporting framework. We have designed and performed audit procedures in accordance with the guidelines laid down by ICAI in the Standard on Auditing (SA 550) to identify, assess and respond to the risks of material misstatement arising from the entity's failure to appropriately account for or disclose material related party transactions which includes obtaining necessary approvals at appropriate stages of such transactions as mandated by applicable laws and regulations. We have also reviewed the Secretarial Audit report during the course of evaluating the internal control systems in ensuring compliance with applicable laws, rules, regulations and guidelines. |
|----|---|---|

Emphasis of Matter

We draw attention to Note 31 to the Ind AS financial statements, which describe the extent to which the COVID-19 pandemic will impact the Company's operations and financial performance which will depend on future developments, which are uncertain.

Our opinion is not modified in respect of this matter.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises Board's Report, Report on Corporate governance and 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.

Management's Responsibilities for the financial statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes

maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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.

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

Auditor's Responsibilities for the Audit of the financial statements

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

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

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal financial 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 with reference to financial statements in place and the operating effectiveness of such control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements

represent the underlying transactions and events in a manner that achieves fair presentation.

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 the Companies (Auditor's Report) Order, 2016 (the 'Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant 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 Companies (Indian Accounting Standards) Rules, 2015 as amended.
 - e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in Annexure-B.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Section 197(16) of the Act, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:

- i. The Company has disclosed the impact of pending litigations as on 31st March, 2020 on its financial position vide Note 18 to the financial statements.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education & Protection Fund and, therefore, the question of delay in transferring such sums does not arise.

For S. S. Rathi & Co
Chartered Accountants
Firm Regn No: 108726W

Sd/-

D. P. Rathi
Partner
M.No. 042068
UDIN: 20042068AAAAAZ6742

Place : Mumbai

Dated : 25th June, 2020

ANNEXURE “A” TO INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under Report on Other Legal and Regulatory Requirements section of our Report of even date)

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) As explained to us, the Management has physically verified fixed assets during the year and no discrepancies have been noticed. In our opinion, the frequency of physical verification of fixed assets is reasonable.

(c) Reporting under clause 3(i)(c) of the Order is not applicable as the Company does not own any immovable property.

2. The Company does not have any inventories. Hence, reporting under clause 3(ii) of the Order is not applicable to the Company.

3. As informed to us, the Company has granted unsecured loans to companies covered in the register maintained under section 189 of the Companies Act, 2013. There are no firms/LLP/other parties which are covered in the said register.

(a) The terms and conditions of the grants of such loans are not prejudicial to the Company's interest.

(b) The loans advanced to the aforesaid companies are repayable on demand and interest accrues accordingly, and on that basis the same is regular.

(c) In respect of aforesaid loans, there is no amount which is overdue for more than ninety days.

4. In our opinion and according to the information and explanations given to us, the provisions of section 185 of the Act are not applicable to the Company. The Company has complied with the provisions of section 186 of the Act to the extent applicable.

5. The Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 of the Act and the Rules framed thereunder to the extent notified.

6. Reporting under clause 3(vi) of the Order is not applicable as the Company's business activities are not covered by the Companies (Cost Records and Audit) Rules, 2014.

7. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company has been regular in depositing undisputed statutory dues applicable to it.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of Service Tax, Customs Duty, Excise Duty, Goods and Service Tax & Value Added Tax that have not been deposited with the appropriate authorities on account of any dispute. Details of dues towards Income Tax that have not been deposited on account of dispute are as stated below:

| Name of the Statute | Nature of Dues | Amount (in Rs.) | Period to which it relates | Forum where dispute is pending |
|----------------------|----------------|-----------------|----------------------------|--------------------------------|
| Income-tax Act, 1961 | Income Tax | 26445041/- | A.Y. 2011-12 | CIT(Appeals)-12, Pune |
| Income-tax Act, 1961 | Income Tax | 11597726/- | A.Y. 2012-13 | CIT(Appeals)-12, Pune |

8. According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to financial institution. The Company has not taken

any loans or borrowings from Bank and Government nor has it issued any debentures as at the balance sheet date.

9. The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). The term loan raised by the Company in the earlier year were for the purpose of advancing loans interalia to M/s Kalyan Toll Infrastructure Ltd which though initially advanced to the said company, has become NIL during the year. During the year, the lender has exercised its right of Put Option and required the Company to pay the entire outstanding loan which exercise of rights is challenged by the Company and in any event, offered to repay the said loan by availing fresh loan from a NBFC for which it requested the lender to issue NOC. In absence of the said NOC, the Company is repaying the said loan as per terms of the loan originally sanctioned.
10. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
11. 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.
12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the provisions of clause 3(xii) of the Order are not applicable to the Company.
13. According to the information and explanations given to us and based on our examinations of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable and the details have been disclosed in the Financial Statements as required by the applicable Accounting Standards.
14. According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the provisions of clause 3(xiv) of the Order are not applicable to the Company.
15. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of clause 3(xv) of the Order are not applicable to the Company.
16. On examination of relevant records and according to the information and explanations given to us, the Company is required to be registered under section 45-IA of Reserve Bank of India Act, 1934 and holds a valid certificate of registration under the same.

For S. S. Rathi & Co
Chartered Accountants
Firm Regn No: 108726W

Sd/-

D. P. Rathi
Partner
M.No. 042068
UDIN: 20042068AAAAAZ6742

Place : Mumbai
Dated : 25th June, 2020

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 2(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Suchitra Finance and Trading Co. Ltd. (“the Company”) as of 31st March, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for the 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 Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities includes design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of business, including adherence to Company’s policies, the safeguarding of the assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor’s Responsibility

Our responsibility is to express an opinion on Company’s internal financial controls over financial reporting with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (‘the Guidance Note’) and the Standards on Auditing, prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and Guidance note require that we comply with ethical requirements and plan and perform audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these financial statements was established and maintained and if such controls operated effectively in all material respects.

An audit involves performing procedure to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting with reference to these financial statements included obtaining an understanding of internal financial controls over financial reporting with reference to these financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls 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 over financial reporting with reference to these financial statements.

Meaning of Internal Financial Controls over financial reporting with reference to these financial statements

A Company’s internal financial control over financial reporting with reference to these financial statements is a process designed to provide a reasonable assurance regarding the reliability of financial reporting and preparation of financial statements for external purpose in accordance with generally accepted accounting principles. A Company’s internal financial control over financial reporting with reference to these financial statements 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 the transactions are recorded as necessary to permit preparation of financial statements in accordance with the generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over financial reporting with reference to these financial statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these financial statements, 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 control over financial reporting with reference to these financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, maintained adequate internal financial controls over financial reporting with reference to these financial statements and such internal financial controls over financial reporting with reference to these financial statements were operating effectively as at 31st March, 2020, based on the criteria for internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For S. S. Rathi & Co
Chartered Accountants
Firm Regn No: 108726W**

Sd/-

**D. P. Rathi
Partner
M.No. 042068
UDIN: 20042068AAAAAZ6742**

**Place : Mumbai
Dated : 25th June, 2020**

SUCHITRA FINANCE & TRADING COMPANY LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2020

| | Note | As At 31.03.2020 Amt (Rs.) | As At 31.03.2019 Amt (Rs.) | As At 01.04.2018 Amt (Rs.) |
|--|-------------|---|---|---|
| ASSETS | | | | |
| Financial Assets | | | | |
| Cash and Cash equivalents | 2 | 2,57,301 | 2,82,149 | 82,77,570 |
| Bank balances other than cash and cash equivalents | 3 | 17,25,631 | 17,25,631 | 72,446 |
| Receivables | 4 | | | |
| (I) Trade Receivables | | NIL | NIL | NIL |
| (II) Other Receivables | | 71,00,000 | NIL | NIL |
| Loans | 5 | 1,65,82,13,376 | 4,12,38,98,272 | 3,06,20,28,544 |
| Investments | 6 | 26,79,657 | 20,02,98,908 | 20,35,68,877 |
| Other Financial Assets | 7 | 6,13,319 | 5,42,760 | 4,80,319 |
| | | 1,67,05,89,284 | 4,32,67,47,720 | 3,27,44,27,756 |
| Non-Financial Assets | | | | |
| Current Tax Assets (net) | 8 | 70,91,553 | 19,80,294 | 4,80,294 |
| Deferred Tax Asset | 9 | 1,135 | 1,897 | 2,663 |
| Property, Plant & Equipments | 10 | 3,826 | 3,826 | 4,071 |
| Other Non-Financial Assets | 11 | 5,22,337 | 4,66,563 | 4,40,646 |
| | | 76,18,850 | 24,52,580 | 9,27,674 |
| TOTAL | | 1,67,82,08,134 | 4,32,92,00,300 | 3,27,53,55,431 |
| LIABILITIES AND EQUITY | | | | |
| LIABILITIES | | | | |
| Financial Liabilities | | | | |
| Borrowings | 12 | 66,74,03,644 | 3,40,39,84,912 | 2,43,87,82,255 |
| Other Financial Liabilities | 13 | 17,25,631 | 17,25,631 | 72,446 |
| | | 66,91,29,274 | 3,40,57,10,543 | 2,43,88,54,701 |
| Non- Financial Liabilities | | | | |
| Current Tax Liabilities | 14 | 1,07,85,287 | 99,10,948 | 78,19,297 |
| Other Non- Financial Liabilities | 15 | 65,15,160 | 1,53,03,571 | 69,84,090 |
| | | 1,73,00,446 | 2,52,14,519 | 1,48,03,387 |
| Equity | | | | |
| Share Capital | 16 | 9,32,25,500 | 9,32,25,500 | 9,32,25,500 |
| Other Equity | 17 | 89,85,52,913 | 80,50,49,738 | 72,84,71,844 |
| | | 99,17,78,413 | 89,82,75,238 | 82,16,97,344 |
| TOTAL | | 1,67,82,08,134 | 4,32,92,00,300 | 3,27,53,55,431 |

