

Dated: 07.09.2020

General Manager,  
Deptt of Corporate Services,  
Bombay Stock Exchange Ltd.  
PJ Tower, 25<sup>th</sup> Floor,  
Dalal Street  
Mumbai-400001

**Sub: Submission of Annual Report for the year 2019-20**


Dear Sir,

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements)-Regulations, 2015, please find enclosed herewith Annual Report of the company for the Financial Year 2019-20.

This is for your information and records please.

Yours truly

For **EMERALD LEASING FINANCE &  
INVESTMENT COMPANY LIMITED**

  
(Sanjay Aggarwal)  
Managing Director  
DIN: 02580828

**EMERALD LEASING FINANCE & INVESTMENT COMPANY LIMITED**

CIN - L65993CH1983PLC041774

Regd. Office : SCO 7, Industrial Area, Phase II, Chandigarh - 160002 (UT). 0172-4005659, 4603859

E-mail : [emerald\\_finance@yahoo.com](mailto:emerald_finance@yahoo.com) | website : [www.emeradfin.com](http://www.emeradfin.com)

**BOARD OF DIRECTORS**

Mr. Sanjay Aggarwal  
Mrs. Anubha Aggarwal  
Mr. Deepak Gaur  
Mr. Raman Aggarwal

**REGISTRAR & TRANSFER AGENT**

M/S Mas Services Limited,  
T-34, 2nd Floor, Okhla Industrial Area,  
Phase-II, New Delhi – 110020  
Ph No. : 01126387281/82/83  
Email : sm@masserv.com

**REGISTERED OFFICE**

SCO 7, Industrial Area, Phase-II, Behind Plot  
No. 410  
Chandigarh - 160 002  
Tel: 0172-4005659  
Fax: 0172-4603859  
Email- [cs@emeraldfin.com](mailto:cs@emeraldfin.com)  
Website: [www.emeraldfin.com](http://www.emeraldfin.com)

**AUDITORS**

M/s. K. Singh & Associates  
Chartered Accountants  
2706/B, MIG Super, Sector 70,  
Mohali – 160 070

**COMPANY SECRETARY**

Mrs. Anju Sharma

**CHIEF FINANCIAL OFFICER**

Ms. Sheetal Kapoor

**BANKERS**

The Punjab State Co-op Bank Limited  
SCO 4 Industrial Area, Phase 2  
Chandigarh 160 002

Kotak Mahindra Bank Limited  
Sector 9, Madhya Marg,  
Chandigarh 160 017

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## NOTICE

NOTICE is hereby given that 37<sup>th</sup> Annual General Meeting of the shareholders of M/s Emerald Leasing Finance and Investment Company Limited will be held on Wednesday 30<sup>th</sup> day of September, 2020 at 9:00 A.M. at Registered Office at SCO 7, First Floor, Industrial Area, Phase-II, Chandigarh.

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March 2020 and the Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditor's thereon.
2. To receive, consider and adopt the audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2020 and the Report of the Auditors thereon.
3. To declare dividend of Rs. 0.25 per share for the financial year ended 31<sup>st</sup> March, 2020
4. To appoint a Director in place of Mr. Sanjay Aggarwal (DIN 02580828), who retires by rotation and being eligible, offers herself for reappointment.

Place: Chandigarh  
Date: 06.09.2020

By order of the Board of Directors  
for **EMERALD LEASING FINANCE AND  
INVESTMENT COMPANY LIMITED**

**SD/-  
SANJAY AGGARWAL  
(MANAGING DIRECTOR)  
DIN: 02580828**

### **NOTES:**

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and to vote on a poll instead of himself/herself. The proxy need not be a member of the company. A blank form of proxy is attached herewith and, if intended to be used, it should be returned duly completed at the registered office of the company not less than forty eight hours before the scheduled time of the commencement of 35<sup>th</sup> annual general meeting.
2. A person can act as proxy on behalf of members not exceeding fifty in number and holding in the aggregate not more than 10% of the total share capital of the company carrying voting rights. However, a member holding more than 10% of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
3. Every member entitled to vote at the meeting, or on any resolution to be moved there at, shall be entitled during the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, to inspect the proxies lodged, at any time during the business hours of the company, provided not less than three days notice in writing of the intention so to inspect is given to the company.

4. The Shareholders/Proxies are requested to produce at the Registration Counter(s) the attendance slip sent along with this Report, duly completed and signed, for admission at the meeting hall. However, in case of non-receipt of Notice of AGM, members are requested to write to the Company at its Registered Office for issuing the duplicate of the same or download the same from Company's website [www.emeraldfin.com](http://www.emeraldfin.com)
5. Location map of the Venue of the Annual General Meeting is attached to this Annual Report.
6. In compliance with the MCA Circulars, the Company has published a public notice by way of an advertisement made dated 01.09.2020 in Uttam Hindu (In Hindi) and Yugmarg (In English), advising the members whose e-mail ids are not registered with the Company, its Registrar and Share Transfer Agent (RTA) or Depository Participant(s) (DPs), as the case may be, to register their e-mail ids with them.
7. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated 13<sup>th</sup> April, 2020, the Notice of Annual General Meeting, Audited Financial Statements for the year ended 31st March, 2020 together with Report of Directors and Auditors' Report are available on the website of the Company [www.emeraldfin.com](http://www.emeraldfin.com), on the website of BSE Limited at [www.bseindia.com](http://www.bseindia.com) and also on the website of CDSL at [www.evotingindia.com](http://www.evotingindia.com).
8. Corporate Members are encouraged to attend the AGM through their Authorized Representatives. They are requested to send by e-mail, a certified copy of the Board resolution / Power of Attorney authorizing their representative to attend and vote on their behalf in the Meeting.
9. Pursuant to MCA Circulars and SEBI Circular, in view of the prevailing situation, owing to difficulties involved in dispatching of physical copies of the Notice of 37<sup>th</sup> AGM, Audited Financial Statements for the year ended 31st March, 2020 together with Report of Directors and Auditors' Report, are being sent only by e-mail to the Members.
10. The Company's Registrar and Share Transfer Agent for its Share Registry Work (Physical and Electronic) are M/s MAS Services Limited having their office at T-34, 2nd Floor, Okhla Industrial Area, Phase-II, New Delhi – 110020 (INDIA) Ph No. 01126387281/82/83
11. The Register of Members and Transfer Books of the Company will be closed from 26-09-2020 to 30-09-2020 (both days inclusive) for the purpose of AGM.
12. SEBI, vide its notification dated 8th June, 2018, and further amendment dated 30th November, 2018, has prescribed that w.e.f. 1st April, 2019, the securities of listed companies can be transferred only in dematerialized form. Accordingly, Members holding shares in physical form are requested to convert their holding(s) in dematerialized form.
13. Members can avail the facility of nomination in respect of shares held by them in physical form pursuant to the provisions of Section 72 of the Companies Act, 2013. Members desiring to avail this facility may send their nomination to Company's Registrar and Share Transfer Agent, M/s MAS Services Limited, in the prescribed Form SH13, which is available on the website of the Company ([www.emeraldfin.com](http://www.emeraldfin.com)). Members holding shares in electronic mode may contact their respective Depository Participants for availing this facility.
14. The Securities and Exchange Board of India has notified that the shareholders/ transferee of shares (including joint holders) holding shares in physical form are required to furnish a certified copy of their Income Tax Permanent Account Number (PAN) card to the Company / RTA while transacting in the securities market including transfer, transmission or any other corporate action. Accordingly, all the shareholders/ transferees of shares (including joint holders) in physical form are requested to furnish a certified copy of their PAN Card to the Company/ RTA while transacting in the securities market including transfer, transmission or any other corporate action.
15. In view of COVID-19 pandemic, the physical meeting of shareholders will be convened with all safety measures. In case any member wants to avail the facility of video conferencing(VC)/other audio video

mode (OAVM) for attending the annual general meeting, such member shall intimate the company atleast 7 days before the meeting so that the facility of VC can be provided.

16. Members are requested to:

- i. Intimate their latest bank account details viz. name and address of the branch of the bank with 9 digit MICR code of the branch & 11 digit IFSC code, type of account and account number, to the respective depository participant in case shares are held in demat mode and to the Company's Registrar and Share Transfer Agent, M/s MAS Services Limited, in case shares are held in physical mode for payment of dividend through ECS / to incorporate this information on the dividend warrants and thus prevent fraudulent encashment of the warrants.
- ii. Intimate changes, if any, pertaining to their registered addresses, e-mail address, telephone/mobile numbers, nomination, power of attorney etc. to their respective depository participant in case shares are held in demat mode and to the Company's Registrar and Share Transfer Agent, M/s MCS Share Transfer Agent Limited, in case shares are held in physical mode.
- iii. Quote their folio numbers/Client ID/ DP ID in all correspondence.
- iv. Consolidate their holdings into one folio in case they hold shares under multiple folios in the identical order of names.

17. For receiving all shareholder communications faster in future, including annual reports, the shareholders are requested to kindly register / update their e-mail address with their respective Depository Participant, where shares are held in electronic mode. If, shares are held in physical form, shareholders are advised to register their e-mail address with Company's Registrar and Share Transfer Agent, M/s MAS Services Limited with the copy of the signed request letter mentioning the name and address of the Member, self-attested copy of the PAN card, and self-attested copy of any document (e.g.: Driving License, Election Identity Card, Passport) in support of the address of the Member.

18. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with Registrar and Share Transfer Agents of the Company (RTA) i.e. M/s MAS Services Limited in case the shares are held by them in physical form.

19. SEBI vide its Circular No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20th April, 2018 has mandated that for making dividend payments, companies whose securities are listed on the stock exchanges shall use electronic clearing services (local, regional or national), direct credit, real time gross settlement, national electronic funds transfer etc. The Company and its Registrar and Share Transfer Agent are required to seek relevant bank details of members from depositories/ investors for making payment of dividends in electronic mode. Further, pursuant to MCA General Circular 20/2020 dated 5th May, 2020, companies are directed to credit the dividend of the members directly to the bank accounts of the members using Electronic Clearing Service. Accordingly, members are requested to provide or update (as the case may be) their bank details with the respective depository participants for the shares held in dematerialized form and with the Registrar & Share Transfer Agent in respect of shares held in physical form. In case of non-availability or non-updation of bank account details of the shareholders, the Company shall ensure payment of dividend to such member post normalization of postal services in the Country vide dispatch of dividend warrant/ cheque, as the case may be.

20. The Register of Members of the Company will remain closed from 26.09.2020 to 30.09.2020 (both days inclusive) for determining the name of members eligible for dividend on equity shares, if declared at the Meeting and the dividend if declared will be credited within 30 days of AGM to those members whose name shall appear on the Register of Members of the Company on 25.09.2020 end of day. In respect of shares held in electronic form, the dividend will be paid to members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owner as on that date. As mentioned in the preceding note, in case of non-availability or non-updation of bank account details of the shareholders, the Company shall ensure payment of dividend to such member

post normalization of postal services in the Country vide dispatch of dividend warrant/ cheque, as the case may be.

21. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their questions in writing to the Secretary of the Company by 15th September, 2020.
22. Details required under regulation 36(3) of SEBI (LODR) Regulation 2015 in respect of the Directors seeking appointment/re-appointment at the AGM, is separately annexed hereto. The Directors seeking appointment/reappointment have furnished the declaration under Rule 14 of the Companies (Appointment and Qualification of Directors) Rules, 2014 read with Section 164(2) of the Companies Act, 2013 and other requisite declarations for their appointment / re-appointment.
23. Members holding shares in physical form and desirous of making a nomination or cancellation/ variation in nomination already made in respect of their shareholding in the Company, as permitted under Section 72 of the Companies Act, 2013, are requested to submit to the RTA of the Company M/s MAS Services Ltd the prescribed Form SH 13 for nomination and Form SH 14 for cancellation/ variation as the case may be. Members holding shares in demat mode may contact their respective Depository Participant for availing this facility.
24. Members are advised to refer to the Shareholders General Information as provided in the Annual Report. In terms of the provisions of Section 107 and 108 of the Companies Act, 2013, since the resolutions as set out in this Notice are being conducted through e-voting, the said resolutions will not be decided on a show of hands at the Meeting.
25. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company at least 7 days before the date of AGM through email on [cs@emeraldfin.com](mailto:cs@emeraldfin.com). The same will be replied by the Company suitably.
26. All the documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company on all working days between 11.00 am to 1.00 pm up to the date of AGM. The Register of Directors and Key Managerial Personnel & their Shareholding and the Register of Contracts & Arrangements in which Directors are interested shall be open for inspection at the meeting to any person having right to attend the meeting.
27. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company [www.emeraldfin.com](http://www.emeraldfin.com) and on the website of CDSL immediately after the declaration of result by the Chairman or a person authorized by him in writing and communicated to the BSE Limited.

28. **E-VOTING:**

In terms of provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules , 2014, the items of Business given in the Notice of Annual General Meeting may be transacted through electronic voting system and the Company is providing e-voting facility to the members who are members as on 23-09-2020 (End of Day) being the "Record/cut off Date" fixed for the purpose of exercising their right to vote at the Annual General Meeting by electronic means through the e-voting platform provided by Central Depository Services Limited (CDSL). Remote e-voting period starts from, September 27, 2020 at 9:00 A.M. and ends on, September 29, 2020 at 5:00 P.M. The e-voting module will be disabled after 5:00 P.M. on September 29, 2020 for voting by shareholders.

Mr. Kanwaljit Singh, Membership number F 5901, a Practicing Company Secretary has been appointed as the Scrutinizer for conducting the e-voting process and voting at Annual General Meeting in a fair and transparent manner.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

**THE INSTRUCTIONS FOR SHAREHOLDRES FOR REMOTE E-VOTING ARE AS UNDER:**

- (i) The voting period begins on 27.09.2020 at 9:00 A.M. and ends on 29.09.2020 at 5:00 P.M. During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e 23.09.2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on “Shareholders” module.
- (v) 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. Shareholders 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.

- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

<b>For Shareholders holding shares in Demat Form and Physical Form</b>	
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"> <li>• 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.</li> </ul>
Dividend Bank Details <b>OR</b> 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"> <li>• 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 (v).</li> </ul>

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



- (x) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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.
- (xi) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the Company- Emerald Leasing Finance & Investment Company Limited on which you choose to vote.
- (xiii) 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.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) 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.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL's mobile app "**m-Voting**". The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

**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**.

- (xx) **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](http://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](mailto: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](mailto: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; [cs@emeraldfin.com](mailto:cs@emeraldfin.com) , 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](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto: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](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

Place: Chandigarh  
Date: 06.09.2020

By order of the Board of Directors  
for **EMERALD LEASING FINANCE AND  
INVESTMENT COMPANY LIMITED**

**SD/-  
SANJAY AGGARWAL  
(MANAGING DIRECTOR)  
DIN: 02580828**

**INFORMATION REGARDING DETAILS OF THE DIRECTORS SEEKING APPOINTMENT/ REAPPOINTMENT IN ANNUAL GENERAL MEETING PURSUANT TO REGULATION 36 OF THE SEBI (LODR) REGULATIONS AND THE SECRETARIAL STANDARDS, FORMING PART OF THE CORPORATE GOVERNANCE REPORT**

<b>Name of Director</b>	Mr. Sanjay Aggarwal
<b>Date of original appointment</b>	01-09-2009
<b>Date of Birth</b>	14-03-1967
<b>Designation</b>	Managing Director

Mr. Sanjay Aggarwal is Managing Director of the Company.

**Expertise in Specific Functional Area**

Mr. Sanjay Aggarwal is the promoter- director of the company. He holds Bachelor's degree in Commerce from Punjab University and is a qualified Chartered Accountant. He has over 21 years of experience in project finance, loan syndication & capital restructuring..

<b>Qualification:</b>	B.com, ACA
<b>List of other Directorships:</b>	1. Eclat Capital & Finance Limited 2. Eclat Net Advisors Private Limited
<b>Names of other listed entities in which person also holds the directorship</b>	<b>NIL</b>
<b>Chairman/Member of the Committee of the Directors of Emerald Leasing Finance and Investment Company Ltd:</b>	1
<b>Chairman/Member of the Committee of the Directors of other Companies</b>	None
<b>Shareholding in the Company as on the date of this</b>	: 1928500 Equity shares

Relationship between directors inter-se and relationship with Manager and other KMP: - Mr. Sanjay Aggarwal is a relative of Mrs. Anubha Aggarwal, Director of the Company.

**Terms of reappointment:** Reappointment as Executive Director

**Remuneration:** 12,00,000/-

**Remuneration sought to be paid:** 2,50,000/-

**No. of meetings of Board attended during the FY 2019-20:** 5

**Justification for appointment and Remuneration:** . He holds Bachelor's degree in Commerce from Punjab University and is a qualified Chartered Accountant. He has over 21 years of experience in project finance, loan syndication & capital restructuring..

## DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting before you their 37<sup>th</sup> Annual Report together with the Audited Accounts of the Company for the year ended 31<sup>st</sup> March, 2020.

### **FINANCIAL RESULTS:-**

The standalone financial results of the Company for the year under review are summarized for your consideration:

<b>Particulars</b>	<b>2019-2020 (Amount in Lacs)</b>	<b>2018-2019 (Amount in Lacs)</b>
Gross Income	180.72	112.75
Expenses	107.58	65.26
Profit Before Depreciation and Tax	73.14	47.49
Depreciation	1.27	0.23
Net Profit Before Tax	71.87	47.26
Provision for Tax	13.94	12.54
Net Profit After Tax	57.93	34.72
Basic EPS	0.64	0.38
Diluted EPS	0.64	0.92

### **STATE OF COMPANY'S AFFAIRS/ BRIEF DESCRIPTION OF THE COMPANY'S WORKING DURING THE YEAR/HIGHLIGHTS/OPERATIONS**

As the Company has been granted NBFC License by RBI, Emerald is focused mainly on giving loans to credit worthy SMEs.

Company has elaborate system of vetting any loan proposal. Whereby, we study the financials, past track records and promoter's credibility. We have granted loans ranging from 5 Lakhs onwards.

Our Current Loan Portfolio is performing very well.

As the Promoters of the Company are into financial services from last 21 years, they have wide knowledge about credit worthiness of various clients.

Company is also in syndication of big tickets loans for various financial institutions. Last Year we have earned a revenue of INR 47,62,943/- through syndication business only.

We have floated a subsidiary by the name of Eclat Net Advisors Private Limited in March 2015. The Company acts as Direct Selling Agent for various financial institutions pan India.

### **DIVIDEND :-**

Your Directors have recommended dividend of Rs. 0.25 per share in the current financial year.

### **RESERVE:**

Entire amount of Net Profit has been transferred to Profit and Loss Surplus account, which appears under the head "Reserves and Surplus." An amount of 11.59 Lakhs has been transferred to Statutory Reserve Fund u/s 45 IC @20% .

## **DIRECTORS:-**

In accordance with the provisions of the Companies Act, 1956 and Articles of Association of the Company, Mr. Sanjay Aggarwal (DIN 02580828), Director of the Company retire by rotation in the ensuing Annual General Meeting and being eligible offer himself for re-appointment.

## **DECLARATION BY INDEPENDENT DIRECTORS**

All Independent Directors of the Company have given declarations that they meet the criteria of Independence as laid down under Section 149 (6) of the Companies Act, 2013 and Regulation 25 of SEBI (LODR) Regulations.

## **KEY MANAGERIAL PERSONNEL**

The Key Managerial Personnel (KMP) in the Company as per Section 2(51) and 203 of the Companies Act, 2013 are as follows:

Mr. Sanjay Aggarwal	Managing Director
Mrs. Anubha Aggarwal	Non-executive, Non- Independent Director , Member
Ms. Sheetal Kapoor	Chief Financial Officer
Mrs. Anju Sharma	Company Secretary

## **SHARE CAPITAL**

The Company has increased its Authorised Share Capital from Rs. 11,00,00,000 to Rs. 350000000/- by adding 2,40,00,000 Equity Shares of Rs. 10/- each during the year under review. The paid up share capital of the company is Rs. 9,04,36,500/- for the period ended March 31, 2020. The company has also taken permission to issue shares by way of right issue upto Rs. 100 crores in the EGM held on 08.04.2019.

- The Company has not bought back any of its securities during the year under review.
- The Company has not issued any Sweat Equity Shares during the year under review.
- No Bonus Shares were issued during the year under review.

## **OBLIGATION OF COMPANY UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

Your Company has zero tolerance policy in case of sexual harassment at workplace and is committed to provide a healthy environment to each and every employee of the company. The Company has in place "Policy for Prevention and Redressal of Sexual Harassment" in line with the requirements of sexual harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (hereinafter referred to as 'the said Act') and Rules made there under. As per the provisions of Section 4 of the said Act, the Board of Directors has constituted the Internal Complaints Committee (ICC) at the Registered Office, Works to deal with the Complaints received by the company pertaining to gender discrimination and sexual harassment at workplace.

Further, as per the provisions of Section 21 & 22 of the said Act, the Report in details of the number of cases filed under Sexual Harassment and their disposal for the financial year under review, is as under:

Sr. No.	No. of cases pending as on the beginning of the financial year under review	No. of complaints filed during the financial year under review	No. of cases pending as on the end of the financial year under review
1.	NIL	NIL	NIL

## **EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS**

No events have been occurred subsequent to the date of financial results.

## **MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAS OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT:**

There has been no material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statements relate and on the date of this report for the period ended March 31, 2020.

### **MAJOR CHANGES HAPPENING DURING THE FINANCIAL YEAR**

Your Directors wish to inform that there have not been any changes during the Financial Year under review:

- a. In the nature of Company's business
- b. Generally in the class of business in which the Company has an interest.

### **LISTING AND LISTING REGULATIONS :-**

The equity shares of the company are listed on the Bombay Stock Exchange (BSE). During the year, Company executed Uniform Listing Regulations in accordance with the requirements of SEBI circular DCS/COMP/12/2015-16 dated October 13, 2015, with BSE Limited.

The Company has also formulated the new Policies as required under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The company is regular in paying the listing fee.

### **INSIDER TRADING:**

The Board of Directors has adopted The Code Of Conduct For Prevention Of Insider Trading in accordance with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015. The Insider trading policy of the company lays down guidelines and procedures to be followed and disclosures to be made while dealing with shares of the Company, as well as the consequences of violation.

### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO**

The requisite information has been given by way of an Annexure D-1 to this Report.

### **CORPORATE GOVERNANCE:-**

Though the provisions of corporate governance are not applicable to the company but Your Company is still committed to maintain the highest standards of Corporate Governance. A copy of corporate governance is attached as annexure D-10.

### **BUSINESS RESPONSIBILITY REPORT**

Regulation 34 (2) (f) the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is not applicable to the Company.