Summary of Significant Accounting Policies 1

The accompanying notes form an integral part of the Financial Statements.

As per our report of even date

For S. S. Rathi & Co
Chartered Accountants
(Firm Regn. No.108726W)

sd/-

D. P. Rathi
Partner

M. No. 042068

Dated: 25th June, 2020

Place: Mumbai

sd/-

Vinod K. Sodani
Chairman
DIN: 00403740

sd/-

Govinda Soni
Company Secretary & CFO
ACS: 38908

For and on behalf of the board

sd/-

Anjana Soni Thakur
Whole Time Director
DIN: 00401469

sd/-

Arjun Agal
Independent Director
DIN: 07575105

SUCHITRA FINANCE & TRADING COMPANY LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2020

| | Note | Year ended 31.03.2020 Amt (Rs.) | Year ended 31.03.2019 Amt (Rs.) |
|---|-------------|--|--|
| Revenue | | | |
| Interest Income | | 21,59,80,870 | 29,93,55,378 |
| Syndication Fees | | NIL | 3,12,50,000 |
| Total Revenue From Operations | | 21,59,80,870 | 33,06,05,378 |
| Other Income | 19 | 70,559 | 62,441 |
| Total Revenue | | 21,60,51,429 | 33,06,67,819 |
| Expenses | | | |
| Finance Costs | 20 | 8,72,63,146 | 18,87,69,269 |
| Impairment on financial instruments | | 44,700 | 13,92,980 |
| Employee Benefits Expense | 21 | 37,46,897 | 32,47,346 |
| Depreciation | 10 | NIL | 245 |
| Other Expenses | 22 | 27,23,886 | 39,53,411 |
| Total Expenses | | 9,37,78,628 | 19,73,63,251 |
| Profit Before Tax | | 12,22,72,800 | 13,33,04,568 |
| Tax Expense: | 23 | | |
| - Current Tax | | 3,16,49,612 | 3,99,69,346 |
| - Deferred Tax | | 762 | 766 |
| Profit For The Year (A) | | 9,06,22,426 | 9,33,34,456 |
| Other Comprehensive Income | | | |
| (a) Items that will not be reclassified to profit or loss | | 28,80,749 | (32,69,969) |
| OTHER COMPREHENSIVE INCOME FOR THE YEAR (B) | | 28,80,749 | (32,69,969) |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR (A+B) | | 9,35,03,175 | 9,00,64,488 |
| Earnings per equity share of face value of Rs.10/-each | | | |
| Basic and Diluted (Rs.) | 32 | 9.72 | 10.01 |
| Summary of Significant Accounting Policies | 1 | | |
| The accompanying notes form an integral part of the Financial Statements. | | | |
| As per our report of even date | | | |
| For S. S. Rathi & Co | | For and on behalf of the board | |
| Chartered Accountants | | | |
| (Firm Regn. No.108726W) | | | |
| sd/- | | sd/- | sd/- |
| D. P. Rathi | | Vinod K. Sodani | Anjana Soni Thakur |
| Partner | | Chairman | Whole Time Director |
| M. No. 042068 | | DIN: 00403740 | DIN: 00401469 |
| Dated: 25th June, 2020 | | | |
| Place: Mumbai | | sd/- | sd/- |
| | | Govinda Soni | Arjun Agal |
| | | Company Secretary & CFO | Independent Director |
| | | ACS: 38908 | DIN: 07575105 |

SUCHITRA FINANCE & TRADING COMPANY LTD

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

| | As At 31.03.2020 Amt (Rs.) | As At 31.03.2019 Amt (Rs.) |
|---|---|---|
| A. CASH FLOW FROM OPERATING ACTIVITIES : | | |
| a) Net Profit before taxes | 12,22,72,800 | 13,33,04,568 |
| Adjustments for | | |
| Impairment on Financial Instruments | 44,700 | 13,92,980 |
| Depreciation | NIL | 245 |
| Interest on deferment of advance tax | 11,92,393 | 8,54,354 |
| OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES | 12,35,09,893 | 13,55,52,148 |
| b) ADJUSTMENTS FOR: | | |
| Decrease/(Increase) in Loans | 2,46,56,40,197 | (1,06,32,62,708) |
| Decrease/(Increase) in Other Financial Assets | (70,559) | (62,441) |
| Decrease/(Increase) in Other Non-financial Assets | (55,774) | (25,917) |
| Decrease/(Increase) in Other Receivables | (71,00,000) | NIL |
| Increase/(Decrease) in Other Non-financial Liabilities | (87,88,411) | 83,19,481 |
| CASH GENERATED FROM OPERATIONS | 2,57,31,35,346 | (91,94,79,438) |
| Direct Tax (Paid)/Refund | (3,70,78,926) | (4,02,32,049) |
| NET CASH FROM/(USED IN) OPERATING ACTIVITIES | 2,53,60,56,420 | (95,97,11,487) |
| B. CASH FLOW FROM INVESTING ACTIVITIES: | | |
| Purchase of Investments | NIL | (10,00,00,000) |
| Sale of Investments | 20,05,00,000 | 10,00,00,000 |
| NET CASH FROM/(USED IN) INVESTING ACTIVITIES | 20,05,00,000 | NIL |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | |
| Increase/(decrease) in Borrowings | (2,73,65,81,268) | 96,52,02,657 |
| Dividend Paid | NIL | (1,11,87,060) |
| Tax on Distributed Profits | NIL | (22,99,533) |
| NET CASH FROM/(USED IN) FINANCING ACTIVITIES | (2,73,65,81,268) | 95,17,16,064 |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | (24,848) | (79,95,423) |
| CASH AND CASH EQUIVALENTS (At the beginning of the year) | 2,82,148 | 82,77,570 |
| CASH AND CASH EQUIVALENTS (At the end of the year) | 2,57,300 | 2,82,148 |

Note: The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'.

The accompanying notes form an integral part of the Financial Statements.

For and on behalf of the board

As per our report of even date

For S. S. Rathi & Co
Chartered Accountants
(Firm Regn. No.108726W)

sd/-

sd/-

Vinod K. Sodani
Chairman
DIN: 00403740

sd/-

Anjana Soni Thakur
Whole Time Director
DIN: 00401469

D. P. Rathi

Partner

M. No. 042068

Dated: 25th June, 2020

Place: Mumbai

sd/-

Govinda Soni
Company Secretary & CFO
ACS: 38908

sd/-

Arjun Agal
Independent Director
DIN: 07575105

SUCHITRA FINANCE & TRADING COMPANY LIMITED

Statement of Changes in Equity for the year ended 31st March, 2020

A. EQUITY SHARE CAPITAL

| | As at 31st March, 2020 Amt (Rs.) | As at 31st March, 2019 Amt (Rs.) |
|--|--|--|
| Balance at the beginning of the reporting year | 9,32,25,500 | 9,32,25,500 |
| Equity shares of Rs.10/- each issued, subscribed and paid-up | Nil | Nil |
| Changes in Equity Share capital during the year | 9,32,25,500 | - |
| Balance at the end of the reporting year | 9,32,25,500 | 9,32,25,500 |

B. OTHER EQUITY

| | Statutory Reserve | Amalgamation Reserve | General Reserve | Retained Earnings | Equity Instruments through OCI | Impairment Reserve | Total |
|--|--------------------|----------------------|--------------------|---------------------|--------------------------------|--------------------|---------------------|
| Balance as at 1st April, 2018 | 1,49,19,000 | 61,26,51,582 | 1,84,04,000 | 7,55,61,192 | - | 69,36,070 | 72,84,71,844 |
| Set aside / Addition during the year | 1,84,15,488 | - | 2,30,19,360 | - | - | - | 4,14,34,848 |
| Transfer to Reserve Fund in terms of section 45-1C(1) of the Reserve Bank of India Act, 1934 | - | - | - | (1,84,15,488) | - | - | (1,84,15,488) |
| Transfer to Impairment Reserve | - | - | - | (12,65,115) | - | 12,65,115 | - |
| Transfer to General Reserve | - | - | - | (2,30,19,360) | - | - | (2,30,19,360) |
| Dividend | - | - | - | (1,11,87,060) | - | - | (1,11,87,060) |
| Tax on Dividend | - | - | - | (22,99,533) | - | - | (22,99,533) |
| Profit for the year | - | - | - | 9,33,34,456 | - | - | 9,33,34,456 |
| Other comprehensive income for the year | - | - | - | - | (32,69,969) | - | (32,69,969) |
| Total comprehensive income for the year | - | - | - | 11,27,09,093 | (32,69,969) | 82,01,185 | 80,50,49,739 |
| Balance as at 31st March, 2019 | 3,33,34,488 | 61,26,51,582 | 4,14,23,360 | 11,27,09,093 | (32,69,969) | 82,01,185 | 80,50,49,739 |
| Balance as at 1st April, 2019 | 3,33,34,488 | 61,26,51,582 | 4,14,23,360 | 11,27,09,093 | (32,69,969) | 82,01,185 | 80,50,49,739 |
| Transfer to Impairment Reserve | - | - | - | 62,08,738 | - | (62,08,738) | - |
| Profit for the year | - | - | - | 9,06,22,426 | - | - | 9,06,22,426 |
| Other comprehensive income for the year | - | - | - | - | 28,80,749 | - | 28,80,749 |
| Total comprehensive income for the year | - | - | - | 20,95,40,257 | (3,89,219) | 19,92,447 | 89,85,52,914 |
| Balance as at 31st March, 2020 | 3,33,34,488 | 61,26,51,582 | 4,14,23,360 | 20,95,40,257 | (3,89,219) | 19,92,447 | 89,85,52,914 |

As per our report of even date

For S. S. Rathi & Co
Chartered Accountants
(Firm Regn. No.108726W)

sd/-

D. P. Rathi
Partner
M. No. 042068
Dated: 25th June, 2020
Place: Mumbai

For and on behalf of the board

sd/-

Vinod K. Sodani
Chairman
DIN: 00403740

sd/-

Govinda Soni
Company Secretary & CFO
ACS: 38908

sd/-

Anjana Soni Thakur
Whole Time Director
DIN: 00401469

sd/-

Arjun Agal
Independent Director
DIN: 07575105

SUCHITRA FINANCE & TRADING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

(1) Note 1

I COMPANY INFORMATION

Suchitra Finance & Trading Company Limited was incorporated as a Public Limited Company with the Registrar of Companies, Kolkata vide Certificate of Incorporation dated December 09, 1981. Subsequently, the Company by special resolution and confirmed by an order of Company Law Board, Kolkata dated July 20, 2012 shifted the registered office from the State of Kolkata to the State of Maharashtra. The Company is registered as a Non - Deposit Accepting NBFC as defined under Section 45-IA of the Reserve Bank of India ('RBI') Act, 1934. The equity shares of the Company are listed on the Calcutta Stock Exchange ("CSE") and the Bombay Stock Exchange ("BSE") in India.

II BASIS OF PREPARATION, MEASUREMENT AND SIGNIFICANT ACCOUNTING POLICIES

(A) Basis of preparation of Financial Statements

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by the Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 and other relevant provisions of the Act. Any application guidance/clarifications/ directions issued by RBI or other regulators are implemented as and when they are issued/ applicable.

These are the Company's first financial statements prepared in accordance with Ind AS. For all periods upto and including the year ended 31st March, 2019, the Company prepared its financial statements in accordance with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (hereinafter referred to as 'Previous GAAP') used for its statutory reporting immediately before adopting Ind AS. The financial statements for the year ended 31st March, 2019 and the opening Balance Sheet as at 1st April, 2018, being the date of transition to Ind AS; have been restated in accordance with Ind AS for comparative information. Reconciliations and explanations of the effect of the transition from the Previous GAAP to Ind AS on the Company's Balance Sheet, Statement of Profit and Loss and Statement of Cash Flows are provided in Note 25.

These financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting except for certain financial assets and financial liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies set out below. The accounting policies have been applied consistently over all the periods presented in these financial statements.

(B) KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the financial statements requires the Management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. The recognition, measurement, classification or disclosure of an item or information in the financial statements is made relying on these estimates. The estimates and judgements used in preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Division III to Schedule III to Act applicable for NBFC. The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 " Statement of Cash Flows".

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

(1) Note 1

(C) **SIGNIFICANT ACCOUNTING POLICIES**

i Property, Plant and Equipment

An item of property, plant and equipment that qualifies as an asset is measured on initial recognition at cost. Following initial recognition, items of property, plant and equipment are carried at its cost less accumulated depreciation and accumulated impairment losses. Costs include freight, import duties, non-refundable purchase taxes and other expenses directly attributable to the acquisition of the asset.

Depreciation

Depreciation on Fixed Assets is provided to the extent of depreciable amount on the Written Down Value (WDV) Method. Depreciation is provided based on useful life of assets as prescribed in Schedule II to the Companies Act, 2013. Useful life considered for calculation of depreciation for various assets class are as follows:

Computers-3 years

Office Equipments-5 years

The residual values are not more than 5% of the original cost of the asset. The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

ii Cash and Cash Equivalents:

Cash and cash equivalents for the purpose of Cash Flow Statement comprise cash and cheques in hand, bank balances and short-term (three months or less from the date of acquisition), highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

iii Financial Instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

Initial recognition and measurement:

The Company recognizes a financial asset in its Balance Sheet when it becomes party to the contractual provisions of the instrument. All financial assets are recognized initially at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets, which are not at fair value through profit or loss, are added to the fair value measured on initial recognition of financial asset. Where the fair value of a financial asset at initial recognition is different from its transaction price, the difference between the fair value and the transaction price is recognized as a gain or loss in the Statement of Profit and Loss at initial recognition if the fair value is determined through a quoted market price in an active market for an identical asset (i.e. level 1 input) or through a valuation technique that uses data from observable markets (i.e. level 2 input). In case the fair value is not determined using a level 1 or level 2 input as mentioned above, the difference between the fair value and transaction price is deferred appropriately and recognized as a gain or loss in the Statement of Profit and Loss only to the extent that such gain or loss arises due to a change in factor that market participants take into account when pricing the financial asset.

However, trade receivables that do not contain a significant financing component are measured at the transaction price.

Subsequent measurement:

Financial assets are subsequently measured at amortised cost, fair value through other comprehensive income (FVTOCI) or fair value through profit or loss (FVTPL) on the basis of both:

- the entity's business model for managing the financial assets, and
- the contractual cash flow characteristics of the financial assets.

SUCHITRA FINANCE & TRADING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

(1) Note 1

(a) Measured at amortised cost: Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortised cost using the effective interest rate ('EIR') method less impairment, if any. The amortisation of EIR and loss arising from impairment, if any, is recognised in the Statement of Profit and Loss. This category applies to cash and bank balances, trade receivables, loans and other financial assets of the Company. The EIR is the rate that discounts estimated future cash income through the expected life of financial instrument.

(b) Measured at fair value through other comprehensive income: Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any, are recognised in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the Statement of Profit and Loss.

Further, the Company, through an irrevocable election at initial recognition, has measured investments in equity instruments other than investment in subsidiary at FVTOCI. The Company has made such election on an instrument by instrument basis. These equity instruments are neither held for trading nor are contingent consideration recognized under a business combination. Pursuant to such irrevocable election, subsequent changes in the fair value of such equity instruments are recognized in OCI. However, the Company recognizes dividend income from such instruments in the Statement of Profit and Loss. On derecognition of such financial assets, cumulative gain or loss previously recognized in OCI is not reclassified from the equity to Statement of Profit and Loss. However, the Company may transfer such cumulative gain or loss into retained earnings within equity.

(c) Measured at fair value through profit or loss: A financial asset is measured at FVTPL unless it is measured at amortized cost or at FVTOCI. This is a residual category applied to all other investments of the Company excluding investments in subsidiary. Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Statement of Profit and Loss.

Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual rights to receive the cash flows from the asset.

Impairment of Financial Assets

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses.

and the assessment of a significant increase in credit risk.