### **POLICY ON DIRECTORS APPOINTMENT AND POLICY ON REMUNERATION**

Pursuant to the requirement under Section 134(3)(e) and Section 178(3) of the Companies Act, 2013, the policy on appointment of Board members including criteria for determining qualifications, positive attributes, independence of a Director and the policy on remuneration of Directors, KMP and other employees is attached as Annexure D-2, which forms part of this report.

### **MANAGEMENT DISCUSSION & ANALYSIS REPORT:**

Management Discussion & Analysis Report for the year under review, as stipulated under Part B of Schedule V to the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is presented in a separate section as Annexure D-3 forming part of this Annual Report.

### **PARTICULARS OF REMUNERATION OF DIRECTORS/ KMP/EMPLOYEES:-**

The information required pursuant to Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided upon request. In terms of Section 136 of the Companies Act 2013, the Report and Accounts are being sent to the Members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the Members at the Registered Office of the Company during business hours on working days of the Company up to the date of the ensuing Annual General Meeting. If any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary in this regard. The details under Section 197 (12) of the Companies Act, 2013 read with Rules 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given as Annexure D-4.

### **NUMBER OF MEETINGS OF BOARD**

During the year 2019-20, 6 Board Meetings were held including one meeting of Independent Directors on the following dates:.

Date of Board Meeting	No. of Directors	Present
29.05.2019	4	4
14.08.2019	4	4
14.11.2019	4	4
15.11.2019	4	3
14.02.2020	4	4
14.02.2020 (Ind. Director Meeting)	2	2

### **PERFORMANCE EVALUATION OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS**

Pursuant to applicable provisions of the Companies Act, 2013 and the Listing Regulations with Stock Exchanges, the Board, in consultation with its Nomination & Remuneration Committee, has formulated a framework containing, inter-alia, the criteria for performance evaluation of the entire Board of the Company, its Committees and Individual Directors, including Independent Directors. Accordingly, following is the criteria for evaluation:-

- a. Criteria for evaluation of the Board of Directors as a whole:
  - i. The Frequency of Meetings
  - ii. Quantum of Agenda
  - iii. Administration of Meetings
  - iv. Flow and quantity of Information from the Management to the Board
  - v. Number of Committees and their role.
  - vi. Overall performance of the Company
- b. Criteria for evaluation of the Individual Directors including Independent Directors;
  - i. Experience and ability to contribute to the decision making process
  - ii. Problem solving approach and guidance to the Management
  - iii. Attendance and Participation in the Meetings
  - iv. Personal competencies and contribution to strategy formulation
  - v. Contribution towards statutory compliances, monitoring of controls and Corporate Governance

The Independent Directors had met separately on 14.02.2020 without the presence of Non-Independent Directors and the members of management and discussed, inter-alia, the performance of non-Independent Directors and Board as a whole and the performance of the Chairman of the Company after taking into consideration the views of Executive and Non-Executive Directors.

The Nomination and Remuneration Committee has also carried out evaluation of every Director's performance. The performance evaluation of all the Independent Directors have been done by the entire Board, excluding the Director being evaluated. On the basis of performance evaluation done by the Board, it shall be determined whether to extend or continue their term of appointment, whenever the respective term expires. The Directors express their satisfaction with the evaluation process.

### **STATUTORY AUDITORS & AUDITORS REPORT:-**

M/s K. Singh & Associates, Chartered Accountants, Chandigarh, was appointed as Statutory Auditors of the Company in the last Annual General Meeting to hold office till the conclusion of Annual General Meeting to be held in the year 2022.

The Auditors' Report being self-explanatory requires no comments from the Directors. Further, there are no reservations, qualifications or adverse remarks in the Audit Report given by them in respect of the Financial Year 2019-20.

### **SECRETARIAL AUDITORS AND THEIR REPORT**

Mr. Kanwaljit Singh (M. No. 5901), a Company Secretary in practice having CP no. 5870, was appointed as Secretarial Auditor of the Company for the financial year 2019-20 pursuant to Section 204 of the Companies Act, 2013. The Secretarial Audit Report submitted by him in the prescribed form MR- 3 is attached as Annexure D-5 and forms part of this report.

### **FRAUDS REPORTED BY AUDITORS**

There are no frauds reported by auditors under sub-section (12) of section 143 including those which are reportable to the Central Government.

### **COST AUDIT**

As per the Cost Audit Orders, Cost Audit is not applicable to the Company.

### **CONSOLIDATED FINANCIAL STATEMENTS**

Your Directors have pleasure in attaching the Consolidated Financial Statements pursuant to Section 129(3) of the Companies Act, 2013 (Act) and SEBI Listing Regulations and prepared in accordance with the Accounting Standards prescribed by the Institute of Chartered Accountants of India, in this regard.

### **INTERNAL FINANCIAL CONTROLS AND THEIR ADEQUACY**

As required pursuant to provisions of section 134(1) (e) of the Act, the Company has a well placed, proper and adequate internal financial control system, commensurate with the size, scale and complexity of its operations. The scope and authority of the internal Audit function is well defined in the Organization. The internal financial control system ensures that all assets are safeguarded and protected and that the transactions are authorized, recorded and reported correctly.

### **DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT**

The Company has in place comprehensive risk assessment and minimization procedures, which are reviewed by the Board periodically. During the year, as per the requirements of Listing Agreement with the Stock Exchanges, a Risk Management Committee was constituted by the Board of Directors with responsibility of preparation of Risk Management Policy, reviewing and monitoring the same on regular basis, to identify and review critical risks on regular basis. The risks faced by the Company and their minimization procedures are assessed by the Board. Further, the Company identifies risks, and control systems are instituted to ensure that the risks in each business process are mitigated. The Board provides oversight and reviews the Risk Management Policy on a regular basis. In the opinion of the Board there has been no identification of elements of risk that may threaten the existence of the Company.

### **SUBSIDIARIES/ASSOCIATES**

The Company has a subsidiary M/s Eclat Net Advisors Pvt. Ltd.(CIN:U74140CH2015PTC035473) as defined in the Companies Act, 2013. Report on the performance and Financial position of the subsidiary in the specified format AOC-1 is annexed to the Directors' Report as Annexure D-6.

### **DEPOSITS**



The Company has neither accepted nor renewed any deposits during the Financial Year 2019-20 in terms of Chapter V of the Companies Act, 2013. Information in this regard, therefore, is nil. There was no non compliance of provisions of chapter V of the Companies Act, 2013.

**SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERNS STATUS AND COMPANY'S OPERATIONS IN FUTURE**

The Company has not received any significant or material orders passed by any Regulatory Authority, Court or Tribunal which shall impact the going concern status and Company's operations in future.

**CORPORATE SOCIAL RESPONSIBILITY**

The Company is not covered under section 135 of Companies Act, 2013 hence details regarding policy on Corporate Social Responsibility is not applicable to the Company.

**AUDIT COMMITTEE**

Your Directors wish to inform that in Compliance with Section 177 of the Companies Act, 2013 and Regulation 18 of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, an audit committee has been duly constituted. The Audit Committee as on March 31, 2020 comprises of the following Directors:

Mr. Raman Aggarwal	Independent Director, Chairman
Mr. Sanjay Aggarwal	Managing Director, Member
Mrs. Anubha Aggarwal	Non - Executive , Non-Independent Director, Member

Details of the Audit Committee have been separately given in the corporate governance report. Further, all recommendations of Audit Committee were accepted by the Board of Directors.

**NOMINATION & REMUNERATION COMMITTEE**

In terms of Regulation 19 of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to the provisions of section 178 of the Companies Act, 2013, Nomination & Remuneration Committee as on March 31, 2020 comprises of the following Directors:

Mr. Deepak Gaur	Independent Director, Chairman
Mrs. Anubha Aggarwal	Non-executive, Non - independent Director, Member
Mr. Raman Aggarwal	Independent Director, Member

The details of Remuneration Policy and the Committee are furnished in the Report on Corporate Governance, which is annexed herewith.

**STAKEHOLDERS RELATIONSHIP COMMITTEE**

In terms of Regulation 20 of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has constituted Stakeholders Relationship Committee with following composition as on 31.03.2020:-

Mrs. Anubha Aggarwal	Non-executive, Non - independent Director, Member
Mr. Raman Aggarwal	Independent Director, Member
Mr. Sanjay Aggarwal	Managing Director, Member

**EXTRACT OF ANNUAL RETURN**

The extract of Annual Return as on March 31, 2020 in the prescribed Form No. MGT-9, pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12 (1) of the Companies (Management and Administration) Rules, 2014 is attached herewith as Annexure D-7 and forms part of this Report.

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

Pursuant to Section 134(3)(g) of the Companies Act, 2013 particulars of loans, guarantees or investments under Section 186 of the Act as at end of the Financial Year 2019-20 are not applicable to the company as company is a non banking finance company, Though the information is attached as Annexure D-8 which forms part of this report.

### **CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES UNDER SECTION 188(1) OF THE COMPANIES ACT, 2013**

With reference to Section 134(3)(h) of the Companies Act, 2013, all contracts and arrangements with related parties under Section 188(1) of the Act, entered by the Company during the financial year, were in the ordinary course of business and on an arm's length basis. Hence, provisions of Section 188 (1) are not applicable. However, as these transactions were in the ordinary course of business and on an arm's length basis, in the opinion of the Board these transactions are justified to be executed. The detail of these transactions is given in Annexure D-9, which forms part of this report.

During the year, the Company had not entered into any contract or arrangement with related parties which could be considered 'material' according to the policy of the Company on Materiality of Related Party Transactions. Your attention is also drawn to the Related Party disclosures set out in Note no. 25 of the Financial Statements.

### **VIGIL MECHANISM**

The Company has established a Vigil Mechanism cum Whistle Blower Policy in terms of Section 177 (10) of the Companies Act, 2013 and also in terms of Regulation 22 of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The detail of the said Vigil Mechanism cum Whistle Blower Policy is given in the Corporate Governance Section, which is annexed herewith. The Vigil Mechanism cum Whistle Blower Policy is also available on the Company's website <http://www.emeraldfin.com/wp-content/uploads/2015/03/Whistle-Blower-Policy.pdf>.

### **DIRECTORS' RESPONSIBILITY STATEMENT:-**

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit 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.

### **COMPLIANCE**

The company has devised proper systems to ensure compliance of all laws applicable to the company and the compliance reports issued by the Departmental Heads are placed before the Board every Quarter confirming compliance by the Company with all applicable Laws.

### **CEO/CFO CERTIFICATION**

In accordance with Regulation 17 (8) read with Part B of Schedule V to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pertaining to corporate governance norms the Managing Director has submitted necessary certificate to the Board of Directors stating the particulars specified under the said Clause. The certificate has been reviewed by the Audit Committee and taken on record by the Board of Directors.

### **DEMATERIALIZATION OF SHARES**

As mentioned in Company's earlier Annual Reports, the Company's equity shares are in compulsory Demat mode in terms of SEBI Guidelines. This has been facilitated through arrangement with NSDL and CDSL. About 94.62% of the shares of the Company are already in dematerialized form. M/s Mas Services Limited, New Delhi is acting as the Registrar and Share Transfer Agents for this purpose and acts as common share agency in terms of SEBI Guidelines.

### **TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND**

Your Company did not have any funds lying unpaid or unclaimed for a period of seven years. Therefore there were no funds which were required to be transferred to Investor Education and Protection Fund (IEPF).

### **COMPLIANCE WITH THE SECRETARIAL STANDARDS**

The company has duly complied with the applicable Secretarial Standards during the financial year 2019-20.

### **SUMS DUE TO MICRO, SMALL & MEDIUM ENTERPRISES**

There is no liability towards principal and interest payable to Micro, Small & Medium Enterprises as on 31st March, 2020.

### **CORPORATE INSOLVENCY RESOLUTION PROCESS INITIATED UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (IBC)**

No Insolvency resolution process has been initiated/ filed by a financial or operational creditor or by the company itself under the IBC before the NCLT.

### **ACKNOWLEDGEMENT:-**

Your Directors wish to express their sincere appreciation to valued Clients, Reserve Bank of India Company's Bankers, Government Agencies and Employees of the company for their continued support & co-operation.

**For & On Behalf of the Board**

Sd/-  
(Sanjay Aggarwal)  
MANAGING DIRECTOR  
(DIN 02580828)

**For & On Behalf of the Board**

Sd/-  
(Anubha Aggarwal)  
DIRECTOR  
(DIN 02557154)

PLACE: CHANDIGARH

Date: 06.09.2020

**ANNEXURE D-1 TO THE DIRECTORS' REPORT:-**

**A. Conservation of Energy :**

Though energy does not form a significant portion of the cost for the Company yet wherever possible and feasible, continuous efforts are being put for conservation of energy and minimize power cost. The Energy conservation measures include replacement of incandescent lights with low power consuming LED lights and compact Fluorescent Lights, replacement of old electrical units with new energy efficient units. Staff of the Company is regularly educated about conservation of power.

**B. Technology Absorption :**

The company is in service industry and exposure of technology is not very significant. The Company continues to absorb and upgrade modern technologies in its operations and back end support functions like Accounts, Human Resource Management, Operations and Compliance functions.

**C. Foreign exchange earnings and outgo:**

There is no foreign exchange earnings and outgo during the financial year.

## **ANNEXURE D- 2 TO THE DIRECTORS' REPORT**

### **NOMINATION AND REMUNERATION POLICY**

This Nomination and Remuneration Policy has been formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Regulations of SEBI (LODR) Regulations, as amended from time to time. This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee (NRC or the Committee) and has been approved by the Board of Directors.

#### **1. OBJECTIVE**

The Nomination and Remuneration Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Regulation under SEBI (LODR) Regulations. The Key Objectives of the Committee would be:

- 1.1. To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- 1.2. To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- 1.3. To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- 1.4. To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the  
Company's operations.
- 1.5. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- 1.6. To devise a policy on Board diversity
- 1.7. To develop a succession plan for the Board and to regularly review the plan;

#### **2. DEFINITIONS**

- 2.1. **Act** means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.
- 2.2. **Board** means Board of Directors of the Company.
- 2.3. **Directors** mean Directors of the Company.
- 2.4. **Key Managerial Personnel** means
  - 2.4.1. Chief Executive Officer or the Managing Director or the Manager;
  - 2.4.2. Whole-time director;
  - 2.4.3. Chief Financial Officer;
  - 2.4.4. Company Secretary; and
  - 2.4.5. such other officer as may be prescribed.
- 2.5. **Senior Management** means personnel of the company who are members of its core management team

excluding the Board of Directors including Functional Heads.

- 2.6. "**Remuneration**" means money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961;

### 3. **ROLE OF COMMITTEE**

#### 3.1. **Matters to be dealt with, perused and recommended to the Board by the Nomination and Remuneration Committee**

The Committee shall:

- 3.1.1. Formulate the criteria for determining qualifications, positive attributes and independence of a director.
- 3.1.2. Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.
- 3.1.3. Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.

#### 3.2. **Policy for appointment and removal of Director, KMP and Senior Management**

##### 3.2.1. **Appointment criteria and qualifications**

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level in line with the Business of the Company, the Industry Structure which the Company operates in and recommend to the Board his / her appointment.
- b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment to ensure that he/she is able to discharge his duties in a diligent manner. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
- c) The Chief Financial Officer of the Company shall be a person with requisite professional qualification who can understand the finance and accounts. The Company Secretary of the Company shall necessarily be a member of Institute of Company Secretaries of India. For any other position in the Senior Management, where a specific educational qualification is desirable to discharge the functions and duties attached to that particular position, the person shall necessarily be holding that qualification.
- d) The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

##### 3.2.2. **Term / Tenure**

- a) Managing Director/Whole-time Director:

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

- b) Independent Director:

- An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
- No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to

become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. However, if a person who has already served as an Independent Director for 5 years or more in the Company as on October 1, 2014 or such other date as may be determined by the Committee as per regulatory requirement; he/ she shall be eligible for appointment for one more term of 5 years only.

- At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

### **3.2.3. Evaluation**

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly) on the basis of following criteria:-

- a. Criteria for evaluation of the Board of Directors as a whole:
  - vi. The Frequency of Meetings
  - vii. Quantum of Agenda
  - viii. Administration of Meetings
  - ix. Flow and quantity of Information from the Management to the Board
  - x. Number of Committees and their role.
  - xi. Overall performance of the Company
- b. Criteria for evaluation of the Individual Directors including Independent Directors;
  - xii. Experience and ability to contribute to the decision making process
  - xiii. Problem solving approach and guidance to the Management
  - xiv. Attendance and Participation in the Meetings
  - xv. Personal competencies and contribution to strategy formulation
  - xvi. Contribution towards statutory compliances, monitoring of controls and Corporate Governance

### **3.2.4. Removal**

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations thereunder or due to other valid reasons as recorded in writing by the Committee, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

### **3.2.5. Retirement**

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

## **3.3. Policy relating to the Remuneration for the Whole-time Director, KMP and Senior Management Personnel**

### **3.3.1. General:**

- a) The remuneration / compensation / commission etc. to the Whole-time Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
- b) The remuneration to be paid to the Whole-time Directors and shall be in accordance with the percentage / slabs / conditions laid down in the Articles of Association of the Company and as per the

provisions of the Act.

- c) Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Whole-time Director. Further, in case of KMP and Senior Management, the increments shall be allowed not only on the basis of performance of the Company alone but shall also includes various factors like individual performance vis a vis individual KRA, diligence in achievement of KRAs, Industry trends, economic situation, future growth prospects etc
- d) Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

### 3.3.2. **Remuneration to Whole-time / Executive / Managing Director, KMP and Senior Management Personnel:**

#### 1) Remuneration to Managing Director / Whole-time Directors:

- a. The Remuneration/ Commission etc. to be paid to Managing Director / Whole-time Directors, etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and the approvals obtained from the Members of the Company.
- b. The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director / Whole-time Directors.
- c. Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, the Company shall pay Remuneration with the previous approval of the Central Government.

#### d. Provisions for excess remuneration:

If any Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

#### 2. Remuneration to Non- Executive / Independent Directors:

- a. The Non-Executive / Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013. The amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.
- b. All the remuneration of the Non- Executive / Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Companies Act, 2013) shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.
- c. An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share based payment schemes of the Company.
- d. Any remuneration paid to Non- Executive / Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause (b) above if the following conditions are satisfied:
  - i. The Services are rendered by such Director in his capacity as the professional; and
  - ii. In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.



- e. The Nomination and Remuneration Committee of the Company, shall determine the stock options and other share based payments to be made to Non Executive Non Independent Directors.

3) Remuneration to Key Managerial Personnel and Senior Management:

- a) The remuneration to Key Managerial Personnel and Senior Management shall be in compliance with the applicable provisions of the Companies Act, 2013 and in accordance with the Company's Policy.
- b) The Nomination and Remuneration Committee of the Company, shall determine the stock options and other share based payments to be made to Key Managerial Personnel and Senior Management.
- c) The Fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided from to time.
- d) The Incentive pay shall be in the form of Performance Bonus and shall be decided based upon the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate.

**4. MEMBERSHIP OF COMMITTEE**

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

**5. CHAIRPERSON**

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

**6. FREQUENCY OF MEETINGS**

The meeting of the Committee shall be held at such regular intervals as may be required. However, it shall be ensured that such minimum number of meetings of the committee are held as required under the Companies Act, 2013 and Rules framed thereunder or under the listing Regulations.

**7. COMMITTEE MEMBERS' INTERESTS**

- 7.1 The disclosure of Interest and participation in the meetings by a member of the Committee shall be as per the provisions of the Act and Rules made thereunder from time to time.
- 7.2 The Committee may invite such executives, professionals, consultants or experts as it considers appropriate, to be present at the meetings of the Committee.

**8. SECRETARY**

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

**9. VOTING**

9.1 Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.

9.2 In the case of equality of votes, the Chairman of the meeting will have a casting vote.

**10. MINUTES OF COMMITTEE MEETING**

Proceedings of all meetings must be minuted and signed by the Chairman of the Committee or the chairman of the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meeting.

**ANNEXURE D-3 TO THE DIRECTORS' REPORT**

**MANAGEMENT DISCUSSION & ANALYSIS REPORT**

**BUSINESS REVIEW**

In Emerald, we are mainly funding to known & credit worthy clients. Mostly these clients are such with whom we had long relationships. Currently we are not sourcing clients from open mkt. as we are doing very prudent lending. The effectiveness of this marketing strategy can be seen from the fact that we did not have any bad debt from our recently sourced portfolio. We are also syndicating funds from various corporate clients & SME clients through various financial institutions. These clients are mainly sourced through referrals from various channels. As the Company has been granted NBFC License by RBI, Emerald is focused mainly on giving loans to credit worthy SMEs. Company has elaborate system of vetting any loan proposal. Whereby, we study the financials, past track records and promoter's credibility. We have granted loans ranging from 5 Lakhs onwards. Our Current Loan Portfolio is performing very well. As the Promoters of the Company are into financial services from last 21 years, they have wide knowledge about credit worthiness of various clients.

**FINANCIALS**

The financial performance of the Company for the financial year ended March 31, 2020 are given in the directors report.

**SWOT Analysis**

<p><b>STRENGTHS</b></p> <ul style="list-style-type: none"> <li>• Experienced management team</li> <li>• Scalable business model</li> <li>• Excellent customer service</li> </ul>	<p><b>WEAKNESS</b></p> <ul style="list-style-type: none"> <li>• Not enough penetration in market.</li> <li>• Strength of the staff.</li> </ul>
<p><b>OPPORTUNITIES</b></p> <ul style="list-style-type: none"> <li>• Growth Potential</li> <li>• Potential to provide other value added services</li> <li>• Increased disposable income of middle-class</li> <li>• Got Approval from RBI to act as Non-Deposit taking Non Banking Finance Company</li> </ul>	<p><b>THREATS</b></p> <ul style="list-style-type: none"> <li>• Increased competition</li> <li>• Economic factors leading to recession</li> <li>• Volatility in markets likely to affect revenues and increase the cost of capital</li> </ul>

**INDUSTRY STRUCTURE & DEVELOPMENT**

Indian economy is going through a period of rapid 'financial liberalisation'. Today, the 'intermediation' is being conducted by a wide range of financial institutions through a plethora of customer friendly financial products.

Emerald leasing finance & Investment Company Limited today has emerged as a strong & reliable player in a fiercely competitive market of financial services.

Emerald leasing finance & Investment Company Limited has built a strong presence in the market through its cumulative experience, strong network as well as sound systems and processes. The company's long-term aspiration is to play a significant role in meeting the financial requirements of retail customers as well as corporate clients.

## INFORMATION TECHNOLOGY

Our company constantly upgrades its technology both in terms of hardware and software. This also helped installing a good management information system for the management to get timely information for decision making.

## INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

Our Company has built adequate systems of internal controls towards achieving efficiency and effectiveness in operations, optimum utilization of resources, and effective monitoring thereof as well as compliance with all applicable laws. The internal control mechanism comprises a well-defined organization structure, documented policy guidelines, predetermined authority levels and processes commensurate with the level of responsibility.