These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Company's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting estimates include:

- The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for

financial assets should be measured on a lifetime ECL basis and the qualitative assessment

- The segmentation of financial assets when their ECL is assessed on a collective basis

- Development of ECL models, including the various formulas and the choice of inputs

- Determination of temporary adjustments as qualitative adjustment or overlays based on broad range of forward looking information as economic inputs.

The impairment losses and reversals are recognised in Statement of Profit and Loss.

SUCHITRA FINANCE & TRADING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

(1) Note 1

Financial Liabilities:

Initial recognition and measurement

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the fair value. Transaction costs that are directly attributable to the financial liabilities (other than financial liability at fair value through profit or loss) are deducted from the fair value measured on initial recognition of financial liability.

Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

Derecognition

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

FAIR VALUE MEASUREMENT:

The Company measures financial instruments at fair value in accordance with the accounting policies mentioned above. Fair value is the price that would be received on sell of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy that categorizes into three levels, described as follows, the inputs to valuation techniques used to measure value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2 — inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either

directly or indirectly

Level 3 — inputs that are unobservable for the asset or liability

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period and discloses the same.

iv Provisions, Contingent Liabilities and Contingent Assets:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date.

If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

Contingent assets are neither recognized nor disclosed except when realisation of income is virtually certain, related asset is disclosed.

SUCHITRA FINANCE & TRADING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

(1) Note 1

v Revenue Recognition:

Revenue is recognised to the extent that it is probable that economic benefits will flow to the Company and that revenue can be reliably measured, regardless of when the payments is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding duties and taxes collected on behalf of the Government.

The Company follows the prudential norms for income recognition and provides for /writes off Non-Performing Assets as per the prudential norms prescribed by the Reserve Bank of India or earlier as ascertained by the management.

Interest Income: Interest Income is recognised on a time proportion basis taking into account the amount outstanding and applicable interest rate. For all financial instruments measured at amortised cost, interest income is recorded using the Effective interest rate method to the net carrying amount of the financial assets.

vi Expenditure:

Expenses are accounted on accrual basis.

vii Employee Benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits and they are recognized in the period in which the employee renders the related service. The Company recognizes the undiscounted amount of short-term employee benefits expected to be paid in exchange for services rendered as a liability.

viii Income Taxes:

Tax expense is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

Current tax:

Current tax is the amount of income taxes payable in respect of taxable profit for a period. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible under the Income Tax Act, 1961.

Current tax is measured using tax rates that have been enacted by the end of reporting period for the amounts expected to be recovered from or paid to the taxation authorities.

Deferred tax:

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit under Income tax Act, 1961.

Deferred tax liabilities are generally recognized for all taxable temporary differences. However, in case of temporary differences that arise from initial recognition of assets or liabilities in a transaction that affect neither the taxable profit nor the accounting profit, deferred tax liabilities are not recognized.

Deferred tax assets are generally recognized for all deductible temporary differences to the extent it is probable that taxable profits will be available against which those deductible temporary difference can be utilized. In case of temporary differences that arise from initial recognition of assets or liabilities in a transaction that affect neither the taxable profit nor the accounting profit, deferred tax assets are not recognized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the benefits of part or all of such deferred tax assets to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

SUCHITRA FINANCE & TRADING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

(1) Note 1

Presentation of current and deferred tax:

Current and deferred tax are recognized as income or an expense in the Statement of Profit and Loss, except when they relate to items that are recognized in Other Comprehensive Income, in which case, the current and deferred tax income/expense are recognized in Other Comprehensive Income.

The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. In case of deferred tax assets and deferred tax liabilities, the same are offset if the Company has a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Company.

Minimum Alternate Tax (MAT)

Minimum Alternate Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

ix Earnings Per Share:

Basic EPS is arrived at based on net profit after tax available to equity shareholders to the weighted average number of equity shares outstanding during the year.

The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effects of potential dilutive equity shares unless impact is anti-dilutive.

x Cash flows Statement

Cash flows are reported using the indirect method where by the profit before tax is adjusted for the effect of the transactions of a non-cash nature, any deferrals or accruals of past and future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

SUCHITRA FINANCE & TRADING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

| | As At 31.03.2020 Amt (Rs.) | As At 31.03.2019 Amt (Rs.) | As At 31.03.2018 Amt (Rs.) |
|--|---|---|---|
| (2) Cash & Bank Balances | | | |
| Cash & Cash Equivalents | | | |
| --Cash on Hand | 28,016 | 25,263 | 33,061 |
| --Balance with Bank in Current Account | 2,29,285 | 2,56,886 | 82,44,509 |
| | 2,57,301 | 2,82,149 | 82,77,570 |
| (3) Other Bank Balances | | | |
| --in Unpaid Dividend Accounts | 17,25,631 | 17,25,631 | 72,446 |
| | 17,25,631 | 17,25,631 | 72,446 |
| (4) Receivables | | | |
| (Unsecured, considered good) | | | |
| Other Receivables | 71,00,000 | NIL | NIL |
| | 71,00,000 | NIL | NIL |
| (5) Loans | | | |
| (Unsecured, considered good) | | | |
| - to Staff | NIL | 24,500 | NIL |
| - to Related Parties | 37,74,14,827 | 30,32,29,567 | 27,58,67,086 |
| - to Other Corporate Entities | 1,28,29,57,032 | 3,82,27,57,989 | 2,78,68,82,262 |
| | 1,66,03,71,859 | 4,12,60,12,056 | 3,06,27,49,348 |
| Less: Impairment loss allowance | 21,58,483 | 21,13,784 | 7,20,804 |
| | 1,65,82,13,376 | 4,12,38,98,272 | 3,06,20,28,544 |
| (6) Investments | | | |
| <u>Investments measured at fair value through other comprehensive income</u> | | | |
| <u>Investment in Equity Instruments</u> | | | |
| <u>Unquoted</u> | | | |
| 1200 (1200) Eq. Shares of Rs.100/- each of Finworth Investment Pvt. Ltd. | 3,44,736 | 3,47,346 | 3,41,498 |
| 10000 (10000) Eq. Shares of Rs.10/- each of Parishray Elegancy Pvt. Ltd. | 2,91,300 | 2,98,486 | 6,59,418 |
| 10000 (10000) Eq. Shares of Rs.10/- each of Pisces Securities Pvt. Ltd. | 7,95,600 | 7,64,433 | 7,81,480 |
| 6665 (6665) Eq. Shares of Rs. 10/- each of Shiv Shivam Developers Pvt. Ltd. | 12,48,021 | 12,63,371 | 12,86,481 |
| NIL (1000000) Eq. Shares of Rs. 100/- each of Sangam Infratech Ltd. | NIL | 9,71,25,272 | NIL |
| | 26,79,657 | 9,97,98,908 | 30,68,877 |
| <u>Investments measured at fair value through profit and loss</u> | | | |
| <u>Investment in Preference Shares</u> | | | |
| <u>Unquoted</u> | | | |
| NIL (1000000) Pref. Sh. of Rs. 10/- each of Keti Sangam Infrastructure (India) Limited | NIL | 10,05,00,000 | 20,05,00,000 |
| | NIL | 10,05,00,000 | 20,05,00,000 |
| | 26,79,657 | 20,02,98,908 | 20,35,68,877 |
| (7) Other Financial Assets | | | |
| Security Deposits | 6,13,319 | 5,42,760 | 4,80,319 |
| | 6,13,319 | 5,42,760 | 4,80,319 |
| (8) Current Tax Assets (net) | | | |
| -- RA Tax and Advance Income Tax (net of Provisions) | 70,91,553 | 19,80,294 | 4,80,294 |
| | 70,91,553 | 19,80,294 | 4,80,294 |

SUCHITRA FINANCE & TRADING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

(10) Property, Plant & Equipments

| Description | GROSS BLOCK | | | DEPRECIATION | | | NET BLOCK | |
|----------------------|-------------------|-------------------|-------------------|-----------------|-------------------|-------------------|-------------------|--|
| | As AT 01/04/19 | As At 31/03/20 | As At 01/04/19 | FOR THE YEAR | As At 31/03/20 | As At 31/03/20 | As At 31/03/19 | |
| COMPUTER/ PRINTER | 53,025 | 53,025 | 50,374 | NIL | 50,374 | 2,651 | 2,651 | |
| AIR CONDITIONER | 23,500 | 23,500 | 22,325 | NIL | 22,325 | 1,175 | 1,175 | |
| Total | 76,525 | 76,525 | 72,699 | NIL | 72,699 | 3,826 | 3,826 | |
| Previous Year | 76,525 | 76,525 | 72,454 | 245 | 72,699 | 3,826 | 4,071 | |

SUCHITRA FINANCE & TRADING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2020

| | As At 31.03.2020 Amt (Rs.) | As At 31.03.2019 Amt (Rs.) | As At 31.03.2018 Amt (Rs.) |
|---|---|---|---|
| (9) <u>Deferred Tax Asset</u> | | | |
| Major components of Deferred Tax Asset arising on account of temporary timing differences are given below: | | | |
| Deferred Tax Asset | | | |
| Difference between Book & Tax Depreciation | 1,135 | 1,897 | 2,663 |
| Deferred Tax Liability | | | |
| Difference between Book & Tax Depreciation | NIL | NIL | NIL |
| Total | 1,135 | 1,897 | 2,663 |
| (11) <u>Other Non-Financial Assets</u> | | | |
| GST Credit Available | 2,34,722 | 98,857 | 17,399 |
| Prepaid rent | 2,82,165 | 3,52,706 | 4,23,247 |
| Prepaid Expenses | 5,450 | NIL | NIL |
| Other receivables | NIL | 15,000 | NIL |
| | 5,22,337 | 4,66,563 | 4,40,646 |
| (12) <u>Financial Liabilities</u> | | | |
| <u>Borrowings</u> | | | |
| Secured* | | | |
| -Term Loan from IL&FS Financial Services Ltd | 24,39,63,335 | 31,57,89,476 | 41,03,65,365 |
| | 24,39,63,335 | 31,57,89,476 | 41,03,65,365 |
| Unsecured | | | |
| --Loans from a Related Party | 3,53,20,386 | 2,32,47,065 | 2,06,87,352 |
| --Loans from Others | 38,81,19,923 | 3,06,49,48,371 | 2,00,77,29,538 |
| | 42,34,40,309 | 3,08,81,95,436 | 2,02,84,16,890 |
| | 66,74,03,644 | 3,40,39,84,912 | 2,43,87,82,255 |
| * The term loan from financial institution is repayable in 19 equated quarterly instalments starting from 1st July,2017. The loan is secured against hypothecation of receivables of loans advanced to Kalyan Sangam Infratech Ltd. and Kalyan Toll Infrastructure Ltd. The loan advanced to Kalyan Toll Infrastructure Ltd. has become NIL at the year end. | | | |
| The term loan is guaranteed by others. | | | |
| IL&FS Financial Services Ltd (IFIN) vide letter dt. 15th April 2019 has exercised its right of Put Option and required the Company to pay the entire outstanding loan. The Company has challenged the said right of Put Option exercised by the lender and in any event, offered to repay the said outstanding by taking loan from an NBFC and requested the lender to issue NOC for the same. As the said NOC is not yet received, the Company has opted to pay the regular instalments of the term loan as per original terms of the Agreement. | | | |
| (13) <u>Other Financial Liabilities</u> | | | |
| Unclaimed Dividend | 17,25,631 | 17,25,631 | 72,446 |
| | 17,25,631 | 17,25,631 | 72,446 |
| (14) <u>Non- Financial Liabilities</u> | | | |
| Tax Liability | 1,07,85,287 | 99,10,948 | 78,19,297 |
| | 1,07,85,287 | 99,10,948 | 78,19,297 |
| (15) <u>Other Non- Financial Liabilities</u> | | | |
| Statutory Dues | 57,92,188 | 1,44,94,741 | 66,61,385 |
| Other Payables | 7,22,972 | 8,08,830 | 3,22,705 |
| | 65,15,160 | 1,53,03,571 | 69,84,090 |

SUCHITRA FINANCE & TRADING COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

| | As At 31.03.2020 Amt (Rs.) | As At 31.03.2019 Amt (Rs.) | As At 31.03.2018 Amt (Rs.) |
|---|----------------------------------|----------------------------------|----------------------------------|
| (16) Share Capital | | | |
| Authorised : | | | |
| 9500000 (P.Y. 9500000) Equity Shares of Rs. 10/- each | 9,50,00,000 | 9,50,00,000 | 9,50,00,000 |
| Issued, Subscribed and Paid-up: | | | |
| 9322550 (P.Y. 9322550) Equity Shares of Rs. 10/- each | 9,32,25,500 | 9,32,25,500 | 9,32,25,500 |
| | 9,32,25,500 | 9,32,25,500 | 9,32,25,500 |

- a. The number of shares and amount outstanding at the beginning and at the end of the reporting year is same.
- b. The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity share is entitled to same right in all the assets.

c. Detail of shares held by the holding company

| Particulars | No. of Shares held | No. of Shares held | No. of Shares held |
|-------------------------------------|--------------------|--------------------|--------------------|
| Marigold Investrade Private Limited | 5880250 | 5880250 | 5880250 |

d. Shares in the Company held by each shareholders holding more than 5% shares:

| No. of Shareholders each holding more than 5% of the share capital | No. of Shares held | No. of Shares held | No. of Shares held |
|--|-----------------------|-----------------------|-----------------------|
| | Percentage of holding | Percentage of holding | Percentage of holding |
| One shareholder (P.Y. One shareholder) | 5880250 63.08% | 5880250 63.08% | 5880250 63.08% |

(17) Other Equity

| | | | |
|--|---------------------|---------------------|---------------------|
| a. Statutory Reserve | 3,33,34,488 | 3,33,34,488 | 1,49,19,000 |
| b. Amalgamation Reserve | 61,26,51,582 | 61,26,51,582 | 61,26,51,582 |
| c. General Reserve | 4,14,23,360 | 4,14,23,360 | 1,84,04,000 |
| d. Retained Earnings | 20,95,40,257 | 11,27,09,093 | 7,55,61,192 |
| e. Items of Other Comprehensive Income | | | |
| - Fair value of Equity Instruments through OCI | (3,89,219) | (32,69,969) | NIL |
| f. Impairment Reserve | 19,92,447 | 82,01,185 | 69,36,070 |
| | 89,85,52,913 | 80,50,49,738 | 72,84,71,844 |

Nature and Purposes of Reserves:

- i. **Statutory Reserve:** Statutory Reserve represents the Reserve Fund created under Section 45-IC of the Reserve Bank of India Act, 1934.
- ii. **Amalgamation Reserve:** Amalgamation Reserve represent surplus arising on Amalgamation.
- iii. **General Reserve:** General reserve is a free reserve, retained from Company's profits and can be utilized upon fulfilling certain conditions in accordance with specific requirement of Companies Act, 2013.
- iv. **Retained Earnings:** Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.
- v. **Equity Instruments through Other Comprehensive Income:** This represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income, under an irrevocable option.
- vi. **Impairment Reserve:** Where impairment allowance under Ind AS 109 is lower than the provisioning required under IRACP (including standard asset provisioning), NBFCs are required to appropriate the difference from their net profit or loss after tax to a separate 'Impairment Reserve'. The balance in the 'Impairment Reserve' is not reckoned for regulatory capital. Further, no withdrawals are permitted from this reserve without prior permission from the Department of Supervision, RBI.

(18) Contingent Liabilities

- i. Demand raised by the Income Tax Department under the provisions of Income Tax Act, 1961 for A.Y 2011-12 of Rs. 3,30,56,300/- (P.Y. Rs. 33056300/-) and for A.Y. 2012-13 of Rs. 11597726/- (P.Y. Rs. NIL) which is disputed by the Company in appeal. The tax paid against the said demand is shown under the head Current Tax Assets.
- ii. Penal interest, delayed payment interest and additional interest charged by IL&FS Financial Services Ltd. on the term loan which is disputed by the Company Rs. 13385747/- (P.Y. Rs. Nil).

SUCHITRA FINANCE & TRADING COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

| | For the year ended 31.03.2020 Amt (Rs.) | For the year ended 31.03.2019 Amt (Rs.) |
|--|---|--|
| (19) Other Income | | |
| Interest on I.T.Refund | NIL | NIL |
| Interest on Security Deposit | 70,559 | 62,441 |
| | 70,559 | 62,441 |
| (20) Finance Costs | | |
| Interest on Loan | 84838422 | 18,77,98,505 |
| Interest on deferement of advance tax | 1192393 | 8,54,354 |
| Interest on delayed payment of GST and TDS | 12,31,221 | 1,14,680 |
| Franking Charges and Stamp Duty | 1,110 | 1,730 |
| | 8,72,63,146 | 18,87,69,269 |
| (21) Employee Benefits Expense | | |
| Director Remuneration | 24,00,000 | 20,00,000 |
| Salary, bonus etc. | 13,43,700 | 12,43,466 |
| Staff Welfare | 3,197 | 3,880 |
| | 37,46,897 | 32,47,346 |
| (22) Other Expenses | | |
| Listing and Other Fees | 4,60,525 | 2,91,575 |
| Professional Fees | 7,97,447 | 68,051 |
| Legal Fees | 2,10,370 | 7,08,500 |
| Depository Charges | 83,164 | 44,950 |
| Advertisement | 41,554 | 28,845 |
| Auditors' Remuneration | | |
| - For Statuory Audit | 35,000 | 38,150 |
| - For Tax Audit | 15,000 | 16,350 |
| - For Certification & Other Matters | NIL | 13,350 |
| Internal Audit Fees | 15,000 | 15,000 |
| Secretarial Audit Fees | 38,600 | 33,600 |
| Filing Fees | 4,200 | 7,200 |
| Printing & Stationery | 28,521 | 46,479 |
| Office Rent | 6,86,700 | 6,54,000 |
| Office Rent - as per Ind AS | 70,541 | 70,541 |
| Membership Fees | 16,350 | 21,800 |
| Sundry Expenses | 86,666 | 1,33,386 |
| Postage and Courier Charges | 5,601 | 20,137 |
| Profession Tax | 2,500 | 2,500 |
| Web Designing Charges | 8,099 | 8,650 |
| Telephone Expenses | 16,802 | 16,991 |
| Travelling Expenses | 1,01,245 | 13,356 |
| CSR Expenses | NIL | 17,00,000 |
| | 27,23,886 | 39,53,411 |