## HUMAN RESOURCES

Our Company continues to lay great stress on its most valuable resource - people. Continuous training, both on the job and in an academic setting, is a critical input to ensure that employees at all levels are fully equipped to deliver a wide variety of products and services to the customer of the company.

## RESPONSIBILITY FOR THE MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Board of Directors have reviewed the Management Discussion and Analysis prepared by the Management. Statement in this report of the Company's objective, projections, estimates, exceptions, and predictions are forward looking statements subject to the applicable laws and regulations. The statements may be subjected to certain risks and uncertainties.

The Company assumes no responsibility in respect of forward looking statements that may be amended or modified in future on the basis of subsequent developments, information or events.

## OTHER KEY INDICATORS

Ratios	2019-20	2018-19	% Increase/ Decrease	Reason for change
Debtors Turnover Ratio	3.80	3.08	-23%	Because of delayed receipt of payment from debtors.
Inventory Turnover Ratio	-	-		
Interest Coverage Ratio	5.02	5.79	-13%	Because of decrease in EBITA margin.
Current Ratio	1.72	12.32	-86%	Because of decrease in Current Assets against Current Liabilities
Debt Equity Ratio	0.15	0.06	-150%	Because of increase in Liability and no infusion of fresh capital.
Operating Profit Margin	0.50	0.51	-2%	Because of Increase in Expenditure as compare to NIL Turnover.
Net Profit Margin	0.32	0.31	3%	Because of decrease in Income Tax Rate.

## ANNEXURE D-4 TO THE DIRECTORS' REPORT

### DETAILS UNDER SECTION 197 (12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

- (i) Ratio of the remuneration of each Executive Director to the median remuneration of the Employees of the Company for the financial year 2019-20, the percentage increase in remuneration of Chief Executive Officer, Chief Financial Officer and other Executive Director and Company Secretary during the financial year 2019-20.

Sr. No.	Name of Director/KMP	Designation	The Ratio of the remuneration of each Director to the median remuneration of the employees	The percentage increase in remuneration
---------	----------------------	-------------	--	---

1.	Sanjay Aggarwal	Chairman cum Managing Director	1.68	100 %
2.	Anubha Aggarwal	Wholetime Director	NIL	NIL
3.	Sheetal Kapoor	CFO	1.61	8.84 %
4.	Anju Sharma	CS	1.02	39 %

ii. The percentage increase in the median remuneration of Employees for the financial year was 49%

iii. The Company has 16 permanent Employees on the rolls of Company as on 31st March, 2020.

iv. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year, its comparison with the percentile increase in the managerial remuneration, justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Average percentage increase made in the salaries of Employees other than the managerial personnel in the financial year was 41.32%.

v. Affirmation that the remuneration is as per the remuneration policy of the Company:

It is affirmed that the remuneration is as per the 'Remuneration Policy for Directors, Key Managerial Personnel and other employees' adopted by the Company

### **Top Ten Employee Information**

<b>Name</b>	<b>Salary</b>	<b>Qualification</b>	<b>Experience</b>	<b>Last Employment</b>	<b>No. of shares held in the company</b>
Ajay Tiwari	19,500	Bachelor In Arts	10 Years	Balaji Traders	2500
Anil Kumar	10,500	Bachelor In Arts	7 Years	Eclat Capital Services	-
Devender Vatsal	20,000	B.Tech	7 Years	Modicorp Ltd	-
Geeta Ray Rana	15,000	Bachelor In Arts	5 Years	Vicky Prop. Consultant	-
Mohit Mittal	15,000	Bachelor In Arts	1 Year	Tanishq Tata Group	-
Mahesh	11,000	Bachelor In Arts	3 Year	Eclat Management Services	-
Navneet Kaur	17,000	Masters In commerce	5 Years	Karvy Financial Services	250
Renu	13,000	Bachelor In Arts	4 Years	Manav Mangal High School	-
Sapna	11000	Masters in Commerce	1 Year	Sethi Jewellers	-
Sheetal kapoor	20,000	MBA , ICWA	10 Years	Eclat Capital Finance Limited	2000

## **ANNEXURE D-5 TO THE DIRECTORS' REPORT**

**Form No. MR-3**

### **SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

*[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,  
Emerald Leasing Finance and Investment Company Limited,  
S.C.O. 7, Industrial Area,  
Phase 2, Chandigarh.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by EMERALD LEASING FINANCE AND INVESTMENT COMPANY LIMITED (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 EMERALD LEASING FINANCE AND INVESTMENT COMPANY LIMITED'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 opinion, the company has, during the audit period covering the financial year ended on March 31, 2020 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 EMERALD LEASING FINANCE AND INVESTMENT COMPANY LIMITED ("the Company") for the financial year ended on March 31, 2020 under the provisions of below mentioned regulations, which were shared with me. It is informed that due to prevailing nationwide lockdown in light of COVID-19, I was not able to carry out physical inspection of the said records:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) (Amendment) Regulations, 2013.
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and the amendments thereof: Not Applicable, as none of the securities of the company were delisted during the audit period.
  - d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.
  - e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations 2014- Not Applicable as the company has not provided any share based benefits to the employees during the year.
  - f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and Chapter V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements)

- Regulations, 2015- Not applicable as the company has not issued any debt securities during the financial year under review.
- g) 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- Not applicable as the company is not registered as Registrar to an Issue and Share Transfer Agent during the financial year under review.
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018- Not applicable as the company has not bought back any of its securities during the financial year under review.
- (vi) The major provisions and requirements prescribed under all applicable Labour laws viz. The Payment of Wages Act, 1936, The Minimum Wages Act, 1948, The Payment of Bonus Act, 1965, Employee's State Insurance Act, 1948, Employees Provident Fund and Miscellaneous Provisions Act, 1952, Payment of Gratuity Act, 1972 etc.

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

- a) Secretarial Standards issued by The Institute of Company Secretaries of India.
- b) The SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 being listed on BSE Limited.

During the period under review the Company has complied with the provisions of the act, rules, regulations, guidelines, standards, etc. mentioned above.

Based on our examination and the information received and records maintained, I further report that:

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors of the company during the audit period.
2. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent well 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.
3. All decisions are carried out through majority, while the dissenting members' views, if any, are captured and recorded as part of the minutes.
4. The company has proper board processes.

Based on the compliance mechanism established by the company and on the basis of the compliance certificate(s) issued by the Company Secretary/ Officers and taken on record by the board of directors in their meeting(s), I am of an opinion that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period under review:

1. The authorized share capital of the company was increased from Rs. 11.00 Crores to Rs. 35.00 Crores with the approval of the members vide Ordinary Resolution in EGM dated 08.04.2019.
2. The approval of the members was sought for further issue of capital for an amount upto Rs. 100.00 Crores.

I further report that during the audit period, there were no instances of:

- (i) Major decisions under Section 180 of the Companies Act, 2013.
- (ii) Redemption / buy-back of securities.
- (iii) Merger / amalgamation / reconstruction etc.
- (iv) Foreign technical collaborations.

Kanwaljit Singh Thanewal  
M. No. 5901  
C.P. No. 5870

Place: Chandigarh  
Date :06.08.2020

UDIN: F005901B000556561

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

"Annexure-A"

To,

The Members,  
Emerald Leasing Finance and Investment Company Limited,  
S.C.O. 7, Industrial Area,  
Phase 2, Chandigarh.

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

1. Maintenance of secretarial records is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records, based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of secretarial records. The verification was done on test basis to ensure that the correct facts are reflected in secretarial records. I believe that the processes and practices, we followed, provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the company.
4. Wherever required, I have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. My examination was limited to the extent of verification of procedures on test basis.
6. The secretarial audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place: Chandigarh  
Date : 06.08.2020

UDIN: F005901B000556561

Kanwaljit Singh Thanewal  
M. No. 5901  
C.P. No. 5870

**ANNEXURE D-6 TO THE DIRECTORS' REPORT**

**Form AOC-1**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)  
**Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures**

**Part "A": Subsidiaries**

(Information in respect of each subsidiary to be presented with amounts in Rs.)

	<b>Particulars</b>	<b>Details</b>
1	Name of the subsidiary	Eclat Net Advisors Pvt. Ltd.
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01-04-2019 -31-03-2020
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	NA
4	Share capital	11075580.00
5	Reserves & surplus	47683666.17
6	Total assets	82855591.33
7	Total Liabilities	82855591.33
8	Investments	Nil
9	Turnover	60606479.34
10	Profit before taxation	9208765.27
11	Provision for taxation	2097345
12	Profit after taxation	7111420.27
13	Proposed Dividend	Nil
14	% of shareholding	81.26%

**Notes:** The following information shall be furnished at the end of the statement:

**Part "B": Associates and Joint Ventures**

**Nil**



**ANNEXURE D-7 TO THE DIRECTORS' REPORT**

As on financial year ended on 31.03.2020

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management &amp; Administration) Rules, 2014.

**I. REGISTRATION & OTHER DETAILS:**

1.	CIN	L65993CHPLC041774
2.	Registration Date	22/11/1983
3.	Name of the Company	EMERALD LEASING FINANCE AND INVESTMENT COMPANY LIMITED
4.	Category/Sub-category of the Company	OTHER FINANCIAL SERVICES
5.	Address of the Registered office & contact details	SCO 7 INDUSTRIAL AREA PHASE 2 CHANDIGARH 160002
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	M/S MAS SERVICES LIMITED, T-34, 2ND FLOOR, OKHLA INDUSTRIAL AREA, PHASE-II, NEW DELHI – 110020 PH NO. : 01126387281/82/83 Email : <a href="mailto:sm@masserv.com">sm@masserv.com</a>
8.	Email Id of the Company	E-mail : <a href="mailto:emerald_finance@yahoo.com">emerald_finance@yahoo.com</a>
9.	Website	<a href="http://www.emeraldfin.com">www.emeraldfin.com</a>

**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)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the Company
1	Commission Income	99711	26.55%
2	Interest Income	99711	67.18%
3	Dividend	99711	6.27%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

S.No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/SUBSIDIARY/ ASSOCIATE	%OF SHARES HELD	Applicable Section
1	Éclat Net Advisors Pvt. Ltd. Add.: SCO No. 7, Ind Area, Phase -2, Chandigarh	U74140CH 2015PTCO 35473	Subsidiary	81.26 %	2(87)

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2019]				No. of Shares held at the end of the year [As on 31-March-2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/ HUF	6006452	-	6006452	66.42	6006452	-	6006452	66.42	-
b) Central Govt.	-	-	-	-	-	-	-	-	-

c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Total shareholding of Promoter (A)</b>	<b>6006452</b>	<b>-</b>	<b>6006452</b>	<b>66.42</b>	<b>6006452</b>	<b>-</b>	<b>6006452</b>	<b>66.42</b>	<b>-</b>
<b>B. Public Shareholding</b>									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	758991	43060	802051	8.87	765000	50000	815000	9.01	0.14
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	159355	171301	330656	3.66	247049	171301	418350	4.63	0.97
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	1382551	515000	1897551	20.98	1538174	265000	1803174	19.94	(1.04)
c) Others (specify)	-	-	-	-	-	-	-	-	-
Non Resident Indians	410	-	410	0.00	450	-	450	0.00	-
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	6530	-	6530	0.07	224	-	224	0.00	(0.07)
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2):-</b>	<b>2300897</b>	<b>736301</b>	<b>3037198</b>	<b>33.58</b>	<b>2550897</b>	<b>486301</b>	<b>3037198</b>	<b>33.58</b>	<b>-</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>2300897</b>	<b>736301</b>	<b>3037198</b>	<b>33.58</b>	<b>2550897</b>	<b>486301</b>	<b>3037198</b>	<b>33.58</b>	<b>-</b>

<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									-
<b>Grand Total (A+B+C)</b>	<b>8307349</b>	<b>736301</b>	<b>9043650</b>	<b>100.00</b>	<b>8557349</b>	<b>736301</b>	<b>9043650</b>	<b>100.00</b>	<b>-</b>

B) Shareholding of Promoter-

SNo	Shareholder's Name	Shareholding at the beginning of the year i.e. <b>01.04.2019</b>			Shareholding at the end of the year i.e. <b>31.03.2020</b>			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	Sanjay Aggarwal	1928500	21.32	-	1928500	21.32	-	-
2	Anubha Aggarwal	1902452	21.04	-	1902452	21.04	-	-
3	Anu Aggarwal	445500	4.93	-	445500	4.93	-	-
4	Ram Swaroop Aggarwal	1730000	19.13	-	1730000	19.13	-	-

C) Change in Promoters' Shareholding (please specify, if there is no change):

SNo	Shareholding of each Promoter	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	Mr. Sanjay Aggarwal				
	At the beginning of the year	1928500	21.32	1928500	21.32
	Bought during the year	-	-	1928500	21.32
	Sold during the year	-	-	1928500	21.32
	At the end of the year	1928500	21.32	1928500	21.32
2	Mrs. Anubha Aggarwal				
	At the beginning of the year	1902452	21.04	1902452	21.04
	Bought during the year	-	-	1902452	21.04
	Sold during the year	-	-	1902452	21.04
	At the end of the year	1902452	21.04	1902452	21.04
3	Mrs. Anu Aggarwal				
	At the beginning of the year	445500	4.93	445500	4.93
	Bought during the year	-	-	445500	4.93
	Sold during the year	-	-	445500	4.93
	At the end of the year	445500	4.93	445500	4.93
4	Mr. Ram Swaroop Aggarwal				
	At the beginning of the year	1730000	19.13	1730000	19.13
	Bought during the year	-	-	1730000	19.13
	Sold during the year	-	-	1730000	19.13
	At the end of the year	1730000	19.13	1730000	19.13

**D) Shareholding Pattern of top ten Shareholders:  
(Other than Directors, Promoters and Holders of GDRs and ADRs):**

SNo	For Each of the Top 10 Shareholders	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	AGR Investments Limited				
	At the beginning of the year	750,000	8.29	750,000	8.29
	Bought during the year	-	-	750,000	8.29
	Sold during the year	-	-	750,000	8.29
	At the end of the year	750,000	8.29	750,000	8.29
2	BOSCO ARMANDO MENEZES				
	At the beginning of the year	201511	2.23	201511	2.23
	Bought during the year	-	-	201511	2.23
	Sold during the year	-	-	201511	2.23
	At the end of the year	201511	2.23	201511	2.23
3	EMILY BOSCO MENEZES				
	At the beginning of the year	201034	2.22	201034	2.22
	Bought during the year	-	-	201034	2.22
	Sold during the year	-	-	201034	2.22
	At the end of the year	201034	2.22	201034	2.22
4	RADHA KRISHNA AGARWAL				
	At the beginning of the year	150000	1.66	150000	1.66
	Bought during the year	-	-	150000	1.66
	Sold during the year	-	-	150000	1.66
	At the end of the year	150000	1.66	150000	1.66
5	Ms. Nidhi Arora				
	At the beginning of the year	148500	1.64	148500	1.64
	Bought during the year	-	-	148500	1.64
	Sold during the year	-	-	148500	1.64
	At the end of the year	148500	1.64	148500	1.64
6	Mrs. Navneet Kaur				
	At the beginning of the year	140,000	1.55	140,000	1.55
	Bought during the year	-	-	140,000	1.55
	Sold during the year	-	-	140,000	1.55
	At the end of the year	140,000	1.55	140,000	1.55
7	Mrs. Shweta Ahluwalia				
	At the beginning of the year	110,000	1.2	110,000	3.61
	Bought during the year	-	-	110,000	1.22
	Sold during the year	-	-	110,000	1.22
	At the end of the year	110,000	1.22	110,000	1.22
8	Mr. Atul Arora				
	At the beginning of the year	100,000	1.11	100,000	1.11
	Bought during the year	-	-	100,000	1.11
	Sold during the year	-	-	100,000	1.11
	At the end of the year	100,000	1.11	100,000	1.11
9	ARWA UMESH				
	At the beginning of the year	86433	0.96	86433	0.96
	Bought during the year	-	-	86433	0.96
	Sold during the year	79897	0.88	79897	0.88

	At the end of the year	6536	0.07	6536	0.07
10	Narinder Kumar Bansal				
	At the beginning of the year	54163	0.60	54163	0.60
	Bought during the year	-	-	54163	0.60
	Sold during the year	-	-	54163	0.60
	At the end of the year	54163	0.60	54163	0.60

#### E) Shareholding of Directors and Key Managerial Personnel:

SNo	Shareholding of each Directors and each Key Managerial Personnel	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	Mr. Sanjay Aggarwal				
	At the beginning of the year	1928500	21.32	1928500	21.32
	Bought during the year	-	-	1928500	21.32
	Sold during the year	-	-	1928500	21.32
	At the end of the year	1928500	21.32	1928500	21.32
2	Mrs. Anubha Aggarwal				
	At the beginning of the year	1902452	21.04	1902452	21.04
	Bought during the year	-	-	1902452	21.04
	Sold during the year	-	-	1902452	21.04
	At the end of the year	1902452	21.04	1902452	21.04
3	Ms. Sheetal Kapoor				
	At the Beginning of the year	2000	0.02	2000	0.02
	Bought during the year	-	-	2000	0.02
	Sold during the year	-	-	2000	0.02
	At the end of the year	2000	0.02	2000	0.02

#### V. INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment. - NIL

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	NIL	60.08	NIL	60.08
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
<b>Total (i+ii+iii)</b>	NIL	60.08	NIL	60.08
<b>Change in Indebtedness during the financial year</b>	NIL	NIL	NIL	NIL
* Addition	NIL	90.95	NIL	90.95
* Reduction	NIL	NIL	NIL	NIL
<b>Net Change</b>	NIL	90.95	NIL	90.95
<b>Indebtedness at the end of the financial year</b>	NIL	NIL	NIL	NIL
i) Principal Amount	NIL	151.03	NIL	151.03
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
<b>Total (i+ii+iii)</b>	NIL	151.03	NIL	151.03

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-**

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

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Sanjay Aggarwal (MD)		
1	Gross salary	250000	-	250000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	NIL	NIL	NIL
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	NIL	NIL
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	NIL	NIL	NIL
2	Stock Option	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL
4	Commission - as % of profit - others, specify...	NIL	NIL	NIL
5	Others, please specify	NIL	NIL	NIL
	Total (A)	250000	NIL	250000
	Ceiling as per the Act			

**B. Remuneration to other directors - NIL**

SN.	Particulars of Remuneration	Name of Directors				Total Amount
1	Independent Directors	NIL	NIL	NIL	NIL	NIL
	Fee for attending board committee meetings	NIL	NIL	NIL	NIL	NIL
	Commission	NIL	NIL	NIL	NIL	NIL
	Others, please specify	NIL	NIL	NIL	NIL	NIL
	Total (1)	NIL	NIL	NIL	NIL	NIL
2	Other Non-Executive Directors	NIL	NIL	NIL	NIL	NIL
	Fee for attending board committee meetings	NIL	NIL	NIL	NIL	NIL
	Commission	NIL	NIL	NIL	NIL	NIL
	Others, please specify	NIL	NIL	NIL	NIL	NIL
	Total (2)	NIL	NIL	NIL	NIL	NIL
	Total (B)=(1+2)	NIL	NIL	NIL	NIL	NIL
	Total Remuneration Managerial	NIL	NIL	NIL	NIL	NIL
	Overall Ceiling as per the Act					

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	1,53,000	2,40,000	3,93,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-

	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	-	1,53,000	2,40,000	3,93,000

**VII. 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)
<b>A. COMPANY</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
<b>B. DIRECTORS</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

**ANNEXURE D-8 TO THE DIRECTORS' REPORT: -**

<b>Details of Guarantees</b>			
Sr. No.	Name of Entity/Person	Amount	Purpose
1	No Guarantees have been given during the Financial year 2019-20		
<b>Details of Investments</b>			
Sr. No.	Name of Entity/Person	Amount in Rs.)	Purpose
1	Eclat Net Advisors Private Limited	899990	To Promote online business through its Subsidiary Company

## **ANNEXURE D-9 TO THE DIRECTORS' REPORT**

### **FORM NO. AOC -2**

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

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

1. Details of contracts or arrangements or transactions not at Arm's length basis. – **NIL**
2. Details of contracts or arrangements or transactions at Arm's length basis

a)

<b>SL. No.</b>	<b>Particulars</b>	<b>Details</b>
	Name (s) of the related party & nature of relationship	M/s Eclat Net Advisors Private Limited
	Nature of contracts/ arrangements/ transaction	Investment made in Equity of Subsidiary Company (Eclat Net Advisors Pvt Ltd) -899990 shares of Rs. 10/- each.
	Duration of the contracts/arrangements/transaction	NA
	Salient terms of the contracts or arrangements or transaction including the value, if any	Investment in equity shares at par
	Justification for entering into such contracts or arrangements or transactions'	Starting up online/ offline syndication business through its subsidiary company
	Date of approval by the Board	16.03.2015
	Amount paid as advances, if any	NIL
	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	NA

b)

<b>SL. No.</b>	<b>Particulars</b>	<b>Details</b>
	Name (s) of the related party & nature of relationship	<ul style="list-style-type: none"><li>• Mr. Sanjay Aggarwal, Managing Director</li><li>• Mrs. Anubha Aggarwal, Relative of Managing Director</li></ul>
	Nature of contracts/ arrangements/ transaction	<ul style="list-style-type: none"><li>• Rent paid to Sanjay Aggarwal ( Managing Director)</li></ul>
	Duration of the contracts/ arrangements/ transaction	As Mutually agreed
	Salient terms of the contracts or arrangements or transaction including the value, if any	Transactions with promoter at market value 1.20 lacs
	Justification for entering into such contracts or arrangements or transactions'	Reasonable Transaction
	Date of approval by the Board	26.10.2017
	Amount paid as advances, if any	NIL
	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	NA



c)

SL. No.	Particulars	Details
	Name (s) of the related party & nature of relationship	• Mr. Sanjay Aggarwal, Managing Director
	Nature of contracts/ arrangements/ transaction	• Managerial Remuneration paid to Mr. Sanjay Aggarwal ( Managing Director)
	Duration of the contracts/ arrangements/ transaction	On account of resignation from the designation of MD.
	Salient terms of the contracts or arrangements or transaction including the value, if any	INR 1,00,000 per month
	Justification for entering into such contracts or arrangements or transactions'	Reasonable Transaction
	Date of approval by the Board	14.08.2019
	Amount paid as advances, if any	NIL
	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	NA

## **ANNEXURE D-10**

### **REPORT ON CORPORATE GOVERNANCE**

#### **1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE**

Though provisions of corporate governance are not applicable to the company but company firmly believes in the principal of good Corporate Governance and is committed in adopting the best global practice of Corporate Governance. That is why the company is voluntarily complying with regulations of corporate governance as far as it can. The Company fully realizes the rights of its shareholders to information on the performance of the Company and considers itself a trustee of its shareholders. The Company provides detailed information on various issues concerning the Company's business and financial performance, to its shareholders.