SUCHITRA FINANCE & TRADING COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

(23) - INCOME TAXES

A. The major components of income tax expense for the year are as under

| | Year ended 31.03.2020 Amt (Rs.) | Year ended 31.03.2019 Amt (Rs.) |
|--|---------------------------------------|---------------------------------------|
| I. Income Tax Expenses recognised in the Statement of Profit and Loss | | |
| Current tax | | |
| In respect of Current year | 3,16,49,612 | 3,99,69,346 |
| Deferred tax | | |
| In respect of current year | 762 | 766 |
| Income Tax Expenses recognised in the Statement of Profit and Loss | 3,16,50,375 | 3,99,70,112 |

B. RECONCILIATION OF EFFECTIVE TAX RATE

The reconciliation between the statutory income tax rate applicable to the Company and the effective income tax rate of the Company is as follows :

| | Year ended 31.03.2020 | Year ended 31.03.2019 |
|--|--------------------------|--------------------------|
| Statutory income tax rate | 25.6256% | 29.12% |
| Profit before tax | 12,22,72,800 | 13,33,04,568 |
| Income tax as per above rate | 3,13,33,139 | 3,88,18,290 |
| Adjustments: | | |
| Expenses not deductible for tax purposes | 3,17,012 | 11,49,464 |
| Interest Income on a/c of measurement of lease deposit at fair value | (18,081) | (18,183) |
| Rental Expense on a/c of measurement of lease deposits at fair value | 18,077 | 20,542 |
| Others | 228 | Nil |
| Income tax as per statement of profit and loss | 3,16,50,375 | 3,99,70,112 |
| Adjustments in respect of current income tax of previous year | NIL | Nil |
| Income tax as per statement of profit and loss | 3,16,50,375 | 3,99,70,112 |

The section 115BAA in the Income Tax Act, 1961, provides existing domestic companies with an option to pay tax at a concessional rate of 22% plus applicable surcharge and cess. The reduced tax rates come with the consequential surrender of specified deductions/ incentives. The option needs to be exercised within the prescribed time for filing the return of income under section 139(1) of the Income Tax Act, 1961, for assessment year (AY) 2020-21 or subsequent AYs. Once exercised, such an option cannot be withdrawn for the same or subsequent AYs. These financial statements are prepared on the basis that the Company would avail the option to pay income tax at the lower rate.

**C. The major components of deferred tax (liabilities)/assets arising on account of timing differences are as follows:
As at 31st March, 2020**

| Particulars | Balance Sheet 1.4.2019 Amt(Rs.) | Profit and Loss Amt (Rs.) | Balance Sheet 31.03.2020 Amt(Rs.) |
|-----------------------------------|---|------------------------------------|---|
| | Difference between written down value of fixed assets as per the books of accounts and Income Tax Act,1961. | 1,897 | (762) |
| Deferred Tax (Charge)/Credit | | (762) | |
| Deferred Tax (Liabilities)/Assets | 1,897 | | 1,135 |

As at 31st March, 2019

| Particulars | Balance Sheet 1.4.2018 Amt(Rs.) | Profit and Loss Amt(Rs.) | Balance Sheet 31.03.2019 Amt(Rs.) |
|-----------------------------------|---|--------------------------------|---|
| | Difference between written down value of fixed assets as per the books of accounts and Income Tax Act,1961. | 2,663 | (766) |
| Deferred Tax (Charge)/Credit | | (766) | |
| Deferred Tax (Liabilities)/Assets | 2,663 | | 1,897 |

SUCHITRA FINANCE & TRADING COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

(24) FINANCIAL INSTRUMENTS

ACCOUNTING CLASSIFICATIONS AND FAIR VALUES

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

The categories used are as follows:

- Level 1: Quoted prices for identical instruments in an active market;
- Level 2: Directly or indirectly observable market inputs, other than Level 1 inputs; and
- Level 3: Inputs which are not based on observable market data.

The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

| | Carrying value / Fair value | | | Level |
|---|-----------------------------|-------------------------|-------------------------|----------------|
| | As at | As at | As at | |
| | 31.03.2020 Amt (Rs.) | 31.03.2019 Amt (Rs.) | 01.04.2018 Amt (Rs.) | |
| FINANCIAL ASSETS | | | | |
| Financial assets measured at fair value | | | | |
| Investments measured at | | | | |
| i. Fair value through other comprehensive income | 26,79,657 | 9,97,98,908 | 30,68,877 | Level-3 |
| ii. Fair value through profit and loss | | 10,05,00,000 | 20,05,00,000 | Level-3 |
| Financial assets measured at amortised cost/carrying amount | | | | |
| Cash and Cash equivalents | 2,57,301 | 2,82,149 | 82,77,570 | |
| Bank balances other than cash and cash equivalents | 17,25,631 | 17,25,631 | 72,446 | |
| Receivables | | | | |
| (I) Trade Receivables | NIL | NIL | NIL | |
| (II) Other Receivables | 71,00,000 | NIL | NIL | |
| Loans | 1,65,82,13,376 | 4,12,38,98,272 | 3,06,20,28,544 | |
| Other Financial Assets | 6,13,319 | 5,42,760 | 4,80,319 | |
| | 1,67,05,89,284 | 4,32,67,47,720 | 3,27,44,27,756 | |
| FINANCIAL LIABILITIES | | | | |
| Financial Liabilities measured at amortised cost/carrying amount | | | | |
| Borrowings | 66,74,03,644 | 3,40,39,84,912 | 2,43,87,82,255 | |
| Other Financial Liabilities | 17,25,631 | 17,25,631 | 72,446 | |
| | 66,91,29,274 | 3,40,57,10,543 | 2,43,88,54,701 | |

SUCHITRA FINANCE & TRADING COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

(25) FIRST TIME ADOPTION OF IND AS

The Company has adopted Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs with effect from 1st April, 2019, with a transition date of 1st April, 2018. The adoption of Ind AS has been carried out in accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards. Ind AS 101 requires that all Ind AS standards and interpretations that are issued and effective for the first Ind AS financial statements for the year ended 31st March, 2020, be applied retrospectively and consistently for all financial years presented. However, in preparing these Ind AS financial statements, the Company has availed of certain exemptions and exceptions in accordance with Ind AS 101, as explained below. The resulting difference between the carrying values of the assets and liabilities in the financial statements as at the transition date under Ind AS and Previous GAAP have been recognised directly in equity (retained earnings or another appropriate category of equity). Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS:

A. Optional Exemptions

(i) Deemed cost for property, plant and equipment

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognized in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. Accordingly, the Company has elected to measure all of its property, plant and equipment at their previous GAAP carrying value.

(ii) For financial instruments wherein fair market values are not available (viz. interest free and below market rate security deposits or loans), the Company has elected to adopt fair value recognition prospectively to transactions entered after the date of transition.

B. Mandatory Exceptions from retrospective application

The Company has applied the following exceptions to the retrospective application of Ind AS as mandatorily required under Ind AS 101:

(i) Estimates

On assessment of the estimates made under the Previous GAAP financial statements, the Company has concluded that there is no necessity to revise the estimates under Ind AS, as there is no objective evidence of an error in those estimates. However, estimates that were required under Ind AS but not required under Previous GAAP are made by the Company for the relevant reporting dates reflecting conditions existing as at that date.

(ii) Classification and measurement of financial assets

The classification of financial assets to be measured at amortised cost or fair value through other comprehensive income is made on the basis of the facts and circumstances that existed on the date of transition to Ind AS.