The Company continues to commit itself to maintain the standards of integrity, transparency, accountability and equity in all facets of its operations and all its interactions with its stakeholders including the shareholders, employees and government. The basic philosophy of Corporate Governance in the Company is to achieve business excellence and dedicate itself for increasing long-term shareholders value, keeping in view the needs and interests of all its stakeholders.

The Company is committed to transparency in all its dealings and places emphasis on business ethics.

#### **2. BOARD OF DIRECTORS**

##### **(i) Composition and category of Directors**

The strength of Board was 4 (Four) Directors as on 31st March 2020. The Board consisted of One Managing Director, One non-Executive non-independent Director, Two Independent Directors.

The Independent Directors with their diverse knowledge, vast experience and relevant expertise brings in their independent judgment, knowledgeable and professional view to the deliberations and decisions of the Board.

The non-executive Directors did not have any material pecuniary relationship or transaction with the Company during the year 2019-2020 or even after the close of Financial year upto the date of this report.

The Company has an executive Chairman and the Company meets the requirements relating to the composition of Independent and non-Independent Directors of the Board of Directors. The Composition of the Board as on 31.03.2020 is given below:

1. Mr. Sanjay Aggarwal - Executive Chairman cum Managing Director
2. Mrs. Anubha Aggarwal - Non-Executive, Non - Independent Director
3. Mr. Raman Aggarwal - Non-Executive Independent Director
4. Mr. Deepak Gaur - Non Executive Independent Director

(ii) The attendance at Board Meetings and at the Last Annual General Meeting and the No. of Other Directorships and Committee Memberships/Chairmanships of Directors is given below :-

NAME	Sanjay Aggarwal	Anubha Aggarwal	Raman Aggarwal	Deepak Gaur
CATEGORY	Executive	Non-Executive	Independent & Non Executive Director	Independent & Non Executive Director
Board Meetings attended during the year	5	5	5	6
Attendance at the AGM held on 28.09.2019	YES	YES	YES	Yes
*No. of other Boards in which Member or chairperson	2	3	3	1
Names of the listed entities where the person is a director and the category of directorship	NIL	NIL	NIL	NIL
No. of other Board Committees in which Member or Chairperson	Member	NIL	NIL	NIL
	Chairperson	NIL	NIL	NIL

\*Note:

1. For the above purpose, all public limited companies, whether listed or not, have been included and all other companies including private limited companies, foreign companies and companies under Section 8 of the Companies Act, 2013 has been excluded.
2. For the purpose of membership & Chairmanship in a Committee only Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee have been considered.
3. The above composition and the information is as at 31.03.2020.

None of the Directors of the Board serve as Member of more than 10 Committees nor do they Chair more than 5 Committees.

(iii) Number of Board Meetings held, dates on which held:

Total 6 Board meetings including one independent directors meeting were held during the period from 1st April, 2019 to March 31, 2020 on the following dates:

29.05.2019, 14.08.2019, 14.11.2019, 15.11.2019, and 14.02.2020.

And the meeting of independent directors was held on 14.02.2020

During the year under review, the gap between two meetings did not exceed 120 days as per SEBI (LODR) Regulations, 2015 and Section 173 of the Companies Act, 2013.

#### (iv) Chart on the Core skills/expertise/competence of Directors

##### **Information placed before the Board**

The Agenda is circulated well in advance to the Board Members. The items in the Agenda are backed by comprehensive background information to facilitate meaningful discussions and to enable the Board to take efficient decisions. The Board of Emerald Leasing Finance and Investment Company Limited is presented with all relevant information on various vital matters affecting the working of the company in addition to the matters set out in the SEBI (LODR), 2015. Also, extensive information is provided on various critical matters such as Risk Assessment, Growth, Expansion, Related party transactions, sales, financial performance, foreign exchange

exposure, Appointment of Key Management personnel, legal proceedings, share transfer compliance, quarterly financial results, significant labour and human relation matters.

<b>Name of Director</b>	<b>Category</b>	<b>Core skills/expertise/competence</b>
Sanjay Aggarwal	Managing Director	Mr. Sanjay Aggarwal holds Bachelors degree in Commerce from Punjab University and is a qualified Chartered Accountant. He has over 21 years of experience in project finance, loan syndication & capital restructuring..
Anubha Aggarwal	Non-executive Non-independent Director	Mrs. Anubha Aggarwal is Graduate in Commerce and ACA. She holds a bachelor degree in Arts. She also holds a Diploma. She has an experience of more than 11 years in the field of financial Services and consultancy. She is a proprietor of Reliance Capital & Financial Services from past 10 years, which deals in financial services.
Raman Aggarwal	Non-executive Independent Director	Mr. Raman Aggarwal Post Graduate Degree in Urban Planning from School of Planning & Architecture, B.E in Civil Engineering. He has more than 23 years of working experience in Non Banking Finance Companies (NBFCs) sector. He is a member of the Key Advisory Group on NBFCs to Ministry of Finance, Govt of India., Director, Association of Leasing and Financial Services, Mumbai and President, Delhi Hire Purchase & Leasing Companies Association.
Deepak Gaur	Non-executive Independent Director	A Commerce Graduate from Delhi University and Fellow member of Institute of Chartered Accountants. His training and experience includes IPO audit for Omaxe Limited (Leading Real Estate Company), special post procurement review for World Bank and Audit of Price Waterhouse (PwC), Ofc Ltd., Hellmann Worldwide Logistics India Pvt Ltd, Honeywell International India Pvt. Ltd, Hazira Group of Companies, Hazira Group of Companies, Max Healthcare Institute Limited, Hindustan Unilever Limited, Genpact Limited, Concurrent Audit (Corporation Bank).

### **3. AUDIT COMMITTEE**

#### **TERMS OF REFERENCE:**

##### **Powers of the Audit Committee**

The powers of the Audit Committee shall include the following:

1. To investigate any activity within the terms of reference
2. To seek information from any employee
3. To obtain outside legal or other professional advice
4. To secure attendance of outsiders with relevant expertise, if it considers necessary

##### **Role of Audit Committee**

The role of the audit committee shall include the following:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the

Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956

- 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.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval
  6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
  - 7) Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
  - 8) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
  - 9) Discussion with internal auditors any significant findings and follow up there on.
  - 10) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
  - 11) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
  - 12) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
  - 13) To review the functioning of the Whistle Blower mechanism, in case the same is existing.
  - 14) Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
  - 15) Carrying out any other function which the Board of Directors of the Company can refer to Audit Committee from time to time.
  - 16) the recommendation for appointment, remuneration and terms of appointment of auditors of the company,
  - 17) review and monitor the auditor's independence and performance, and effectiveness of audit process;
  - 18) examination of the financial statement and the auditors' report thereon,
  - 19) approval or any subsequent modification of transactions of the company with related parties,
  - 20) scrutiny of inter-corporate loans and investments;
  - 21) valuation of undertakings or assets of the company, wherever it is necessary,
  - 22) evaluation of internal financial controls and risk management systems;
  - 23) monitoring the end use of funds raised through public offers and related matters.

### **Review of information by Audit Committee**

The Audit Committee shall review the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

### **Composition of Audit Committee**

As on 31.03.2020, the Audit Committee of the Company comprises of 3 directors including 2 non-executive Independent Directors, who are well qualified and financially literate. Following is the composition of the Audit Committee:

Mr. Raman Aggarwal	Independent Director, Chairman
--------------------	--------------------------------

Mr. Sanjay Aggarwal	Managing Director, Member
Mrs. Anubha Aggarwal	Non-executive, Non-Independent Director, Member

Mr. Raman Aggarwal is the Chairman who has relevant accounts and Finance related expertise as well as qualification. Ms. Anubha Aggarwal and Mr. Sanjay Aggarwal are other two members. All of them are having knowledge and expertise in accounts and finance.

The Audit Committee meetings are also attended by Chief Financial Officer, Head of Internal Audit and representatives of Statutory Auditors. The Company Secretary acts as a Secretary of the Committee.

#### **Meetings of Audit Committee and attendance during the year 2019-20**

4 meetings of the Audit Committee have been held during the year 2019-20 on the following dates:

29.05.2019, 14.08.2019, 14.11.2019 and 14.02.2020

The attendance at the Audit Committee Meetings during the period from 01.04.2019 till 31.03.2020 is given below:

Name	Title	No. of Meetings held	No. of Meetings attended
Mr. Raman Aggarwal	Independent Director, Chairman	4	4
Mr. Sanjay Aggarwal	Managing Director, Member	4	4
Mrs. Anubha Aggarwal	Non-Executive, Non-Independent Director, Member	4	4

### **5. NOMINATION AND REMUNERATION COMMITTEE**

#### **BRIEF DESCRIPTION OF TERMS OF REFERENCE**

Nomination and Remuneration Committee of the Board of Directors is in place in terms of Section 178 of the Companies Act, 2013, SEBI (LODR), Regulations 2015 and RBI Guidelines. The Committee, earlier known as Nomination Committee was reconstituted as Nomination and Remuneration Committee in terms of Section 178 of the Companies Act, 2013. The Committee has been formed with a view to carry out the objectives as enshrined in these respective Statutes. The terms of reference of the Nomination and Remuneration Committee include:-

- To identify persons who are qualified to become directors and who may appointed in Senior Management in accordance with the criteria laid down in the Companies Act, 2013, Rules framed thereunder from time to time, SEBI (LODR), Regulations 2015 and RBI Guidelines.
- To make recommendations to the Board about appointment and removal of Directors and Senior Management
- To carry out evaluation of every Director's performance.
- To formulate criteria for determining qualifications, positive attributes and independence of a Director
- To formulate and recommend to the Board a Nomination and Remuneration Policy.

#### **COMPOSITION:-**

Following was the composition of the Nomination and Remuneration Committee as on 31-03-2020:

Mr. Deepak Gaur	Independent Director, Chairman
Mrs. Anubha Aggarwal	Non-executive Non-Independent Director, Member
Mr. Raman Aggarwal	Independent Director, Member

During the year two meeting Nomination and Remuneration Committee was held on 29.05.2019 and 14.08.2019.

### **4. STAKEHOLDERS' RELATIONSHIP COMMITTEE**

The Stakeholders' Relationship Committee of the Board has been constituted to look into complaints like transfer of shares, non-receipt of Balance Sheet, non-receipt of Annual Report etc. The Committee is headed by Mrs. Anubha Aggarwal, who is a Non Executive Director. Mr. Raman Aggarwal, Non-executive Independent Director and Mr. Sanjay Aggarwal, Managing Director are other Members of the Committee.

#### **NAME AND DESIGNATION OF COMPLIANCE OFFICER**

The Company Secretary Mrs. Anju Sharma, is the Compliance Officer of the Company. The Compliance Officer can be contacted at:

[emerald\\_finance@yahoo.com](mailto:emerald_finance@yahoo.com)

TEL: 0172-4603957

FAX: 0172-4603859

#### **COMPOSITION:**

Following is the composition of the Stakeholders' Relationship Committee:

Mrs. Anubha Aggarwal	Non-executive Director, Member
Mr. Raman Aggarwal	Independent Director, Member
Mr. Sanjay Aggarwal	Managing Director, Member

During the year one meeting Stakeholders' Relationship Committee was held on 14.02.2020.

#### **5. GENERAL BODY MEETINGS**

(i) Location and time of Annual General Meetings held in the last 3 years:

<b>YEAR</b>	<b>2017</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2019</b>
Type of Meeting	EOGM	AGM	AGM	AGM	EGM
Date	24.04.2017	28.09.2017	28.09.2018	28.09.2019	08.04.2019
Venue	SCO 7 Industrial Area Phase 2 Chandigarh 160002	Bamyan Hotel 6 A Ring Road Lajpat Nagar New Delhi 110024	SCO 7 Industrial Area Phase 2 Chandigarh 160002	SCO 7 Industrial Area Phase 2 Chandigarh 160002	SCO 7 Industrial Area Phase 2 Chandigarh 160002
Time	9:00 AM	9.00 A.M	9.00 A.M	9.00 A.M	9.30 A.M
Special Resolution passed	Yes	Yes	Yes	YES	YES

(ii) Details of the Special Resolutions passed in the last three Annual General Meetings

#### **YEAR 2017**

##### **EOGM-24.04.2017**

1. TO INCREASE THE AUTHORISED SHARE CAPITAL
2. FURTHER ISSUE OF EQUITY SHARES OF THE COMPANY THROUGH RIGHTS ISSUE

##### **Year 2017**

##### **AGM - 28.09.2017**

1. Amendment of Articles of Association

In the ensuing annual general meeting the resolutions are being passed through remote e-voting and ballot voting at AGM. The e-voting process has already been explained in the Notes to the Notice of the Annual General Meeting.

## **Year 2018**

### **AGM - 28.09.2018**

1. Appointment of Mrs. Anubha Aggarwal as director of the company.

## **Year 2019**

### **EGM - 08-04-2019**

1. To Increase the Authorized Share Capital.
2. Further Issue of Equity Shares of the Company through Right Issue.

### **AGM - 28.09.2019**

1. Re-appointment of Mr. Raman Aggarwal (DIN: 00116103) as an Independent Director of the Company.
2. Re-appointment of Mr. Deepak Gaur (DIN: 06445299) as an Independent Director of the Company.
3. Re-appointment of Mr. Sanjay Aggarwal as the Managing Director of the company

## **6. DISCLOSURES**

### **(i) Related Party Transactions**

No material significant related party transactions have taken place during the year under review that may have potential conflict with the interests of the Company at large. Further, details of related party transactions form part of Notes to the Accounts of the Annual Report. While entering into the above transactions, the Company had made full disclosures before the Board Meetings as well as Audit Committee Meetings and interested directors duly disclosed their interest in the said Board Meetings. The details of the Related Party Transactions, entered by the Company in the ordinary course of business at Arm's length basis are given in the Directors Report. The company has framed its Policy on dealing with Related Party Transactions and the same is available on its website <http://www.emeraldfin.com/wp-content/uploads/2015/03/POLICY-FOR-DEALING-WITH-RELATED-PARTY-TRANSACTIONS.pdf>

### **(ii) Details of Non-Compliances:**

There is no non-compliance by the Company and there are no penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any Statutory Authority on any matter related to capital markets, during the last three years.

### **(iii) Whistle Blower Policy**

The 'Whistle Blower Policy' cum Vigil Mechanism is in place which is reviewed by the Audit Committee on regular basis and the text of the same is given at the end of this Corporate Governance Report. No personnel has been denied access to the Audit Committee. The same is also available on the Website of the Company <http://www.emeraldfin.com/wp-content/uploads/2015/03/Whistle-Blower-Policy.pdf>

### **(iv) Compliance With Mandatory Requirements Of**

The Company has complied with all the mandatory conditions of Corporate Governance and is planning to adopt non-mandatory requirements also in a phased manner.

### **(v) Disclosure of Accounting Treatment**

The Financial statements of Company are prepared as per the prescribed Accounting standards and reflects true and fair view of the business transactions in the Corporate Governance.

(vi) **Reconciliation Of Share Capital Audit**

A reconciliation of Share Capital Audit was carried out by a qualified practicing Company secretary on quarterly basis for reconciling the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued & listed capital. The audit inter alia confirms that the total issued/paid up capital is in agreement with the total number of shares held in physical form and the total number of dematerialized shares with NSDL & CDSL.

(vii) **Code For Prevention Of Insider Trading**

The Company has instituted a comprehensive Code of Conduct for Prevention of Insider Trading for its designated employees, in compliance with Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, as amended from time to time. After these Regulations having been amended by SEBI in 2015, the Code of Fair Disclosure and Prevention of Insider Trading Code under Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 2015 have been adopted and displayed on the website of the Company [www.emeraldfin.com](http://www.emeraldfin.com). These Codes lay down guidelines vide which it advises the designated employees on procedures to be followed and disclosures to be made, while dealing with the shares of the Company and caution them of the consequences of violations.

(viii) **Material Subsidiaries**

The Company has Eclat Net Advisors Pvt. Ltd. (CIN :U74140CH2015PTC035473) as subsidiary company.

(vii) **Disclosure Regarding Appointment Or Re-appointment Of Directors:**

Mr. Sanjay Aggarwal, Director of the Company retires by rotation in the ensuing Annual General Meeting and being eligible offer himself for re-appointment. Her brief Resume is already given as part of the Notice of Annual General Meeting.

**RELATIONSHIP OF DIRECTORS INTER SE**

- Mr. Sanjay Aggarwal is the Managing Director of the Company.
- Mrs. Anubha Aggarwal is spouse of Mr. Sanjay Aggarwal
- No other directors are related to each other in any manner.

(vi) **COMPLIANCE WITH NON-MANDATORY REQUIREMENTS**

1. **The Board**

The Chairman of the Company is an executive Director. His office is maintained at the company's expense and also allowed reimbursement of expenses incurred in performance of his duties.

2. **Shareholder Rights**

Since the Company publishes its Quarterly Results in Newspapers (English and Hindi) having wide circulation and the results are also displayed on the website of the Company and the stock Exchanges, the Company does not send any declaration of half yearly performance to the shareholders.

3. **Audit Qualifications**

There are no Audit qualifications on the Financial Statements of the Company for the year 2019-2020.

4. **Separate posts of Chairman and CEO**

At the moment, the post of Chairman and Managing Director is occupied by single person and there no post of CEO of the Company.

5. **Reporting of Internal Auditor**



At the moment, the reporting of the internal Audit is not directly to the Audit Committee however, the significant findings of the internal audit are placed before the Audit Committee on regular basis.

**(viii)Code of Conduct**

(i) The Board of Directors has laid down Code of Conduct for all Board Members and Senior Management of the Company. The copy of Code of Conduct as applicable to the Directors (including Senior Management of the Company) is uploaded on the website of the Company [www.emeraldfin.com](http://www.emeraldfin.com)

(ii) The Members of the Board of Directors and Senior Management personnel have affirmed compliance with the Code applicable to them during the year ended March 31, 2019. The Annual Report of the Company contains a Certificate duly signed by the Managing Director in this regard.

**(ix)Board Disclosures - Risk Management**

The Company manages risks as an integral part of its decision making process. The Company has laid down procedures to inform the Board of Directors about the Risk Management and its minimization procedures. The Audit Committee and the Board of Directors review these procedures periodically.

**(x)Proceeds from public issues, rights issues, preferential issues, etc.**

During the year under review, no money has been raised by the Company by way of Public Issues, Rights Issues, Preferential Issues Etc.

**7. Management Discussion & Analysis Report:**

Management Discussion & Analysis Report forms part of the Annual Report and include discussions on various matters specified under Part B of Schedule V to the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**8. MEANS OF COMMUNICATIONS**

**a. Quarterly Results :**

The Quarterly, Half yearly and Annual Results of the Company are sent to Bombay Stock Exchange in accordance with the Listing Regulations. The said Results are normally published in English and Hindi newspapers and also displayed on Company's website [www.emeraldfin.com](http://www.emeraldfin.com)

**b. Presentations to the Institutional Investors or to the Analysts:**

No presentations have been made to institutional investors or to the analysts during the year under review.

**c. BSE Corporate Compliance and Listing Centre:-**

All periodical compliance filings like Shareholding Pattern, Corporate Governance Report, Quarterly Results etc. are filed electronically with the Listing Centre of BSE. Company is also regular in paying annual listing fee.

**9. GENERAL SHAREHOLDER INFORMATION**

AGM : Date, time	September 30, 2020, 9:00AM
AGM venue	SCO 7 Industrial Area, Phase 2 Chandigarh 160002
Financial year	April 1 <sup>st</sup> , 2019 to March 31 <sup>st</sup> , 2020
Date of Book closure	September 26, 2020 to September 30, 2020
Dividend Payment Date	Till 30.10.2020
Listing on Stock	BSE Ltd.

Exchanges																																		
ISIN	INE030Q01015																																	
Scrip Code	538882																																	
Market Price Data: High, Low during each month in last financial year	<table border="1"> <thead> <tr> <th>Month</th> <th>High Price</th> <th>Low Price</th> </tr> </thead> <tbody> <tr> <td>Apr-19</td> <td>11.99</td> <td>9.92</td> </tr> <tr> <td>May-19</td> <td>11.75</td> <td>8.40</td> </tr> <tr> <td>Aug-19</td> <td>12.50</td> <td>9.56</td> </tr> <tr> <td>Sep-19</td> <td>12.30</td> <td>8.62</td> </tr> <tr> <td>Oct-19</td> <td>10.45</td> <td>7.70</td> </tr> <tr> <td>Nov-19</td> <td>10.67</td> <td>8.08</td> </tr> <tr> <td>Dec-19</td> <td>9.95</td> <td>7.40</td> </tr> <tr> <td>Jan-20</td> <td>8.40</td> <td>6.01</td> </tr> <tr> <td>Feb-20</td> <td>10.50</td> <td>8.80</td> </tr> <tr> <td>Mar-20</td> <td>11.00</td> <td>9.44</td> </tr> </tbody> </table>	Month	High Price	Low Price	Apr-19	11.99	9.92	May-19	11.75	8.40	Aug-19	12.50	9.56	Sep-19	12.30	8.62	Oct-19	10.45	7.70	Nov-19	10.67	8.08	Dec-19	9.95	7.40	Jan-20	8.40	6.01	Feb-20	10.50	8.80	Mar-20	11.00	9.44
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Mar-20	11.00	9.44																																
Performance in comparison to broad-based indices such as BSE Sensex, CRISIL index etc.	<table border="1"> <caption>Performance Comparison Data (Estimated from Chart)</caption> <thead> <tr> <th>Period</th> <th>Emerald closing</th> <th>BSE Sensex closing</th> </tr> </thead> <tbody> <tr><td>1</td><td>0</td><td>38000</td></tr> <tr><td>2</td><td>0</td><td>41000</td></tr> <tr><td>3</td><td>0</td><td>42000</td></tr> <tr><td>4</td><td>0</td><td>41000</td></tr> <tr><td>5</td><td>0</td><td>40000</td></tr> <tr><td>6</td><td>0</td><td>38000</td></tr> <tr><td>7</td><td>0</td><td>37000</td></tr> <tr><td>8</td><td>0</td><td>38000</td></tr> <tr><td>9</td><td>0</td><td>40000</td></tr> <tr><td>10</td><td>0</td><td>40000</td></tr> </tbody> </table>	Period	Emerald closing	BSE Sensex closing	1	0	38000	2	0	41000	3	0	42000	4	0	41000	5	0	40000	6	0	38000	7	0	37000	8	0	38000	9	0	40000	10	0	40000
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7	0	37000																																
8	0	38000																																
9	0	40000																																
10	0	40000																																
Registrar and Transfer Agents	MAS Services Limited, T-34, 2nd Floor, Okhla Industrial Area, Phase-II, New Delhi – 110020, Tel.: 01126387281/82/83																																	
Share Transfer System	<p>To expedite the share transfer process in the physical segment, the process is undertaken by Common Registry M/s MAS Services Limited, New Delhi. Share Transfers are processed and approved by them and taken note of by Share Transfer Committee, i.e. Stakeholders' Relationship Committee. The said Committee of the Company meets on regular basis to review the work of Transfer, transmission and issue of duplicate share certificates etc. The shares of the Company are traded in dematerialized form only.</p> <p>Presently, the share transfers, which are received in physical form, are processed and the share certificates returned within a period of 15 days from the date of receipt by the RTA, subject to documents being valid and complete in all respects.</p> <p>All requests for dematerialization of shares are processed and the confirmation is given to the Depositories within 15 days by RTA subject to documents being valid and complete in all respects. Grievances received from Members and other miscellaneous correspondence on change of address, mandates etc. are processed by the Registrar within 15 days.</p>																																	
Dematerialization of shares and liquidity	Liquidity:-94.62% of the shareholding of the Company has been dematerialized as on 31.03.2020 and there is sufficient liquidity in the stock.																																	
Address for correspondence	The Company Secretary, SCO-7, Industrial Area, Phase II, behind Plot No. 410, Chandigarh -160002 Ph. 0172-4603957, Fax 0172-4603859 Email: emerald_finance@yahoo.com																																	

(a) **Distribution of Shareholding (No. of Shares) as on March 31, 2020 is as under:-**

No. of Shares	No. of Shareholders	% of Shareholders	Total No. of Shares	% of Holding
1 TO 5000	569	80.939	59019	0.653
5001 TO 10000	47	6.686	37094	0.410
10001 TO 20000	15	2.134	24857	0.275
20001 TO 30000	11	1.565	29947	0.331

30001 TO 40000	6	0.853	21877	0.242
40001 TO 50000	5	0.711	24902	0.275
50001 TO 100000	13	1.849	100815	1.115
100001 AND ABOVE	37	5.263	8745139	96.699
<b>TOTAL</b>	<b>703</b>	<b>100.00</b>	<b>9043650</b>	<b>100.00</b>

Shareholding Pattern as on 31<sup>st</sup> March, 2020:-

Category	No. of Shares held
Promoters	6006452
Institutional Investors	0
Mutual Funds & UTI	0
Banks, Financial Institutions and Insurance Companies	0
FII's	0
Others	0
Private Corporate Bodies	815000
Indian Public	2221748
NRIs/OCBs	450
Trust	0

#### 10. Total Fees for all services paid by the listed and its subsidiaries.

The detail of payment of total fees to the Statutory Auditor is as under:

Statutory Audit	37500/-
Tax Audit	-
Total	37500/-

#### 11. CEO/CFO CERTIFICATION

In terms of the requirements of SEBI (LODR), 2015, the Managing Director and the CFO have submitted necessary certificate to the Board of Directors stating the particulars specified under the said Clause. The certificate has been reviewed by the Audit Committee and taken on record by the Board of Directors.

#### 12. SUBSIDIARY COMPANIES

The Company has Eclat Net Advisors Pvt. Ltd. (CIN:U74140CH2015PTC035473) as Subsidiary Company. Mrs. Anubha Aggarwal, Director & Mr. Sanjay Aggarwal, Promoter Director are also directors on the Board of the Subsidiary Company. The company has formulated a policy for determining 'material' subsidiaries and such policy shall be disclosed on the company's website under the web link [www.emeraldfin.com](http://www.emeraldfin.com). No asset of the subsidiary is sold, disposed off or leased during the previous financial year.

#### 13. FAMILIARISATION PROGRAMME

Your Company follows a structured orientation and familiarization programme through various programs / presentations for Independent Directors with a view to update them on the Company's policies and procedures on a regular basis. Periodic presentations are made at the Board Meetings on Company's strategy, business model, operations, service and product offerings, markets, organization structure, finance, human resources, technology, quality, facilities and risk management and such other areas as may arise from time to time. The details of familiarization programme have been posted on the website of the Company under the web link <http://www.emeraldfin.com/wp-content/uploads/2015/03/FAMILIARIZATION-PROGRAM-FOR-INDEPENDENT-DIRECTORS-OF-EMERALD-LEASING-FINANCE-AND-INVESTMENT-COMPANY-LIMITED.pdf>.

#### VIGIL MECHANISM & WHISTLE BLOWER POLICY

##### Whistle Blower Policy

##### A. INTRODUCTION

**Emerald Leasing Finance & Investment Company Limited** (herein referred as “Emerald”) is committed to its “vision statement” of upholding its Financial Services Brand creating an ethos of trust across all constituents, developing a culture of empowerment and a spirit of enterprise within the company thereby becoming the most preferred employer in the financial sector.

Consistent with the Vision Statement, **Emerald** is committed to maintain and provide to all its employees and directors highest standards of transparency, probity and accountability. **Emerald** endeavors to develop a culture where it is safe and acceptable for all employees and director to raise / voice genuine concern in good faith and in a responsible as well as effective manner.

## **B. APPLICABILITY OF THE POLICY AND ITS EFFECTIVE DATE**

This Policy which has been in existence, as amended from time to time, applies to all employees and directors of the **Emerald** including those who are on probation from immediate effect.

The effective date of the Policy for each member of the **Emerald** will be decided by the Board of Directors of the respective companies by drawing reference to this policy with appropriate changes and/or adopting a whistle blowing policy on the same lines as this policy.

## **C. WHISTLE BLOWER**

Any employee or director or any other person that the company through the Audit Committee of the Board may wish to extent this policy including suppliers, vendors,

Service provider or by whatever name called (hereinafter referred to as “Whistle blower”), who in good faith raises genuine concern or reports evidence of activity by the company or its employees or director that may constitute:

1. Instances of corporate fraud;
2. Unethical business conduct;
3. a violation of Central or State laws, rules, regulation and / or any other regulatory or judicial directives;
4. Any unlawful act, whether criminal or civil;
5. Malpractice;
6. Serious irregularities;
7. Impropriety , abuse or wrong doing;
8. Deliberate breaches and non-compliance with the company’s policies;
9. Questionable accounting / audit matters / financial malpractice; (collectively referred to as “the concerns”)

If one is acting in good faith it does not matter if one is mistaken.

## **D. REPORTING**

If whistle blower has become aware of any concern, he must immediately report through such means or methods as may be communicated by the Audit Committee or through e-mail, telephone, or a letter sent by mail, courier or fax, the facts to any or all of the following persons clearly indicating that this reporting of the concerns is under policy :

1. Any member of the Audit Committee or such other persons as may be communicated by the Audit Committee from time to time.

If any of the members of the Audit Committee have a conflict of interest in a given case, they should recuse with the matter on hand.

The company will not insist the Whistle Blower to prove that his/her concern is true.

## **E. INVESTIGATION**

All concerns under this policy will be investigated and all information disclosed during the course of investigation will remain confidential, except as necessary to conduct the investigation and take any remedial action in accordance with applicable laws/ Company policies.

**PROCEDURE:**

Once any concern has been raised/ reported , the Administrator shall take the following :

1. Obtain full details and clarification of the concern;
2. Consider ordering investigation by the company's internal auditors or any other investigation agency or person, external or internal including the police;
3. Fully investigate into the allegation with the assistance where appropriate of other individuals/ bodies

**F. DISCIPLINARY ACTION**

Audit committee shall oversee that appropriate disciplinary actions are taken as per the prevailing Human Resources policies of the Company. Actions however may be taken by the concerned business team/ unit or any other department/ committee in turn shall appropriately apprise the Board of Directors, wherever deemed necessary.

**G. UNTRUE CONCERNS**

If a Whistle Blower reports/ raises a Concern in good faith, which is not confirmed by subsequent investigation, no action will be taken against that Whistle Blower. In making a disclosure, the Whistle Blower shall exercise due care to ensure the accuracy of the information. In case of repeated frivolous complaints being filed by an employee of director (if he/she chooses to disclose his/her name), the Audit Committee may take suitable action against the concerned employee or director including reprimand.

**H. DISCRIMINATION**

The company strictly prohibits discrimination, retaliation or harassment of any kind against a Whistle Blower who based on his reasonable belief that such conduct or practices have occurred or are occurring, report that information. If a Whistle Blower believes that he/she has been subjected to discrimination, retaliation or harassment for having reported concern under this Policy, he/she must report such fact to any member of the Audit Committee.

## **DECLARATION OF THE MANAGING DIRECTOR**

This is to certify that the Company has laid down code of conduct for all Board Members and Senior Management of the Company and the copies of the same are uploaded on the website of the Company [www.emeraldfin.com](http://www.emeraldfin.com). Further certified that the Members of the Board of Directors and Senior Management personnel have affirmed having complied with the code applicable to them during the year ended March 31, 2020.

Place: CHANDIGARH  
Date: 06.09.2020

SD/-  
**SANJAY AGGARWAL**  
Managing Director

### **Disclosures under Para A of Schedule V of Listing Regulations**

SR. NO	In the account of	Disclosures of amounts at the year end and the maximum amount of loans/ advances/ Investments outstanding during the year.
1	Holding Company	<ul style="list-style-type: none"><li>• Loans and advances in the nature of loans to subsidiaries by name and amount. Eclat Net Advisors Private Limited and amount is Rs. 16164723</li><li>• Loans and advances in the nature of loans to associates by name and amount. NIL</li><li>• Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount. NIL</li></ul>
2	Subsidiary	Same disclosures as applicable to the parent company in the accounts of subsidiary company.  <b>NA</b>
3	Holding Company	Investments by the loanee in the shares of parent company and subsidiary company, when the comp has made a loan or advance in the nature of loan.  <b>NIL</b>

For details of transactions of the Company with the person or entity belonging to the promoter/promoter group which hold(s) 10% or more shareholding in the Company, if any, kindly refer to "Related Party Transaction" provided in notes to financial statements.

Place: CHANDIGARH  
Date: 06.09.2020

SD/-  
**SANJAY AGGARWAL**  
Managing Director

**NON APPLICABILITY OF SUBMISSION OF REPORT ON CORPORATE GOVERNANCE AS PER EXEMPTION  
GIVEN IN REGULATION 15 (2) (A) OF CHAPTER IV OF SEBI (LODR) REGULATIONS, 2015**

To  
The Members of  
Emerald Leasing Finance and Investment Company Limited

This is to certify that in order to comply with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with, Regulation 15 (2) (a) of Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Paid up capital of the Company Emerald Leasing Finance and Investment Company Limited is not exceeding Rs. 10 Crores i.e. Rs. 9,04,36,500/- (Nine Crores Four Lacs Thirty Six Thousand Five Hundred only) and the Networth is less than Rs. 25 Crores i.e. Rs. 9,70,45,994/- (Rupees Nine Crores Seventy Lacs Forty Five Thousand Nine Hundred Ninty Four Only) as on the last day of the previous financial year i.e. 31st March, 2019. Therefore it is not required to submit Report on Corporate Governance.

**Place: CHANDIGARH  
Date: 06.09.2020**

**SD/-  
SANJAY AGGARWAL  
Managing Director**

## CEO and CFO DECLARATION

**The Board of Directors of,  
Emerald Leasing Finance & Inv. Co Ltd.,  
SCO-7, Industrial Area,  
Phase II, Behind Plot No.410,  
Chandigarh -160002**

**Date: 06.09.2020**

We hereby certify that for the financial year ending 31-03-2020, on the basis of review of financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:

1. These Statements of Emerald Leasing Finance & Investment Company Limited for the Financial year ending 31-03-2020, do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
2. These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
4. 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 and we have taken steps from time to time to rectify these deficiencies.
5. We further certify that we have indicated to the Auditors and the Audit Committee that:
  - a) there have been no significant changes in internal control over financial reporting during the year;
  - b) there have been no significant changes in accounting policies during the year and
  - c) there have been no 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.

Sd/-

**Sanjay Aggarwal  
(Managing Director)**

Sd/-

**Sheetal Kapoor  
(Chief Financial Officer)**



**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**  
**(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)**

To,

**The Members of  
Emerald Leasing Finance & Inv. Co Ltd.,  
SCO-7, Industrial Area,  
Phase II, Behind Plot No.410,  
Chandigarh -160002**

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Emerald Leasing Finance & Investment Company** Limited having CIN L65993DL1983PLC016993 and having registered office at **SCO-7, Industrial Area, Phase II, Behind Plot No.410, Chandigarh -160002** and (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 opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me / us by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> 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.	SANJAY AGGARWAL	02580828	01/09/2009
2.	ANUBHA AGGARWAL	02557154	26/10/2017
3.	RAMAN AGGARWAL	0116103	13/05/2014
4.	DEEPAK GOUR	06445299	01/12/2012

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Chandigarh  
Date : 06.09.2020

UDIN F005901B000672358

Sd/-  
Kanwaljit Singh:  
Membership No.: FCS 5901  
CP No.:5870

## **INDEPENDENT AUDITORS' REPORT**

**To the Members of**

**Emerald Leasing Finance and Investment Co. Limited.**

### **Report on the Standalone Financial Statements as per Ind AS**

We have audited the accompanying standalone financial statements of Emerald Leasing Finance and Investment Co. Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, and the Statement of Profit and Loss, Statement of change in Equity and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020 and its Profit and its Cash Flow for the year ended on that date

#### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and change in equity of the Company in accordance with the Accounting principles generally accepted in India, including the Indian Accounting Standard Ind AS specified under Section 133 of the Act, read with the provision of the Companies (Indian Accounting Standards) Rules, 2015 as amended. This responsibility includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentations of the financial statements that give a true and fair view and free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the company ability to continue as a going concern disclosing as applicable, matter relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operation, or has no realistic alternative but to do so.

Those board of directors are responsible for overseeing the company's financial reporting process.

#### **Auditor's Responsibility**

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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of 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 Requirement's**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
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 purpose of our audit;
  - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears

from our examination of those books.

c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.

d) in our opinion, the financial statements comply with the Indian Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies(Accounts) Rules, 2014;

e) On the basis of written representations received from the directors as on March 31, 2020, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020, from being appointed as a director in terms of section 164(2) of the Companies Act, 2013.

f) with respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such control, refer to our separate report in Annexure "B and

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

i. There is no pending litigations against /for the Company.

ii. There is no long term contracts including derivative contracts and

iii There is no Pending dues to Investor Education and Protection Fund.

**FOR K SINGH & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
**Firm No. 012458N**

**Kultar Singh**  
**Partner**  
**Membership No. 091673**  
**UDIN: 20091673AAAAAU3809**

**PLACE:CHANDIGARH**  
**DATED:15/07/2020**

## **Annexure A to the Independent Auditors' Report**

Referred to in paragraph 1 under 'Report on other Legal and Regulatory Requirements' section of our report of even date. We report that:

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

(b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.

(c) In our opinion and according to the information and explanations given to us, the company does not have any immovable properties in its name. Therefore para 3 (1) (c) are not applicable

2. The company is a service company, primarily engaged in financial activities according there are no inventories with the company therefore clause (ii) is not applicable

3. According to information and explanations given to us, the company has not granted unsecured loan to companies, firms. Limited Liability Partnerships or other parties covered under section 189 of the companies Act. 2013 accordingly, the provisions of clause 3(iii) (a) to (c) of the order is not applicable to the company and hence cannot be commented upon.

4. The company has not given any loans to directors or to any other persons in which the director is interested or given any guarantee or provided any security in connection with any loan taken by him or such person as covered under section 185 and 186 of the Companies act 2013

5 The Company has not accepted deposits. Hence the provisions of Section 73 to 76 or any other relevant provisions of the Act and the rules framed there under are not applicable to the Company.

6. The Company is not required to maintain cost records as specified by the Central Government under sub section (1) of section 148 of the Act. Therefore, the provisions of para 3(vi) of the Order is not applicable to the Company.

7.(a) Based on our audit procedures and on the information and explanations given by the management, we report that there were no undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Goods and Service Tax, Cess and any other statutory dues, required to be deposited.

(b) Based on our audit procedures and on the information and explanations given by the management, there are no dues outstanding in respect of Income Tax, Goods and Service Tax, Cess or any other Statutory dues, to be deposited on account of any dispute.

8.The Company has obtained loans during from financial institution and bank, however there was no default in repayment of dues. The company has not taken any loan from Government or debenture holders during the year.

9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year, therefore, the provisions of para 3(ix) of the Order is not applicable to the Company.

10.According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

11.The Company has paid managerial remuneration during the financial year ending 31st March 2020 hence the necessary approval and mandated as per the provisions of section 197 read with schedule V of the Companies Act 2013 has been obtained.

12.In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company, therefore, the provisions of para 3(xii) of the Order is not applicable to the Company.

13.According to the information and explanations given to us and based on our examination of the records of the Company, there are no transactions with the related parties which requires compliance of sections 177 and 188 of the Act.

14. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him, therefore, the provisions of para 3(xv) of the Order is not applicable to the Company.

16. The Company is NBFC and registered under section 45-IA of the Reserve Bank of India Act, 1934.

- [i] (a) The Company has been granted certificate of registration from Reserve Bank of India under Section 45IA of the Reserve Bank of India Act, 1934.
  - (b) The company is entitled to continue and hold the certificate of registration in terms of asset/income pattern as at 31st March 2020.
  - (c) Considering the asset/income pattern of the company we are of the opinion that the company is not an Asset Finance Company.
- [ii] As per information and explanation given to us the Board of Directors have passed a resolution for the non-acceptance of any deposits from public.
- [iii] As it appears from our examination of the books of account, the company has not accepted any deposits from public during the year under review.
- [iv] The Company has given Loans & Advances and has complied with the Prudential Norms relating to income recognition accounting standards, asset classification and provisioning for bad and doubtful debts as applicable as on 31-03-2020.

**FOR K.SINGH & ASSOCIATES  
CHARTERED ACCOUNTANTS  
Firm No. 012458N**

**PLACE: Chandigarh  
DATED: 15/07/2020**

**KULTAR SINGH  
PARTNER  
Membership No. 091673  
UDIN: [20091673AAAAAU3809](#)**

## **Annexure - B to the Auditors' Report**

### **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 Emerald Leasing Finance and Investment Company Limited ("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 Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the ICAI.

*for* **K Singh & Associates**

*Chartered Accountants*

Firm's Registration Number: 012458N

**CA. Kultar Singh**

*Partner*

Membership Number: 091673

Place of Signature: Chandigarh

Date: 15th July, 2020

UDIN: [20091673AAAAAU3809](#)



**EMERALD LEASING FINANCE & INVESTMENT COMPANY LIMITED**

**BALANCE SHEET AS AT 31ST MARCH, 2020**

	<b>PARTICULARS</b>	<b>NOTE</b>	<b>As at 31st March, 2020 (` in Lakh)</b>	<b>As at 31st March, 2019 (` in Lakh)</b>
	<b>ASSETS</b>			
(1)	<b>Non-current assets</b>			
	(a) <b>Property, Plant and Equipment</b>	<b>3</b>	4.96	3.03
	(b) Non-current investment	<b>4</b>	90.00	90.00
			<b>94.96</b>	<b>93.03</b>
(2)	<b>Current assets</b>			
	(a) <b>Financial Assets</b>		-	-
	(i) Trade receivables	<b>5</b>	47.50	36.14
	(ii) Cash and cash equivalents	<b>6</b>	27.90	258.46
	(iii) Bank balances other than (iii) above			
	(iv) Loans	<b>7</b>	1025.03	649.79
	(v) Others (to be specified)	<b>8</b>	10.95	5.29
	(vi) Security Deposit	<b>9</b>	6.00	6.00
	(vii) Deferred Tax Asset	<b>10</b>	-	0.07
	(b) <b>Misc Expenditure</b>	<b>11</b>	20.35	6.59
			<b>1137.73</b>	<b>962.34</b>
	<b>Total Assets</b>		<b>1232.69</b>	<b>1055.37</b>
	<b>EQUITY AND LIABILITIES</b>			
(1)	<b>Equity</b>			
	(a) Equity Share capital	<b>12</b>	904.37	904.37
	(b) Other Equity	<b>13</b>	123.60	66.09
			<b>1027.97</b>	<b>970.46</b>
(2)	<b>Non-current liabilities</b>			
	(a) <b>Financial Liabilities</b>			
	(i) Borrowings	<b>14</b>	151.03	60.08
			<b>151.03</b>	<b>60.08</b>
(3)	<b>Current liabilities</b>			
	(a) <b>Other current liabilities</b>	<b>15</b>	39.82	12.18
	(b) <b>Provisions</b>	<b>16</b>	13.85	12.65
	(c) <b>Current tax liabilities (net)</b>	<b>17</b>	0.02	-
			<b>53.69</b>	<b>24.83</b>
	<b>Total Equity and Liabilities</b>		<b>1,232.69</b>	<b>1055.37</b>
	Significant Accounting Policies & Notes on Financial Statements	<b>1 to 36</b>		

As per our report of even date attached.

**For and on behalf of the Board**

**For K. SINGH & ASSOCIATES**  
Chartered Accountants  
Firm No 012458N

**Sanjay Aggarwal**  
Managing Director  
DIN No: 02580828

**Anubha Aggarwal**  
Director  
DIN No. 02557154

**Kultar Singh**  
Partner  
Membership No. - 091673

**Sheetal Kapoor**  
CFO

**Anju Sharma**  
Company Secretary

Place : Chandigarh  
Dated : 15.07.2020

**EMERALD LEASING FINANCE & INVESTMENT COMPANY LIMITED**  
**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2020**

	PARTICULARS	NOTE	Year Ended 31st March, 2020 ( in Lakh)	Year Ended 31st March, 2019 ( in Lakh)
I	Revenue from Operations	18	179.41	111.32
II	Other income	19	1.31	1.43
III	<b>Total Income</b>		<b>180.72</b>	<b>112.75</b>
IV	<b>EXPENSES</b>			
	Employee-benefits expenses	20	36.31	24.45
	Finance costs	21	17.89	9.86
	Depreciation and amortization expenses	22	1.27	0.23
	Other expenses	23	53.38	30.95
	<b>Total expenses</b>		<b>108.85</b>	<b>65.49</b>
V	<b>Profit/ (Loss) before Exceptional Items &amp; Tax ( I-IV )</b>		<b>71.87</b>	<b>47.26</b>
VI	<b>Exceptional Items</b>		-	-
VII	<b>Profit/(Loss) Before Tax (V-VI)</b>		71.87	47.26
VIII	<b>Tax expense</b>			
	(1)Current Tax	16	13.85	12.65
	(2)Deferred tax	24	0.09	(0.11)
IX	<b>Profit/(Loss) for the period from continuing operations (VII-VIII)</b>		<b>57.93</b>	<b>34.72</b>
X	<b>Profit/(Loss) for the period from discontinued operations</b>		-	-
XI	<b>Tax expense of discontinued operations</b>		-	-
XII	<b>Profit/(Loss) for the period from discontinuing operations after tax (X-XI)</b>		-	-
XIII	<b>Profit/(Loss) for the period (IX+XII)</b>		<b>57.93</b>	<b>34.72</b>
XIV	<b>Other comprehensive Income</b>			
	A (i) Items that will not be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
	B (i) Items that will be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
XV	<b>Total comprehensive income for the period (XIII+XIV)</b> (Comprising Profit (Loss) and Other Comprehensive Income for the period)		<b>57.93</b>	<b>34.72</b>
XVI	<b>Earning per equity share ( from continuing operation)</b>			
	(1)Basic		<b>0.64</b>	<b>0.38</b>
	(2)Diluted		<b>0.64</b>	<b>0.92</b>
XVII	<b>Earning per equity share ( from discontinued operation)</b>			
	(1)Basic		-	-

XVIII	(2)Diluted <b>Earning per equity share</b> ( from discontinued and continuing operation)			-	-
	(1)Basic			0.64	0.38
	(2)Diluted			0.64	0.92
	Significant Accounting Policies & Notes on Financial Statements	<b>1 to 36</b>			

As per our report of even date attached.