C. Transition to Ind AS - Reconciliations

The following reconciliations provide the explanations and quantification of the differences arising from the transition from Previous GAAP to Ind AS in accordance with Ind AS 101:

- I. Reconciliation of Balance Sheet as at 1st April, 2018 & as at 31st March, 2019;
- II. Reconciliation of Statement of Profit and Loss for the year ended 31st March, 2019;
- III. Reconciliation of Equity as at 1st April, 2018 & as at 31st March, 2019; and
- IV. Reconciliation of Cash Flow Statement for the year ended 31st March, 2019.

Previous GAAP figures have been reclassified/regrouped, wherever necessary, to conform with financial statements prepared under Ind AS.

SUCHITRA FINANCE & TRADING COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

(25) FIRST TIME ADOPTION OF IND AS

I. Reconciliation of Balance Sheet as at 1st April, 2018

| | Note | Previous GAAP Amt(Rs.) | Ind AS adjustments | Ind AS Amt(Rs.) |
|---|----------------|---------------------------|-----------------------|-----------------------|
| ASSETS | | | | |
| Financial Assets | | | | |
| Cash and Cash equivalents | | 82,77,570 | | 82,77,570 |
| Bank balances other than cash and cash equiv: | | 72,446 | | 72,446 |
| Loans | (a) | 3,06,27,49,348 | (7,20,804) | 3,06,20,28,544 |
| Investments | (b) | 20,49,99,675 | (14,30,798) | 20,35,68,877 |
| Other Financial Assets | (c) | 10,00,000 | (5,19,681) | 4,80,319 |
| Non-Financial Assets | | | | |
| Current Tax Assets (net) | | 4,80,294 | | 4,80,294 |
| Deferred Tax Asset | | 2,663 | | 2,663 |
| Property, Plant & Equipments | | 4,071 | | 4,071 |
| Other Non-Financial Assets | (c) | 17,399 | 4,23,247 | 4,40,646 |
| TOTAL | | 3,27,76,03,467 | (22,48,036) | 3,27,53,55,431 |
| LIABILITIES AND EQUITY | | | | |
| LIABILITIES | | | | |
| Financial Liabilities | | | | |
| Borrowings | | 2,43,87,82,255 | | 2,43,87,82,255 |
| Other Financial Liabilities | | 72,446 | | 72,446 |
| Non- Financial Liabilities | | | | |
| Provisions | (a) | 76,56,873 | (76,56,873) | NIL |
| Current Tax Liabilities | | 78,19,297 | | 78,19,297 |
| Other Non- Financial Liabilities | | 69,84,090 | | 69,84,090 |
| Equity | | | | |
| Share Capital | | 9,32,25,500 | | 9,32,25,500 |
| Other Equity | (a),(b) & '(c) | 72,30,63,008 | 54,08,836 | 72,84,71,844 |
| TOTAL | | 3,27,76,03,467 | (22,48,036) | 3,27,53,55,431 |

I. Reconciliation of Balance Sheet as at 31st March, 2019

| | Note | Previous GAAP Amt(Rs.) | Ind AS adjustments Amt(Rs.) | Ind AS Amt(Rs.) |
|---|------|---------------------------|-----------------------------------|-----------------------|
| ASSETS | | | | |
| Financial Assets | | | | |
| Cash and Cash equivalents | | 2,82,149 | | 2,82,149 |
| Bank balances other than cash and cash equiv: | | 17,25,631 | | 17,25,631 |
| Loans | (a) | 4,12,60,12,056 | (21,13,784) | 4,12,38,98,272 |
| Investments | (b) | 20,49,99,675 | (47,00,767) | 20,02,98,908 |
| Other Financial Assets | (c) | 10,00,000 | (4,57,240) | 5,42,760 |
| Non-Financial Assets | | | | |
| Current Tax Assets (net) | | 19,80,294 | | 19,80,294 |
| Deferred Tax Asset | | 1,897 | | 1,897 |
| Property, Plant & Equipments | | 3,826 | | 3,826 |
| Other Non-Financial Assets | (c) | 1,13,857 | 3,52,706 | 4,66,563 |
| TOTAL | | 4,33,61,19,384 | (69,19,085) | 4,32,92,00,300 |

SUCHITRA FINANCE & TRADING COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

**(25) FIRST TIME ADOPTION OF IND AS
LIABILITIES AND EQUITY**

| LIABILITIES | | | | |
|-----------------------------------|---------------|-----------------------|--------------------|-----------------------|
| Financial Liabilities | | | | |
| Borrowings | | 3,40,39,84,912 | | 3,40,39,84,912 |
| Other Financial Liabilities | | 17,25,631 | | 17,25,631 |
| Non- Financial Liabilities | | | | |
| Provisions | (a) | 1,03,14,969 | (1,03,14,969) | NIL |
| Current Tax Liabilities | | 99,10,948 | | 99,10,948 |
| Other Non- Financial Liabilities | | 1,53,03,571 | | 1,53,03,571 |
| Equity | | | | |
| Share Capital | | 9,32,25,500 | | 9,32,25,500 |
| Other Equity | (a),(b) & 'c) | 80,16,53,855 | 33,95,883 | 80,50,49,738 |
| TOTAL | | 4,33,61,19,384 | (69,19,086) | 4,32,92,00,300 |

II. Reconciliation of Statement of Profit and Loss for the year ended 31st March, 2019

| | Note | Previous GAAP Amt(Rs.) | Ind AS adjustments Amt(Rs.) | Ind AS |
|--|------|---------------------------|-----------------------------------|---------------------|
| Revenue from operations | | 33,06,05,378 | | 33,06,05,378 |
| Other income | (c) | NIL | 62,441 | 62,441 |
| TOTAL INCOME | | 33,06,05,378 | 62,441 | 33,06,67,819 |
| EXPENSES | | | | |
| Finance Costs | | 18,87,69,269 | | 18,87,69,269 |
| Impairment on financial instrumen | (a) | 26,58,096 | (12,65,115) | 13,92,980 |
| Employee Benefits Expense | | 32,47,346 | | 32,47,346 |
| Depreciation | | 245 | | 245 |
| Other Expenses | (c) | 38,82,870 | 70,541 | 39,53,411 |
| TOTAL EXPENSES | | 19,85,57,825 | (11,94,574) | 19,73,63,251 |
| Profit before tax | | 13,20,47,553 | 12,57,016 | 13,33,04,568 |
| Tax expenses | | | | |
| Current tax | | 3,99,69,346 | | 3,99,69,346 |
| Deferred Tax | | 766 | | 766 |
| PROFIT FOR THE YEAR (A) | | 9,20,77,441 | 12,57,016 | 9,33,34,456 |
| OTHER COMPREHENSIVE INCOME | | | | |
| Items that will not be reclassified to profit or loss | | | | |
| Net fair value gain/(loss) on investr | (b) | NIL | (32,69,969) | (32,69,969) |
| OTHER COMPREHENSIVE INCOME FOR THE YEAR (B) | | NIL | (32,69,969) | (32,69,969) |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR (A+B) | | 9,20,77,441 | (20,12,953) | 9,00,64,488 |

III. Reconciliation of Equity

| | Note | As at 1st April, 2018 Amt(Rs.) | As at 31st March, 2019 Amt(Rs.) |
|---|------|--------------------------------------|---------------------------------------|
| Total Equity under previous GAAP | | 72,30,63,008 | 80,16,53,855 |
| Expected credit loss and related adjustments | (a) | 69,36,070 | 82,01,185 |
| Effect of measuring Non-current Investments at fair value | (b) | -14,30,798 | -47,00,767 |
| Amortisation of Financial Liability | (c) | -96,434 | -1,04,534 |
| Total effect of transition to Ind AS | | 54,08,838 | 33,95,884 |
| Equity as per Ind AS | | 72,84,71,845 | 80,50,49,740 |

SUCHITRA FINANCE & TRADING COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

(25) FIRST TIME ADOPTION OF IND AS

IV. Effect of Ind AS adoption on the Statement of Cash Flow for the year ended 31st March, 2019

There were no material differences between the Statement of Cash Flows presented under Ind AS and the Previous GAAP.

Notes to the Reconciliations

a) Impairment Allowance for expected credit loss

Under Previous GAAP, the provisioning on overdue assets was as per management estimates, subject to the minimum provision required as per Master Direction- Non Banking Financial Company - Systematically Important Non Deposit taking Company and Deposit Taking Company (Reserve Bank) Directions, 2016. Under Ind AS, impairment allowance is calculated as per expected credit loss method.

b) Non-current Investments:

In the financial statements prepared under Previous GAAP, Non-current Investments of the Company in unquoted equity shares were measured at cost less provision for permanent diminution in value, if any. Under Ind AS, the Company has recognised such investments at FVTOCI through an irrevocable election.

On the date of transition to Ind AS, the difference between the fair value of Non-current Investments as per Ind AS and their corresponding carrying amount as per financial statements prepared under Previous GAAP, has resulted in an decrease in the carrying amount of these investments by Rs. 1430798/- which has been recognised directly in retained earnings (Equity).