**For and on behalf of the Board**

**For K. SINGH & ASSOCIATES**  
Chartered Accountants  
Firm No 012458N

**Sanjay Aggarwal**  
Managing Director  
DIN No: 02580828

**Anubha Aggarwal**  
Director  
DIN No. 02557154

**Kultar Singh**  
Partner  
Membership No. - 091673  
Place : Chandigarh  
Dated : 15-07-2020

**Sheetal Kapoor**  
CFO

**Anju Sharma**  
Company Secretary

**EMERALD LEASING FINANCE & INVESTMENT COMPANY LIMITED**  
**NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020 Continued**

The Previous period figures have been regrouped/reclassified, where ever necessary to conform to the current period presentation

	PARTICULARS	Year Ended 31st March, 2020 ( in Lakh)	Year Ended 31st March, 2019 ( in Lakh)
<b>4</b>	<b>NON-CURRENT INVESTMENTS</b>		
	<b>Others Investments</b>		
	<b>Unquoted</b>		
	<b>a)Subsidiaries</b>		
	1)8,99,990 Equity Shares (Previous Year 8,99,990 Shares) of ` 10/- each of Eclat Net Advisors Pvt. Ltd.	90.00	90.00
	<b>Total</b>	<b>90.00</b>	<b>90.00</b>
<b>5</b>	<b>TRADE RECEIVABLES</b>		
	<b>(Unsecured and Considered Good)</b>		
	Over Six Months		
	Other		
	Accrued Interest on Unsecured Loans	38.18	8.56
	Commission and Fees Receivables	9.32	27.58
	<b>TOTAL</b>	<b>47.50</b>	<b>36.14</b>
<b>6</b>	<b>Cash and Cash Equivalents</b>		
	Cash in hand	0.06	1.06
	Balance with banks (including cheques in hand)	10.74	85.05
	Cheque Received But Not yet Credited	5.23	172.35
	FLDG with Agile Finserv and Usha Financial Services	11.87	-
	<b>TOTAL</b>	<b>27.90</b>	<b>258.46</b>
<b>7</b>	<b>Loans</b>		
	<b>Unsecured:</b>		
	Loans to Body corporates/ Firms/ Individuals	1027.60	649.79
	Less : Provisions for Standard Assets (0.25% of outstanding Loans)	2.57	
	<b>TOTAL</b>	<b>1025.03</b>	<b>649.79</b>
<b>8</b>	<b>Others</b>		
	TDS Receivables	10.95	3.41
	Income Tax Refund	-	1.88
	<b>TOTAL</b>	<b>10.95</b>	<b>5.29</b>
<b>9</b>	<b>Security Deposit</b>		
	Security Deposit	6.00	6.00
	<b>TOTAL</b>	<b>6.00</b>	<b>6.00</b>
		-	-

10	<b>Deferred Tax Asset</b> Deferred Tax Asset	-	-	0.07
	<b>TOTAL</b>	-	-	<b>0.07-</b>
11	<b>Misc Expenditure</b> Misc Expenditure	20.35		6.59
	<b>TOTAL</b>	<b>20.35</b>		<b>6.59</b>
12	<b>SHARE CAPITAL AUTHORISED</b> 3,50,00,000 Equity Shares of ` 10/- each (Previous Year 1,10,00,000 equity share of ` 10/- Each)	3,500.00		1,100.00
		<b>3,500.00</b>		<b>1,100.00</b>
	<b>ISSUED, SUBSCRIBED AND PAID UP CAPITAL</b> 90,43,650 Equity Shares ` 10/- Each fully paid	904.37		904.37
	<b>TOTAL</b>	<b>904.37</b>		<b>304.50</b>
The reconciliation of number of shares outstanding is set out below.				
	<b>Particulars</b>	<b>As at 31st MARCH, 2020</b>		<b>As at 31st March,2019</b>
		<b>No of Shares</b>		<b>No of Shares</b>
	Equity Shares at the beginning of the period	9043650		3,045,000
	Add : Shares issued during the period	-		5998650
	Equity Shares at the end of the period	9,043,650		9043650
<b>Note :</b>	1. The proceeds from the Rights Issue were utilized in funding of fresh loans to our customers in the form of Unsecured Loans. The object of the Issue was fulfilled as mentioned in the Letter of Offer submitted with SEBI.			

12	<b>Statement of Change in Equity For the period ended 31st March 2020 A. Equity Share Capital</b>							
	<b>Balance as at 31st March 2019</b>	<b>Change in Equity Share Capital during the period</b>					<b>Balance as at 31st March 2020</b>	
	904.37	-					904.37	
	<b>Balance as at April 1,2018</b>	<b>Change in Equity Share Capital during the period</b>					<b>Balance as at 31st March,2019</b>	
	304.50	599.87					904.37	
13	<b>B. Other Equity (Amount in Rupees)</b>							
	<b>Particulars</b>	<b>Reserves and Surplus</b>						<b>Total</b>
		<b>Capital Reserv e</b>	<b>Securities Premium Reserve</b>	<b>Revaluat ion Reserve</b>	<b>General Reserve/P &amp;L Reserve</b>	<b>Statutor y Reserve Fund</b>	<b>Ret aine d Ear ning</b>	
	Balance as at March- 31,2019	-	-	-	59.15	6.94	-	66.09
	Change in accounting policy/ prior period	-	-	-	-	-	-	-

errors								
Restated balance at the beginning of the reporting period	-	-	-	59.15	6.94	-	-	66.09
Residual Value				(0.17)				(0.17)
Profit (loss)for the year				57.93	-			57.93
Other comprehensive income for the year	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	57.76	-	-	-	57.76
<b>Transactions with owners in capacity as owners</b>								
Dividends	-	-	-	-		-	-	-
Transferred to retained earnings Reserve fund u/s 45IC @20%	-	-	-	(11.59)	11.59	-	-	-
Less : Provision of Standard Asset Previous Year Provision	-	-	-	2.57	-	-	-	2.57
Add Back	-	-	-	2.78	-	-	-	2.78
Others	-	-	-	(0.45)	-	-	-	(0.45)
<b>Balance as at March 31, 2020</b>	-	-	-	105.07	18.53	-	-	123.60
<b>(Amount in Rupees)</b>								
<b>Particulars</b>	<b>Reserves and Surplus</b>							<b>Total</b>
	<b>Capital Reserve</b>	<b>Securities Premium Reserve</b>	<b>Revaluation Reserve</b>	<b>General Reserve/P &amp; L Reserve</b>	<b>Statutory Reserve Fund</b>	<b>Retained Earning</b>	<b>Debt Instruments through other comprehensive income</b>	
Restated balance at the beginning of the reporting period 31-03-2018	-	-	-	31.50	-	-	-	31.50
Residual Value	-	-	-	(0.13)	-	-	-	(0.13)
Profit (loss)for the year	-	-	-	34.72	-	-	-	34.75
Other comprehensive income for the year	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	34.59	-	-	-	34.59
<b>Transactions with owners in capacity as owners</b>								
Dividends	-	-	-	-		-	-	-
Transferred to retained earnings Reserve fund u/s 45IC @20%	-	-	-	6.94	6.94	-	-	-
Bonus Shares	-	-	-	-	-	-	-	-
Movement during the year	-	-	-	-	-	-	-	-
<b>Balance as at March 31,2019</b>	-	-	-	59.15	6.94	-	-	66.09

14	<b>LONG TERM BORROWINGS</b>			
	<b>Unsecured</b>			
	Loans from Financial Institutions	117.60		17.89
	Loans from Banks	33.43		42.19
	<b>Total</b>	<b>60.08</b>		<b>60.08</b>
15	<b>OTHER CURRENT LIABILITIES</b>			
	Duties and Taxes	(0.80)		3.95
	Audit Fees Payable	0.38		0.38
	Income Tax Deducted as Source Payable	2.82		-
	Expenses Payable	33.65		7.85
	Salaries Payable	3.77		
	<b>Total</b>	<b>39.82</b>		<b>12.18</b>
16	<b>PROVISIONS</b>			
	Provision for taxation	13.85		12.65
	<b>Total</b>	<b>13.85</b>		<b>12.65</b>
17	<b>Current Tax Liabilities</b>			
	Deferred Tax Liabilities	0.02		-
	<b>Total</b>	<b>0.02</b>		-
18	<b>Revenue from Operations</b>			
	Interest Income	120.53		48.04
	Dividend	11.25		9.00
	Commission and Fees Based Income	47.63		54.28
	<b>TOTAL</b>	<b>179.41</b>		<b>111.32</b>
19	<b>OTHER INCOME</b>			
	Other Operating Income	0.77		1.43
	Interest on Income Tax Refund	0.13		
	Interest on FLDG	0.41		-
	<b>TOTAL</b>	<b>1.31</b>		<b>1.43</b>
20	<b>EMPLOYEE BENEFITS EXPENSE</b>			
	Salary	33.81		24.45
	Salaries to Managing Director	2.50		
	<b>TOTAL</b>	<b>36.31</b>		<b>24.45</b>
21	<b>FINANCE COSTS</b>			
	Interest on Loan from Banks	4.74		9.86
	Interest on Loan from NBFC	13.15		
	<b>TOTAL</b>	<b>17.89</b>		<b>3.18</b>
22	<b>DEPRECIATION AND AMORTIZATION EXPENSE</b>			
	Depreciation on Tangible Assets	1.27		0.23
	<b>TOTAL</b>	<b>1.27</b>		<b>0.23</b>
23	<b>OTHER EXPENSES</b>			
	<b>Administrative Overheads</b>			
	Advertisement & Promotion	0.54		2.63
	Annual Listing Fee	3.63		2.50
	Audit fee	0.38		0.38
	Other Allied Fees	0.25		0.25
	Balances written off	0.12		0.21
	Commission Paid	14.98		-

Donations	-	0.90
Financial Overheads	0.10	0.11
Income tax Adjustment	0.48	-
Internet Marketing Expenses	5.25	-
Misc Exp w/off	4.58	0.91
Office Expenses	0.68	0.55
Postage & Telegraph	0.49	0.86
Printing and Stationery	0.63	1.52
Processing fees	2.63	-
Professional fees / Legal Fees	7.19	8.60
Rent	1.20	1.20
Rate fees and Taxes	8.74	9.37
Repair and maintenance	0.20	-
Telephone Expenses	0.38	0.49
Travelling Expenses	0.93	0.47
<b>GRAND TOTAL</b>	<b>53.38</b>	<b>30.95</b>

<b>24</b>	<b>DEFERRED TAX</b>		
	Deferred Tax	0.09	(0.11)
	<b>TOTAL</b>	<b>(0.11)</b>	<b>0.03</b>

<b>25</b>	<b>Contingent Liabilities not provided for Particulars</b>	<b>Current Year</b>	<b>Previous Year</b>
a)	Bills Discounted with bank since not realized	Nil	Nil
b)	Bank Guarantees/Counter Guarantee issued	Nil	Nil
c)	Estimated amount of contract remaining to be executed	Nil	Nil
d)	Letter of Credit un-expired	Nil	Nil

<b>26</b>	<b>Related Party Disclosures</b>	
(i)	<b>S.No. Name of the Related Party</b>	<b>Relationship</b>
	1. Eclat Net Advisors Private Limited	Subsidiary
	2. Mr. Sanjay Aggarwal	Key Managerial Personnel
	3. Mrs. Anubha aggarwal	Key Managerial Personnel
	4. Mrs. Anju Sharma	Key Managerial Personnel
	5. Ms. Sheetal Kapoor	Key Managerial Personnel
(II)	<b>Disclosure in Respect of Material Related Party Transactions during the year:</b>	
1	Rent paid to Managing Director Mr. Sanjay Aggarwal during the year - INR 1,20,000 for the premises of registered cum corporate office taken on rent	
2	Salary paid to Managing Director Mr. Sanjay Aggarwal during the year - INR 2,50,0000	
3	Investment received by way of Equity :	
	a. R.S. Aggarwal	: Rs. 17300000 ( 1730000 Equity shares of Rs. 10/- each)
	b. Anu Aggarwal	: Rs. 445500 (4455000 Equity shares of Rs. 10/- each)
	c. Sanjay Aggarwal	: Rs. 19285000 (1928500 Equity Shares of Rs. 10/- each)
	d. Anubha Aggarwal	: Rs. 19024520 (1902452 Equity Shares of Rs. 10/- each)

<b>27</b>	<b>Disclosure as required under INDAS 108 -Operating Segments</b>		
	<b>Particulars</b>	<b>Total</b>	
		<b>Current Period</b>	<b>Previous Period</b>
	<b>Revenue</b>		
	External Sales	179.41	111.32
	Inter-segment sales	-	-
	<b>Total Revenue</b>	<b>179.41</b>	<b>111.32</b>
	<b>Result</b>		
	Segment result	(108.85)	(65.49)



<b>Operating Profit</b>	70.56	45.83
Interest expenses	-	-
Interest income	-	-
Other income	1.31	1.43
Foreign exchange gain/(loss)	-	-
Income tax (Current + Deferred)	(13.94)	(12.54)
<b>Net Profit</b> (inclusive other comprehensive income)	<b>57.93</b>	<b>34.72</b>

<b>Other Information</b>	<b>As on 31.03.2020</b>	<b>As on 31.03.2019</b>
Segment assets	1,232.69	1055.37
Unallocated corporate assets	-	-
<b>Total assets</b>	<b>1,232.69</b>	<b>1055.37</b>
Segment liabilities	204.72	84.91
Unallocated corporate liabilities	-	-
<b>Total liabilities</b>	<b>204.72</b>	<b>84.91</b>
<b>Capital Expenditure</b>	-	-
Depreciation	1.27	0.23

## 28 Financial Instruments-Accounting classifications and fair value measurements

The fair value of the assets and liabilities are included at the amount at which the instrument could be exchanged in current transaction between willing parties, other than in force or liquidation sale.

### The following methods and assumptions were used to estimate the fair values:

1. Fair Value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial instruments approximate their carrying amounts largely due to the short term maturities of these instruments.

2. Financial Instruments with fixed and variable interest rates are evaluated by the company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to the account for the expected losses of these receivables.

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

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

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data

28.1	Particulars	Carrying amount As at 31- March- 2019	Fair Value		
			Level 1	Level 2	Level 3
	<b>Financial Assets at fair value through profit or loss</b>				
	Investments in debt instruments	-	-	-	-
	Total	-	-	-	-
	<b>Financial assets at fair value through other comprehensive income</b>				
	Investments in debt instruments	-	-	-	-

Investments in equity instruments	-	-	-	-
<b>Total</b>	-	-	-	-
Financial assets at amortised cost	-	-	-	-
Investments in debt instruments	-	-	-	-
Investments in subsidiaries and joint venture	90.00	-	-	90.00
Bank deposits	-	-	-	-
Trade receivables	36.14	-	-	-
Cash and Bank balances	258.46	-	-	-
<b>Total</b>	<b>384.60</b>	-	-	<b>90.00</b>
Financial liabilities at amortised cost	-	-	-	-
Term loans	-	-	-	-
Finance lease obligations	-	-	-	-
Short term borrowings	-	-	-	-
Trade Payables	-	-	-	-
Other financial liabilities (non-current)	60.08	-	-	-
Other financial liabilities (current)	12.18	-	-	-
<b>Total</b>	<b>72.26</b>	-	-	-

28.2

Particulars	Carrying amount As at 31-MARCH-2020	Fair Value		
		Level 1	Level 2	Level 3
<b>Financial Assets at fair value through profit or loss</b>				
Investments in debt instruments				
<b>Total</b>	-	-	-	-
<b>Financial assets at fair value through other comprehensive income</b>				
Investments in debt instruments				
Investments in equity instruments	-			
<b>Total</b>	-	-	-	-
Financial assets at amortised cost	-	-	-	-
Investments in debt instruments	-	-	-	-
Investments in subsidiaries and joint venture	90.00	-	-	90.00
Bank deposits	-	-	-	-
Trade receivables	47.50	-	-	-
Cash and Bank balances	27.90	-	-	-
<b>Total</b>	<b>165.40</b>	-	-	<b>90.00</b>
Financial liabilities at amortised cost				
Term loans	-	-	-	-
Finance lease obligations	-	-	-	-
Short term borrowings	-	-	-	-
Trade Payables	-	-	-	-
Other financial liabilities (non-current)	151.03	-	-	-
Other financial liabilities (current)	39.82	-	-	-
<b>Total</b>	<b>190.85</b>	-	-	-

**29 Financial Risk Management Objectives and Policies**

The Company's financial risk management is an integral part of how to plan and execute its business strategies.

**Market risk**

Market risk is the risk of loss of future earnings, fair value or future cash flows arising out of change in the price of a financial instrument. These include change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loans and borrowings. The Board provides oversight and reviews the Risk management policy on a quarterly basis.

**Interest rate risk**

The company is not exposed to significant interest rate risk as at the respective reporting dates.

**Credit risk**

Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. To manage this, the company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of account receivables. Individual risk limits are set accordingly.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the company compares the risk of default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. The company considers reasonable and supportive forward-looking information.

Financial assets are written off when there is no reasonable expectation of recovery, such as debtor failing to engage in a repayment plan with the company. The company provides for overdue outstanding for more than 90 days other than institutional customers which are evaluated on a case to case basis.

**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 treasury department is responsible for maintenance of liquidity (including quasi liquidity), continuity of funding as well as timely settlement of debts. In addition, policies related to mitigation of risks are overseen by senior management. Management monitors the Company's net liquidity position on the basis of expected cash flows vis a vis debt service fulfillment obligation.

**Maturity profile of financial liabilities**

The table below provides details regarding the maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

	<b>As at March 31, 2020</b>	<b>Less than 1 year/ On Demand</b>	<b>1 to 5 years</b>	<b>More than 5 years</b>
	Finance lease obligations	-	-	-
	Deposits payable	-	-	-
	Long term borrowings	-	<b>151.03</b>	-
	Short term borrowings	-	-	-
	Trade payables	<b>39.82</b>	-	-
	Other financial liabilities	<b>13.85</b>	-	-
	<b>As at March 31, 2019</b>	<b>Less than 1 year/ On Demand</b>	<b>1 to 5 years</b>	<b>More than 5 years</b>
	Finance lease obligations	-	-	-
	Deposits payable	-	-	-
	Long term borrowings	-	<b>60.08</b>	-
	Short term borrowings	-	-	-
	Trade payables	<b>12.18</b>	-	-
	Other financial liabilities	<b>12.65</b>	-	-

	<b>Particulars</b>	<b>Foreign Currency</b>		<b>Local Currency</b>	
<b>30</b>	<b>Exposure in Foreign Currency</b>				
(A)	Outstanding overseas exposure not being hedged against adverse currency fluctuation				
	i) Export Receivable	CY	USD	-	-

<b>31</b>	<b>Disclosure as required by INDAS 33- Earning Per Share.</b>	<b>Year ended 31st March.2020</b>	<b>Year ended 31st March.2019</b>
	<b>Particulars</b>		
	Net Profit After tax	57.93	34.72
	Weighted Average number of equity shares for Basic EPS(Nos.)	9,043,650.00	9,043,650.00
	Face Value Per share	10/-	10/-
	Basic EPS (₹)	0.64	0.38
	Diluted EPS (₹)	0.64	0.92

**32** As per INDAS 36 impairment of Assets, the company has assessed the conditions of all assets used in its operation and is

33 of the opinion that there is no impairment of assets, hence no provision was made.  
In the opinion of the management current assets, loan and advances are of the value stated, if realized in the ordinary course of business.

34 **Assets Taken on Operating Lease**

The office premises has been taken on operating lease on annual basis and is annually renewable. The lease Agreements does not have any escalation clause for renewal of lease. There are no Sub-Leases and leases are generally cancellable in nature.

35 The Balances of debtors and creditors, loan and advances are subject to confirmation and their pending reconciliation.  
Such balances are reflected in the balance sheet as appearing in the books of accounts.

36 Disclosure As per Clause 32 of Listing agreement with the stock exchanges:

a) Loan and advances to subsidiary.

<b>Name of Company</b>	<b>Relationship</b>	<b>31-Mar-2020</b>	<b>In Lacs Maximum balance outstanding during year ending 31st March 2020</b>
Eclat Net Advisors Private Limited	Subsidiary	14.69	161.65

As per our report of even date attached.

**For and on behalf of the Board**

**For K. SINGH & ASSOCIATES**  
**Chartered Accountants**  
**Firm No 012458N**

**Sanjay Aggarwal**  
**Managing Director**  
**DIN No: 02580828**

**Anubha Aggarwal**  
**Director**  
**DIN No. 02557154**

**Kultar Singh**  
**Partner**  
**Membership No. - 091673**

**Sheetal Kapoor**  
**CFO**

**Anju Sharma**  
**Company Secretary**

**Place : Chandigarh**  
**Dated : 15-07-2020**

**EMERALD LEASING FINANCE & INVESTMENT COMPANY LIMITED**  
**STATEMENT OF CASH FLOW ( Pursuant to INDAS-7) Indirect Method**  
**FOR THE YEAR ENDED 31ST MARCH, 2020**

PARTICULARS	Year Ended 31st March, 2020 (INR in Lakhs)	Year Ended 31st March, 2019 (INR in Lakhs)
<b>1. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>NET PROFIT BEFORE TAX</b>	<b>71.87</b>	<b>47.26</b>
<b>Add:</b>		
Depreciation	1.27	0.23
Miscellaneous Expenses Written Off	4.58	0.91
Financial Expenses	17.89	9.86
	<b>23.74</b>	<b>11.00</b>
<b>Less:</b>		
Deferred Tax Liability	0.09	(0.11)
Provision for Tax	13.85	12.65
Provision for Dividend	-	-
Tax On Dividend	-	-
Income Tax Adjustment during the year	(2.78)	-
Others	0.45	-
Provision For Standard Asset	2.57	-
	<b>14.18</b>	<b>12.54</b>
<b>Operating profit for working capital changes</b>	<b>81.43</b>	<b>45.72</b>
(Increase) / Decrease in Trade Receivable	(11.36)	(23.07)
(Increase) / Decrease in Loans & Advances	(380.83)	(391.66)
Increase / (Decrease) in Trade Payables & Others	28.86	17.65
<b>Cash Generated from / (used in) operating activities</b>	<b>(281.90)</b>	<b>(351.36)</b>
Direct Taxes paid / deducted at source	-	-
<b>Net cash generated from / (used in) operating activities</b>	<b>(A) (281.90)</b>	<b>(351.36)</b>
<b>2. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Misc Expenditure	(18.35)	-
Purchase of Fixed Assets	(3.37)	(2.77)
<b>Net Cash from / (used in) Investing Activities</b>	<b>(B) (21.72)</b>	<b>(2.77)</b>
<b>3. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Equity Shares	-	599.87
Proceeds from Unsecured Loans	90.95	(22.99)
Interest Paid	(17.89)	(9.86)
<b>Net Cash from / (used in) Financing Activities</b>	<b>(C) 73.06</b>	<b>567.02</b>
<b>4. NET INCREASE / (DECREASE) IN CASH &amp; CASH EQUIVALENTS</b>	<b>(A)+(B)+(C) (230.56)</b>	<b>212.89</b>
<b>5. CASH &amp; CASH EQUIVALENTS AS AT THE BEGINNING OF THE YEAR</b>	258.46	45.57
<b>6. CASH &amp; CASH EQUIVALENTS AS AT THE END OF THE YEAR</b>	<b>27.90</b>	<b>258.46</b>
Cash and Cash equivalents ( Year end)	27.90	258.46
Balances with banks with restatement (including cc & od balances)	10.74	85.05
Cheques in Hand	5.23	172.35
Cash in Hand	0.06	1.06
<b>Reconciliation of Cash and Cash equivalents</b>		
Cash and Cash equivalents as per Balance Sheet	27.90	258.46

Balances with banks in CC Accounts	-	-
Balances with banks in OD Accounts	-	-
	<b>27.90</b>	<b>258.46</b>

**For and on behalf of the Board**

**Sanjay Aggarwal**  
**Managing Director**  
**DIN No: 02580828**

**Anubha Aggarwal**  
**Director**  
**DIN No. 02557154**

**Place : Chandigarh**  
**Dated : 15-07-2020**

**Sheetal Kapoor**  
**CFO**

**Anju Sharma**  
**Company Secretary**

**Auditor's Certificate**

We have examined the attached cash flow statement of Emerald Leasing Finance & inv co. Ltd. for the period ended 31st March 2019. The Statement has been prepared by the company in accordance with the requirement of the listing agreement Clause 32 with Stock Exchange and is based on and derived from the audited accounts of the Company for the period ended 31st March 2019.

**For K. SINGH & ASSOCIATES**  
**Chartered Accountants**  
**Firm No - 012458N**

**Place : Chandigarh**

**Dated : 15-07-2020**

**Kultar Singh**  
**Partner**  
**Membership No. - 091673**

## INDEPENDENT AUDITORS' REPORT

**To the Members of**

**Emerald Leasing Finance and Investment Co. Limited.**

**Report on the Consolidated Financial Statements as per Ind AS**

We have audited the accompanying Consolidated financial statements of **Emerald Leasing Finance and Investment Co. Limited** ("the Company"), which comprise Consolidated the Balance Sheet as at March 31, 2020, and the Consolidated Statement of Profit and Loss, Consolidated Statement of change in Equity and Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, , the aforesaid Consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020 and its Profit and its Cash Flow for the year ended on that date.

### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of of the Companies Act, 2013. 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Management's Responsibility for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies act, 2013 ("the Act") with respect to the preparation of these Consolidated financial statements that give a true and fair view of the Consolidated financial position, Consolidated financial performance including other Consolidated comprehensive income, Consolidated cash flows and Consolidated change in equity of the Company in accordance with the Accounting principles generally accepted in India, including the Indian Accounting Standard Ind AS specified under Section 133 of the Act, read with the provision of the Companies ( Indian accounting Standards) Rules, 2015 as amended . This responsibility includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentations of the financial statements that give a true and fair view and free from material misstatement, whether due to fraud or error.

In preparing the Consolidated financial statements, management is responsible for assessing the company ability to continue as a going concern disclosing as applicable, matter relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operation, or has no realistic alternative but to do so.

Those respective board of directors of the companies included in the Group and of its associates are also responsible for overseeing the company's financial reporting process of the Group and its associates.

### **Auditor's Responsibility on Consolidated Ind As Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Consolidated 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of 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.

Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates and jointly controlled entities to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors 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 Consolidated 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.

### **Other Matters**

We did not audit the financial statements / financial information of two (1) subsidiaries, whose financial statements / financial information reflect total assets of Rs. 828.55 Lacs as at 31st March, 2020, total revenues of Rs. 606.06 and net cash flows amounting to Rs.(41.04) Lacs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit/loss of Rs. NIL for the year ended 31st March, 2020, as considered in the consolidated financial statements, in respect of NIL associates, whose financial statements / financial information have not been audited by us. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and associates, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, and associates, is based solely on the reports of the other auditors.

### **Report on Other Legal and Regulatory Requirement's**

1. As required by section 143(3) of the Act, based on our audit report and on the consideration of report of the other auditors on separate financial statements and other financial information of subsidiaries as noted in the "other matters" paragraph we report, to the extent applicable, 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 purpose of our audit of the consolidated IND AS financial statements
  - b) In our opinion proper books of account as required by law have been kept by the Holding Company, including relevant records relating to the preparation of the aforesaid consolidated IND AS financial statements so far as it appears from our examination of those books and records of the Holding Company and report of the other auditors).
  - c) The Consolidated Balance Sheet, Consolidated Statement of Consolidated Profit and Loss, Consolidated Cash Flow Statement, consolidated statement of Changes in the Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of Consolidated Ind AS Financial Statements;
  - d) In our opinion the Consolidated financial statements comply with the Indian Accounting Standards (Ind As) specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies(Accounts) Rules,2014;
  - e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies none of the directors of the Group's companies, its associates incorporated in India is disqualified as on March 31, 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 and the operating effectiveness of such control, refer to our separate report in Annexure "A and
  - g) With respect to the other matters included in the Auditor's Report in accordance with Rule 11 of Companies (Audit and Auditors)Rules, 2014 in our opinion and to the best of our information and according to explanations given to us:
    - i. The Holding Company nor its subsidiary as per report of other auditor has no pending litigations.
    - ii. The Holding company nor its subsidiary have any long term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There no amounts which required to be transferred, to the Investor Education and Protection Fund by the Holding company.
  - h) The Holding Company is NBFC and registered under section 45-IA of the Reserve Bank of India Act, 1934.

[i] (a) The holding Company has been granted certificate of registration from Reserve Bank of India under Section 45IA of the Reserve Bank of India Act, 1934.

(b) The holding company is entitled to continue and hold the certificate of registration in terms of asset/income pattern as at 31<sup>st</sup> March 2020.

(c) Considering the asset/income pattern of the holding company we are of the opinion that the company is not an Asset Finance Company.

[ii] As per information and explanation given to us the Board of Directors have passed a resolution for the non-acceptance of any deposits from public.

[iii] As it appears from our examination of the books of account, the company has not accepted any deposits from public during the year under review.

[iv] The Company has given Loans & Advances and has complied with the Prudential Norms relating to income recognition accounting standards, asset classification and provisioning for bad and doubtful debts as applicable as on 31-03-2020

**FOR K SINGH & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
**Firm No. 012458N**

**Kultar Singh**  
**Partner**  
**Membership No. 091673**  
**UDIN: 20091673AAAAAE7292**

**PLACE: Chandigarh**  
**DATED:15/07/2020**

## **Annexure – “A” to the Auditors’ Report**

### **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 **Emerald Leasing Finance and Investment Co. Limited** (“the Holding Company”) and its subsidiaries as of 31<sup>st</sup> March, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

The Respective Board of Directors of the Holding Company and the subsidiaries, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting**

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Holding Company and its subsidiaries, has in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the ICAI.

*for* **K Singh & Associates**

*Chartered Accountants*

Firm's Registration Number: 012458N

**CA. Kulltar Singh**

*Partner*

Membership Number: 091673

Place of Signature: New Delhi

Date: 15<sup>th</sup> July, 2020

UDIN: [20091673AAAAAE7292](#)

**EMERALD LEASING FINANCE & INVESTMENT COMPANY LIMITED**  
**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2020**

	PARTICULARS	NOTE	As at 31st March, 2020 ( in Lakh)	As at 31st March, 2019 ( in Lakh)
	<b>ASSETS</b>			
(1)	<b>Non-current assets</b>			
	(a) Property, Plant and Equipment	3	7.96	7.84
			<b>7.96</b>	<b>7.84</b>
(2)	<b>Current assets</b>			
	(a) <b>Financial Assets</b>			
	(i) Trade receivables	4	92.78	125.24
	(ii) Cash and cash equivalents	5	159.39	430.99
	(iii) Loans	6	1630.73	999.64
	(iv) Others (to be specified)	7	38.90	32.53
	(v) Security Deposits	8	6.00	6.00
	(vi) Defferred Tax Assets (Net)	9	0.34	0.31
	(b) <b>Misc Expenditure</b>	10	20.45	6.72
			<b>1948.59</b>	<b>1601.43</b>
	<b>Total Assets</b>		<b>1956.55</b>	<b>1609.27</b>
	<b>EQUITY AND LIABILITIES</b>			
(1)	<b>Equity</b>			
	(a) Equity Share capital	11	904.37	904.37
	(b) Other Equity	12	587.11	489.13
	(c) Minority Interest		34.09	20.76
			<b>1525.57</b>	<b>1414.26</b>
(2)	<b>LIABILITIES</b>			
	<b>Non-current liabilities</b>			
	(a) <b>Financial Liabilities</b>			
	(i) Borrowings	13	258.51	93.61
			<b>258.51</b>	<b>93.61</b>
(3)	<b>Current liabilities</b>			
	(a) <b>Other current liabilities</b>	14	137.53	56.67
	(b) <b>Provisions</b>	15	34.92	44.73
	(c) <b>Current Tax liabilities (net)</b>	16	0.02	0.00
			<b>172.47</b>	<b>101.40</b>
	<b>Total Equity and Liabilities</b>		<b>1956.55</b>	<b>1609.27</b>
	Significant Accounting Policies & Notes on Financial Statements	1 to 36		

As per our report of even date attached.

**For and on behalf of the Board**

**For K. SINGH & ASSOCIATES**  
Chartered Accountants  
Firm No 012458N

**Sanjay Aggarwal**  
Managing Director  
DIN No: 02580828

**Anubha Aggarwal**  
Director  
DIN No. 02557154

**Kultar Singh**  
Partner  
Membership No. - 091673

**Sheetal Kapoor**  
CFO

**Anju Sharma**  
Company Secretary

Place : Chandigarh  
Dated : 15-07-2020

**EMERALD LEASING FINANCE & INVESTMENT COMPANY LIMITED**  
**CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2019**

	PARTICULARS	NOTE	Year Ended 31st March, 2020 ( in Lakh)	Year Ended 31st March, 2019 ( in Lakh)
I	Revenue from Operations	16	782.14	670.36
II	Other income	17	4.64	1.57
III	<b>Total Income</b>		<b>786.78</b>	<b>671.93</b>
IV	<b>EXPENSES</b>			
	Employee-benefits expenses	18	106.01	54.60
	Finance costs	19	44.13	16.21
	Depreciation and amortization expenses	20	3.12	2.60
	Other expenses	21	469.57	435.66
	<b>Total expenses</b>		<b>622.83</b>	<b>509.07</b>
V	<b>Profit/ (Loss) before Exceptional Items &amp; Tax ( I-IV )</b>		<b>163.95</b>	<b>162.86</b>
VI	<b>Exceptional Items</b>		-	-
VII	<b>Profit/(Loss) Before Tax (V-VI)</b>		163.95	162.86
VIII	<b>Tax expense</b>			
	(1)Current Tax	15	34.92	44.73
	(2)Deferred tax	22	(0.01)	(0.35)
IX	<b>Profit/(Loss) for the period from continuing operations (VII-VIII)</b>		<b>129.04</b>	<b>118.48</b>
X	<b>Profit/(Loss) for the period from discontinued operations</b>		-	-
XI	<b>Tax expense of discontinued operations</b>		-	-
XII	<b>Profit/(Loss) for the period from discontinuing operations after tax (X-XI)</b>		-	-
XIII	<b>Profit/(Loss) for the period (IX+XII)</b>		<b>129.04</b>	<b>118.48</b>
XIV	<b>Other comprehensive Income</b>			
	A (i) Items that will not be reclassified to profit or loss	23	-	-
	(ii) Income tax realting to items that will not be reclassified to profit or loss		-	-
	B (i) Items that will be reclassified to profit or loss		-	-
	(ii) Income tax realting to items that will be reclassified to profit or loss		-	-
XV	<b>Total comprehensive income for the period (XIII+XIV)</b>		<b>129.04</b>	<b>118.48</b>
	(Comprising Profit (Loss) and Other Comprehensive Income for the period)			
XVI	<b>Earning per equity share ( from continuing operation)</b>			

	(1)Basic			<b>1.43</b>		<b>1.31</b>
	(2)Diluted			<b>1.43</b>		<b>3.12</b>
XVII	<b>Earning per equity share</b> ( from discontinued operation)					
	(1)Basic			-		-
	(2)Diluted			-		-
XVIII	<b>Earning per equity share</b> ( from discontinued and continuing operation)					
	(1)Basic			<b>1.43</b>		<b>1.31</b>
	(2)Diluted			<b>1.43</b>		<b>3.12</b>
	Significant Accounting Policies & Notes on Financial Statements		<b>1 to 35</b>			

As per our report of even date attached.

**For and on behalf of the Board**

**For K. SINGH & ASSOCIATES**  
Chartered Accountants  
Firm No 012458N

**Sanjay Aggarwal**  
Managing Director  
DIN No: 02580828

**Anubha Aggarwal**  
Director  
DIN No. 02557154

**Kultar Singh**  
Partner  
Membership No. - 091673

**Sheetal Kapoor**  
CFO

**Anju Sharma**  
Company Secretary

Place : Chandigarh  
Dated : 15-07-2020

<b>EMERALD LEASING FINANCE &amp; INVESTMENT COMPANY LIMITED</b>			
<b>CONSOLIDATED NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020 Continued</b>			
The Previous year figures have been regrouped/reclassified, where ever necessary to conform to the current year presentation			
	<b>PARTICULARS</b>	<b>As at 31st March, 2020 ( in Lakh)</b>	<b>As at 31st March, 2019 ( in Lakh)</b>
<b>4</b>	<b>TRADE RECEIVABLES (Unsecured and Considered Good)</b>		
	Over Six Months	-	-
	Other		
	Accrued Interest on Unsecured Loans	70.55	14.23
	Commission Receivables	22.23	111.01
	<b>TOTAL</b>	<b>92.78</b>	<b>125.24</b>
<b>5</b>	<b>Cash and Cash Equivalents</b>		
	Cash in hand	3.53	15.94
	Balance with banks	76.58	242.70
	Cheques received but not yet credited	67.41	172.35
	FLDG with Agile Finserve and Usha Financial ServiceLtd	11.87	
	<b>TOTAL</b>	<b>159.39</b>	<b>430.99</b>
<b>6</b>	<b>Loans</b>		
	<b>Unsecured:</b>		
	Loans to Body corporates/ Firms/ Individuals	1647.99	999.64
	Less: Provision for Standard Asset(0.25% of outstanding loans )	2.57	
	<b>Total</b>	<b>1630.73</b>	<b>999.64</b>
<b>7</b>	<b>Others</b>		
	TDS Receivables	38.90	30.65
	Income Tax Refund		1.88
	<b>TOTAL</b>	<b>38.90</b>	<b>32.53</b>
<b>8</b>	<b>Security Deposits</b>		
	Security Deposits	6.00	6.00
	<b>TOTAL</b>	<b>6.00</b>	<b>6.00</b>
<b>9</b>	<b>Deferred Tax Assets</b>		
	Deferred Tax Asset	0.34	0.31
	<b>TOTAL</b>	<b>0.34</b>	<b>0.31</b>
<b>10</b>	<b>Misc Expenditure</b>		
	Misc Expenditure	20.45	6.72
	<b>TOTAL</b>	<b>20.45</b>	<b>6.72</b>
<b>11</b>	<b>SHARE CAPITAL</b>		
	<b>AUTHORISED</b>		
	35,00,00,000 Equity Shares of ` 10/- each (Previous Year 110,00,000 equity share of ` 10/- Each)	3500.00	1100.00
		<b>3500.00</b>	<b>1100.00</b>
	<b>ISSUED, SUBSCRIBED AND PAID UP CAPITAL</b>		



9043650 Equity Shares ` 10/- Each fully paid (Previous Year 9043650 Equity Shares of ` 10/- Each)	904.37	904.37
<b>TOTAL</b>	<b>904.37</b>	<b>904.37</b>

The detail of Shareholders holding more than 5% shares:

	Name of the Shareholders	As at 31st March, 2020		As at 31st March, 2019	
		No of Shares	% held	No of Shares	% held
1	Sanjay Aggarwal	1928500	21.32%	1928500	21.32%
2	Anubha Aggarwal	1902452	21.04%	1902452	21.04%
3	R.S Aggarwal	1730000	19.13%	1730000	19.13%
4	AGR Investment Limited	750000	8.29%	750000	8.29%

The reconciliation of number of shares outstanding is set out below.

Particulars	As at 31st March, 2020	As at 31st March, 2019
	No of Shares	No of Shares
Equity Shares at the beginning of the year	9043650	3045000
Add : Shares issued during the year		5998650
Equity Shares at the end of the year	9043650	9043650

**Note**  
:

1. The proceeds from the Rights Issue were utilised in funding of fresh loans to our customers in the form of Unsecured Loans. The object of the Issue was fulfilled as mentioned in the Letter of Offer submitted with SEBI.

Statement of Change in Equity  
For the period ended 31st March, 2020

**11 A. Equity Share Capital**

Balance as at 1st April, 2019	Change in Equity Share Capital during the year	Balance as at 31st March, 2020
904.37	0	904.37
Balance as at April 1, 2018	Change in Equity Share Capital during the year	Balance as at 31st March, 2019
304.50	599.87	904.37

**12 B. Other Equity**

(Amount in Rupees)

Particulars	Reserves and Surplus						Total
	Capital Reserve	Securities Premium Reserve	Revaluation Reserve	General Reserve/P&L Reserve	Retained Earning	Debt Instruments through other comprehensive income	
Balance as at March-31, 2019	-	288.74	-	175.23	25.16	-	489.13
Change in accounting policy/ prior period errors	-	-	-	-	-	-	-
Restated balance at the beginning of the reporting period	-	288.74	-	175.23	25.16	-	489.13
Profit (loss) for the year	-	-	-	129.04	-	-	129.04
Residual value of assets	-	-	-	(0.17)	-	-	(0.17)
Other comprehensive income for the year	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	128.87	-	-	128.87
Transactions with owners in capacity as owners							
Dividends	-	-	-	(16.69)	-	-	(16.69)
Transferred to retained earnings	-	-	-	(25.81)	25.81	-	0.00
Reserve fund u/s 45IC @20%	-	-	-	-	-	-	-
Bonus Shares	-	-	-	-	-	-	-

Provision for Standard Asset				(2.57)			(2.57)
Previous Year Provision Add Back				2.78			2.78
Others	-	-	-	(1.07)	-	-	(1.07)
Minority Interest				(13.33)			(13.33)
<b>Balance as at March 31, 2020</b>	-	288.74	-	247.41	50.97	-	587.11

(Amount in Rupees)

Particulars	Reserves and Surplus						Total
	Capital Reserve	Securities Premium Reserve	Revaluation Reserve	General Reserve/P&L Reserve	Retained Earnings	Debt Instruments through other comprehensive income	
Balance as at March 31,2018	-	131.00	-	94.11	1.46	-	226.57
Change in accounting policy/ prior period errors	-	-	-	-	-	-	-
Restated balance at the beginning of the reporting period	-	131.00	-	94.11	1.46	-	226.57
Profit (loss)for the year	-	-	-	118.48	-	-	118.48
Residual Value of Asset				(0.32)			(0.32)
Other Comprehensive Income for the year		157.74	-	-	-	-	157.74
Total comprehensive income for the year	-	157.74	-	118.16	-	-	275.90
<b>Transactions with owners in capacity as owners</b>							
Dividends	-	-	-	(13.34)	-	-	(13.34)
Transferred to retained earnings	-	-	-	(23.70)	23.70	-	-
Bonus Shares	-	-	-	-	-	-	-
Movement during the year	-	-	-	-	-	-	-
<b>Balance as at March 31,2019</b>	-	288.74	-	175.23	25.16	-	489.13

<b>13</b>	<b>LONG TERM BORROWINGS</b>					
	<b>Unsecured</b>					
	Loans from Financial Institutions				160.34	51.42
	Loans from Banks				98.17	42.19
	<b>Total</b>				<b>258.51</b>	<b>93.61</b>
<b>14</b>	<b>OTHER CURRENT LIABILITIES</b>					
	Duties and Taxes				27.45	28.83
	Audit Fees Payable				0.73	0.68
	Income Tax Deducted as Source Payable				15.29	1.92
	Expenses Payable				87.11	25.24
	Salaries Payable				6.91	
	Cheques issued but not presented for payment				0.04	-
	<b>Total</b>				<b>137.53</b>	<b>56.67</b>
<b>15</b>	<b>PROVISIONS</b>					
	Provision for taxation				34.92	44.73
	<b>Total</b>				<b>34.92</b>	<b>44.73</b>
<b>16</b>	<b>CURRENT TAX LIABILITIES</b>					
	Deffered Tax Liabilities				0.02	-

	<b>Total</b>		<b>0.02</b>		-
<b>17</b>	<b>Revenue from Operations</b>				
	Interest Income		192.39		82.87
	Dividend		11.25		9.00
	Commission and Fees Based Income		578.50		578.49
	<b>TOTAL</b>		<b>782.14</b>		<b>670.36</b>
<b>18</b>	<b>OTHER INCOME</b>				
	Other Operating Income		3.80		1.57
	Interest on Income Tax Refund		0.41		-
	S.balaces w/off		0.02		-
	Interest on FLDG		0.41		
	<b>TOTAL</b>		<b>4.64</b>		<b>1.57</b>
<b>19</b>	<b>EMPLOYEE BENEFITS EXPENSE</b>				
	Salary		103.51		54.60
	Salary to MD		2.50		
	<b>TOTAL</b>		<b>106.01</b>		<b>54.60</b>
<b>20</b>	<b>FINANCE COSTS</b>				
	Interest on Loan from Banks		8.23		16.21
	Interest on Loan from NBFC		35.90		
	<b>TOTAL</b>		<b>44.13</b>		<b>16.21</b>
<b>21</b>	<b>DEPRECIATION AND AMORTIZATION EXPENSE</b>				
	Depreciation on Tangible Assets		3.12	-	2.60
	<b>TOTAL</b>		<b>3.12</b>		<b>2.60</b>
<b>22</b>	<b>OTHER EXPENSES</b>				
	<b>Administrative Overheads</b>				
	Advertisement & Promotion		0.87		3.28
	Annual Listing Fee		3.63		2.50
	Audit fee		0.68		0.68
	Other Allied Fees		0.25		0.25
	Bad debts written off		6.87		-
	Balance written off		0.14		0.32
	Commission Paid		390.59		379.19
	Corporate Social Responsibility		-		2.10
	Donation		-		0.43
	Electricity & Water expenses		1.55		2.02
	Financial Overheads		0.39		0.76
	Gensent Rent		0.72		0.72
	Internet Marketing Expenses		19.44		4.89
	Income tax Adjustment		2.00		0.32
	Misc Exp W/off		4.61		0.94
	Office Expenses		3.97		4.24
	Postage & Telegraph		1.15		1.33
	Printing & Stationery		1.56		2.89
	Processing Fee		4.27		0.53
	Professional/Legal Fees		7.91		9.02
	Rates Fees & Taxes		12.05		9.94
	Rent		1.20		1.20
	Repair & Maintenance		1.43		2.19
	Service Charge		0.02		
	Telephone Expenses		0.85		1.24
	Travelling Expenses		3.42		4.68

	<b>GRAND TOTAL</b>	<b>469.57</b>	<b>435.66</b>

<b>23</b>	<b>DEFERRED TAX</b>		
	Deferred Tax	(0.01)	(0.35)
	<b>TOTAL</b>	<b>(0.01)</b>	<b>(0.35)</b>
<b>24</b>	<b>OTHER COMPREHENSIVE INCOME</b>		
	Remeasurements (Actuarial gain/loss)	0.00	0.00
	<b>TOTAL</b>	<b>0.00</b>	<b>0.00</b>
<b>25</b>	<b>Contingent Liabilities not provided for</b>	<b>Current Year</b>	<b>Previous Year</b>
	<b>Particulars</b>		
a)	Bills Discounted with bank since not realized	Nil	Nil
b)	Bank Guarantees/Counter Guarantee issued	Nil	Nil
c)	Estimated amount of contract remaining to be executed	Nil	Nil
d)	Letter of Credit un-expired	Nil	Nil

**26 Related Party Disclosures**

As per INDAS 24, the disclosure of transactions with the related parties are given below.