As at 31st March, 2019, the difference between the fair value of Non-current Investments as per Ind AS and their corresponding carrying amount as per financial statements prepared under Previous GAAP, has resulted in an decrease in the carrying amount of these investments by Rs. 4700767/-. On such fair valuation, net loss amounting to Rs. 3269969/- has been recognised in OCI.

The above transition has resulted in decrease in Equity by Rs. 1430798/- as at date of transition to Ind AS and by Rs.4700767/- as at 31st March, 2019.

c) Security Deposits

Under the Previous Indian GAAP, the interest free security deposits given were carried at nominal amount. Under Ind AS, Security deposits given are measured at fair value on initial recognition. Unwinding of premium is treated as interest income and is accrued as per the EIR method. The difference between the fair value and the nominal value of deposits is considered as rent paid and recognised over the lease term.

On the date of transition to Ind AS, the difference between the fair value of Security Deposit as per Ind AS and their corresponding carrying amount as per financial statements prepared under Previous GAAP, has resulted in an decrease in the carrying amount of these security deposits by Rs. 519681/- and in creation of Prepaid rent by Rs.423247/- & the net difference has been recognised directly in retained earnings (Equity).

As at 31st March, 2019, the difference between the fair value of Security Deposit and their corresponding carrying amount as per financial statements prepared under Previous GAAP, has resulted in an decrease in the carrying amount of these security deposits by Rs. 457240/- and in creation of pre paid rent by Rs.352706/-. On such fair valuation, interest income amounting to Rs.62441/- has been recognised in Other Income in the Statement of Profit and Loss and rent expense amounting to Rs. 70541/- has been recognised in Other Expenses in the Statement of Profit and Loss.

The above transition has resulted in decrease in Equity by Rs. 96434/- as at date of transition to Ind AS and by Rs.104534/- as at 31st March, 2019.

SUCHITRA FINANCE & TRADING COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

(26) FINANCIAL RISK MANAGEMENT

The Company's activities expose it to market risk, interest risk, liquidity risk and credit risk. The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. This note explains the sources of risk which the Company is exposed to and how the Company manages the risk and the related impact in the financial statements.

Market Risk : Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long-term debt. The Company is exposed to market risk primarily related to interest rate risk and the market value of certain commodities. Thus, Company's exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities. The objective of market risk management is to avoid excessive exposure to these risks in Company's revenues and costs.

Interest Rate Risk:

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

Exposure to interest rate risk: The Company's interest rate risk arises from borrowings. Borrowings issued at fixed rates exposes to fair value interest rate risk. The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows.

| Particulars | 31.03.2020 Amt (Rs.) | 31.03.2019 Amt (Rs.) | 01.04.2018 Amt (Rs.) |
|---|-------------------------|-------------------------|-------------------------|
| Fixed-rate instruments- Financial Liabilities | 66,74,03,644/- | 1,40,39,84,912/- | 2,43,87,82,255/- |

Equity Price Risk

The Company is exposed to equity price risks arising from equity investments. Equity investments are held for strategic rather than trading purposes. The Company does not actively trade in these investments.

Credit Risk:

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the loan given to corporate parties. The Company has adopted a policy of only dealing with counterparties that have sufficient credit rating. The Company's exposure and credit ratings of its counterparties are continuously monitored and the aggregate value of transactions is reasonably spread amongst the counterparties.

Liquidity Risk:

Liquidity Risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's management and finance department is responsible for liquidity, funding as well as settlement management. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the Company maintains flexibility in funding by maintaining availability under committed facilities. Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which it operates.

Regulatory Risks:

The Company is exposed to risks attached to various statutes, laws and regulations including the Competition Act. The Company is mitigating these risks through regular review of legal compliances carried out through internal scrutiny as well as external compliance audits.

Capital Risk Management:

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management policy is to ensure that all times, it remains going concern and safeguard interest of its shareholders and stakeholders.

SUCHITRA FINANCE & TRADING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

(27) Segment Reporting

The Company is engaged solely in financial & investment activity segment and all activities of the Company revolve around this activity. As such there are no reportable segment as defined by Ind AS 108 on Operating Segment issued by the Institute of Chartered Accountants of India.

(28) Related Party Disclosures

i. List of Related Parties with whom transaction have taken place & Relationship.

Name of the Related Party

Relationship

a. Key Management Personnel

Anjana Soni Thakur
Govinda Soni

Wholetime Director
Company Secretary and CFO

ii. Transaction with related parties during the year

**2019-20
Amt(Rs.)**

**2018-19
Amt(Rs.)**

a. Key Management

Director Remuneration
Salary, bonus etc.

24,00,000 20,00,000
8,05,600 7,35,770

iii. Balance outstanding at the year end is as under :

**As At
31.03.2020
Amt(Rs.)**

**As At
31.03.2019
Amt(Rs.)**

a. Key Management

Other Payable

1,71,730 3,77,220

(29) Impairment Reserve

As per the RBI circular no. RBI/2019-20/170 dated March 13, 2020, the NBFCs are required to hold impairment allowances as per Ind AS. In parallel NBFCs are required to compute provisions as per extent prudential norms on Income Recognition, Asset Classification and Provisioning (IRACP). A comparison, as prescribed, between provisions required under IRACP and impairment allowances made under Ind AS 109 is as under:

| Loss Allowances (Provisions) as required under Ind AS 109 | | | | | | | |
|---|---------------------------------------|-------------------------------------|---|---------------------|--|---------------------------|----------------------------------|
| Year | Asset Classification as per RBI Norms | Gross Carrying Amount as per Ind AS | Loss Allowances (Provisions) as required under Ind AS 109 | Net Carrying Amount | Provisions required as per IRACP norms | Opening Impairment Amount | Impairment Reserve to be created |
| | Performing Assets | | | | | | |
| 2019-20 | Standard | 1,66,03,71,859 | 21,58,483 | 1,65,82,13,376 | 41,50,930 | 82,01,185 | (62,08,738) |
| 2018-19 | Standard | 4,12,59,87,556 | 21,13,784 | 4,12,38,73,772 | 1,03,14,969 | 69,36,070 | 12,65,115 |
| 2017-18 | Standard | 3,06,27,49,348 | 7,20,804 | 3,06,20,28,544 | 76,56,873 | NIL | 69,36,070 |

(30) Corporate Social Responsibility

As per section 135 of the Companies Act, 2013 read with relevant rules thereon, the Company was required to spend Rs. 20.20 lacs (P.Y. Rs. 11.73 lacs) on Corporate Social Responsibility (CSR) activities.

Amount spent during the year on:

| | 2019-20 | | | 2018-19 | | |
|--|---------|------------------------|------------|---------|------------------------|---------|
| | In Cash | Yet to be Paid in Cash | Total | In Cash | Yet to be Paid in Cash | Total |
| i Construction/Acquisition of any assets | Nil | 20.20 lacs | 20.20 lacs | 17 lacs | Nil | 17 lacs |
| ii. On purposes other than (i) above | Nil | Nil | Nil | Nil | Nil | Nil |

(31) The outbreak of COVID-19 pandemic across the globe and in India and consequential nationwide lock down since March 24, 2020, has caused a significant decline and volatility in the global as well as Indian financial markets and slowdown in the economic activities.

The Company has evaluated the impact of this pandemic on its business operations and based on its review and current indicators of future economic conditions, there is no significant impact on operations.

SUCHITRA FINANCE & TRADING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

(32) Earnings Per Share (EPS)

| | 2019-20 | 2018-19 |
|---|----------------|----------------|
| a) Weighted Average Number of Equity Shares outstanding during the year | 9322550 | 9322550 |
| b) Net Profit after tax available for Equity Shareholders (Rs.) | 9,06,22,426 | 9,33,34,456 |
| c) Basic and Diluted Earnings Per Share (Rs.) | 9.72 | 10.01 |
| d) Nominal Value Per Share (Rs.) | 10/- | 10/- |

The Company does not have any outstanding dilutive potential equity shares.

(33) Previous year figures

Previous Year's figures have been regrouped/reclassified, wherever necessary, to correspond with the current year's classification/disclosures.

As per our report of even date

For and on behalf of the board

For S. S. Rathi & Co

Chartered Accountants
(Firm Regn. No.108726W)

sd/-

D. P. Rathi
Partner
M. No. 042068
Dated: 25th June, 2020
Place: Mumbai

sd/-

Vinod K. Sodani
Chairman
DIN: 00403740

sd/-

Govinda Soni
Company Secretary & CFO
ACS: 38908

sd/-

Anjana Soni Thakur
Whole Time Director
DIN: 00401469

Arjun Agal
Independent Director
DIN: 07575105