**(i) List of related parties with whom transactions have taken place.**

S.No.	Name of the Related Party	Relationship
1	Eclat Net Advisors Private Limited	Subsidiary
2	Mr. Sanjay Aggarwal	Key Managerial Personnel
3	Mrs. Anubha aggarwal	Key Managerial Personnel
4	Ms. Anju Sharma	Key Managerial Personnel
5	Ms. Sheetal Kapoor	Key Managerial Personnel

**II) Disclosure in Respect of Material Related Party Transactions during the year:**

Salary paid to Managing Director Mr. Sanjay Aggarwal during the year -INR 2,50,000.

1 Rent paid to Managing Director Mr. Sanjay Aggarwal during the year - INR 1,20,000 for the premises of registered cum corporate office taken on rent.

3 Investment received by way of Equity :

a.	R.S. Aggarwal	:	Rs. 17300000 ( 1730000 Equity shares of Rs. 10/- each)
b.	Anu Aggarwal	:	Rs. 445500 (4455000 Equity shares of Rs. 10/- each)
c.	Sanjay Aggarwal	:	Rs. 19285000 (1928500 Equity Shares of Rs. 10/- each)
d.	Anubha Aggarwal	:	Rs. 19024520 (1902452 Equity Shares of Rs. 10/- each)

4 Company has granted a Short term loan to Eclat Net Advisors Private Limited, which is a Subsidiary of the company. Outstanding amount of which as on 31-03-2020 is INR 14.69 Lakhs

**27 Disclosure as required under INDAS 108 -Operating Segments**

The company has only one reportable primary segment i.e. NBFC Activity and hence no separate segment disclosures made.

Particulars	Total	
	As at 31.03.2020	As at 31.03.2019
<b>Revenue</b>		
External Sales	782.14	670.36
Inter-segment sales	-	-
<b>Total Revenue</b>	<b>782.14</b>	<b>670.36</b>
<b>Result</b>		
Segment result	(622.83)	(509.07)

<b>Operating Profit</b>	159.31	161.29
Interest expenses	-	-
Interest income	-	-
Other income	4.64	1.57
Foreign exchange gain/(loss)	-	-
Income tax (Current + Deferred)	(34.91)	(44.38)
<b>Net Profit</b> (inclusive other comprehensive income)	<b>129.04</b>	<b>118.48</b>
<b>Other Information</b>	<b>As on 31.03.2020</b>	<b>As on 31.03.2019</b>
Segment assets	1,956.55	1609.27
Unallocated corporate assets	-	-
<b>Total assets</b>	<b>1956.55</b>	<b>1609.27</b>
Segment liabilities	430.98	195.01
Unallocated corporate liabilities	-	-
<b>Total liabilities</b>	<b>430.98</b>	<b>195.01</b>
Capital Expenditure	-	-
Depreciation	3.12	2.60

28	<b>Financial Instruments-Accounting classifications and fair value measurements</b>				
	<p>The fair value of the assets and liabilities are included at the amount at which the instrument could be exchanged in current transaction between willing parties, other than in force or liquidation sale.</p> <p><b>The following methods and assumptions were used to estimate the fair values:</b></p> <p>1. Fair Value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial instruments approximate their carrying amounts largely due to the short term maturities of these instruments.</p> <p>2. Financial Instruments with fixed and variable interest rates are evaluated by the company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to the account for the expected losses of these receivables.</p> <p>The company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:</p> <p>Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities</p> <p>Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly</p> <p>Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data</p>				
28.1	<b>Particulars</b>	<b>Carrying amount As at 31-March-2019</b>	<b>Fair Value</b>		
			<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
	<b>Financial Assets at fair value through profit or loss</b>				
	Investments in debt instruments	-	-	-	-
	Total	-	-	-	-
	<b>Financial assets at fair value through other comprehensive income</b>				
	Investments in debt instruments	-	-	-	-
	Investments in equity instruments	-	-	-	-
	Total	-	-	-	-
	Financial assets at amortised cost	-	-	-	-
	Investments in debt instruments	-	-	-	-
	Investments in subsidiaries and joint venture	-	-	-	-
	Bank deposits	-	-	-	-
	Trade receivables	125.24	-	-	-
Cash and Bank balances	430.99	-	-	-	
<b>Total</b>	<b>556.23</b>	-	-	-	
Financial liabilities at amortised cost					
Term loans	-	-	-	-	
Finance lease obligations	-	-	-	-	

	Short term borrowings	-	-	-	-
	Trade Payables	-	-	-	-
	Other financial liabilities (non-current)	93.61	-	-	-
	Other financial liabilities (current)	56.67	-	-	-
	<b>Total</b>	<b>150.28</b>	-	-	-
28.2	<b>Particulars</b>	<b>Carrying amount As at 31- March - 2020</b>	<b>Fair Value</b>		
			<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
	<b>Financial Assets at fair value through profit or loss</b>				
	Investments in debt instruments				
	Total	-	-	-	-
	<b>Financial assets at fair value through other comprehensive income</b>				
	Investments in debt instruments				
	Investments in equity instruments				
	Total	-	-	-	-
	Financial assets at amortised cost	-	-	-	-
	Investments in debt instruments	-	-	-	-
	Investments in subsidiaries and joint venture	-	-	-	-
	Bank deposits	-	-	-	-
	Trade receivables	92.78	-	-	-
	Cash and Bank balances	159.39	-	-	-
	<b>Total</b>	<b>252.17</b>	-	-	-
	Term loans	-	-	-	-
	Finance lease obligations	-	-	-	-
	Short term borrowings	-	-	-	-
	Trade Payables	-	-	-	-
	Other financial liabilities (non-current)	258.51	-	-	-
	Other financial liabilities (current)	137.55	-	-	-
	<b>Total</b>	<b>396.06</b>	-	-	-

29	<p><b>Financial Risk Management Objectives and Policies</b></p> <p>The Company's financial risk management is an integral part of how to plan and execute its business strategies.</p> <p><b>Market risk</b></p> <p>Market risk is the risk of loss of future earnings, fair value or future cash flows arising out of change in the price of a financial instrument. These include change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loans and borrowings. The Board provides oversight and reviews the Risk management policy on a quarterly basis.</p> <p><b>Interest rate risk</b></p> <p>The company is not exposed to significant interest rate risk as at the respective reporting dates.</p> <p>Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. To manage this, the company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of account receivables. Individual risk limits are set accordingly.</p> <p>The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the company compares the risk of default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. The company considers reasonable and supportive forward-looking information.</p> <p>Financial assets are written off when there is no reasonable expectation of recovery, such as debtor failing to engage in a repayment plan with the company. The company provides for overdue outstanding for more than 90 days other than institutional customers which are evaluated on a case to case basis.</p> <p><b>Liquidity Risk</b></p> <p>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 treasury department is responsible for maintenance of liquidity (including quasi</p>
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liquidity), continuity of funding as well as timely settlement of debts. In addition, policies related to mitigation of risks are overseen by senior management. Management monitors the Company's net liquidity position on the basis of expected cash flows vis a vis debt service fulfillment obligation.

**Maturity profile of financial liabilities**

The table below provides details regarding the maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

As at March 31, 2020		Less than 1 year/ On Demand	1 to 5 years	More than 5 years
Finance lease obligations		-	-	-
Deposits payable		-	-	-
Long term borrowings		-	258.51	-
Short term borrowings		-	-	-
Trade payables		137.55	-	-
Other financial liabilities		34.92	-	-
As at March 31, 2019		Less than 1 year/ On Demand	1 to 5 years	More than 5 years
Finance lease obligations		-	-	-
Deposits payable		-	-	-
Long term borrowings		-	93.61	-
Short term borrowings		-	-	-
Trade payables		56.67	-	-
Other financial liabilities		44.73	-	-
Particulars		Foreign Currency		Local Currency
<b>30</b>	<b>Exposure in Foreign Currency</b>			
(A)	Outstanding overseas exposure not being hedged against adverse currency fluctuation			
	i) Export Receivable	CY	USD	-

31	Disclosure as required by INDAS 33- Earning Per Share. Particulars	Year ended 31st March.2020		Year ended 31st March.2019
	Net Profit After tax		129.04	118.48
	Weighted Average number of equity shares for Basic EPS(Nos.)		9,043,650	9,043,650
	Face Value Per share		₹ 10/-	₹ 10/-
	Basic EPS (₹)		1.43	1.31
	Diluted EPS (₹)		1.43	3.12

<b>32</b>	As per INDAS 36 impairment of Assets, the company has assessed the conditions of all assets used in its operation and is of the opinion that there is no impairment of assets, hence no provision was made.			
<b>33</b>	In the opinion of the management current assets, loan and advances are of the value stated, if realized in the ordinary course of business.			
<b>34</b>	<b>Assets Taken on Operating Lease</b> The office premises has been taken on operating lease on annual basis and is annually renewable. The lease Agreements does not have any escalation clause for renewal of lease. There are no Sub-Leases and leases are generally cancellable in nature.			
<b>35</b>	The Balances of debtors and creditors, loan and advances are subject to confirmation and their pending reconciliation. Such balances are reflected in the balance sheet as appearing in the books of accounts.			
<b>36</b>	Disclosure As per Clause 32 of Listing agreement with the stock exchanges			
	a) Loan and advances to subsidiary.			
	<b>Name of Company</b>	<b>Relationship</b>	<b>31-Mar-2020</b>	<b>₹ In Lacs Maximum balance outstanding during</b>

Eclat Net Advisors Private Limited	Subsidiary	14.69	the year ended 31st March 2020 161.45
Aas per our report of even date attached.			
<b>For K. SINGH &amp; ASSOCIATES</b> Chartered Accountants Firm No 012458N	<b>For and on behalf of the Board</b>		
<b>Kultar Singh</b> Partner Membership No. - 091673	<b>Sanjay Aggarwal</b> Managing Director DIN No: 02580828	<b>Anubha Aggarwal</b> Director DIN No. 02557154	
Place : Chandigarh Dated : 29.05.2019	<b>Sheetal Kapoor</b> CFO	<b>Anju Sharma</b> Company Secretary	



<b>EMERALD LEASING FINANCE &amp; INVESTMENT COMPANY LIMITED</b>		
<b>CONSOLIDATED STATEMENT OF CASH FLOW ( Pursuant to INDAS-7) Indirect Method</b>		
<b>FOR THE YEAR ENDED MARCH 31, 2020</b>		
<b>PARTICULARS</b>	<b>Year Ended</b>	<b>Year Ended</b>
	<b>31st March, 2020</b>	<b>31st March, 2019</b>
	` ('000)	` ('000)
<b>1. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>NET PROFIT BEFORE TAX</b>	<b>163.95</b>	<b>162.86</b>
<b>Add:</b>		
Depreciation	3.12	2.60
Miscellaneous Expenses Written Off	4.61	0.94
Financial Expenses	44.13	16.21
	<b>51.86</b>	<b>19.75</b>
<b>Less:</b>		
Deferred Tax Liability	(0.01)	(0.35)
Provision for Tax	34.92	44.73
Income Tax Adjustment during the year	(2.78)	0.14
Others	1.07	
Provision for Standard Asset	2.57	
Provision for Dividend	13.84	11.07
Tax On Dividend	2.85	2.27
	<b>52.46</b>	<b>57.72</b>
<b>Operating profit for working capital changes</b>	<b>163.35</b>	<b>124.89</b>
(Increase) / Decrease in trade receivable	32.46	(1.04)
(Increase) / Decrease in Loans & Advances	(637.49)	(619.39)
Increase / (Decrease) in Trade Payables & Others	71.07	1.40
	<b>(370.61)</b>	<b>(494.14)</b>
<b>Cash Generated from / (used in) operating activities</b>	<b>(370.61)</b>	<b>(494.14)</b>
Direct Taxes paid / deducted at source	-	-
<b>Net cash generated from / (used in) operating activities</b>	<b>(A) (370.61)</b>	<b>(494.14)</b>
<b>2. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Misc Expenditure	(18.35)	
Purchase of Fixed Assets	(3.41)	(6.69)
Purchase of Investment in subsidiary	-	-
Interest Received	-	
<b>Net Cash from / (used in) Investing Activities</b>	<b>(B) (21.76)</b>	<b>(6.69)</b>
<b>3. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Share capital		760.62
Proceeds from Unsecured Loans	164.90	10.54
Interest Paid	(44.13)	(16.21)
<b>Net Cash from / (used in) Financing Activities</b>	<b>(C) 120.77</b>	<b>754.95</b>
<b>4. NET INCREASE / (DECREASE) IN CASH &amp; CASH EQUIVALENTS</b>	<b>(A)+(B)+(C) (271.60)</b>	<b>254.12</b>
<b>5. CASH &amp; CASH EQUIVALENTS AS AT THE BEGINNING OF THE YEAR</b>	430.99	176.87

<b>6. CASH &amp; CASH EQUIVALENTS AS AT THE END OF THE YEAR</b>		<b>159.39</b>	<b>430.99</b>
Cash and Cash equivalents ( Year end)		159.39	430.99
FLDG with Banks		1	
Balances with banks with restatement (including cc & od balances)		11.07	
Cheques/Drafts in hand		76.58	242.70
Cash in Hand		67.41	172.35
		3.53	-
<b>Reconciliation of Cash and Cash equivalents</b>			
Cash and Cash equivalents as per Balance Sheet		159.39	430.99
Balances with banks in CC Accounts		-	-
Balances with banks in OD Accounts		-	-
		<b>159.39</b>	<b>430.99</b>

**For and on behalf of the Board**

**Sanjay Aggarwal**  
Managing Director  
DIN No: 02580828

**Anubha Aggarwal**  
Director  
DIN No. 02557154

**Place : Chandigarh**  
**Dated : 15-07-2020**

**Sheetal Kapoor**  
CFO

**Anju Sharma**  
Company Secretary

**Auditor's Certificate**

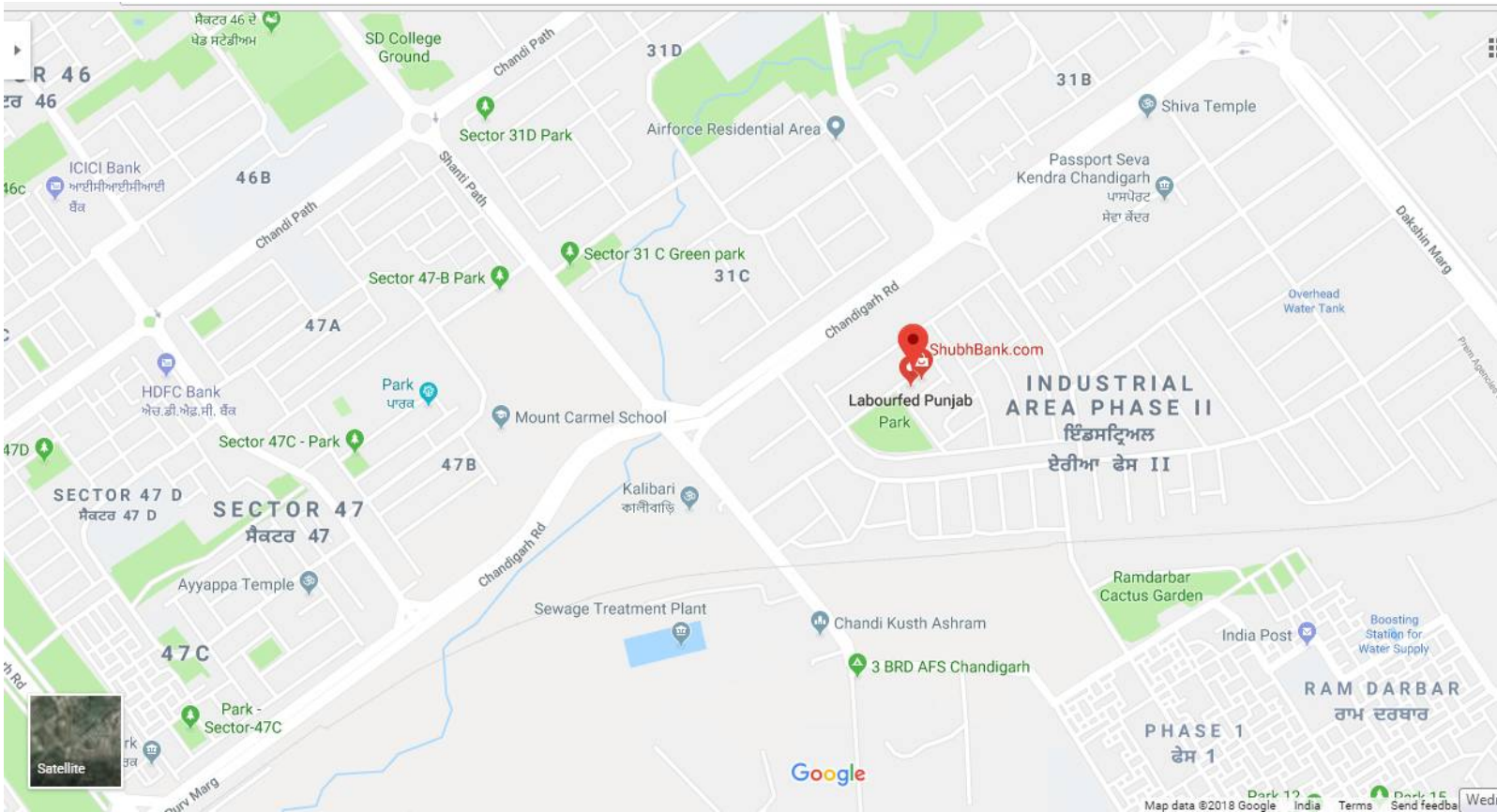
We have examined the attached cash flow statement of Emerald Leasing Finance & Investment Company Limited for the year ended 31st March, 2019. The Statement has been prepared by the company in accordance with the requirement of the listing agreement Clause 32 with Stock Exchange and is based on and derived from the audited accounts of the Company for the year ended 31st March, 2019.

**For K. SINGH & ASSOCIATES**  
Chartered Accountants  
Firm No 012458N

**Kultar Singh**  
Partner  
Membership No. - 091673

**Place : Chandigarh**  
**Dated : 15-07-2020**

# LOCATION MAP



**Proxy form**

*[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]*

CIN: L65993CH1983PLC041774

Name of the company: EMERALD LEASING FINANCE & INVESTMENT COMPANY LIMITED

Registered office: SCO 7, Industrial Area, Phase-II, Chandigarh - 160 002

Name of the member (s):

Registered address:

E-mail Id:

Folio No/ Client Id:

DP ID:

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

1. Name: .....

Address:

E-mail Id:

Signature:....., or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the .....Annual general meeting/ Extraordinary general meeting of the company, to be held on the ..... day of ..... At ..... a.m. /p.m. at.....(place) and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

1.....

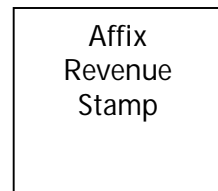
2.....

3.....

Signed this..... day of..... 20....

Signature of shareholder

Signature of Proxy holder(s)



Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

**ATTENDANCE SLIP**

for the 37<sup>th</sup> Annual General Meeting  
to be handed over at the registration counter

**Folio No./ DPID & Client ID:**

**Name:**

**Address:**

I/ We hereby record my/our presence at the 37<sup>th</sup> Annual General Meeting of the company on Wednesday, September 30, 2020 at 9.00 A.M at the registered office of the company at SCO 7, Industrial Area, Phase-II, Chandigarh - 160 002

.....  
Name of the Member/ Proxy

.....  
Signature of the member/proxy

**Note:**

1. A member or his duly appointed Proxy wishing to attend the meeting must complete this Attendance slip and hand it over at the entrance.
2. Name of the Proxy in block letters.....(in case the proxy attends the meeting).
3. Members are requested to bring their copies of the Annual Report to the meeting .